



Department of Justice

**United States Attorney John C. Milhiser
Central District of Illinois**

FOR IMMEDIATE RELEASE
AUGUST 4, 2020
www.justice.gov/cdil

CONTACT: SHARON PAUL
217-492-4450

Indictment Charges Former Kankakee Wastewater Utilities' Official of \$2 Million Fraud

Springfield, Ill. – A federal grand jury today returned an indictment that charges Richard G. Simms, 73, currently of Marietta, Ohio, with defrauding Kankakee's waste water utilities, Kankakee River Metropolitan Agency (KRMA) and the city's Environmental Service Utility (ESU), of more than \$2 million.

According to the indictment, during the time of the alleged fraud, from 2014 through 2018, Simms served as executive director of KRMA, which was responsible for treating waste water from its member municipalities, namely, Kankakee, Bradley, Bourbonnais, and Aroma Park, Ill. KRMA also treated wastewater from Manteno and Chebanse, Ill., by intergovernmental agreement. During this period, Simms was also the Superintendent of ESU that serves as Kankakee's public works and sewer system. At the same time, Simms owned and operated Simms Engineering, LTD.

From 2014 through 2018, Simms received more than \$2.5 million in salary and legitimate payments: approximately \$1,124,288 from KRMA and approximately \$1,594,585 from ESU. In addition, and independent of his salary and payments, the indictment alleges that Simms fraudulently received approximately \$2.2 million, \$768,000 from KRMA and \$1,257,000 from ESU, as payments to Simms Engineering for software development by Plum Flower International. Simms and his daughter registered Plum Flower International with the State of Illinois in March 2014 purportedly to develop a software application for medical companies to track medical records.

The indictment alleges that although Simms did not have board approval or contracts with his engineering firm to develop software, he submitted fraudulent and inflated invoices to KRMA and ESU for software development. Simms allegedly circumvented KRMA's invoice payment procedure by submitting invoices directly to its accounting firm. As a result, KRMA's superintendent and administrative assistant did not approve and were unaware of the invoices.

From May 2014 through September 2018, Simms Engineering allegedly transferred more than \$2 million to Plum Flower International, which represented more than 95% of its revenue during this time frame. Plum Flower International allegedly used approximately \$161,000 of the funds to pay another company to create a software application which they attempted to sell on the open market. The remaining funds were allegedly used for the personal benefit of Simms and his daughter, the owners of Plum Flower International.

The Federal Deposit Insurance Corporation Office of Inspector General conducted the investigation. Assistant U.S. Attorney Eugene L. Miller is representing the government in the case prosecution.

The U.S. Clerk of the Court will set the date for Simms to appear in federal court in Urbana for arraignment.

If convicted, the offense of federal program fraud carries a maximum statutory penalty of 10 years in prison.

Members of the public are reminded that an indictment is merely an accusation; the defendant is presumed innocent unless proven guilty.