Joseph M. Ferguson Inspector General

OFFICE OF INSPECTOR GENERAL

City of Chicago

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December 10, 2014

Rahm Emanuel Mayor City of Chicago 121 N. LaSalle, Suite 500 Chicago, IL 60602

Re: Significant Activity Report

Mayor Emanuel:

On December 9, 2014, the United States Court of Appeals for the Seventh Circuit affirmed the district court's rulings in the case of *United States v. Guy Potter and Matthew Giovenco* 11-CR-316 (U.S.D.C. ND IL). You will find the decision attached to this report.

The appellants, Guy Potter and Matthew Giovenco, controlled and operated the now-defunct ICS Cable, Inc., which they and others fraudulently disguised as a minority-owned business to obtain \$8.3 million in City-mandated minority sub-contracts under the lakefront cable franchise held by RCN Telecom Services of Illinois LLC.

On September 10, 2013, Potter and Giovenco were convicted on six counts of mail fraud in violation of 18 U.S.C. § 1341. Potter was sentenced to 4½ years and Giovenco was sentenced to three years in prison. The two men were also ordered to forfeit \$2.2 million in profits and pay \$217,580 in restitution to RCN.

If you need any additional information, please feel free to call me or Rachel Leven, Public Affairs Coordinator, at (773) 478-0534.

Respectfully,

Joseph M. Ferguson Inspector General City of Chicago

Website: www.ChicagoInspectorGeneral.org Hotline: 866-IG-TIPLINE (866-448-4754)