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Department of Justice

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FORMER MANAGER FOR NORTH TOWNSHIP INDICTED

Hammond, IN—The United States Attorney's office today announced the return of an eleven count indictment against Robert J. Cantrell. Cantrell, age 65, of Schererville, Indiana, was employed by the North Township Trustee's office from 2000 through 2006. The indictment charges mail fraud in furtherance of deprivation of honest services, mail fraud in furtherance of insurance fraud and filing false federal income tax returns.

Under Indiana law, a public servant cannot knowingly have a financial interest in or receive income from a contract with a government entity served by the public servant unless numerous notice requirements are met. The indictment alleges that while employed by North Township, Cantrell had a financial interest in a contract between North Township and Addiction and Family Care, Inc. (AFC) which was not disclosed and that Cantrell received money from that contract.

The indictment also alleges that Cantrell defrauded two insurance companies, Anthem Blue Cross and Blue Shield and John Alden Life Insurance Company, by causing AFC to submit to the two insurance companies false group health insurance applications for two individuals. The group health insurance applications falsely certified that the two individuals were full time employees of AFC when in fact the two individuals were not employed by AFC.

Finally, the indictment alleges that Cantrell knowingly signed under penalty of perjury, and submitted to the Internal Revenue Service, four false federal income tax returns for tax years 2000 through 2003. Cantrell knowingly omitted three types of income from his federal income tax returns for those years: (1) cash income from AFC; (2) income diverted at Cantrell's direction to another individual; and (3) income diverted at Cantrell's direction

to health insurance premiums for two individuals. During those four years, Cantrell knowingly failed to report on his federal income tax returns income of approximately \$150,000.

The indictment also seeks forfeiture from Cantrell of all fraudulently derived proceeds.

This indictment was the result of an investigation by Operation Restore Public Integrity. Operation Restore Public Integrity is an ongoing investigative effort by the United States Attorney's Office, Federal Bureau of Investigation, the Internal Revenue Service, and the Indiana State Police, into allegations of public corruption in northwest Indiana. This case has been assigned to and will be prosecuted by Assistant United States Attorneys Wayne T. Ault and Orest Szewciw, who can be reached at 219-937-5500 for any inquiries.

The specific sentence to be imposed upon conviction in this case will be determined by the judge after a consideration of federal sentencing statutes and the Federal Sentencing Guidelines.

The United States Attorney's Office emphasized that an Indictment is merely an allegation and that all persons charged are presumed innocent until and unless proven guilty in court.

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