



**U.S. Department of Justice**

United States Attorney  
Northern District of Illinois

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**ROCKFORD MAN CONVICTED OF FEDERAL FRAUD CHARGES**

ROCKFORD — A Rockford, Ill., man who was the executive director of the Fountain of Life Improving the Community Academy and pastor of The Fountain of Life Church of God in Christ, was convicted today after a three-day jury trial on federal fraud charges. The defendant, **Kenneth R. Dismuke**, 50, was found guilty by a federal jury of four counts of bank fraud, three counts of bankruptcy fraud, and one count of mail fraud, following a trial that began Sept. 6 in U.S. District Court in Rockford.

According to the indictment and evidence at trial, in December 2005, Dismuke obtained a \$50,000 loan from Rockford Bank & Trust Company to 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.

The indictment also charged Dismuke with fraudulently concealing information on documents filed in his bankruptcy case. In addition, Dismuke was charged with utilizing the U.S. mail to defraud the Illinois Department of Commerce & Economic Opportunity to obtain funds through a grant. Dismuke applied to the DCEO for a grant to be made to the Academy for building

improvements and was funded \$60,000 by the DCEO. However, instead of using the grant money for the Academy's building improvements and authorized expenditures, the defendant 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 faces a maximum sentence of 20 years in prison on each count of bankruptcy and mail fraud, and 30 years in prison on each count of bank fraud. The defendant also faces a fine of the greater of \$250,000 or twice the amount of the loss on each count. The Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines. Sentencing is scheduled for Dec. 28, 2011, at 2:30 p.m. in Federal Court in Rockford.

The conviction 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 is being represented by Assistant U.S. Attorneys Michael D. Love and Joseph C. Pedersen.

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