

CHS believed city money at RIMCO was at risk and is being used improperly.

Investigation in this matter focused on the financial health of CIRPA and RIMCO as well as interviews of individuals in a position to actually know the inner workings of the two organizations. Financial analysis of the banking records did not reveal improper payments to [REDACTED]. The current [REDACTED] who replaced [REDACTED] upon [REDACTED] retirement, was interviewed and in summary, believed RIMCO and CIRPA were not being run properly and had a lack of controls. RIMCO and CIRPA did have audits conducted. [REDACTED] believed there was no fraud involved with the RIMCO and CIRPA, but rather poor fiscal management of taxpayer money. [REDACTED] also believed RIMCO's employee compensation package was very high.

b6  
b7C

Several other individuals were interviewed, including CIRPA and RIMCO board members and bookkeepers, and audits were obtained. No improper handling of funds was uncovered. [REDACTED] was also interviewed and denied any improper payments or fraud on his part.

Based on the above investigation, Assistant United States Attorney (AUSA) Darilynn J. Knauss, Central District of Illinois, opined that she believes no violation of federal law was perpetrated by [REDACTED].



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to

File No. 194B-SI-56868-76

October 19, 2011

[Redacted]

BLOOMINGTON, ILLINOIS;

[Redacted]

RISK INSURANCE MANAGEMENT COMPANY (RIMCO);  
BLOOMINGTON, ILLINOIS;  
PUBLIC CORRUPTION;  
CSLPO - LOCAL

[Redacted]

b6  
b7C  
b7E

This case was predicated on information provided by a Confidential Human Source (CHS). Captioned matter was opened on 03/27/2009 as a full investigation. CHS was providing on-going information regarding what CHS saw as corrupt practices occurring in the operation of the City of Bloomington, IL.

In 1995, the city of Bloomington, IL established a company called CIRPA to self-insure the city's property-casualty risks. CIRPA was controlled by the city and its financial records are audited by the city's auditors with the accounts available for public inspection. In 2001, under the direction of [Redacted] the city established a not-for-profit corporation called RIMCO whose function was to provide specialized consulting and training and assist in the administration of CIRPA to include paying claims, making investments, and bidding insurance policies. RIMCO's books were subject to audit by an independent CPA firm. [Redacted]

b6  
b7C  
b7D

[Redacted] and the board members, to include [Redacted] for each organization were the same. With the establishment of RIMCO, much of the self-insurance financial process previously done by CIRPA was now done by RIMCO. CIRPA wired funds to RIMCO for use in this business. CIRPA's wire transfers of city money totaled \$5.25 million in 2008.

CHS contended that [Redacted]

[Redacted]

RECEIVED  
OCT 21 2011  
[Signature]

G-5529203.07 KP

194B-SI-56868-76