



Joseph M. Ferguson
Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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August 20, 2015

Rahm Emanuel
Mayor
City of Chicago
121 N. LaSalle, Suite 500
Chicago, IL 60602

Re: Significant Activity Report

Mayor Emanuel:

On August 20, 2015, Karen Finley, former chief executive officer of Redflex Traffic Systems Inc., entered a voluntary plea of guilty to one count of conspiracy to commit federal program bribery, a violation of 18 U.S.C. § 371. *United States v. Karen Finley*, 14-CR-135-3 (U.S.D.C. ND IL).

In entering this plea, Finley admitted that beginning in at least January 2003 and continuing through June 30, 2011, she conspired to corruptly give cash payments and other personal financial benefits to John Bills, a City of Chicago official, and his friend Martin O'Malley, with intent to influence and reward Bills in connection with the City's award of Red Light Camera Enforcement Program (RLCEP) contracts to Redflex.

You will find the full plea agreement attached to this report.

U.S. District Judge Virginia Kendall scheduled a sentencing hearing for February 18, 2016. Finley faces a maximum sentence of 5 years in prison, a maximum fine of \$250,000 or twice the gross gain or gross loss from the offense, and mandatory restitution.

Finley is the second of the three defendants charged in the RLCEP public corruption bribery scheme. The remaining defendant, John Bills, is scheduled to proceed to trial January 11, 2016.

If you need any additional information, please feel free to call me or Kathryn Richards at (773) 478-7799.

Respectfully,

A handwritten signature in blue ink, appearing to be "J. Ferguson".

Joseph M. Ferguson
Inspector General
City of Chicago