

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No.
)
 HAVE FAITH IN MONEY, A QUARTER)
 HORSE AND 310 OTHER QUARTER)
 HORSES, ALL HORSES IDENTIFIED)
 ON ATTACHMENT A,)
)
 Defendants.) **JURY TRIAL DEMANDED**

VERIFIED COMPLAINT FOR FORFEITURE

The UNITED STATES OF AMERICA, by PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, for its verified complaint against the above-named defendant properties, alleges in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure as follows:

1. This complaint for forfeiture is verified by the attached affidavit of Patrick J. Garry, Special Agent with the Federal Bureau of Investigation (“FBI”), which is fully incorporated herein.

Jurisdiction and Venue

2. This is an *in rem* forfeiture action brought pursuant to Title 18, United States Code, Section 981(a)(1)(C), for forfeiture of Have Faith in Money, a quarter horse and 310 other quarter horses, all horses identified on Attachment A (“defendant properties”), as properties which constitute and are derived from proceeds obtained from violations of Title 18, United States Code, Section 1343.

3. This court has *in rem* jurisdiction over the defendant properties pursuant to Title 28, United States Code, Sections 1355(b)(1)(A) and (d), as the acts giving rise to the forfeiture occurred within the Northern District of Illinois.

4. Venue is proper under 28 U.S.C. § 1395(b) because the acts giving rise to the forfeiture occurred in this district.

Statutory Authority

5. This *in rem* forfeiture action is brought pursuant to Title 18, United States Code, Section 981(a)(1)(C).

Specific Allegations

6. From approximately 1983 to April 17, 2012, Rita A. Crundwell (“Crundwell”) was employed as the Comptroller for the City of Dixon. As Comptroller, Crundwell handled all of the finances for the City of Dixon.

7. At least as early as 1999, Crundwell controlled an account ending in the numbers 9530 at a financial institution in Dixon (hereinafter "9530 account"). Bank records for the 9530 account for the time period of July 2006 through March 2012 show that the primary account holder for the 9530 account is the City of Dixon, with a joint account holder listed as "RSCDA." Monthly bank statements for the 9530 account list the account holder as "City of Dixon, P.O. Box 386, RSCDA, Dixon, Illinois 61021-0386," and the checks written on the 9530 account list the account holder as "R.S.C.D.A., C/O Rita Crundwell, P.O. Box 482, Dixon, IL 61021."

8. Additional records from Fifth Third Bank and US Bank show that the City of Dixon maintained the following accounts between September 2011 and March 2012: 1) Fifth Third Bank "Corporate Fund" account ending in the numbers 2563 ("2563 account"); 2) Fifth Third Bank "Sales

Tax Fund" account ending in the numbers 8373 ("8373 account"); 3) Midland States Bank "Capital Project Fund" account ending in the numbers 0066 ("0066 account"); 4) Midland States Bank "Motor Fuel Fund" account ending in the numbers 3675 ("3675 account"); 5) US Bank Money Market account ending in the numbers 1128 ("1128 account"); and 6) Fifth Third Bank "Capital Development Fund" account ending in the number 7503 ("7503 account").

9. Records obtained from US Bank show that between September of 2011 and February of 2012, approximately \$2,783,912 of tax funds were electronically deposited into the 1128 account, including:

\$1,315,828	Municipal 1% Share of Sales Tax
\$456,575	Local Share of Income Tax
\$398,285	Non-Home Rule Sales Tax
\$264,709	Personal Property Replacement Tax
\$198,017	Motor Fuel Tax
\$108,288	Local Share of State Use Tax
\$42,210	Simplified Mun. Telecommunications Tax

10. US Bank records show that the above distributions were derived from a local government investment pool called The Illinois Funds. The total of \$2,783,912 represents the City of Dixon's share of distributions made by the State of Illinois from September of 2011 through February of 2012.

11. Between September of 2011 and February of 2012, Crundwell, in her capacity as Comptroller for the City of Dixon, caused \$3,039,000 to be wired out of the 1128 account into other City of Dixon accounts, as follows:

\$1,788,000	Wires into 7503 Account
\$796,000	Wires into 2563 Account
\$255,000	Wires into 8373 Account
\$200,000	Wires into 3675 Account

12. In order to complete the wire transfers, Crundwell called bank employees of US Bank in Springfield, Illinois and requested the amounts of the wire transfers and directed that the funds be transferred to the specified accounts.

13. Upon receiving Crundwell's instructions for the wire transfers, US Bank employees transferred \$2,839,000 in funds from the US Bank account at the Federal Reserve Bank in Saint Paul, Minnesota to the Fifth Third Bank accounts at the Federal Reserve Bank in Cincinnati, Ohio for credit to the accounts ending in the numbers 7503, 2563, and 8373, all held in the name of the City of Dixon at Fifth Third Bank in Dixon, Illinois.

14. Upon receiving Crundwell's instructions for the wire transfers, US Bank employees transferred \$200,000 in funds from the US Bank account at the Federal Reserve Bank in Saint Paul, Minnesota to the Midland States Bank account at the Federal Reserve Bank in Effingham, Illinois for credit to the account ending in the numbers 3675 held in the name of the City of Dixon at Midland States Bank in Dixon, Illinois.

15. Between September of 2011 and January of 2012, Crundwell in her capacity as Comptroller for the City of Dixon, wrote checks payable to "Capital Development Fund", and caused the checks to be deposited into the 7503 Account. These checks were drawn from various City of Dixon accounts as follows:

\$950,000	Checks drawn from 2563 Account
\$120,000	Checks drawn from 8373 Account
\$174,253	Checks drawn from 0066 Account

16. Fifth Third Bank and US Bank records show that Crundwell, in her capacity as Comptroller for the City of Dixon, caused a total of \$2,522,253, in wires and checks, to be deposited into the 7503 account between September of 2011 and January of 2012.

17. Between September of 2011 and March of 2012, Crundwell, in her capacity as Comptroller for the City of Dixon, wrote 19 checks drawn on the 7503 account, amounting to \$3,558,000.00 and payable to "Treasurer." Crundwell caused all of these checks to be deposited into the 9530 account.

18. Most of the City of Dixon funds that were transferred into the 9530 account were used by Crundwell to purchase personal assets including vehicles and to pay for Crundwell's personal expenses as well as for the expenses related to her horse business.

19. Fifth Third Bank records for the 9530 account show that of the approximately \$3,558,000 in City of Dixon funds a total of \$3,311,860.25 was withdrawn from that account through checks and online withdrawals. Of the \$3,311,860.25 in withdrawals, only \$74,274.27 was related to the City of Dixon's operations.

20. Fifth Third Bank records show that, from July of 2006 through March of 2012, Crundwell caused \$29,421,310.00 to be deposited from the Capital Development Account into the 9530 Account. Crundwell also caused \$794,977.43 to be deposited from various checks made payable to the "City of Dixon." During that time, the 9530 account received \$20,216.08 in interest deposits.

21. In total, Crundwell deposited \$30,236,503.51 in funds belonging to the City of Dixon into the 9530 account.

22. Bank records from Fifth Third Bank show that Crundwell used the 9530 account to pay for personal expenses as well as expenses related to her horse business. During the period of July 2006 through March 2012, Crundwell paid \$30,173,009.02 in checks, online payments, and

other withdrawals. Of those items, only six checks, made payable to the "Sewage Fund" and "Corporate Fund," totaling \$153,745.93, related to business conducted by the City of Dixon.

23. Illinois Secretary of State Records show that Rita Crundwell is the only member of RC Quarter Horses, LLC, a limited liability company with a principal office located at 1679 US Route 52, Dixon, Illinois 61021. An online press release dated December 15, 2011 on the website "GoHorseShow.com" (http://gohorsheshow.com/article/Columns/Sudden_Scoop/Announcing_the_2012_RC_Quarter_Horses_Production_Sale_at_MeriJ/36655), states "On July 28, 2012, over 75 horses owned by Rita Crundwell sell at her RC Quarter Horses ranch in Dixon, Illinois." The press release further states that the sale will take place at "Rita's ranch, RC Quarter Horses , 1556 Red Brick Rd , Dixon, IL 61021" and that the sale will be managed by "Jim McKillips, MERI-J RANCH - PERCOTT Company, LLC."

24. On April 17, 2012, Crundwell was arrested by the FBI in Dixon, Illinois based on a federal criminal complaint filed in the Northern District of Illinois, Western Division, case number 12 CR 50027 that charged her with wire fraud, in violation of Title 18, United States Code, Section 1343. FBI Special Agents interviewed Crundwell in Dixon the day of her arrest. During that interview Crundwell stated, among other things, that:

a. Crundwell owns between 350 and 400 horses. All of the horses have identification chips in their necks and she kept a list of the horses on a "thumbdrive" (electronic storage device).

b. Crundwell used proceeds she wrongfully obtained through the RSCDA account to pay for the upkeep of all the horses.

c. Crundwell also used proceeds she wrongfully obtained through the RSCDA account to purchase some of the horses.

25. During a search of Crundwell's office at City Hall, 121 W. Second Street, in Dixon, Illinois on April 17, 2012, among the items seized was an electronic storage device, also known as a thumbdrive.

26. The thumbdrive contained a list of the horses owned by Crundwell as well as their locations.

27. The records contained on the thumbdrive as well as records obtained from the American Quarter Horse Association show that Rita A. Crundwell is the owner of the horses listed in Attachment A.

28. For the reasons stated herein and in the attached affidavit, there is probable cause to believe that the property listed in Attachment A is subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), as property which constitutes and is derived from proceeds traceable to violations of Title 18, United States Code, Section 1343.

WHEREFORE, the United States of America requests:

A. That the defendant properties be proceeded against for forfeiture and condemnation, that due notice be given to all interested parties to appear and show cause why the forfeiture should not be decreed;

B. That the court adjudge and decree that the defendant properties be forfeit to the United States and disposed of according to law; and

C. The United States requests that any trial be before a jury.

Respectfully submitted,

PATRICK J. FITZGERALD
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State of Illinois)
) SS
County of Winnebago)

AFFIDAVIT

I, Patrick Garry, having first been duly sworn, upon oath, deposes and states as follows:

1. I am a Special Agent with the Federal Bureau of Investigation and have been so employed for approximately six years. As a Special Agent with FBI, I investigate criminal violations relating to white collar crime, including mail, wire, and bank fraud.

2. I have read the complaint in this matter and the facts alleged are true and correct to the best of my knowledge and belief based upon my own personal knowledge as well as information I have received from other agents, persons and documents, and it does not include each and every fact known to me concerning this investigation but is submitted for the limited purpose of establishing a basis to believe the property identified is subject to forfeiture.

3. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on the ____ of May, 2012, in Rockford, Illinois.

PATRICK GARRY
Special Agent
Federal Bureau of Investigation

SUBSCRIBED and SWORN to before me
this ____ day of May 2012.

NOTARY PUBLIC