



# Department of Justice

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Central District of Illinois

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## **FEDERAL GRAND JURY CHARGES FORMER SUBURBAN CHICAGO POLICE CHIEF WITH FRAUD, MONEY LAUNDERING AND TAX OFFENSES**

Springfield, Ill. B A former police chief for the suburban Chicago community of Countryside, Ill., Timothy J. Swanson, is scheduled to be arraigned on charges of fraud, money laundering and tax offenses on Apr. 2, 2014, in federal court in Urbana, Ill. A grand jury yesterday returned a seven-count indictment charging Swanson, 55, of Bourbonnais, Ill., with fraud related to a non-profit organization he established in 2005, known as the Illinois Regional Air Support Service.

According to the indictment, while he was employed as police chief in Countryside, Ill., in 2005, Swanson established Illinois Regional Air Support Service (IRASS) to solicit funding for operation of U.S. Department of Defense helicopters to be used to support law enforcement activity. Swanson established IRASS as a not-for-profit organization with the Internal Revenue Service, served as the organization's president, used his home address as the organization's address, and established a credit card for use by IRASS. In 2009, Swanson left Countryside and joined the Kankakee County Sheriff's Office, but continued to operate IRASS and the helicopter program.

The indictment alleges that from at least 2005 to January 2012, Swanson solicited police departments, corporations and individuals to make financial donations to IRASS, and as a result, received more than \$350,000 in donations. As part of the alleged scheme, Swanson made false representations to obtain money; under-reported to the IRS the amount of money donations IRASS received; used the helicopter for purposes outside of the DOD program, including a private contract for traffic control with Chicagoland Speedway; and attempted to avoid detention of his scheme by other law enforcement authorities.

From 2007 through 2010, the indictment alleges Swanson used the IRASS credit card to make personal purchases valued at more than \$186,000, and that he used money donated to IRASS to make credit card payments. Swanson also allegedly used donated funds to make a payment to his wife's credit card and to purchase a company, Rotors & Wings, LLC.

The indictment alleges that in August 2006, Swanson caused a fraudulent invoice to be submitted to the Illinois Law Enforcement Alarm System requesting money pursuant to a federal grant. As a result, IRASS received approximately \$73,874, which was deposited into an IRASS bank account. On or about Feb. 9, 2007, Swanson transferred \$75,000 from the IRASS bank account to his personal money market account. Two years later, Swanson used funds from his personal money market account to pay his wife's Sears credit card.

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Swanson is also charged with income tax evasion for calendar tax years 2007 and 2008. The indictment alleges that Swanson withheld from tax preparers the amount of money he allegedly diverted from IRASS accounts. Swanson is also charged with two counts of filing false income tax returns for 2009 and 2010, for allegedly understating his adjusted gross income on the filed returns.

In the indictment, the government seeks personal money judgments from Swanson in the amount of \$189,128, representing the amount of property involved or traceable to the mail fraud offenses alleged in counts one and two of the indictment, and a personal money judgment of \$7,573, representing the amount of money involved or traceable to the money laundering offense as alleged in count three of the indictment.

The U.S. Clerk of the Court will issue a summons to Swanson to appear for arraignment on Apr. 2, 2014, in federal court in Urbana, before U.S. Magistrate Judge David G. Bernthal.

If convicted, the maximum statutory penalty for each count of the offenses is as follows: for mail fraud (two counts) and money laundering (one count), up to 20 years in prison; for income tax evasion (two counts) up to five years in prison; and for filing a false income tax return (two counts), up to three years in prison.

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

The charges are the result of an investigation by Internal Revenue Service Criminal Investigation and the U.S. Department of Defense Office of Inspector General, Defense Criminal Investigative Service. The case is being prosecuted by Assistant U.S. Attorney Eugene L. Miller in the Urbana Division of the Central District of Illinois.

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