



## U.S. Department of Justice

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### **Former Chicago Man Sentenced to 18 Months in Federal Prison for Accepting Cash to Help 80 People Avoid City Impound Fees**

CHICAGO — A former Chicago resident who accepted cash payments to help 80 people file false bankruptcy petitions as a way of avoiding City of Chicago impound fees was sentenced today to 18 months in federal prison.

Daniel Rankins, 32, of Storm Lake, Iowa, and formerly of Chicago, pleaded guilty in December to one count of bankruptcy fraud. He was ordered to pay \$142,737.00 in restitution by U.S. District Judge Robert M. Dow Jr. Rankins must surrender to begin serving his sentence on Sept. 29, 2015.

“What he came up with was a pretty sophisticated system,” Judge Dow said in imposing the sentence. “He could have found a better way to apply himself.”

Rankins assisted 80 people with filing false Chapter 7 bankruptcy cases in order to get their vehicles released from the City of Chicago impound lot without paying fines or fees. Rankins had approached these individuals outside a City office or was referred to them by acquaintances. He personally accompanied them to the U.S. Bankruptcy Court in downtown Chicago, and furnished them with partially completed bankruptcy applications which named the City and its impound lot as the only creditors. In exchange, Rankins accepted cash payments from the false debtors which equaled approximately half of what was owed to the City.

“This was a sophisticated hustle,” said Assistant U.S. Attorney Megan Church, who represented the government. “It was a street scam, and he was ripping off the taxpayers.”

The scheme was uncovered in May 2012 when the City of Chicago's Department of Revenue (now Finance Department) alerted the U.S. Trustee for the Northern District of Illinois to a significant increase in the number of individuals who were using bankruptcy as a means of obtaining their impounded vehicles without paying fines or fees. The U.S. Trustee's Office reviewed the applications and learned that the false debtors had claimed an inability to pay the \$306 Bankruptcy Court filing fee and hadn't appeared for court hearings. All of the cases were eventually dismissed, and the court fees were never collected.

In January 2013 Rankins arranged for an undercover officer to file a false bankruptcy petition under the guise of obtaining a release of the officer's vehicle from the impound lot, in exchange for a cash payment to Rankins of \$600.

The sentence was announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois; Robert J. Holley, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Joseph M. 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.

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