



Robert D. Falor Indicted by a Chicago Federal Grand Jury for Alleged Federal Tax Evasion

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 8:28 AM September 2, 2011

The U.S. Attorney's Office Northern District of Illinois on September 1, 2011 released the following:

“FORMER CONDO-HOTEL DEVELOPER ARRESTED ON FEDERAL CHARGES ALLEGING EVASION OF MORE THAN \$1.75 MILLION IN INCOME TAXES CHICAGO —

A former real estate developer who attempted to convert hotels in Chicago, Miami Beach and elsewhere into condominium-hotels was arrested today on federal tax evasion charges alleging that he failed to pay more than \$1.75 million in taxes covering three years between 2004 and 2007. The defendant, Robert D. Falor, who was the chief operator and manager of The Falor Companies, Inc. (TFC), was charged with three counts of federal income tax evasion in an indictment that was returned by a federal grand jury on Tuesday and unsealed today following his arrest.

Falor, 43, of Chicago and formerly of Glencoe, pleaded not guilty at his arraignment this morning before U.S. District Judge Virginia Kendall, who scheduled a detention hearing for 10 a.m. tomorrow in Federal Court in Chicago.

The arrest and charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago; and Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago. The investigation is continuing, they said.

According to the indictment, Falor was an owner of multiple businesses, including limited liability companies, that he and others created to own and manage the affairs of various TFC condohotel properties. In converting hotels to condohotels, individual guest rooms would be sold to investors as separately titled condominium units and rented by a TFC-related hotel management company to guests when the owner was not in residence, with the owner receiving a percentage of the rental fee.

Falor operated multiple condo-hotel ventures in the mid-2000s, including the Blake Hotel, located at 500 S. Dearborn St., in Chicago, and the Tides Hotel on Ocean Drive in Miami Beach, but TFC ceased business operations in 2006, according to the indictment.

The tax evasion counts allege that Falor failed to pay the following amounts in federal income taxes: \$189,246 for calendar year 2004; \$494,261 for calendar year 2006; and \$1,091,216 for calendar year 2007, resulting in a total of \$1,774,723 in unpaid taxes. For 2006 and 2007, Falor allegedly evaded taxes, in part, by failing to file federal individual income tax returns. For 2004, he filed a tax return in October 2007 that allegedly under-reported his income and the amount of taxes he owed.

During 2007, the indictment alleges that Falor had two sources of unreported taxable income: more than \$2.3 million from the Blake Hotel and more than \$2.9 million in capital gains resulting from the dissolution of certain limited liability companies. Falor allegedly deposited the \$2.3 million of income from the Blake Hotel into various bank accounts through a series of more than 200 banking transactions. During 2007, he had taxable income of approximately \$4,837,308, on which he owed income tax of approximately \$1,091,216, the indictment charges, adding that he failed to file a return or pay any taxes by the deadline.

During 2006, Falor allegedly received taxable income of more than \$1.25 million from the Blake Hotel. In addition, more than \$1.65 million in loans from TFC became taxable income to Falor in 2006 because he failed to repay the loans when TFC ceased operations. The loans had accrued to Falor between 2003 and 2006 when he directed TFC employees to pay his personal expenses from company accounts and to record the payments as loans, the indictment states. During 2006, he had taxable income of approximately \$1,825,326, on which he owed income tax of approximately \$494,261, the indictment charges, adding that he failed to file a return or pay any taxes by the deadline.

During 2004, the indictment alleges that Falor had three sources of unreported

taxable income: approximately \$1,294,424 in capital gains from the sale of certain interests in limited liability companies; approximately \$472,955 in capital gains from a distribution from a limited liability company that participated in the management of the Tides Hotel; and at least \$201,485 from certain companies that he deposited into a bank account he controlled. During 2004, he had taxable income of approximately \$1,332,391, on which he owed income tax of approximately \$189,246, the indictment charges. On Oct. 3, 2007, Falor allegedly filed an income tax return for 2004 that reported no capital gains and under-reported his income from various companies, resulting in a tax due of only \$2,102, when he actually owed the greater amount of approximately \$189,246.

The government is being represented by Assistant U.S. Attorneys Ryan S. Hedges and Barry Jonas.

Each count of tax evasion carries a maximum penalty of five years in prison and a \$250,000 fine. In addition, defendants convicted of tax offenses face mandatory costs of prosecution and remain civilly liable to the Government for any and all back taxes, as well as a civil fraud penalty of 75 percent of the underpayment plus interest. If convicted, the Court, must impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The public is reminded that 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.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.



Martin Antonio Montoya Sentenced by U.S. District Judge Hilda Tagle to 50 months in Federal Prison for Bank Robbery

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 8:17 AM September 2, 2011

The U.S. Attorney's Office Southern District of Texas on September 1, 2011 released the following:
"Bank Robber Sentenced to 50 Months BROWNSVILLE, Texas – Martin Antonio Montoya, 22, has been sentenced to 50 months in prison and ordered to pay restitution to the Bank of America in the amount of \$1,174.58, United States Attorney José Angel Moreno announced today. U.S. District Judge Hilda Tagle handed down the sentence today and also ordered him to serve a three-year-term of supervised release following his release from prison.

On Dec. 13, 2010, Montoya, of Brownsville, Texas, wearing a hooded sweatshirt and a black baseball cap, entered the Bank of America in Brownsville, Texas, and waited in line to speak to a bank teller. After approaching the counter, Montoya handed the bank teller a note demanding she give him all her money or else he was going to hurt her as well as everyone in the bank. A total of \$1,610 was handed over to Montoya, who then fled the bank.

FBI in Montana: Fraud Case Shows 'It's Not a Small World'

fbi (White-Collar Crime)

Submitted at 6:00 AM September 2, 2011

How an FBI sting unraveled a fraud case with victims as far away as Texas and Florida.

Montoya's mother turned him in after video footage from the bank was shown in the local news. Montoya was subsequently arrested at the Red Roof Inn in Brownsville, Texas. A search of Montoya's residence resulted in the recovery of \$435.42 that was taken from the bank.

Montoya pleaded guilty on March 3, 2011. He has been in custody since his arrest where he will remain pending transfer to a Bureau of Prisons facility to be determined in the near future.

The FBI and Brownsville Police Department led the investigation leading to the arrest of Montoya. The case was prosecuted by Jose A. Esquivel, Jr."

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.