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FOR IMMEDIATE RELEASE
THURSDAY MAY 6, 2004

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TWO CHICAGO AREA CLERGY CHARGED IN SEPARATE FEDERAL TAX FRAUDS

CHICAGO – Two Chicago area clergy are facing federal charges for allegedly skimming funds from their congregations and violating federal tax laws, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and James W. Martin, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago, announced today. In one case, a Roman Catholic priest in Joliet allegedly failed to report more than \$32,000 in income that he misappropriated from church funds, including at least \$100 a week from weekly collections and at least \$2,700 from spaghetti dinners. In the second case, an Apostolic Pentecostal Church bishop in Chicago allegedly filed false tax returns for several years in which he misappropriated hundreds of thousands of dollars of church funds, in part, by skimming approximately \$1,000 a week from the church's Sunday offerings.

The priest, the Rev. **Arthur LaPore**, pastor of St. Anthony's Catholic church in Joliet, was charged in a criminal information filed today with one count of filing a false individual federal income tax return for 1997. According to the charges, Rev. LaPore, 56, of Oak Brook, reported taxable income of \$73,499, knowing that he had additional income of \$32,760 during that year. He allegedly misappropriated at least \$24,860 of church funds for personal expenses, in addition to

skimming at least \$100 weekly from collections and at least \$300 from nine spaghetti dinner night fundraisers held by the church.

He will be arraigned at a later date in U.S. District Court.

The bishop, **William Anthony Ellis**, minister at the Apostolic Pentecostal Church of Morgan Park, was charged in a seven-count indictment returned late yesterday by a federal grand jury. Bishop Ellis, 61, of Flossmoor and formerly of Olympia Fields, was charged with four counts of filing false individual income tax returns, two counts of failing to file tax returns and one count of illegal structuring of monetary transactions. He will be arraigned at a later date in U.S. District Court.

According to the indictment, the Apostolic Pentecostal Church paid Bishop Ellis a salary each year and provided him with a house and an automobile to use for church business. During calendar years 1997-2001, Bishop Ellis allegedly converted church funds to his own use by:

- skimming approximately \$1,000 in cash a week from the church's Sunday offerings;
- using church funds to pay for a new 1998 Mercedes Benz, which was in addition to the Mercedes Benz that the church provided for church business;
- using the church's American Express credit card for personal expenses for himself and others, including trips for his family and others and clothing for himself and others; and
- using the church's bank accounts for personal expenses for himself and others, such as paying for his auto and life insurance policies and his personal credit card bills.

The four filing false return counts allege the following:

1997 – reporting total income of \$109,92, knowing that his total income was substantially greater, and reporting tax due of \$1,220, knowing that he owed substantially more;

1998 – reporting total income of \$89,094, knowing that his total income was substantially greater, and reporting zero tax due and a claiming a refund of \$327, knowing that he was not entitled to a refund;

2000 – reporting total income of \$74,375, knowing that his total income was substantially greater, and reporting zero tax due and a claiming a refund of \$2,271, knowing that he was not entitled to a refund; and

2001 – reporting total income of \$82,142, knowing that his total income was substantially greater, and reporting zero tax due and a claiming a refund of \$1, knowing that he was not entitled to a refund.

For calendar year 1999, the indictment alleges that Bishop Ellis failed to file a timely tax return when he received gross income of at least \$180,689, consisting of his salary of \$74,200 and approximately \$106,489 in church funds that he misappropriated. He also allegedly failed to file a timely return for calendar year 2001, when he received gross income of \$143,962, consisting of his salary of \$82,142 and approximately \$61,820 in church funds that he misappropriated.

The indictment also alleges that in February 2001, Bishop Ellis agreed to purchase \$140,000 worth of shares in a former company called Screen Media, Inc., and that he did so by tendering \$100,000 in church funds, a \$10,000 cashier's check, and five additional cashier's checks totaling \$30,000. In the first week of March 2001, he allegedly obtained the five cashier's checks totaling \$30,000, in amounts ranging from \$500 to \$10,000, to avoid currency transaction reporting requirements. The indictment also seeks forfeiture of \$30,000 representing that amount.

If either defendant is convicted of filing a false tax return, each would face a maximum penalty of three years in prison and a \$250,000 fine, together with mandatory costs of prosecution, on each count.

In addition, if convicted, Bishop Ellis faces a maximum penalty of one year in prison and \$100,000 fine, together with mandatory costs of prosecution, on each count of wilfully failing to file

a tax return, and a maximum penalty of five years in prison and a \$250,000 fine on the illegal monetary structuring count.

In the LaPore case, the government is being represented by Assistant U.S. Attorney Stephen Kubiowski. In the Ellis case, the government is being represented by Assistant U.S. Attorney Valarie Hays.

In each case, the public is reminded that indictments contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt. If convicted, the Court will impose determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

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