

June 13, 2019

ATTORNEY GENERAL: GLENCOE MAN ARRAIGNED ON THEFT CHARGES

Former President of Northwestern University Fraternity's Association Charged with Stealing More Than \$400,000

Chicago — Attorney General Kwame Raoul today announced the former president of the Sigma Chi Home Association at Northwestern University has been charged with stealing more than \$400,000 from the association's funds.

Peter Schellenbach, 77, of Glencoe, Ill. was arraigned in Cook County Circuit Court for one Class 1 felony charge of theft of between \$100,000 and \$500,000, which is punishable by up to four to 15 years in prison. Schellenbach pleaded not guilty, and a hearing is scheduled July 15, 2019.

According to Raoul, Schellenbach was the former president of the Sigma Chi Home Association from 2006 until 2012. The Home Association is a nonprofit corporation operated by alumni that collects dues to be used for management of the undergraduate fraternity house. Raoul alleged that during his leadership, Schellenbach transferred approximately \$460,000 to his personal account. Schellenbach allegedly used more than \$267,000 to fund an Iraqi dinar investment account with Sterling Currency Group. In 2018, the co-owners and chief operating officer of Sterling were convicted on charges of fraud in the U.S. District Court for the Northern District of Georgia. All of the Home Association's money Schellenbach had invested was lost.

"This individual used his position to steal money that should have been used to maintain housing on which students relied," Raoul said. "My office will work to ensure he is held accountable for his elaborate scheme to steal hundreds of thousands of dollars from students, alumni and board members who placed their trust in him."

Raoul also alleged Schellenbach used the Home Association's money for his personal expenses, such as online trading websites, and payments on credit cards and to the Chicago Yacht Club. When board members approached Schellenbach about the missing money, he characterized the withdrawals, some as large as \$70,000, as loans he would repay – despite not having the financial means to do so. The public is reminded that the defendant is innocent until proven guilty in a court of law.

Assistant Attorney General Jonas Harger and Associate Director James S. Dorger are handling the case for Raoul's Special Prosecutions Bureau.