



Joseph M. Ferguson
Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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March 17, 2017

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

Re: Significant Activity Report

Mayor Emanuel:

On March 16, 2017, former City of Chicago contractor Elizabeth Perino was sentenced to a year and a day term of federal imprisonment for defrauding the City's Minority and Women-Owned Business Enterprises (MWBE) program. *United States v. Elizabeth Perino*, 11-CR-492 (ND IL).

In June of 2016, a jury returned guilty verdicts against Perino on three counts of wire fraud and one count of mail fraud, 18 U.S.C. §§ 1343 and 1341. Acting through Perdel Contracting Co., the City-certified WBE firm she owned and operated, Perino agreed to and did act as a pass-through on a multi-million dollar runway repair project at O'Hare Airport. In furtherance of the scheme, Perino generated and provided fraudulent Perdel invoices falsely claiming the provision of equipment and labor that in fact were not provided. Perino submitted the false and fraudulent invoices for the purpose of helping the general contractor conceal its unmet MWBE diversity goals during in the context of an audit of an O'Hare public works project. In imposing the sentence, U.S. District Court Judge Gary Feinerman noted that the jail term was intended to send a message to the construction industry that MWBE fraud is unacceptable.

Perino's conviction is the product of a joint investigation of the Chicago Office of Inspector General and the Federal Bureau of Investigation conducted under the direction of the U.S. Attorney's Office for the Northern District of Illinois, and involving assistance from the City's Department of Procurement Services.

Please direct any questions or requests for additional information to me or Danielle Perry, OIG Director of Communications, at (773) 478-8417.

A handwritten signature in blue ink, appearing to read 'J. Ferguson', is centered at the top of the page.

Respectfully,

Joseph M. Ferguson
Inspector General
City of Chicago