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Isaac M. O'Bannon • Jan. 20, 2013

A city's former comptroller is heading to prison and the accounting firm that performed municipal audits is being sued for not noticing the theft of \$54 million over a decade. The firm says it had advised the city of control problems.

That's a sizable sum, especially for the northern Illinois city of Dixon, which has a population of under 16,000. Comptroller Rita Crundwell pled guilty to federal wire fraud charges in November, and will be sentenced in February, but the city isn't quite satisfied. It has filed a lawsuit against CliftonLarsonAllen, the accounting firm that performed audits during that time.

The seemingly lavish lifestyle of Crundwell hadn't gone unnoticed. As far back as 2002, Dixon's mayor, Jim Burke, had grown suspicious and tasked the accounting firm with examining the comptroller's credit card usage. One of the firm's partners, Ron Blaine, acknowledged in a deposition with the city attorney that they had done so, but that nothing improper was found.

Blaine, the accountant, had also prepared Crundwell's tax returns and, according to the Sterling, (Ill.) Daily Gazette newspaper, may have had a personal relationship with her. He further stated in the deposition that he had once noticed her having a new barn built for her quarterhorse business. He said she stated it had been funded by an investor.

This purported "outside" financing, which Crundwell has admitted was a ruse to cover the misuse of city funds, was not properly investigated by the accounting firm, according to the city.

The city attorney has added Blaine and another partner of the firm as individual

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News of the lawsuit was first reported by the Sterling Daily Gazette on Jan. 10.

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