



U. S. Department of Justice



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FOR IMMEDIATE RELEASE
TUESDAY NOVEMBER 20, 2012
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OWNER OF BANKRUPT HOME BUILDING COMPANY INDICTED ON FEDERAL BANK FRAUD CHARGES RELATED TO COLLAPSE OF ALGONQUIN PROJECT

CHICAGO — The former owner of an area home building company that went bankrupt in 2008, leaving unfinished a commercial and residential property development in northwest suburban Algonquin, is facing federal bank fraud charges related to the collapse of the project, known as Riverside Square. The defendant, **Bruce Hawkins**, who owned Aspen Homebuilders, Inc., was arrested yesterday in Denver, where he now lives, after being indicted last week by a federal grand jury in Chicago.

Hawkins, 62, formerly of Algonquin, was charged with eight counts of bank fraud for allegedly defrauding Amcore Bank of more than \$1 million. He was released on a \$25,000 unsecured bond after appearing yesterday in Federal Court in Denver, and he was ordered to appear for arraignment at 11:30 a.m. on Nov. 27 before U.S. Magistrate Judge Jeffrey Gilbert in U.S. District Court in Chicago.

The charges were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois, and John Lucas, Special Agent-in-Charge of the Federal Deposit Insurance Corporation Office of Inspector General in Chicago.

According to the indictment, in September 2006, Hawkins, acting through Riverside Square, LLC, obtained a \$13.54 million commercial loan to finance the construction of Riverside Square, located at 1100 West Algonquin Rd. Between January 2007 and June 2008, Hawkins fraudulently obtained slightly more than \$1 million in loan proceeds from Amcore Bank by submitting false contractor statements, waiver of liens, and contract invoices that requested funds purportedly for permits, construction work, and consulting work for the development, the indictment alleges.

To obtain funds from the bank loan, Hawkins allegedly submitted false contractor statements to the bank in which he verified that subcontractors and his company were owed funds for work performed on Riverside Square. Hawkins submitted, and caused the submission of, false lien waivers and invoices for work performed to the title company, which was designated by Amcore Bank to keep and disburse funds for the project, the charges allege. After these documents were submitted, the bank authorized the title company to disburse funds to Hawkins and the subcontractors. In one instance, in June 2008, Hawkins allegedly obtained an additional \$25,000 by altering an invoice from a subcontractor by changing a “6” to an “8” and a “3” to an “8” so that the claimed amount of \$163,700 instead read \$188,700.

The indictment seeks forfeiture of at least \$1,017,183.

Each count of bank fraud carries a maximum penalty of 30 years in prison and a \$1 million fine, and restitution is mandatory. If convicted, the Court must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines.

The government is being represented by Assistant U.S. Attorney Sunil Harjani.

The investigation falls under the umbrella of the Financial Fraud Enforcement Task Force, which includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a

powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: www.StopFraud.gov.

An indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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