



U. S. Department of Justice

*United States Attorney
Northern District of Illinois
Federal Building*

*Patrick J. Fitzgerald
United States Attorney*

*219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

FOR IMMEDIATE RELEASE
TUESDAY MAY 17, 2005

PRESS CONTACTS:
AUSA Linda Wawzenski (312)353-1994
AUSA John McKenzie (815)987-4444
AUSA/PIO Randall Samborn (312)353-5318

**McHENRY COUNTY PAVING CONTRACTOR TO PAY U.S. \$500,000 TO SETTLE
FALSE BILLING ALLEGATIONS; COMPANY OFFICER PLEADS GUILTY TO
\$35,000 MAIL FRAUD IN RELATED CRIMINAL PROSECUTION**

CHICAGO -- A McHenry County paving contractor has agreed to pay the United States \$500,000 to resolve allegations of overcharging the government for road building and asphalt paving projects in northern Illinois between 1990 and 2000, federal officials announced today. At the same time, a company officer today pleaded guilty in Federal Court in Rockford to defrauding the Illinois Department of Transportation (IDOT) and other paving customers of \$35,000 by inflating the amount of materials used in projects, which resulted in overbilling the state agency and other customers, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

The \$500,000 settlement with **Curran Contracting Co., Inc.**, of Crystal Lake, was reached in a civil lawsuit that was filed in 2001 by Betty Bill, a former office employee of Curran and so-called "whistleblower," who alerted the government to the alleged fraud. The government joined the lawsuit's fraud allegations under the federal False Claims Act. The settlement agreement, filed today in U.S. District Court in Chicago, requires Curran, which does not admit liability, to pay the government within 10 days. The government will then pay \$125,000 of the proceeds to Bill for her

role in the case. *United States ex rel. Bill v. Curran Contracting Co., Inc.*, No. 01 C 3191 (N.D. Ill.). The State of Illinois reached a \$750,000 settlement with Curran in 2002.

In the criminal case, **Scott Conkel**, 58, of Crystal Lake, an engineer or “estimator” for Curran, pleaded guilty to a single count of mail fraud after a criminal information was filed against him today in U.S. District Court in Rockford. Conkel admitted that he participated in a scheme to defraud Curran customers, including IDOT, between 1996 and 2000.

U.S. District Judge Philip G. Reinhard scheduled sentencing for August 19, 2005, at 9 a.m.

According to court documents, Curran bid on and obtained highway construction contracts with IDOT. The federal government, through the Federal Highway Administration, paid for up to 90 percent of the costs, with the state, through IDOT, paying for the remainder. Most of the state contracts required Curran to provide a bituminous prime coat, also referred to as “prime coat” or “prime.”

In the criminal case, Conkel admitted preparing and instructing other Curran employees to prepare fraudulently inflated weight tickets purporting to show that Curran’s trucks had used greater amounts of prime coat on projects than it actually provided. Conkel and other Curran employees used the false weight tickets to prepare daily reports that the company used to prepare invoices, and Conkel provided and caused other Curran employees to provide copies of the inflated weight tickets to IDOT inspectors, who used them to calculate the amount of prime coat Curran provided.

In both the civil and criminal cases, the government’s claims were investigated by agents of the U.S. Department of Transportation Office of Inspector General and the Federal Bureau of Investigation. Mr. Fitzgerald announced the results with the Transportation Department’s Office of

Inspector General, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

In the civil case, the False Claims Act provides for a civil penalty of \$5,000 to \$10,000 for each false claim for payment to the United States, plus three times the amount of actual damages sustained by the government. Individuals with knowledge of false claims may file a lawsuit in Federal Court on behalf of the United States and share in any recovery that the government eventually obtains. The United States is being represented by Assistant U.S. Attorney Linda Wawzenski. The lead counsel for Bill, known as the “relator,” is Michael I. Behn, of Futterman & Howard, Chtd., in Chicago.

In the criminal case, Conkel faces a maximum penalty of five years in prison and a \$250,000 fine for mail fraud, along with mandatory restitution. The Court, however, will determine the appropriate sentence to be imposed. The government is being represented by Assistant U.S. Attorney John McKenzie.

###