

Press Releases

October 18, 2012

MADIGAN: CHICAGO AREA MAN CHARGED IN PREVAILING WAGE KICKBACK SCHEME THAT DEFRAUDED LOCAL MUNICIPALITIES

Chicago — Attorney General Lisa Madigan today announced criminal charges against a Chicago area contractor for running a kickback scheme that defrauded several north suburban municipalities of more than \$400,000 for public works projects.

Alan M. Harris, 46, of Niles, was formally charged earlier today in Cook County Circuit Court with theft of government property, a Class X felony, and mail fraud, a Class 3 felony, for illegally obtaining the construction contracts in 2010 and 2011 with the villages of Buffalo Grove, Glenview, Mount Prospect, Palatine and Volo, in addition to public works projects with Adlai Stevenson High School in Lincolnshire and Ogle County.

An investigation by Madigan's office uncovered the alleged scheme in which Harris forced his employees to kickback money out of their paychecks each month. Under the Illinois Prevailing Wage Act, employers must pay workers fair and honest wages for publicly funded projects. Madigan said Harris' scheme violated the Illinois Prevailing Wage Act after repeatedly submitting falsified, certified statements to the local agencies stating he was paying his employees at a rate in compliance with state law. Madigan's criminal complaint alleges Harris' actions constitute theft of public funds and fraud.

"The contractor's kickback scheme resulted in the theft of taxpayer dollars that were intended to compensate employees who worked on public projects," Madigan said.

Harris is currently out on a \$100,000 bond and due in court for an arraignment hearing on Oct. 25.

Assistant Attorneys General Anshuman Vaidya and John Walz are handling the case for Madigan's Special Prosecutions Bureau.

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