

# Department of Justice

United States Attorney James A. Lewis  
Central District of Illinois

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CONTACT: SHARON PAUL  
PHONE: (217) 492-4450

**FORMER ILLINOIS MEDICAL DISTRICT COMMISSIONER**  
**CHARGED WITH MULTI-MILLION DOLLAR**  
**ILLINOIS DEPARTMENT OF PUBLIC HEALTH GRANT FRAUD SCHEME**

*\$3.7 Million or More Allegedly Used for Personal Expenses*

SPRINGFIELD, Ill. – A Chicago businessman who served for a number of years as a commissioner with the Illinois Medical District, Leon Dingle, Jr., his wife, and two others, have been indicted by a grand jury on charges that they used millions of dollars in grant funds awarded by the Illinois Department of Public Health to grant recipients for their personal benefit and to pay personal expenses. The 23-count indictment, returned late yesterday by the grand jury, charges Leon Dingle, Jr. and his wife Karin, both of Chicago, who owned and operated the for-profit corporation known as Advance Health, Social and Educational Associates, Inc., (AHSEA). An employee of AHSEA, Jacquelyn Kilpatrick, of Phoenix, Ill., and Edmond Clemons, of the same Phoenix address, are also charged.

According to the indictment, during the period of the alleged fraud, from 2004 to June 2010, Leon Dingle, Jr., 75, served as the president, CEO, treasurer, and sole shareholder of AHSEA; Karin Dingle, 73, served as vice-president and secretary. Kilpatrick, 57, served as bookkeeper and vice-president of operations for AHSEA, and, with Clemons, 66, operated Jeck Consultants, LLC.

The indictment alleges that Leon Dingle, with the assistance of Kilpatrick, used non-profit organizations as straw grantees to fraudulently solicit and obtain more than \$11 million in grant funds from the Illinois Department of Public Health. The majority of the grant funds were non-competitively awarded and paid up front, for programs relating to breast, cervical and prostate cancer, HIV/AIDS, and emergency preparedness.

Leon Dingle, with Kilpatrick's assistance, allegedly represented that grant funds would be used for their intended purposes by three not-for-profit organizations: the Broadcast Ministers Alliance of Chicago (BMA) a faith-based alliance of various Chicago-area ministers established in 1975; Access Wellness and Racial Equity (AWARE), established in 2007 by an associate of Leon Dingle which provided medical consulting services; and Medical Health Association (MHA) established in 2008 by another associate of Dingle, which provided medical consulting services.

The indictment alleges that when the organizations received grant funds, control of the funds was transferred to Leon Dingle and Kilpatrick, including directly to AHSEA, which was controlled by the Dingles and Kilpatrick. Leon Dingle and Kilpatrick allegedly executed contractual agreements with BMA, AWARE and MHA representing that they would duplicate the services and obligations the organizations agreed to perform as part of the grant agreements.

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The contractual agreements were allegedly concealed from the Illinois Department of Public Health as well as the amount of grant funds transferred to AHSEA and to the benefit of the defendants. Leon Dingle, with Kilpatrick's assistance, allegedly submitted grant applications, budgets and reports that failed to detail the manner in which funds would be or were expended and falsely reported the amount of grant funds paid to others, including churches, organizations and consultants. Grant funds were also allegedly diverted to associates for little or no work that was performed for the purposes for which the grant funds were intended.

The indictment alleges that AHSEA received approximately \$7.4 million in grant funds, which largely funded approximately \$3 million received by the Dingles and their family members, including \$300,000 paid directly to Karin Dingle, which was used to generate large amounts of cash, purchase approximately \$300,000 in certificates of deposit, and pay expenses relating to, among other things: the Chicago Yacht Club, the South Carolina Yacht Club, the Mid-America Club, purchase of luxury cars, maintenance of a condominium at Chicago Marina Towers, used by Kilpatrick and a family member, and maintenance and renovation of vacation homes in Savannah, Ga., and Hilton Head, S.C., payment of mortgage and other expenses for family members, and approximately \$400,000 in legal fees for lawsuits filed against Leon Dingle and AHSEA.

The indictment alleges that Kilpatrick and Clemons and family members received approximately \$700,000 which was used to pay expenses including maintenance of a vacation home in Hilton Head, SC., purchase of luxury cars, certificates of deposit, a fur coat and payment of college tuition and loans for family members.

In addition, Leon Dingle, with Kilpatrick's assistance, allegedly misappropriated approximately \$29,000 in grant funds to purchase tickets, two skyboxes, food and alcohol for the 2007 and 2008 Chicago Football Classic.

Further, the indictment alleges that, as part of the conspiracy, and to conceal its existence, Leon and Karin Dingle fraudulently failed to report and to pay federal and state income taxes on approximately \$1.4 million in income, the majority of which was grant funds. Kilpatrick and Clemons allegedly failed to report and pay federal and state income taxes on approximately \$277,000 in income, the majority of which was grant funds.

The indictment alleges that each of the defendants engaged in money laundering, that is a monetary transaction of more than \$10,000 derived from proceeds of a criminal offense, including a check in the amount of \$58,962 by Karin Dingle in May 2008 involving the purchase of a 2008 Mercedes Benz automobile; a \$30,498 check by Leon Dingle in June 2008 involving the purchase of a 2005 Mercedes Benz; a \$55,237 check by Kilpatrick in April 2009 involving the purchase of a 2009 Mercedes Benz; and a check in the amount of \$95,066 by Leon Dingle in March 2009 for payment on a mortgage loan for his son.

Arraignment for the defendants has been scheduled for Nov. 7, 2012, before U.S. Magistrate Judge Byron G. Cudmore in Springfield, Ill.

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If convicted, for the offense of conspiracy to defraud, (one count for each defendant), the statutory penalty is up to five years in prison. For each count of mail fraud (Leon Dingle 13 counts; Karin Dingle four counts; Kilpatrick 15 counts; Clemons two counts) the maximum statutory penalty is up to 20 years in prison and a fine of up to \$250,000. For each count of engaging in a money laundering transaction, (Leon Dingle two counts; Karin Dingle one count; Kilpatrick two counts; Clemons two counts) the maximum statutory penalty is up to 10 years in prison and a fine of \$250,000 or up to twice the amount of the criminally derived property involved in the transaction, whichever is greater.

Assistant U.S. Attorney Timothy A. Bass is prosecuting the case on behalf of the U.S. Attorney's Office for the Central District of Illinois. The ongoing investigation is being conducted by participating agencies of the Central District of Illinois' U.S. Attorney's Office's Public Corruption Task Force including the U.S. Postal Inspection Service, Chicago Division; the Internal Revenue Service Criminal Investigations; the Illinois Secretary of State Office of Inspector General; and, the Illinois State Police Division of Internal Investigation. The Illinois Department of Public Health is currently cooperating in the investigation. Individuals who wish to provide information to law enforcement regarding matters of public corruption are urged to call the U.S. Attorney's Office at 217-492-4450.

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

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