



OFFICE OF INSPECTOR GENERAL
City of Chicago

Joseph M. Ferguson
Inspector General

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

April 10, 2018

Carina Sanchez
Executive Director
Public Building Commission of Chicago
50 West Washington Street, Room 200
Chicago, Illinois 60602

David Todd Whittley
Chairman of the Audit Committee
Public Building Commission of Chicago
50 West Washington Street, Room 200
Chicago, Illinois 60602

Re: Significant Activity Report

Dear Director Sanchez and Chairman Whittley:

On April 9, 2018, former Public Building Commission (PBC) Manager of Payroll and Benefits Tara D. Smith pleaded guilty to one count of filing a false tax return, in violation of Title 26, United States Code, Section 7206(1). In her plea agreement, Smith, who processed payroll for PBC's employees, admitted that in 2014 and 2015 she periodically submitted false information to ADP, PBC's payroll processor, which represented that Smith was entitled to additional payroll payments when Smith knew that, in fact, she was not. In total, Smith arranged to receive an additional \$51,018 in unauthorized payroll payments from PBC, which were then deposited into bank accounts she controlled.

Smith further admitted that she filed materially false and fraudulent U.S. Individual Income Tax Return Form 1040s in 2014, 2015, and 2016, in which she willfully failed to report all the income she received. In addition, in January 2015, Smith sought to conceal unauthorized payments by submitting an amended W-2 via email to ADP which did not reflect the unauthorized payments she received in 2014. Smith thereby committed wire fraud in violation of Title 18, United States Code, Section 1343, as the email Smith sent was routed through a computer server located in a state outside of Illinois.

Smith agreed to pay restitution in the amount of \$51,018 to PBC and \$40,371 to the Internal Revenue Service.

Smith is scheduled to appear before Judge Sara L. Ellis on July 20, 2018, for sentencing.

This investigation was conducted by the City of Chicago Office of Inspector General, working in conjunction with the Internal Revenue Service and the U.S. Attorney for the Northern District of Illinois.

Please do not hesitate to direct any questions or requests for additional information to me or Natalie A. Kuriata, Communications Coordinator, at (773) 478-8417.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', with a stylized flourish at the end.

Joseph M. Ferguson
Inspector General
City of Chicago