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# Horsing Around - How A Champion Quarter-Horse Breeder Stole Millions

BUSINESS ADVISORS, FRAUD/INVESTIGATIVE & FORENSIC ACCOUNTING  
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Rita Crundwell, Comptroller of the City of Dixon, Illinois and successful quarter-horse breeder, had no idea that her \$53.7 million fraud would soon be coming to an end while she was away at an equine competition in October 2011.

While Crundwell was out of the office, Kathe Swanson, city clerk of Dixon, Illinois, was tasked with preparing Dixon's fiscal report. Since Crundwell never enabled the option to view statements online, typically she would have Swanson request statements only for specific account numbers. This time, when Swanson called the bank, she requested copies of all the statements for the City of Dixon. When she received the statements, she identified an unknown reserve fund account with large recurring deposits. Swanson brought this suspicious account to the attention of Dixon Mayor, Jim Burke, which prompted an FBI investigation.

During the investigation, Swanson uncovered the details of how Crundwell was stealing money from the city. The funds would initially be deposited into the Illinois Treasurer's Investment Pool state account, and Crundwell would receive a fax notifying her that the money was in the account. Crundwell would then transfer the money to Dixon's capital development account, a legitimate account, before writing a check payable to 'treasurer' and depositing it into the fraudulent reserve account. Using the fraudulent reserve account that she opened in December 1990, Crundwell was able to steal \$53.7 million from the City of Dixon.

Using the stolen funds, Crundwell purchased hundreds of quarter horses, multiple properties, homes, vehicles, jewelry and a boat. During this time, she became a nationally recognized quarter-horse breeder through her business, RC Quarter Horses, LLC. Crundwell was able to live out her dreams and extravagant lifestyle while the City of Dixon struggled financially.

After a six-month FBI investigation, Crundwell was indicted and plead guilty to wire fraud. She was sentenced to over 19 years in prison. In 2018, Swanson was awarded the ACFE's 2018 Sentinel Award for her courageous actions in uncovering a fraud that truly impacted an entire city.

If you think your organization might be a victim of fraud, contact Joel Rosenthal at 412.697.5387 or [jrosenthal@sdcpa.com](mailto:jrosenthal@sdcpa.com) or Alyssa Brunatti at 412.697.5371 or [abrunatti@sdcpa.com](mailto:abrunatti@sdcpa.com). For similar articles, [visit the Our Thoughts On blog](#).

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