



TAMPA BAY BANKRUPTCY CENTER, P.A.

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December 23, 2010

Former Mayor's Assets Saved through Bankruptcy

Robert Pastrick, the former mayor of East Chicago had his assets saved from being seized to help pay for his \$108 million debt when he filed for bankruptcy protection in the nick of time. At first, US bankruptcy judge Christopher Nuechterlein ruled allowing US Marshalls access to Pastrick's assets in his Ogden Dunes home and a storage locker in Portage to seize and dispose of them to raise money to pay his debts.

The state has been making attempts to collect the outstanding amount of \$108 million that came about when Pastrick and other East Chicago city officials participated in the sidewalks-for-votes fraud scheme. They were convicted by a federal court judge of racketeering and running a corrupt activity. Under the scheme, the city spent \$25 million to pour sidewalks, patios and driveways and remove trees from private properties in order to gain votes for Pastrick in the primary elections in 1999 when he was facing his challenger, Stephen Stiglich.

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The other city officials, three city councilmen and three city administrators, each received criminal convictions whereas Pastrick's case is civil. The state requested the court for permission to seize Pastrick's assets of value such as jewelry, bonds and works of art found on his properties to pay for his debts. The state also surveyed local banks to find out if Pastrick held any accounts with them. All the banks questioned by the state replied that he did not. Subsequently, Pastrick applied for bankruptcy protection and as a result, his assets were saved.

Pastrick's bankruptcy filing valued his assets at between \$100,000 and \$500,000 whereas his debts amounted to more than \$100 million.

According to the filing, Pastrick has only one creditor which is the Indianapolis law firm who represented the state against him.

Pastrick's attorney, Michael Bosch stated that Pastrick has no means to repay the debt of \$108 million that he owes even if his assets are seized and sold. The other co-defendant, James Harold Fife III is also deemed to be unable to pay up. The third co-defendant, Frank Kollintzas is believed to have been in hiding for a few years somewhere in Greece.

A meeting of creditors for Pastrick is scheduled to be held January 25.

If you are facing insurmountable debts, you have the option of seeking bankruptcy protection as a way out. Call us at (813) 200-4133 for a free consultation.

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