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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES OF AMERICA)

) No. 11 CR 492

v.)

) Violations: Title 18, United States
) Code, Section 1341 and 1343

ELIZABETH PERINO)

) JUDGE FEINERMAN
) MAGISTRATE JUDGE COLE

COUNT ONE

The SPECIAL JULY 2013 GRAND JURY charges:

1. At times material to this indictment:

a. Various governments, including the City of Chicago and the United States, had laws and rules that established programs designed to increase their use of categories of businesses known as minority business enterprises, women's business enterprises, and/or disadvantaged business enterprises.

b. Bidders hoping to do business with these governments had to comply with the laws and rules applicable to the MBE, WBE, and DBE programs in order to receive the contracts they sought. The laws and rules applicable for each contract, which generally required certain percentages of participation in the contracts by MBEs, WBEs, or DBEs, were made known to the bidders before they submitted their proposals to the governments.

c. Pursuant to an ordinance passed by the Chicago City Council in 1990, Chapter 2-92-420 *et seq.* of the amended Municipal Code, the City of Chicago established a Minority and Women Owned Business Enterprise Procurement Program. The ordinance established an overall goal of annually awarding to MBEs not less than 25% and to WBEs not less than 5% of the total annual funding of all City contracts. For contracts that were valued at more than \$10,000, each contractor had to commit to having a certain percentage of MBE or WBE participation, either as a joint venture or subcontract, or by purchasing goods or services from an MBE or WBE.

d. Defendant ELIZABETH PERINO owned and operated Perdel Contracting Company, which was a company located in the Northern District of Illinois.

e. Perdel Contracting specialized in concrete and carpentry work and was certified as a WBE and DBE by several government entities, including the City of Chicago. Based on its certification, Perdel Contracting was eligible to participate in various projects as a subcontractor in order to fulfill a prime contractor's WBE and DBE obligations.

f. Individual A was an employee of Perdel Contracting.

g. Prime Contractor B was a business located in the Northern District of Illinois that provided services related to concrete sawing and

drilling. Prime Contractor B was neither certified nor eligible to be certified as an MBE, WBE, or DBE.

2. Beginning no later than in or about June 2011 and continuing to on or about July 7, 2011, at Lockport, in the Northern District of Illinois, Eastern Division, and elsewhere,

ELIZABETH PERINO,

defendant herein, along with Individual A, and others known and unknown, devised, intended to devise, and participated in a scheme to defraud and to obtain money and property from the City of Chicago by means of materially false and fraudulent pretenses, representations, and promises, as further described below.

3. It was part of the scheme that defendant ELIZABETH PERINO and Individual A agreed (1) to have Perdel Contracting act as a pass-through WBE for Prime Contractor B by making it falsely appear as though Perdel Contracting would provide labor and equipment on a multi-million dollar project at O'Hare Airport, where such WBE participation was required for Prime Contractor B to comply with the City of Chicago's WBE laws and regulations, when, in actuality, the labor and equipment would be provided by Prime Contractor B; and (2) to falsify documents in order to disguise Prime Contractor B's failure to meet WBE participation requirements on a

prior contract regarding asphalt at O'Hare for which Perdel Contracting had performed no labor and provided no equipment.

Bid for O'Hare Airport Project

4. It was further part of the scheme that on or about June 23, 2011, defendant ELIZABETH PERINO caused to be sent to Prime Contractor B a letter of intent to perform as a WBE/DBE subcontractor for Prime Contractor B, which PERINO understood Prime Contractor B would include in its bid to the City of Chicago for the O'Hare Airport project in order to comply with the City's WBE laws and regulations. The letter of intent, which identified Perdel Contracting as a WBE, falsely stated that Perdel Contracting would "[p]rovide labor and equipment for paving sweeping as required," when, as PERINO knew:

a. The pavement sweeping work would actually be performed by employees of Prime Contractor B, who would be placed on the payroll of Perdel Contracting in order to disguise the fact that Prime Contractor B would perform work that was to be credited to WBE Perdel Contracting, which WBE credit was required under the City's WBE laws and regulations; and

b. Perdel Contracting had no pavement sweeping equipment.

5. It was further part of the scheme that, in order to conceal the fact that Perdel Contracting would not be performing the pavement sweeping

work stated in the letter of intent, defendant ELIZABETH PERINO and Individual A agreed that Perdel Contracting would “purchase” two street sweepers from Prime Contractor B, would title and re-label the street sweepers with Perdel Contracting’s name, and then, at the conclusion of the contract, would “sell” the street sweepers back to Prime Contractor B.

6. It was further part of the scheme that defendant ELIZABETH PERINO agreed that Prime Contractor B’s bid for the O’Hare Airport project would list Perdel Contracting as providing \$225,000 worth of work as a WBE subcontractor, when she knew that Perdel Contracting would not be providing workers or equipment on the project and that, instead, the pavement sweeping workers and equipment would be provided by Prime Contractor B.

7. It was further part of the scheme that, in return for allowing Prime Contractor B to use Perdel Contracting as a pass-through WBE, by making it falsely appear as though Perdel Contracting would provide labor and equipment when, in actuality, the labor and equipment would be provided by Prime Contractor B, Individual A said that Perdel Contracting would charge Prime Contractor B an 18% mark-up on the costs of labor and \$20 per hour for the use of sweeper equipment, which charges were reflected in the letter of intent that defendant ELIZABETH PERINO caused to be

delivered to Prime Contractor B. Individual A later indicated that the \$20 per hour cost for the sweeper equipment could be reduced.

Prime Contractor B's Prior Asphalt Contract

8. It was further part of the scheme that in July 2011, to assist Prime Contractor B in disguising the fact that Prime Contractor B failed to meet the City of Chicago's WBE participation requirements in connection with Prime Contractor B's asphalt contract, defendant ELIZABETH PERINO caused false documents to be prepared and sent to Prime Contractor B for submission to the City, which false documents included:

a. a letter of intent, back-dated to December 1, 2010, which falsely stated that Perdel Contracting would perform as a WBE subcontractor for Prime Contractor B by providing equipment;

b. a fake purchase order back-dated to December 1, 2010, which falsely showed that Prime Contractor B ordered \$140,000 worth of rental equipment from Perdel Contracting, including an air compressor, a trailer, a dump truck, a bobcat, a generator, and a boom truck;

c. a fake invoice from Perdel Contracting for the period ending June 30, 2011, which falsely billed Prime Contractor B for \$95,648 and contained a certification that falsely stated that "[t]he undersigned contractor certifies to the best of the contractor's

knowledge, the work on the above named job has been completed in accordance with the plans and specifications to the level of completion indicated on the attached schedule of completion”; and

d. a fake itemized “Schedule of Work Completed,” which falsely detailed purported equipment rental in the amount of \$95,648.

As PERINO knew, all these documents were false because Perdel Contracting had not submitted a letter of intent in December 2010 to provide equipment to Prime Contractor B in connection with the asphalt contract and had not rented equipment to Prime Contractor B or provided any other work on the asphalt contract as of June 30, 2011.

9. It was further part of the scheme that defendant ELIZABETH PERINO and Individual A agreed that, as its fee for assisting in disguising Prime Contractor B’s failure to meet the City’s WBE requirements for the asphalt contract, Perdel Contracting would keep 10% of the invoiced amount that Prime Contractor B would pay for the purported equipment rental, while the rest of the paid invoiced amount would be returned to Prime Contractor B by masking it as payment for the purported purchase of street sweeper equipment that was discussed in connection with Prime Contractor B’s bid for the O’Hare Airport project.

10. It was further part of the scheme that defendant ELIZABETH PERINO and Individual A discussed with the owner of Prime Contractor B

that, in order to get the sweeper equipment back to Prime Contractor B at the conclusion of the O'Hare Airport Project, there would be a private "gentleman's agreement," whereby the equipment would be "sold" back to Prime Contractor B for a dollar per sweeper machine. PERINO said that the "gentleman's agreement" had to be handwritten and not in a computer so as to avoid detection during an audit. PERINO also said that Prime Contractor B should not put a lien on the sweepers during the period they were held by Perdel Contracting because a lien would cause the fraudulent sales transaction to then be traceable.

11. It was further part of the scheme that defendant ELIZABETH PERINO misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the purposes of and the acts done in furtherance of the scheme.

12. On or about June 23, 2011, at Lockport, in the Northern District of Illinois, Eastern Division, and elsewhere,

ELIZABETH PERINO,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate email transmission with the subject "Pavement Joint Sealing for Chicago Airport – Spec # 95901" from the email address of Employee A at

“perdel.biz” to an email account of the owner of Prime Contractor B for the purpose of transmitting (1) a letter of intent that stated Perdel Contracting Corporation would “provide labor and equipment for pavement sweeping as required”; and (2) a WBE certification letter for Perdel Contracting from the City of Chicago;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL JULY 2013 GRAND JURY further charges:

1. The allegations in Paragraphs 1 through 11 of Count One are incorporated here.

2. On or about June 30, 2011, at Lockport, in the Northern District of Illinois, Eastern Division, and elsewhere,

ELIZABETH PERINO,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate email transmission with the subject "PO" from an email account of the owner of Prime Contractor B to defendant PERINO for the purpose of transmitting a blank purchase order from Prime Contractor B;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL JULY 2013 GRAND JURY further charges:

1. The allegations in Paragraphs 1 through 11 of Count One are incorporated here.

2. On or about July 5, 2011, at Lockport, in the Northern District of Illinois, Eastern Division, and elsewhere,

ELIZABETH PERINO,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate email transmission with the subject "O'Hare Schedule C" from the email address of Employee B at "perdel.biz" to an email account at Prime Contractor B for the purpose of transmitting a blank letter of intent;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL JULY 2013 GRAND JURY further charges:

1. The allegations in Paragraphs 1 through 11 of Count One are incorporated here.

2. On or about July 6, 2011, at Lockport, in the Northern District of Illinois, Eastern Division, and elsewhere,

ELIZABETH PERINO,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be sent and delivered to the owner of Prime Contractor B by FedEx, a commercial interstate carrier, a package containing fraudulent documents, including a backdated letter of intent for Perdel Contracting as a WBE to perform as a subcontractor for Prime Contractor B with a total base bid of \$140,000, a Perdel Contracting bill for \$95,648 in equipment rentals to Prime Contractor B as of June 30, 2011, and an itemized "Schedule of Work Completed";

In violation of Title 18, United States Code, Section 1341.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY