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FOR IMMEDIATE RELEASE
THURSDAY NOVEMBER 20, 2003

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**FORMER WEST SUBURBAN COMPANY EXECUTIVE INDICTED
IN \$11 MILLION EQUIPMENT-LEASING FRAUD SCHEME**

CHICAGO -- The chief executive of a defunct west suburban company that marketed and sold religious materials was indicted on federal fraud and money laundering charges for allegedly swindling equipment leasing companies of more than \$11 million, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, announced today. The defendant, **Rodney Dixon**, was president and chief executive officer of Lacrad International Corp., which sold such products as religious sermons on compact discs, and had offices in Elmhurst and later in Oakbrook Terrace. He was charged with four counts of mail fraud, three counts of wire fraud and one count of money laundering in an eight-count indictment returned late yesterday by a federal grand jury.

Dixon, 39, formerly of Elmhurst and whose last known residence was in Chicago, was expected to be arraigned at 3:30 p.m. today before Magistrate Judge Geraldine Soat Brown in U.S. District Court in Chicago.

The indictment alleges that between April 1999 and January 2001, Dixon engaged in a fraud scheme in which he cheated six equipment leasing companies. He allegedly induced them either to purchase and lease office equipment to Lacrad, or to finance certain equipment, including computers, that Dixon falsely claimed Lacrad had purchased or owned, but which, in fact, did not exist. By submitting false documents that inflated Lacrad's true income and net worth to various leasing companies, Dixon allegedly fraudulently caused the six finance companies to purchase non-existent equipment totaling \$11,425,553, with the proceeds ultimately paid to Lacrad.

Beginning in October 1999, Dixon allegedly created false Lacrad documents, including tax returns and financial statements, showing millions of dollars in bogus assets and revenues. In fact, Lacrad at most had annual revenues less than \$100,000. Through 2000, Dixon falsely told equipment leasing companies that Lacrad had purchased or agreed to purchase computer servers and other technology equipment, and that he proposed contracts under which the leasing companies would purchase, finance and lease-back the equipment to Lacrad. The companies made payments either directly to Lacrad or to a company that Dixon claimed was a broker for the purchases. After obtaining more than \$11 million from the leasing companies, Lacrad failed and refused to make the required lease payments, according to the indictment.

The indictment alleges that Dixon defrauded the following leasing companies: Ameritech Equipment Leasing, Inc., Balboa Capital Corp., Business Equipment Leasing Transactions, Inc., CIT Group, Pacific Atlantic Systems Leasing, and Winthrop Resources.

The money laundering count alleges that Dixon used \$47,504 of the fraud proceeds to purchase a Jaguar automobile in August 2000.

Mr. Fitzgerald announced the charges with Thomas J. Kneir, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, and James W. Martin, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago. The government is being represented by Assistant U.S. Attorney Stuart Chanen.

If convicted, Dixon faces a maximum penalty of five years in prison and a \$250,000 fine on each count of mail fraud, and a maximum of 10 years in prison and a \$250,000 fine on the money laundering count. As an alternative maximum fine, the Court may order a fine totaling twice the gross loss to any victim or twice the gain to the defendant, whichever is greater. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the United States has the burden of proving guilt beyond a reasonable doubt.

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