



For Immediate Release
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CHICAGO MAN CONVICTED IN MULTI-STATE LOAN SCHEME

Chicago – Illinois Attorney General Lisa Madigan and Illinois Secretary of State Jesse White today announced the conviction of a Chicago man for loan fraud in a cross-country scheme.

Following a six-day trial in Cook County Circuit Court, the jury took less than two hours to convict Robert L. Schillaci, 69, on two counts of acting as a loan broker without registration and two counts of fraud by a loan broker. The Class 4 felonies are punishable by a maximum of one to three years in the Illinois Department of Corrections. His sentencing is scheduled for May 14.

“This conviction should send a message to con artists that Illinois will not be a base from which people can defraud innocent victims,” Madigan said. “My office will continue to aggressively prosecute individuals who attempt to skirt the law for their own personal benefit.”

The Illinois Securities Department issued an order of prohibition against Schillaci in 2006 and additional charges are pending against Schillaci in Illinois for securities fraud and also in Florida for perpetrating a similar scheme there. White advises investors, “Don’t give up your hard earned money to anyone calling themselves a loan broker, investment adviser, or any other financial professional, without checking with my office to make sure that person is properly licensed. To get more information, visit our Web site at www.avoidthescam.net.”

In his schemes, Schillaci accepted two advanced underwriting fees of \$150,000 from two Florida residents who wanted to secure commercial loans of \$1.4 million and \$1.65 million. In both cases, there was a contractual agreement that if the loan was not secured, the fee would be refunded. Schillaci diverted the loan applicants’ underwriting fees to his own personal use and failed to advise his clients that the purported loans were contingent upon a local bank accepting Brazilian bank guarantees as collateral for the loans. The guarantees were later found to be forgeries.

The case was investigated by Special Agents from the Illinois Securities Department, a division of the Secretary of State’s office. Assistant Attorneys General Neal Goodfriend and Ed Snow from Attorney General Madigan’s Financial Crimes Bureau prosecuted the case.

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