

# Biden commutes sentences of 2 Illinois megafraudsters

★ [chicago.suntimes.com/nation-world/2024/12/12/biden-commutes-dixon-comptroller-crundwell-embezzlement-bloom-investor-fraud](https://chicago.suntimes.com/nation-world/2024/12/12/biden-commutes-dixon-comptroller-crundwell-embezzlement-bloom-investor-fraud)

Mitchell Armentrout

December 13, 2024

## Nation and World Illinois Crime

**Former Dixon comptroller Rita Crundwell, who stole \$53.7 million from the northwest Illinois city, and former Northbrook CEO Eric Bloom, who lost his investors more than half a billion, saw their federal sentences slashed Thursday.**

Rita Crundwell leaves a courtroom in Dixon in 2012.

Alex T. Paschal/Associated Press

A disgraced ex-municipal comptroller who embezzled nearly \$54 million from her northwest Illinois city received a commutation from President Joe Biden on Thursday, wiping out about four years in a residential reentry program remaining on her sentence for the staggering financial crime.

Former Dixon comptroller Rita Crundwell was among a record-high 1,499 people to receive commutations in a single day from the outgoing president, a list that also included another infamous Illinois fraudster: Eric Bloom, who bilked investors out of more than \$665 million in the biggest financial fraud case ever tried in Chicago.

Bloom, formerly of Northbrook, had another 1½ years to go on his reentry program until the wave of commutations from the White House, which focused on criminals who had been released from prison and placed on home confinement early in the COVID-19 pandemic.

Biden also pardoned 39 people, including a clean slate for one Illinoisan: 51-year-old Diana Bazan Villanueva of La Grange, convicted of a nonviolent drug crime when she was in her 20s.

“In the years since, Ms. Villanueva has been a dedicated mother to her children and has worked in payroll and accounts,” the White House said in a statement. “Ms. Villanueva also regularly volunteers at school events, fundraisers, and annual autism-related charitable events. Friends and coworkers uniformly praise Ms. Villanueva and describe her as warm, reliable, and always eager to help.”

Villanueva couldn’t be reached for comment.

Pardons — a power granted presidents and typically exercised late in their terms — clear a person’s criminal record. Commutations reduce sentences but don’t exonerate people of crimes.

The White House didn’t elaborate on the commutations for Crundwell or Bloom.

Dixon Mayor Glen Hughes said, "Most of the city is probably stunned, and maybe even angry, that President Biden would provide clemency to Rita Crundwell, the perpetrator of probably the largest municipal misappropriations of funds in U.S. history."

"The Crundwell incident is one that the City would like to move past," Hughes said in an email. "Although today's news will be a dark moment in Dixon's history, Dixon has recovered very nicely both financially, and developmentally, from the Crundwell days."

Crundwell, 71, captured national headlines for her brazen misconduct [at the expense of taxpayers in Dixon](#), a city of 15,000 about 100 miles west of Chicago.

She was handed a 19-year sentence in 2013 after pleading guilty to stealing more than \$53.7 million from Dixon while serving as comptroller between 1990 and 2011, siphoning roughly \$2.5 million per year from city accounts to her own.

The windfall funded a championship-winning horse breeding business, classic cars and a lavish lifestyle for Crundwell, who also bought a house in Florida and four dozen trucks.



Rita Crundwell and her horse, Pizzazzy Lady, at the 2011 American Quarter Horse Association World Championship Show in Oklahoma City.

AP

By the time she was sentenced, the feds had recovered about \$12.4 million for Dixon, the childhood hometown of President Ronald Reagan.

Before she was released from the medium-security federal prison in downstate Pekin in 2021, Crundwell wrote in a letter seeking compassionate release that she “had several offers for books and movies. My reply has always been I would not speak to anyone until I was released and any remuneration would go first to the city of Dixon.”

## Bloom defrauded investors

---

Bloom, 59, got a 14-year sentence in 2015 [for wire and investment adviser fraud](#) as head of Sentinel Management Group Inc., which used customers' money to take out a massive loan for Bloom's own risky portfolio, which crashed.

Bloom strung along key investors in 2003 by artificially boosting their returns at the expense of less favored clients, costing them all more than half a billion dollars by the time the scheme fell apart in 2007.



Eric Bloom leaves the Dirksen Federal Building after being found guilty in 2014.

Michael Schmidt/Sun-Times Media

Prosecutors declared it the largest financial fraud case ever prosecuted in Chicago's federal court.

Before the commutations, Crundwell and Bloom were registered at residential reentry management field offices — better known as halfway houses — in Downers Grove and Miami, respectively, according to the federal Bureau of Prisons, but it wasn't clear where either has been living.

Crundwell previously suggested she could live with her brother on his farm in Dixon.

The Biden administration granted thousands of prisoners compassionate release early in the pandemic to help slow the spread of the virus in prisons, which proved to be major vectors for COVID-19.

Before Thursday's record-setting 1,538 clemency grants, the previous high was set by former President Barack Obama in 2017, when he pardoned or commuted sentences for 330 people.

Biden could grant more clemency petitions before his term ends next month.

*Contributing: Associated Press*

Next Up In [News](#)

[Evergreen Park woman's death marks 8th cold-related fatality this season, officials say](#)

[More than 58,000 Chicagoans have been homeless, new report says](#)

[Chicagoans send 150,000 whistles to cities besieged by federal immigration agents](#)

[Man, 23, fatally shot at Lower West Side carwash](#)

[Amazon gets approval to build massive retail concept in Orland Park](#)

[Thieves rob West Ridge jewelry store at gunpoint, flee in SUVs](#)

Latest Stories

[Bears' list of injury concerns grows late in season, starting with LT Ozzy Trapilo](#)

[James Beard names 23 Chicago restaurants semifinalists for food awards, including EL Ideas and Kasama](#)

[Wednesday's high school basketball scores](#)

[City/Suburban Hoops Report: Tony Balanganayi dominates for Palatine and a look at Oswego's upside](#)

[Evergreen Park woman's death marks 8th cold-related fatality this season, officials say](#)