



U.S. Department of Justice

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ROCKFORD MAN CHARGED WITH CONCEALMENT OF ASSETS AND OBSTRUCTION OF JUSTICE IN BANKRUPTCY PROCEEDINGS

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; and ROBERT D. GRANT, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation, today made the following announcement:

This morning, a federal grand jury in Rockford returned a four-count indictment charging **JAMES E. PERSFULL**, 50, of Rockford, with the concealment of assets in a bankruptcy and obstruction of justice.

The indictment alleges that on March 14, 2003, Persfull filed a petition for bankruptcy with the United States Bankruptcy Court in Rockford. According to the indictment, individuals who file bankruptcy are required to disclose all of their property to the bankruptcy court. The debtor's property is then placed into an "estate." Monies from the estate are divided up and paid to the debtor's creditors on a pro rata basis. In a Chapter 7 bankruptcy case, this further includes any inheritance or proceeds from a life insurance policy or death benefit plan that a debtor may become entitled to within 180 days after filing bankruptcy.

The indictment states that during a creditors meeting on April 21, 2003, Persfull's attorney revealed that Persfull's mother was very ill and Persfull was advised by the Bankruptcy Trustee that he was required to notify the Bankruptcy Trustee if he received notice that he had become entitled to receive an inheritance. Two days later, Persfull's mother passed away.

According to the indictment, Persfull concealed information from the Bankruptcy Trustee that his mother had died, that she had a will, that Persfull had become entitled to a property interest in his mother's estate, as well as to proceeds of her life insurance policy which named Persfull and his brother as equal beneficiaries. The indictment also alleges that Persfull concealed his interest in an E*Trade account held in his brother's name, and in his electrical business known as Lazer Electric.

Further, the indictment alleges that Persfull obstructed justice by concealing his interest in his mother's estate and his entitlement to life insurance benefits from the Bankruptcy Trustee, failing to amend his bankruptcy schedules accordingly, concealing "Disclaimer of Inheritance" and "Declination of Office" documents he signed, and the fact that he received and retained proceeds from the life insurance policy on his mother's life.

If convicted of the crimes charged in the indictment, Persfull faces a maximum penalty of up to 5 years imprisonment, and a fine of up to \$250,000 for each of three counts of concealment of property belonging to the bankruptcy estate. The count for obstruction of justice carries a maximum penalty of up to 10 years imprisonment, and a fine of up to \$250,000. If convicted, the defendant's actual sentences will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

Persfull will be arraigned by United States Magistrate Judge P. Michael Mahoney on Tuesday, May 27, 2008, at 11:15 a.m. The arraignment will occur at the federal courthouse in Rockford.

The case is being investigated by the Rockford office of the FBI. The case will be prosecuted in federal court by Assistant United States Attorney MICHAEL D. LOVE.

Members of the public are reminded that an indictment is only a charge and is not evidence of guilt. The defendant is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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