

Legal Professional Sentenced for Concealing Bankruptcy Assets in Trust Account



Jan R. Kowalski, a lawyer based in LaGrange, Illinois, has been sentenced to 37 months in prison for using her attorney trust account to help her brother hide over \$357,000 from creditors during a bankruptcy proceeding. The sentencing comes after Jan Kowalski's guilty plea last year, with reports from the Chicago Tribune, Law360, and the Chicago Sun-Times providing details of the case.

According to prosecutors, Jan Kowalski collaborated with her brother, Robert M. Kowalski, to conceal the money in 2018. In an attempt to cover up the scheme, she fabricated documents and made false statements to the federal bankruptcy court. These actions aimed to prevent creditors from discovering the assets that should have been included in the bankruptcy process.

The Department of Justice issued a press release regarding the case, highlighting the severity of the charges against Jan Kowalski. In addition to her prison sentence, she was ordered to pay \$357,492 in restitution for the hidden assets.

Jan Kowalski and Robert Kowalski both faced repercussions from the Illinois State Bar Association, resulting in an interim suspension in 2021. The disciplinary action reflects the seriousness of their misconduct and underscores the commitment to upholding ethical standards within the legal profession.

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Robert Kowalski faced separate legal troubles, having been convicted earlier in the year for conspiring with the former president of the Washington Federal Bank for Savings. Their collaboration involved obtaining collateral-free loans and concealing assets and income during bankruptcy proceedings. Robert Kowalski pleaded guilty to bankruptcy fraud, embezzlement, and conspiracy charges. The collapse of the bank in 2017, with at least \$66 million in nonperforming loans, led to further investigations and legal actions.

Another sibling, William Kowalski, reached a deferred prosecution agreement and is currently cooperating with prosecutors. He confessed to embezzling approximately \$190,000 alongside Robert Kowalski, intending to use the funds to purchase a boat named after a spell in the Harry Potter book series.

The saga surrounding the case took a tragic turn when the former bank president, John Gembara, reportedly took his own life in December 2017 at a residence in suburban Chicago. Gembara's involvement and subsequent demise added to the complexity and gravity of the overall situation.

During the sentencing hearing, Jan Kowalski pleaded for probation, emphasizing her responsibilities as the caregiver for her elderly mother and her 30-year-old son, for whom she has guardianship. However, U.S. District Judge Virginia Kendall of the Northern District of Illinois reminded Jan Kowalski that she engaged in fraudulent activities when her adult siblings also needed her assistance.

The case serves as a reminder of the consequences that legal professionals may face when they choose to act unlawfully or unethically. It underscores the importance of maintaining trust and transparency in the legal system, particularly when handling clients' assets and participating in bankruptcy proceedings.

Jan Kowalski's prison sentence and restitution order aim to hold her accountable for her actions and send a clear message about the seriousness of such offenses. As legal proceedings continue and cooperation from William Kowalski assists prosecutors, further details may emerge, shedding additional light on this intricate case.

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