



# Department of Justice

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## **ILLINOIS REFUSE CONTAINER REPAIR COMPANY EXECUTIVES INDICTED IN CONSPIRACY TO DEFRAUD THE CITY OF CHICAGO**

### ***Conspirators Engaged in Scheme To Defraud the City of Chicago on City Refuse Cart Contract***

WASHINGTON — A Chicago grand jury indicted the president and vice president of an Illinois refuse disposal container repair company for engaging in a conspiracy and scheme to defraud the city of Chicago on a contract for the repair of refuse carts, the U.S. Department of Justice announced today. This is the first case to be brought in the Department's ongoing antitrust investigation into the refuse cart repair industry.

The four-count indictment filed today in the U.S. District Court in Chicago charged Douglas E. Ritter, the company president, and Steven Fenzl, the company vice president, with conspiring to defraud the city of Chicago on a July 2005 contract. Ritter and Fenzl are also charged with mail and wire fraud.

According to the charges, Ritter and Fenzl's scheme included misrepresenting the number of legitimate, competitive bids submitted to the city by, in addition to submitting a bid on behalf of their own company, fraudulently orchestrating the submission of bids from three additional companies, including determining the prices of those bids and submitting fraudulent documents with them. Additionally, as part of the scheme to defraud the city, Ritter and Fenzl made fraudulent certifications and omissions regarding the company's use of Women and Minority Business Enterprise program subcontractors, and thereafter fraudulently collected payments from the city intended for those subcontractors. As part of the conspiracy and scheme to defraud, the conspirators used, or caused to be used, the U.S. Postal Service, FedEx Corporation and interstate wires.

"Schemes to subvert the competitive bidding process deprive citizens, and, in this case, the city of Chicago, of their right to fair and competitive pricing," said Scott D. Hammond, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program.

"Ensuring the integrity of the city of Chicago's competitive bidding process is crucial, especially when citizens are stretching every dollar and making sacrifices to cope with a troubled

economy. The city's contracts are paid by the taxpayers. Those involved in obtaining contracts through fraud are inflating prices and are stealing from everyone in the community. These schemes erode the trust in government to spend public dollars wisely and procure goods and services at a fair price," said David H. Hoffman, Inspector General for the City of Chicago.

Ritter and Fenzl are charged with conspiracy to commit mail and wire fraud, two counts of mail fraud and one count of wire fraud. The defendants face a maximum penalty per count of \$250,000 and 20 years in jail. The fine may be increased to twice the gain derived from the crime, or twice the loss suffered by the victims, if either of those amounts is greater than the statutory maximum.

The charges announced today resulted from an ongoing investigation of the refuse cart repair industry being conducted by the Department's Antitrust Division and the City of Chicago Office of Inspector General.

Anyone with information concerning anticompetitive conduct in other city of Chicago, government or private contracts is urged to call the Chicago Field Office of the Antitrust Division at 312-353-7530.

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