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## MADIGAN: CONTRACTOR PLEADS GUILTY TO FRAUD FOR ILLEGALLY OBTAINING CONTRACT FOR CAPITOL RESTORATION WORK

### *Attorney General Investigation Reveals Minority-Owned Business Fraud in Phase Two of Illinois Capitol Restoration Project*

Chicago — Attorney General Lisa Madigan announced the former president of a Peoria area construction firm pled guilty today to fraud in a scheme to obtain a taxpayer-funded construction contract for part of the Illinois Capitol restoration project in Springfield.

Stephen Roeschley, 65, the former president of the Morton-based Core Construction Services of Illinois, pled guilty to wire fraud earlier today before Sangamon County Circuit Court Judge Peter Cavanagh. Roeschley admitted to using a minority-owned business, BJB Enterprises in Peoria, as a front to obtain a contract for the phase two restoration of the Capitol building.

The felony conviction is the result of an investigation by the Attorney General's Public Integrity Bureau, which Madigan created to uncover fraud, abuse and waste of government resources.

Madigan said Roeschley represented to the Illinois Capital Development Board that it would employ BJB Enterprises on the project to meet the state's legal requirement that a portion of the work be completed by a minority- or woman-owned business. However, Madigan's investigation revealed BJB Enterprises did not do any work associated with the contract or provide any materials for the project.

"Our investigation revealed that the company used a minority-owned business as a front to obtain a state construction contract," Madigan said. "The pervasive evasion of the state law requiring opportunities for minority- or women-owned businesses will not be tolerated."

Roeschley, who is no longer president of the construction firm, was ordered to pay \$800,000 in restitution to the state and sentenced to 30 months of probation.

This case was investigated and prosecuted by Assistant Attorneys General David Navarro and Kathleen Duhig and Associate Director James S. Dorger of Madigan's Public Integrity Bureau.

### **Conviction Part of Madigan's Work to Restore Public Integrity**

Madigan formed the Public Integrity Bureau and tasked it with using the tools afforded the office within statutory limits to uncover public corruption and enforce state law. Public Integrity investigations have led to the convictions of elected officials, public employees and government vendors – from an elected state representative and county state's attorney to local officials, police officers and rank-and file government workers – who used their positions for personal or political gain.

Today's conviction is the latest in a series of cases involving minority-owned business fraud in public projects. On Thursday, Madigan joined with U.S. Attorney Zachary T. Fardon to announce a \$12 million whistleblower settlement with James McHugh Construction Company over allegations the company used women-owned businesses to fraudulently secure multimillion dollar public projects funded by the state and federal governments for work on Chicago area roads, highways and public transit systems, including Wacker Drive and the Chicago Transit Authority's Red and Brown lines.

In March 2013, Madigan secured a guilty plea for fraud and obtained \$1.5 million in restitution from Thomas J. Williams, the former president of the Peoria Heights-based Williams Brothers Construction Inc. Williams admitted using a minority-owned business as a front to

obtain two state contracts in 2010 to restore the historic Lincoln Hall at the University of Illinois at Champaign-Urbana and to construct a new science complex at Southern Illinois University Edwardsville.

In March 2011, the Attorney General secured the conviction of Robert Blum, owner of Markham-based Castle Construction Corp., for fraudulently obtaining more than \$18 million in construction contracts with the Chicago Transit Authority (CTA) and the Public Building Commission, which were awarded in part based on the requirement that Blum employ minority-owned subcontractors.

The Attorney General's work to fight corruption has extended beyond her Public Integrity Bureau. During her tenure, Madigan's office has investigated and prosecuted fraud against government programs, including child care, in-home care, unemployment insurance and student loan programs, Medicaid and state grant funding. The Attorney General took legal action to revoke the Emerald Casino license over deep concerns of corruption, and acted to deny taxpayer-funded pension benefits to convicted former Governors George Ryan and Rod Blagojevich.

Madigan also created the new position of Public Access Counselor in her office to serve as a watchdog to public bodies that refuse access to public records. The Public Access Counselor reviews and resolves thousands of public record disputes each year, working to reverse Illinois' long legacy of a lack of government transparency. Her office has continued this work in the state legislature by helping to draft the State Employees and Officials Ethics Act, tightening revolving door prohibitions on state employees and requiring greater public disclosure of Inspector General investigative reports.

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