



November 10, 2016

MADIGAN: DUPAGE COUNTY THEATER OWNER SENTENCED TO PRISON FOR TAX AND BANK FRAUD

Chicago — Attorney General Lisa Madigan today announced that a DuPage County theater owner has been sentenced to five years in prison for sales tax fraud and four years in prison for bank fraud after engaging in a scheme to defraud the state and federal governments of nearly \$6 million. The sentences will run concurrent.

Ted Bulthaup, 59, of Woodridge, Ill., pleaded guilty in July to one count of Class 1 sales tax evasion and one count of Class 2 financial institution fraud. DuPage County Circuit Judge Daniel P. Guerin sentenced Bulthaup to five years prison on the sales tax fraud and four years prison on the bank fraud charge in the Illinois Department of Corrections. Bulthaup owes about \$2 million to the state, nearly \$400,000 to First Community Bank and more than \$1 million to the U.S. Small Business Administration (SBA).

From January 2013 to January 2014, Bulthaup knowingly attempted to evade a sales tax due from his two businesses, the Hollywood Blvd. movie theater in Woodridge and the Hollywood Palms cinema in Naperville by underreporting his taxable sales. In addition, from August 2011 to June 2013, Bulthaup defrauded First Community Financial Bank in Plainfield by understating his taxable sales and providing inflated income figures for those two businesses to obtain business loans from the bank, the SBA and the Illinois Department of Commerce and Economic Opportunity.

"Business owners who fail to pay their sales taxes and commit fraud to obtain government loans, must be held accountable to Illinois taxpayers," Madigan said.

"By successfully investigating and prosecuting sales tax fraud, we ensure businesses that play by the rules are not operating at a competitive disadvantage," said Connie Beard, Revenue Director. "I commend the hard work of Revenue's Criminal Investigations Division and the Attorney General's office in this joint operation."

"Ted Bulthaup engaged in a pattern of lying about the financial condition of his company in order to secure approximately \$4.8 million in refinancing for what was a failing business," said T.J. Gaylor, Special Agent in Charge in the Office of the Inspector General of the U.S. Small Business Administration. "Through defrauding SBA programs, he passed along his bad debt to the American taxpayer. This case is a good example of the success achieved when state and federal agencies join together in combating fraud."

Assistant Attorneys General Anshuman Vaidya, Sandra Talbott and John Greenwood handled the case for Madigan's Special Prosecutions Bureau. The Illinois Department of Revenue's Criminal Investigation Division investigated the tax fraud portion of the case. The U.S. Small Business Administration's Office of the Inspector General investigated the bank fraud portion of the case.

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