



OFFICE OF INSPECTOR GENERAL

City of Chicago

Joseph M. Ferguson
Inspector General

740 N Sedgwick, Suite 200
Chicago, Illinois 60654
Telephone: (773) 478-7799
Fax: (773) 478-3949

FOR IMMEDIATE RELEASE:
April 20, 2012

CONTACT: (773) 478-0534
Jonathan Davey

IGO Releases 2012 First Quarter Report

The City of Chicago Office of Inspector General (IGO) has transmitted its first quarter report for 2012 to the City Council and City officials. Available on the IGO website, the report provides a summary of IGO activity from January 1 through March 31, 2012.

City law mandates that the Quarterly include certain statistics about the number, type, and duration of IGO investigations, as well as summaries of concluded investigations resulting in disciplinary findings and recommendations. In order to further promote transparency of IGO efforts and accountability in City operations, the Quarterly also includes summaries of IGO audits, program reviews, and recommendations it published during the prior three month period.

“We take the same approach with our Quarterly Reports as we do with all other IGO undertakings,” said Inspector General Joe Ferguson. “There can be no accountability without transparency, and no transparency without public access to the work of the City. These Quarterly Reports are meant to provide that access, and I hope they are useful to City residents and employees, and illuminating for City leadership.”

Highlights from IGO administrative and criminal investigations include:

- 1) The IGO found that a Department of Aviation (CDA) security officer assigned to O’Hare International Airport submitted a forged law enforcement certificate when he/she submitted his/her job application. The investigation showed that the employee attended the required training for the position, but failed the certification examination three times. The employee was terminated.
- 2) An IGO investigation determined that a very successful Minority-Owned Business Enterprise (MBE) certified vendor was allowed to remain certified for at least one year more than it was entitled when a Senior Compliance Officer, who has since been laid off, failed to properly evaluate the vendor’s average gross annual receipts. This mistake, which the IGO had identified several instances of in the past, likely denied truly economically disadvantaged companies legitimate opportunities to compete for contracts that ultimately, and mistakenly, went to that vendor.
- 3) The IGO found that a City employee had repeatedly falsified his/her work records in order to operate a side business painting houses while on City time. The employee was terminated and his/her supervisor reprimanded for failing to track the employee’s work activities.

- 4) In the final sentencing of the long standing joint IGO-federal corruption investigation code-named Operation Crooked Code, Dominick Owens, of Chicago, was sentenced to one year and one day in prison after having been found guilty of two counts of bribery on March 29, 2012. Owens, 45, had faced a maximum penalty of 10 years in prison and a \$250,000 fine for each count.

In November 2011, Owens was found guilty of accepting two separate bribes of \$600 in July 2006 in exchange for certificates of occupancy at four residential properties while working as a zoning inspector for the City. He will report to prison on June 13, 2012.

Operation Crooked Code, launched in 2007 between IGO, U.S. Postal Inspection Service, the Federal Bureau of Investigation, and the U.S. Attorney's Office, has resulted in the convictions of 22 people, including 16 current or former City employees.

- 5) On February 14, City contractors Elizabeth Perino, owner of Perdel Contracting Company and Accurate Steel Installers, and Anthony Capello, owner of Diamond Coring, were charged in federal court for allegedly using companies under their control to fraudulently obtain government contracts set-aside for owners of M/WBE firms.

The charges stemmed from a joint IGO/federal/state investigation.

Perino was charged with fraudulently using her companies as sham pass through sub-contractors as part of a scheme to help prime contractors meet the City of Chicago and other local governments' set-aside requirements for construction contracts. She allegedly acted as a sham pass-through on contracts with Prime Contractor A, a construction firm with billions of dollars worth of government and private contracts, as well as with the owner of Prime Contractor B, who was cooperating with law enforcement.

Capello was charged with one count of mail fraud in a criminal information filed in Federal Court. He allegedly obtained contracts worth more than \$2.3 million between 1999 and 2006 from the City of Chicago, Cook County and the State of Illinois, by operating the Stealth Group, Inc., also known as SGI, as a fraudulently certified WBE and DBE. He will be arraigned at a later date in U.S. District Court.

"These investigations run the gamut; from bribery to residency violations, theft of City time, improper use of City resources, and incompetence. My hope is that City managers can use this Report, as well as other public IGO products, to improve their operations and ensure greater integrity in City government," said Inspector General Joe Ferguson.

The full Report can be found online at the IGO website: www.chicagoinspectorgeneral.org. Follow the IGO on Twitter [@ChicagoIGO](https://twitter.com/ChicagoIGO) for the latest information on how the IGO continues to fight waste, fraud, abuse, and inefficiency in Chicago government.

###