

PRESS RELEASE

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Former Kankakee Wastewater Utilities Official Pleads Guilty to Fraud

URBANA, Ill. – Sentencing has been scheduled in June for a wastewater utilities official, Richard G. Simms, who pleaded guilty to defrauding Kankakee's wastewater utilities, Kankakee River Metropolitan Agency (KRMA) and the city's Environmental Service Utility (ESU), of more than \$2 million. Simms, 73, currently of Marietta, Ohio, entered his guilty plea on March 1, by video conference, before U.S. Magistrate Judge Eric I. Long.

Simms, who owned and operated Simms Engineering, LTD., served for many years as executive director of KRMA, which was responsible for treating wastewater from its member municipalities, namely, Kankakee, Bradley, Bourbonnais, and Aroma Park, Ill. Simms was also the Superintendent of ESU that serves as Kankakee's public works and sewer system.

Simms admitted that from 2014 through 2018, he fraudulently received approximately \$2.2 million as payment to Simms Engineering for software development by Plum Flower International, a business that Simms and his daughter started in 2014. Although Simms did not have board approval or contracts with his engineering firm to develop software, he submitted fraudulent and inflated invoices for payment. Simms circumvented KRMA's invoice payment procedure by submitting invoices directly to its accounting firm. As a result, KRMA's superintendent and administrative assistant did not approve the invoices and were unaware of the Simms Engineering invoices for software development.

Simms Engineering transferred more than \$2 million to Plum Flower International from 2014 to 2018, which represented more than 95% of Plum Flower's revenue. Approximately \$161,000 was used to pay another company to create a software application which they attempted to sell on the open market. Most of the remaining funds were used by Simms and his daughter for their personal benefit.

Sentencing is scheduled on June 28. The offense of federal program fraud carries a maximum statutory penalty of 10 years in prison.

The Federal Deposit Insurance Corporation Office of Inspector General conducted the investigation. Assistant U.S. Attorney Eugene L. Miller is representing the government in the case prosecution.

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