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### **Inspector General Releases Report on MWBE Participation in the Public Building Commission**

The City of Chicago Office of Inspector General (IGO) released a report today on Minority and Women-owned Business Enterprise (MWBE) participation on Public Building Commission (PBC) administered construction projects.

Despite the PBC's failure to allow the IGO access to complete records of City funded construction projects, the IGO reviewed 15 PBC projects either fully or substantially completed in 2009 to calculate actual MWBE utilization and compare it with MWBE participation statistics reported by the PBC. Using project lien waivers to calculate amounts actually paid to legitimate MWBE subcontractors, the IGO found that *actual* MBE participation on these 15 projects was 39 percent less and WBE participation was 3 percent less than what the PBC publicly *reported*.

"The PBC manages hundreds of millions of dollars in construction contracts, and right now, they are not doing a good job of monitoring MWBE participation," said Inspector General Joe Ferguson. "Chicagoans should have accurate information on how their tax dollars are being managed, and the PBC's inflated MWBE numbers leave taxpayers and City leadership with significant misimpressions regarding both the use of tax dollars and satisfaction of MWBE requirements. This not only undermines public trust in the administration of City-funded contracts, it hurts legitimate MWBE firms looking to participate in this important program."

The IGO's report also makes two recommendations. First, the IGO recommends that the Mayor, as the head of the PBC, direct the PBC to comply with future IGO document and information requests on City-funded projects as it is statutorily and contractually obligated to do. Second, the PBC should more diligently monitor MWBE compliance in order to ensure the program properly accounts for efforts to foster economic opportunity for historically disadvantaged minority and women owned businesses in Chicago.

The report, which follows last week's IGO follow-up [report](#) on widespread fraud, abuse, and mismanagement in the City's MWBE program, can be found [online](#) at the IGO website: [www.chicagoinspectorgeneral.org](http://www.chicagoinspectorgeneral.org).

The IGO is charged by ordinance with promoting economy, efficiency, effectiveness and integrity in the operations of the City government. In our continuing effort to be fully responsive to the City's challenges and supportive of the efforts of the Mayor and City Council in meeting those challenges, the IGO welcomes any suggestions or comments on our reports, or suggestions of City programs to review.

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