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**CHICAGO MAN ARRESTED FOR ALLEGEDLY TAKING CASH TO ASSIST WITH
FILING FALSE BANKRUPTCY CASE TO AVOID CITY AUTO IMPOUND FEES**

CHICAGO — A Chicago man was arrested today for allegedly soliciting and accepting a \$600 cash payment to assist with filing a false bankruptcy case to avoid paying a fine or fees to the City of Chicago before obtaining the release of a vehicle from the city's auto pound. The defendant, DANIEL RANKINS, was charged with bankruptcy fraud after an undercover investigation by the FBI and the City of Chicago's Office of Inspector General.

Rankins, also known as "Little D," 30, of Chicago, is scheduled to appear at 2 p.m. today before U.S. Magistrate Judge Mary Rowland in Courtroom 1342 of the Dirksen Federal Courthouse.

According to the unsealed complaint affidavit, authorities are investigating various individuals, including Rankins, who, in exchange for cash payments, orchestrate and assist in the filing of false bankruptcy petitions to avoid paying impound fees to the city. As a result of the allegedly fraudulent bankruptcy cases, the city suffers the loss of fines and fees due for each impounded vehicle, while the U.S. Bankruptcy Court suffers the loss of the \$306 filing fee for each case.

In May 2012, the City of Chicago's Department of Revenue (now Finance Department) alerted the U.S. Trustee for the Northern District of Illinois, which administers individual bankruptcy cases and liquidates debtors' nonexempt assets, to a significant increase in the number of individuals who appeared to be using bankruptcy as a means of obtaining the release of their vehicles from city auto pounds without paying associated fines or fees. The city requires that individuals present their impound paperwork and pay what is owed at the Revenue Department before the city will release their vehicles from the pound. Revenue Department officials told the U.S. Trustee's office that it appeared as though individuals were approaching people at the revenue office and assisting with filing false Chapter 7 bankruptcy cases to get their vehicles released without paying fines or fees.

The U.S. Trustee's Office reviewed and identified more than 1,000 individual *pro se* bankruptcy filings in which the only creditors identified in the petitions were the Revenue Department and the city's auto pounds. In almost all of these cases, the debtors filed applications claiming an inability to pay the \$306 Bankruptcy Court filing fee.

According to the bankruptcy trustee's office, almost all of these cases contained additional indications that the cases were filed fraudulently, with the debtors failing to appear at court hearings to review their applications to waive the filing fee. Eventually, nearly all of these cases were dismissed due to the failure of the debtors to file required documents, and the filing fees were never collected.

The complaint affidavit details an undercover operation on Jan. 7, 2013, to identify individuals who accepted cash in exchange for assisting with the filing of a false bankruptcy petition to obtain the release of impounded vehicles. An undercover officer went to the Revenue

Department office, located at 400 West Superior St., and was approached by an individual who allegedly arranged for Rankins to contact the officer, which he did, later that day. The undercover officer told Rankins that \$4,200 was owed to get a car released from the city pound, and Rankins allegedly said that he usually charged half of what a person owed the city to get their car. The officer told Rankins that he/she had only \$600 and they arranged to meet that afternoon.

While driving the officer to the Dirksen Federal Courthouse, Rankins allegedly provided bankruptcy filing paperwork that was already completed except for the petitioner's personal and vehicle information, and signature. Rankins allegedly explained that the officer was "wiping out" the city as a creditor by filing the bankruptcy. After completing the paperwork, the undercover officer entered the courthouse and filed the bankruptcy petition. The officer returned to Rankins' vehicle, paid Rankins the \$600, and was driven back to the Revenue Department, where Rankins instructed the officer to enter the east side of the building and speak with a Revenue Department representative who accepted the bankruptcy paperwork.

Bankruptcy fraud carries a maximum penalty of five years in prison and a \$250,000 fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

Rankins' arrest and charge were announced by Gary S. Shapiro, United States Attorney for the Northern District of Illinois; Cory B. Nelson, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and Joseph Ferguson, City of Chicago Inspector General. The U.S. Bankruptcy Court and the U.S. Trustee's Office for the Northern District of Illinois cooperated and assisted with the investigation, which is continuing.

The government is being represented by Assistant U.S. Attorney Megan Church.

The public is reminded that a complaint 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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