

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

**FILED**  
4-22-16  
APR 22 2016

UNITED STATES OF AMERICA

v.

JAMES GRIEGEL

CASE NUMBER:  
UNDER SEAL

THOMAS G. BRUTON  
CLERK, U.S. DISTRICT COURT

**16CR 271**  
MAGISTRATE JUDGE VALDEZ

**CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

From in or about April 2015 through in or about January 2016, in the Northern District of Illinois, Eastern Division, and elsewhere, the defendant JAMES GRIEGEL engaged in the following violation:

JAMES GRIEGEL, being an agent of a local government, namely the Village of Sauk Village, embezzled, stole, obtained by fraud, and otherwise without authority knowingly converted to his own use, property that was valued more than \$5,000 and was under the care, custody and control of Sauk Village, and Sauk Village received in excess of \$10,000 in a one-year period from a federal grant, in violation of Title 18, United States Code, Section 666(a)(1)(A).

This criminal complaint is based upon these facts:

X Continued on the attached sheet.

*Katharine L. Walker*

KATHARINE L. WALKER  
Special Agent, Federal Bureau of Investigation  
(FBI)

Sworn to before me and signed in my presence.

Date:

4/22/16

*Maria Valdez*  
Judge's signature

City and state: Chicago, Illinois

MARIA VALDEZ, U.S. Magistrate Judge  
Printed name and Title

UNITED STATES DISTRICT COURT       )  
                                                      )  
NORTHERN DISTRICT OF ILLINOIS       )

**AFFIDAVIT**

I, Katharine L. Walker, being duly sworn under oath, hereby state as follows:

1. I am a Special Agent of the Federal Bureau of Investigation (FBI), assigned to the Chicago Field Division. I have been employed by the FBI as a Special Agent since April 2008. During that time, I have investigated criminal violations relating to public corruption and white collar crime, including mail, wire, and bank fraud. Prior to becoming a Special Agent, I was employed as a certified public accountant.

2. This affidavit is submitted in support of a criminal complaint. The information contained in this affidavit is based upon my personal knowledge, as well as information provided to me by other law enforcement officers. It is also based upon my review of records and interview of witnesses. Because this affidavit is submitted for the limited purpose of establishing probable cause for the criminal complaint, it does not set forth each fact that I have learned during this investigation.

3. This affidavit is made for the limited purpose of establishing probable cause to support a criminal complaint alleging that from in or about April 2015 and continuing through in or about January 2016, JAMES GRIEGEL, being an agent of a local government, namely the Village of Sauk Village, embezzled, stole, obtained by fraud, and otherwise without authority knowingly converted to his own use,

property that was valued more than \$5,000 and was under the care, custody and control of Sauk Village, and Sauk Village received in excess of \$10,000 in a one-year period from a federal grant, in violation of Title 18, United States Code, Section 666(a)(1)(A).

### **Background**

4. As further stated below, there is probable cause to believe that GRIEGEL, the treasurer of Sauk Village, stole over \$21,000 from the Sauk Village Police Pension Fund from in or about April 2015 through in or about January 2016. The FBI's investigation has determined that GRIEGEL engaged in the theft by fraudulently issuing checks to himself drawn on the police pension fund bank account, under the guise of reimbursement for business expenses, and by forging the signature of Village officials, which checks he then cashed for his own personal benefit.

5. The Village of Sauk Village is a unit of local government, a political subdivision of the State of Illinois, and located in the Northern District of Illinois. The Sauk Village Police Department is a department of the Village of Sauk Village. Pursuant to 40 ILCS § 5/3-101, the Sauk Village Board of Trustees established a police pension fund for the benefit of its police officers and of their surviving spouses, children, and certain other dependents. Pursuant to 40 ILCS § 5/3-132, GRIEGEL, as Village Treasurer, was the custodian of funds for the police pension fund and was required to keep records of all money received, transferred,

and held by the fund. Pursuant to 40 ILCS § 5/3-141, GRIEGEL, as Village Treasurer, was required to make an annual report of all moneys received and paid out of the pension fund during that year to the Mayor and the Village board of trustees. GRIEGEL also served as a member of the Police Pension Fund Board of Trustees. As of February 29, 2016, the pension fund had over \$5 million of funds for the benefit of its plan members and beneficiaries.

6. On or about April 8, 2016, the FBI interviewed the Director of Finance for Sauk Village. According to the Director of Finance, GRIEGEL was appointed Village Treasurer for Sauk Village in or about May 14, 2013, and maintained an office at the Municipal Center for Sauk Village from approximately May 2013 through January 2016. According to Director of Finance, as Village treasurer, GRIEGEL served as the chief financial officer for the Village, collector of taxes, and the administrator of all matters relating to finance, in addition to serving as the custodian of the Police Pension Fund and serving on the Fund's Board of Trustees. GRIEGEL had access to the finance records kept at the Village, including the checkbook for the Police Pension Fund, and was an authorized signer for the pension fund account.

7. According to the Sauk Village Police Pension Fund Audit Report for fiscal year ending April 30, 2015, the Sauk Village Police Pension Fund is a single-employer, defined benefit pension plan which covers the qualified police department employees of Sauk Village and administered by the Police Pension Fund Board of

Trustee. The Police Pension Plan provides retirement benefits as well as death and disability benefits to plan members and beneficiaries.

### **Theft of Funds from the Police Pension Fund**

8. On or about January 8, 2016, the FBI interviewed the Chief of Police for Sauk Village. According to the police chief, GRIEGEL was arrested on or about January 3, 2016 by a neighboring police department for possession of heroin. Following the arrest, the police chief requested a review of the Village's bank accounts, and a preliminary review of the police pension fund account revealed several checks written directly to GRIEGEL.

9. On or about January 5, 2016, GRIEGEL reported to the Village for work, where he was informed by the police chief that he was suspended. The police chief also informed GRIEGEL that there were some issues with some checks. According to the police chief, GRIEGEL told him he took the money. GRIEGEL also stated that no one else was involved with the theft, and that he had forged signatures on the checks.

10. I have obtained and reviewed approximately 33 checks from the US Bank police pension account that were made out to GRIEGEL for approximately \$21,206. Approximately 29 of these checks were signed, between May 2015 and January 2016, purportedly by the former deputy chief of the Sauk Village Police Department. The check memo lines had various statements written on them to include references to conferences, arbitration, lodging, and travel advance.

11. On or about April 1, 2016, the FBI interviewed the former deputy chief of the Sauk Village police department. The former deputy police chief was shown copies of checks written to GRIEGEL that purportedly had his/her signatures. The former deputy chief stated that approximately 26 of the checks totaling over \$17,650 dated between May 2015 to January 2016 with his/her name as a signatory was not his/her signature. Furthermore, the former deputy chief noted that some of the checks had his/her last name misspelled. The former deputy chief also stated that h/she did not recall signing a check written to GRIEGEL. Moreover, the FBI showed the deputy chief specific memo lines on the checks for conferences such as FINRA conference (check dated October 10, 2015), FINRA seminar (checks dated May 20, 2015 and December 28, 2015), IML conference (check dated August 8, 2015), IPPAC conference (checks dated August 28, 2015 and September 8, 2015), and IDOI (check dated December 5, 2015). According to the former deputy chief, h/she attended the Illinois Public Pension Advisory Committee (IPPAC) conference in or about May 2015 and GRIEGEL was not in attendance.

12. On or about April 1, 2016, the FBI also interviewed the attorney for the Sauk Village police pension fund concerning the memo lines on the checks described in the above paragraph. According to the attorney, GRIEGEL was not involved in any work relating to a FINRA arbitration that was on-going, nor was there anything that the police pension fund was doing with the Illinois Municipal League (IML) or the Illinois Department of Insurance (IDOI). Both the former

deputy police chief and the attorney for the Village police pension fund were not aware of any checks approved by the pension board for payments to GRIEGEL, which was a necessary requirement.

13. On or about March 28, 2016, FBI agents interviewed the President of the Sauk Village Police Pension Board. The pension board president is one of the signers on the pension fund checking account. According to the pension board president, h/she recalled that GRIEGEL asked him/her to sign one blank check (check number 2192 for \$227.75), which GRIEGEL represented to him was payment for an outstanding bill. According to the pension board president, h/she later discovered that the check was filled out and written to GRIEGEL, who cashed the check. Moreover, according to the pension board president, GRIEGEL had authority to write checks for day to day operations, but GRIEGEL could not write checks to himself without the pension board's approval. The pension board president did not recall any checks written to GRIEGEL that was approved by the pension board.

14. On or about April 7, 2016, FBI interviewed the current police sergeant on the Sauk Village Police Pension Board. The police sergeant is one of the signers on the police pension checking account. According to the police sergeant, h/she recalled signing one blank check at GRIEGEL's request. The police sergeant did not get an explanation for the reason the check was needed. The police sergeant was shown copies of checks written to GRIEGEL that purportedly had his/her

signatures. According to the police sergeant, two checks totaling approximately \$1,529.98 with his/her name as signatory was not his/her signature. The dates of the checks were April 27, 2015 for \$179.98 and October 22, 2015 for \$1,350.00, totaling \$1,529.98.

15. A review of GRIEGEL's personal bank records show approximately nine checks out of the 33 checks written to GRIEGEL and drawn on the pension fund account totaling \$4,530.25 were deposited into GRIEGEL's US Bank account. The checks were during the period between July 2015 and November 2015. A review of the US Bank accounts showed multiple bank withdrawals from GRIEGEL's account during this period after the deposits were made. Moreover, there did not appear to be evidence of any payment by GRIEGEL for conference expenses or seminar expenses.

16. A review of GRIEGEL's personal bank account records show approximately 24 checks of the 33 checks totaling \$16,676.15 that were made payable to GRIEGEL and drawn on the pension fund account were deposited into GRIEGEL's Chase Bank account between April 2015 through January 2016. A review of the records shows that the funds were withdrawn at ATMs and used for debit purchases at gas stations, rental car locations, restaurants, storage facilities, and other items. Moreover, there did not appear to be any evidence of payment by GRIEGEL for conference or seminar expenses.


17. I have reviewed documents showing a federal grant made to Sauk Village during the relevant timeframe. On or about September 30, 2015, Sauk Village received approximately \$81,565.50, and on or about October 7, 2015, Sauk Village received approximately \$14,657.50, in federal funds pursuant to a grant that was administered locally by the Illinois Environmental Protection Agency.

18. As of approximately January 6, 2106, GRIEGEL was suspended as treasurer of the Village of Sauk Village.

### Conclusion

19. Based on the above, I respectfully submit that there is probable cause to believe that GRIEGEL, being an agent of a local government, namely Sauk Village, embezzled, stole, obtained by fraud, and otherwise without authority knowingly converted to his own use, property that was valued more than \$5,000 and was under the care, custody and control of Sauk Village, and Sauk Village received in excess of \$10,000 in a one-year period from a federal grant, in violation of Title 18, United States Code, Section 666(a)(1)(A).

FURTHER AFFIANT SAYETH NOT.

  
Katharine L. Walker  
Special Agent  
Federal Bureau of Investigation

Subscribed and sworn  
before me this 22nd day of April, 2016

  
Honorable Maria Valdez  
United States Magistrate Judge