



OFFICE OF INSPECTOR GENERAL
City of Chicago

Joseph M. Ferguson
Inspector General

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August 22, 2017

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

Re: Significant Activity Report

Mayor Emanuel:

On August 21, 2017, Laurence Freed, President of Joseph Freed & Associates LLC, was sentenced to three years in prison in connection with a fraud scheme related to a \$105 million line of credit secured by city and suburban properties. The fraud scheme also involved the theft of millions of dollars from Freed's business partner, Kimco Realty Corp. Freed also fraudulently obtained more than \$575,000 in publicly funded loans from the city of Chicago, and attempted to fraudulently obtain an additional \$1 million from the city.

A federal jury last year convicted Freed, 54, of Chicago, on three counts of bank fraud, one count of mail fraud, and four counts of making a false statement to a financial institution. In addition to the 36-month prison term, U.S. District Judge Robert M. Dow also fined Freed \$250,000, and ordered him to pay \$575,759 in restitution to a victim bank. The conviction resulted from a joint investigation and prosecution of the matter by the Office of Inspector General, the United States Attorney's Office for the Northern District of Illinois and the Chicago Field Office of the Federal Bureau of Investigation. The investigation and prosecution also resulted in the conviction of JFA's vice president, Caroline Walters. Walters, of Palatine, pleaded guilty last year to one count of making a false statement to a financial institution for which she previously sentenced to six months in prison.

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

Respectfully,

Joseph M. Ferguson
Inspector General
City of Chicago