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**ELGIN ENGINEERING FIRM AND ITS OWNER INDICTED FOR ALLEGEDLY
OVERCHARGING IDOT MORE THAN \$1 MILLION DURING NINE-YEAR SPAN**

CHICAGO – An engineering consulting firm in Elgin and its owner were indicted on federal fraud charges for allegedly overcharging the Illinois Department of Transportation more than \$1 million while performing various jobs for the state agency between 1994 and 2003, federal law enforcement officials announced today. The defendants, **Kamleshwar Gupta**, and the engineering firm he founded and owns, **KAM Engineering, Inc. (KEI)**, allegedly submitted false invoices and financial information regarding overhead expenses and the number of hours worked by KEI employees on contracts for IDOT.

Gupta, 63, of Barrington, and KAM Engineering, of Elgin, which has approximately 30 employees, were each charged with four counts of mail fraud in an indictment returned on April 17 by a federal grand jury in Chicago. The indictment also seeks forfeiture of more than \$1 million in proceeds of the alleged fraud scheme. The charges were announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Michelle McVicker, Special Agent-in-Charge of the U.S. Department of Transportation Office of Inspector General in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Gupta and KEI are scheduled to be arraigned on April 30 in U.S. District Court in Chicago.

According to the indictment, during a span of nine years, GUPTA and KEI fraudulently altered KEI's timekeeping records by moving hours among different KEI jobs and contracts. The altered hours reported to IDOT fraudulently increased the amount of money that KEI billed to and collected from IDOT. Contrary to regulations applicable to IDOT contracts, Gupta and KEI caused employees to keep timesheets in pencil, rather than in ink, to facilitate fraudulent alterations of the employees' timesheets.

The indictment alleges that Gupta directed Individual A, a bookkeeper, to falsely alter original employee timesheets. As a result, Gupta and KEI manipulated labor and overhead to increase the amounts that would be paid to KEI by IDOT, including by inflating the hours for which KEI could bill under contracts that paid KEI based on the hours worked, and by inflating KEI's overhead costs. Gupta allegedly signed that fraudulent invoices that he directed Individual A to create.

The alleged scheme resulted in KEI overcharging IDOT a total of \$1,069,293.44, according to the indictment. IDOT officials provided extensive assistance in the investigation after uncovering the alleged fraud scheme. IDOT's responsibilities include administering federal and state highway funds in Illinois, including substantial funds from the Federal Highway Administration.

The Government is being represented in court by Assistant U.S. Attorney Christina Egan.

If convicted, each count carries a maximum penalty of 20 years in prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

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

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