

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
)
) Violation: Title 18, United States
) Code, Section 1343
RICHARD A. MANDARINO)

COUNT ONE

The SPECIAL JULY 2021 GRAND JURY charges:

1. At times material to this Indictment:

a. Company A was a group of related companies based in Chicago, Illinois that provided construction services in the United States and elsewhere, including Canada. All of Company A’s related companies shared the same electronic accounting system that operated from a server located in Chicago.

b. Defendant RICHARD A. MANDARINO was a Senior Project Accountant at Company A. MANDARINO was located in Canada and worked on Company A’s Canadian business projects.

c. Vendor A was a vendor located in Canada that performed work for Company A on projects and was listed as a vendor in Company A’s accounting system. Company A made payments to Vendor A in Canadian dollars (“CDN”).

d. Vendors B, C, and D were purported vendors located in Canada that did not provide goods or services to Company A and were not listed as vendors in Company A’s accounting system.

2. Beginning no later than November 2015, and continuing through in or

around September 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

RICHARD A. MANDARINO,

defendant herein, knowingly devised and intended to devise a scheme to defraud and to obtain money from Company A by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of the scheme that MANDARINO fraudulently embezzled and obtained approximately \$2,480,189 CDN from Company A by causing it to issue payments to vendors for purported goods and services, which MANDARINO knew had not been provided to Company A, and then converted those payments to his personal use and the use of others.

4. It was further part of the scheme that MANDARINO caused Vendors B, C, and D to become listed as vendors in Company A's accounting system, knowing they had not provided any goods or services to Company A.

5. It was further part of the scheme that MANDARINO knowingly entered false payment requests in Company A's accounting system in order to cause the issuance of checks totaling approximately \$2,480,189 CDN to Vendors A, B, C, and D as payment for goods and services that had not been provided to Company A by those vendors.

6. It was further part of the scheme that, as a result of these false entries, MANDARINO caused Company A to issue 12 checks totaling approximately \$2,480,189 CDN to Vendors A, B, C, and D as payment for goods and services that

had not been provided, which included payments totaling approximately \$1,221,790 CDN to Vendor A, approximately \$882,725 CDN to Vendor B, approximately \$254,752 CDN to Vendor C, and approximately \$120,921 CDN to Vendor D.

7. It was further part of the scheme that, in order to conceal the fraudulent payments to the vendors, MANDARINO created fictitious credits and offsets in Company A's accounting system.

8. It was further part of the scheme that MANDARINO concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

9. On or about August 16, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

RICHARD A. MANDARINO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce certain writings, signs, and signals, namely an electronic message representing payment in the amount of approximately \$209,291 CDN to Vendor B, from Company A's accounts payable department in Chicago, Illinois to a printer in Toronto, Ontario;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about August 16, 2017, in the Northern District of Illinois, Eastern

Division, and elsewhere,

RICHARD A. MANDARINO,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce certain writings, signs, and signals, namely an electronic message representing payment in the amount of approximately \$126,923 CDN to Vendor C, from Company A's accounts payable department in Chicago, Illinois to a printer in Toronto, Ontario;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count One are incorporated here.
2. On or about September 8, 2017, in the Northern District of Illinois,

Eastern Division, and elsewhere,

RICHARD A. MANDARINO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate and foreign commerce certain writings, signs, and signals, namely an electronic message representing payment in the amount of approximately \$253,761 CDN to Vendor B, from Company A's accounts payable department in Chicago, Illinois to a printer in Toronto, Ontario;

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

The SPECIAL JULY 2021 GRAND JURY alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1343, as set forth in this Indictment, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, as provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. If any of the property described above, as a result of any act or omission by defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code, Section 853(p).

A TRUE BILL:

FOREPERSON

/s/ John R. Lausch, Jr., by TCM
UNITED STATES ATTORNEY