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FOR IMMEDIATE RELEASE

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**JURY CONVICTS LOCKPORT CONTRACTOR OF DEFRAUDING CITY OF CHICAGO'S
WOMEN-OWNED BUSINESS ENTITY PROCUREMENT PROGRAM**

CHICAGO — A federal jury today convicted a Lockport subcontractor on fraud charges for scheming to help a general contractor falsely satisfy its female hiring requirement on city of Chicago construction projects.

As the owner of a certified Women's Business Enterprise, ELIZABETH PERINO agreed to allow her company to be claimed as a subcontractor on city projects so that the general contractor could satisfy its requirement to assign a portion of the work to female-owned businesses. Perino falsified paperwork to conceal the fact that her business, Perdel Contracting Co., would perform no actual work on the projects. As a result of Perino's fraud, Perdel expected to receive payment equivalent to a percentage of the work that Perdel fraudulently claimed to have performed.

Perino, 62, of Willowbrook, was convicted on three counts of wire fraud and one count of mail fraud. The conviction is punishable by a maximum sentence of 80 years in prison.

U.S. District Judge Gary Feinerman will schedule a sentencing hearing at a later date.

A city of Chicago ordinance establishes an overall goal of awarding at least 5% of total annual funding of all city contracts to WBEs. For contracts with values exceeding \$10,000, each contractor has to commit a certain percentage of labor to WBEs, either as a joint venture or subcontractor, or by

purchasing goods or services from a WBE. In addition to being a WBE, Lockport-based Perdel, which specializes in concrete and carpentry work, also qualified to participate in city projects as a certified Disadvantaged Business Enterprise.

Evidence at the four-day trial revealed that Perino and a co-worker agreed to act as a “pass-through” WBE/DBE on two city projects, meaning that Perdel’s employees would perform no work and Perdel’s equipment would not be used. For one of the projects – at O’Hare International Airport – Perino agreed to place the general contractor’s employees on Perdel’s payroll to perform the work that would be credited to Perdel. Perino also entered into a sham contract to “purchase” street sweepers from the general contractor and title them in Perdel’s name while the general contractor’s workers performed the street sweeping as purported employees of Perdel. Perino and the general contractor further agreed that, at the conclusion of the O’Hare project, the street sweepers would be returned to the general contractor for \$1 per machine, and Perdel would receive 18% on top of the labor costs and \$20 per hour for the street sweepers.

The conviction was announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois; Michael J. Anderson, Special Agent in Charge of the Chicago Office of the Federal Bureau of Investigation; Thomas Ullom, Special Agent-in-Charge of the U.S. Department of Transportation Office of Inspector General in Chicago; James Vanderberg, Special Agent-in-Charge of the Chicago Region of the U.S. Department of Labor’s Office of Inspector General, Office of Labor Racketeering and Fraud Investigations; and Joseph M. Ferguson, Inspector General for the City of Chicago.

The government is represented by Assistant U.S. Attorneys Megan Cunniff Church and Matthew Kutcher.

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