



Joseph M. Ferguson
Inspector General

OFFICE OF INSPECTOR GENERAL *City of Chicago*

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May 03, 2017

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

Re: Significant Activity Report

Mayor Emanuel:

On May 02, 2017, Timothy Mason, owner of green tech startup 350Green LLC, pleaded guilty to fraudulently obtaining over \$1.7 million in federal grants. *United States v. Timothy Mason, et al.*, 15 CR 102 (ND IL).

350Green installed and maintained charging stations for plug-in electric vehicles in Chicago and elsewhere. As part of a 2010 contract with the City, 350Green applied for and received a contract worth \$1.9 million funded by grants from the Department of Energy. The company made similar arrangements with the Pennsylvania Department of Environmental Protection, the Association of Bay Area Governments, and the Bay Area Air Quality Management District totaling \$1 million. In order to obtain the grant funds, Mason falsely claimed that a company called Actium Power had supplied Level 3 DC fast chargers to 350Green and that 350Green had paid Actium Power for those chargers. However, Actium Power did not supply the chargers and the actual manufacturer of the chargers was never paid. 350Green also submitted claims to the City of Chicago that falsely represented subcontractors and vendors had been paid.

The charge, 1 count of mail fraud, 18 U.S.C. § 1343, stems from an investigation initiated by the City of Chicago Office of Inspector General and conducted jointly with the Federal Bureau of Investigations and the U.S. Attorney for the Northern District of Illinois. The charge carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000. Sentencing before U.S. District Judge Sharon Johnson Coleman is scheduled for July 27, 2017, in the Dirksen Building, Rm 1425.

In exchange for her cooperation, the U.S. Attorney's Office deferred prosecution of 350Green co-owner Mariana Gerzanych. As part of her agreement, Gerzanych is required to pay a \$10,000 fine and serve 200 hours of community service.

Please direct any questions or requests for additional information to Danielle Perry, Director of Communications, at (773) 478-0534.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Ferguson', with a stylized flourish at the end.

Joseph M. Ferguson
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