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FOR IMMEDIATE RELEASE
THURSDAY AUG. 2, 2012
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**FORMER COOK COUNTY OFFICIAL CHARGED WITH STEERING
CONTRACTS UNDER \$25,000 IN RETURN FOR KICKBACKS**

CHICAGO — A former Cook County official was indicted on federal charges for allegedly fraudulently steering four county contracts, each just under \$25,000, to four acquaintances and then soliciting a portion of the contract payments as a kickback from each of them, totaling approximately \$34,700, federal and state law enforcement officials announced today. **Eugene Mullins**, who was director of the Cook County Department of Public Affairs and Communications between March 2008 and November 2010, was arrested today after being indicted on fraud and corruption charges. The four individuals who allegedly received county contracts and returned a portion of the payments to Mullins were each charged with misprision of a felony for allegedly concealing Mullins' alleged fraud and kickback crimes.

Mullins, 48, of Chicago, was charged with four counts of wire fraud and four counts of soliciting kickbacks in a 12-count indictment that was returned by a federal grand jury yesterday and unsealed today when he appeared in U.S. District Court. He pleaded not guilty and was released on his own recognizance. A status hearing was scheduled for 8:45 a.m. on Sept. 5, 2012, before U.S. District Judge Amy St. Eve.

The four co-defendants were not arrested and will be arraigned later on dates to be determined before Judge St. Eve. They are: **Gary Render**, 43, of Chicago; **Michael L. Peery**, 51, of Chicago; **Clifford Borner**, 45, of Chicago, and **Kenneth Gregory Demos**, 50, of Oak Park. Each was charged with one count of misprision of a felony.

The arrest and charges were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Anita Alvarez, Cook County State's Attorney; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Patrick Blanchard, Cook County Inspector General. The charges stem from a joint state and federal corruption investigation that resulted previously in pending state charges against Carla Oglesby, a former Cook County official, who allegedly also illegally steered county contracts under \$25,000.

Between January 2010 and January 2011, Mullins allegedly used his county position to submit and cause others to submit false documents to the county to assist the four co-defendants in obtaining professional and managerial service contracts and payment from the county. Mullins then solicited the individuals who obtained contracts for payments from the contract proceeds for his own benefit, the charges allege. Mullins also allegedly steered contracts under \$25,000 to two other individuals who later returned the checks they received from the county in full and were not charged.

According to the indictment, county contracts for professional and managerial services under \$25,000 required approval only by the county purchasing agent and did not require approval by the county Board of Commissioners. In 2010, Mullins' public affairs and communications department, as well as other county departments, had access to federal funds and county money to promote awareness and increase response rates by county residents for the 2010 U.S. Census, to promote

awareness and assist residents impacted by floods in 2008, and to promote and increase energy efficiency and conservation.

At various times in 2010, the indictment alleges that :

- ▶ Mullins schemed to fraudulently steer a \$24,980 disaster grant contract to Render, who returned \$9,000 to Mullins;
- ▶ Mullins schemed to fraudulently steer a \$24,985 energy grant contract to Peery, who returned \$12,000 to Mullins;
- ▶ Mullins schemed to fraudulently steer a \$24,995 census contract to Borner, who returned \$5,000 to Mullins; and
- ▶ Mullins schemed to fraudulently steer a \$24,997 census contract to Demos, who returned \$8,700 to Mullins.

Mullins also allegedly steered two additional census contracts for \$24,995 and \$24,390 to two other individuals whom he solicited for a portion of the proceeds, and in both instances those individuals returned their uncashed checks to the county. In each instance, Mullins allegedly told the individuals who received the contracts that he could arrange for another company to perform portions of the work in exchange for a portion of the county payments they received. In fact, the money that Mullins received from the individuals was not used to arrange for any other companies to perform the work. Instead, it was used for Mullins' own benefit, according to the indictment, and Render, Peery, Borner, and Demos performed little or no work for the county.

As part of an effort to conceal the scheme in late 2010 and early 2011, Mullins allegedly advised the contract recipients to falsely deny the circumstances surrounding the contracts if questioned by investigators. For example, he advised Peery not to say anything about the cash payment to Mullins, and advised Borner to claim ownership of the invoice submitted in support of his census contract, the charges allege.

The indictment seeks forfeiture of approximately \$34,700 from Mullins.

The government is being represented by Assistant U.S. Attorneys Lindsay Jenkins, Sarah Streicker, and Special Assistant U.S. Attorney Jack Blakey, chief of the Special Prosecutions Bureau of the Cook County State's Attorney's Office.

Each count of wire fraud carries a maximum penalty of 20 years in prison: each count of soliciting kickbacks carries a maximum of 10 years in prison; and misprision of a felony carries a maximum of three years in prison, and all counts carry a \$250,000 maximum fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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