



Joseph M. Ferguson
Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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January 27, 2016

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

Re: Significant Activity Report

Mayor Emanuel:

On January 26, 2016, following a two week trial, a jury in the Northern District of Illinois found John Bills, a former assistant transportation commissioner for the City of Chicago, guilty on all twenty counts twenty counts, including federal corruption and filing false tax returns, for his role in multi-year kickback scheme perpetrated in connection with the City's red-light camera program. *United States v. John Bills* 14-CR-135 (U.S.D.C. ND IL).

From approximately 2003 to 2011, Bills used his position as a senior official to influence the procurement process that awarded Redflex Traffic Systems Inc. lucrative contracts to supply and service cameras for the City's red-light camera program. Redflex later expanded its business with the City through a sole source procurement process corruptly facilitated by Bills. In exchange for his efforts, Redflex provided Bills with cash and personal benefits, including meals, golf outings, rental cars, airline tickets, hotel rooms and other entertainment. Redflex ultimately received payments and contracts of over \$100 million.

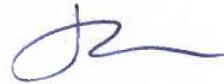
After a two-week trial in federal court in Chicago, the jury returned guilty verdicts on all twenty counts against Bills, including nine counts of mail fraud; three counts of wire fraud; one count of extortion under color of official right; one count of conspiracy to commit bribery; three counts of bribery; and three counts of filing false tax returns.

Bills was indicted in August of 2014. The Office of Inspector General's staff worked with the Federal Bureau of Investigation, Internal Revenue Service, and United States Attorney for the Northern District of Illinois to ensure that this government official was held accountable to the taxpayers. Bills is the third person convicted in connection with the scheme, with guilty pleas previously having been entered by middleman Martin O'Malley, and by former Redflex CEO Karen Finley, both of whom testified at trial.

Bills is scheduled to be sentenced before United States District Judge Virginia Kendall on May 5, 2016, at 10:00 a.m. in Room 2319 of the Dirksen Building.

Please do not hesitate to direct any questions or requests for additional information to me or Rachel Leven, OIG Public Communications Coordinator, at (773) 478-0534.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', is positioned above the typed name.

Joseph M. Ferguson
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City of Chicago