




**MEMORANDUM
CHICAGO HOUSING AUTHORITY
OFFICE OF THE INSPECTOR GENERAL**

OIG Reference: 2018-06-00038

To: Angela Hurlock, Chairperson, CHA Board of Commissioners
Matthew Brewer, Vice-Chair & Chair of the Finance and Audit Committee
Members of the Finance and Audit Committee

From: Kathryn Richards, Inspector General 

Date: March 17, 2023

Subject: Significant OIG Activity – Conviction of Former HCV Landlord Robert Kowalski

The Office of the Inspector General (OIG) writes to notify you that, on March 10, 2023, Robert M. Kowalski, an attorney, real estate developer, and former Chicago Housing Authority (CHA) Housing Choice Voucher (HCV) landlord, was found guilty by a federal jury in the U.S. District Court of the Northern District of Illinois, on two counts of embezzlement, six counts of bankruptcy fraud, and seven counts of tax fraud, following a nearly four week-long trial. Kowalski served a key role in the embezzlement scheme which caused the collapse of the Washington Federal Bank for Savings in Chicago's Bridgeport neighborhood.

Kowalski was a CHA landlord from 2011 until 2018. Kowalski conducted business with the CHA through limited liability corporations including Indomitable LLC, Piorun Properties LLC, and Mountain Duck Properties LLC. From 2011 through 2018, these entities were paid over \$2,000,000 in Housing Assistance Payments (HAP) on behalf of CHA participants.

As it relates to the CHA, Kowalski concealed from his bankruptcy creditors his interest in Mountain Duck Properties and five related land trusts. Between March 2018 through March 2019, Kowalski collected approximately \$34,600 in rent checks, which he concealed from his creditors, and understated income on related tax returns. In addition, the embezzlement, in part, involved the improper diversion of property to Kowalski, which he subsequently leased to HCV participants for his own benefit.

The CHA OIG worked in partnership with the U.S. Attorney's Office and federal law enforcement agencies, including, but not limited to, the U.S. Department of Housing and Urban Development's OIG, the IRS Criminal Investigation Division, and the FBI. Additionally, the OIG thanks the two CHA employees in the HCV and Finance departments who were called to testify as to CHA records at trial. Both individuals represented the CHA with the highest degree of professionalism.

Kowalski's sentencing is set for June 2, 2023. Kowalski could face a sentence of up to 82 years in federal prison. The CHA OIG has closed this matter but will monitor the outcome of Kowalski's sentencing.