



Joseph M. Ferguson
Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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November 10, 2016

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

Re: Significant Activity Report

Mayor Emanuel:

On November 10, 2016, United States District Court Judge Virginia Kendall sentenced Karen Finley, former chief executive officer of Redflex Traffic Systems Inc., to a 30-month term of imprisonment for her role in a multi-year kickback scheme perpetrated in connection with the City's red-light camera program. *United States v. Karen Finley*, 14-CR-135-3 (U.S.D.C. ND IL). As part of the sentence, Judge Kendall also entered an order of restitution for \$2,032,959.50 for which Finley is jointly and severally liable with her co-defendants, and for which Finley must make an initial lump sum payment of \$35,000. Finley is the third and final defendant to be sentenced as the result of an investigation conducted jointly by the City of Chicago Office of Inspector General (OIG), the Federal Bureau of Investigation, and the Internal Revenue Service, and a prosecution by the United States Attorney for the Northern District of Illinois.

Finley pled guilty in August 2015 to one count of conspiracy to commit federal program bribery, a violation of 18 U.S.C. § 371. In her plea, Finley admitted that from at least January 2003 and continuing through June 30, 2011, she conspired to give cash payments and other personal financial benefits to John Bills, a former assistant transportation commissioner for the City of Chicago, and his friend Martin O'Malley. In return, Bills used his position as a senior official to influence the procurement process that awarded Redflex lucrative contracts to supply and service cameras for the City's red-light camera program. Through the original award and a corrupted sole-source procurement process, Redflex ultimately received payments and contracts of over \$100 million.

If you need any additional information, please feel free to call me or Kathryn Richards at (773) 478-7799.

Respectfully,

A handwritten signature in blue ink, appearing to be "J. Ferguson".

Joseph M. Ferguson
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