



U.S. Department of Justice

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Northern District of Illinois

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**ROCKFORD MAN SENTENCED TO 30 MONTHS IN
FEDERAL PRISON ON FEDERAL FRAUD CHARGES**

ROCKFORD — A former executive director of the Fountain of Life Improving the Community Academy (“Academy”) and pastor of The Fountain of Life Church of God in Christ was sentenced today by U.S. District Judge Frederick J. Kapala to 30 months in federal prison on fraud charges. On September 9, 2011, after a three-day federal jury trial, the defendant, **Kenneth R. Dismuke**, 50, of Rockford, was found guilty of four counts of bank fraud, three counts of bankruptcy fraud, and one count of mail fraud. Dismuke was also sentenced to three years supervised release to be served after his release from prison, and ordered to pay \$160,000 in restitution to victims. Dismuke was ordered to report to prison on May 21, 2012.

According to the indictment and evidence at trial, in December 2005, Dismuke obtained a \$50,000 loan from Rockford Bank & Trust Company for the Academy, purportedly to pay its ordinary operating expenses. However, Dismuke then deposited the \$50,000 into a certificate of deposit at JPMorgan Chase Bank, N.A., to be used as collateral to obtain a \$50,000 loan from JPMorgan Chase, falsely stating that the source of the \$50,000 was an Illinois state grant.

Dismuke was also convicted for utilizing the U.S. mail to defraud the Illinois Department of Commerce & Economic Opportunity (“DCEO”) in connection with a grant. Dismuke obtained from the DCEO a \$60,000 grant for the Academy to be used to pay for building improvements.

However, instead of using the grant money for the Academy's building improvements and authorized expenditures, Dismuke used the funds for Academy loan payments, other Church debt payments, and payments to himself and three of his family members. Dismuke prepared and signed documents required by the DCEO, falsely stating that all grant funds had been used for approved costs. Dismuke then submitted the documents by mail to the DCEO so the Academy could avoid any sanctions such as being required to return the grant funds. Dismuke was also convicted of fraudulently concealing financial information in his own bankruptcy case.

The sentencing was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Andrew L. Traver, Special Agent-In-Charge of the Chicago Field Division of the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

The government was represented by Assistant U.S. Attorneys Michael D. Love and Joseph C. Pedersen.

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