

MEMORANDUM CHICAGO HOUSING AUTHORITY OFFICE OF THE INSPECTOR GENERAL

OIG Reference: 2018-12-00002

Angela Hurlock, Chairperson, CHA Board of Commissioners To:

Matthew Brewer. Vice-Chair & Chair of the Finance and Audit

Committee Members of the Board of Commissioners

Tracey Scott, Chief Executive Officer

Kathryn Richards, Inspector General From:

Date: June 8, 2023

Subject: Significant OIG Activity - Sentencing of Maurice Green of Pillar

Insurance Services, LLC (U.S. v. Green, 22-CR-391)

The Office of the Inspector General (OIG) writes to notify you that, on June 7, 2023, Maurice Green, owner of Pillar Insurance Services, LLC., was sentenced in the U.S. District Court for the Northern District of Illinois, relative to his scheme to sell fraudulent surety bonds to Chicago Housing Authority (CHA) construction contractors. The contractors believed they were purchasing legitimate surety bonds, which were required for their work on CHA contracts.

Green was sentenced to one day (time served) in the Federal Bureau of Prisons and three years' supervised release. Green is required to serve the first 90 days of his supervised release on home detention. Additionally, Green was ordered to pay restitution in the amount of \$263,116.74 to the CHA and the affected contractors, of which, \$150,502.32 is to be paid to the CHA.

Green had previously pleaded guilty to one count of wire fraud, in violation of 18 U.S.C. 1343, on November 28, 2022. As detailed in the information filed on August 11, 2022, from approximately October 2015 through December 2018, Green and his company Pillar Insurance sold fictitious surety bonds and insurance policies purporting to be from legitimate insurance companies, when in fact those insurance companies had not issued the policies, and Pillar had not been authorized to sell them.

Green collected fees from 17 contractors related to 77 fictitious bonds, 60 of which were submitted to the CHA. The bonds had a combined purported coverage value of \$6,764,078. The CHA required certain contractors performing work for the Authority to obtain surety bonds, which would insure against those contractors' failure to perform on the contract or to pay any subcontractors. As described in the single count charged, Green defrauded a CHA construction contractor, which believed it was purchasing a legitimate surety bond.

The CHA OIG initiated this investigation and worked in partnership with the Federal Bureau of Investigation and U.S. Department of Housing and Urban Development OIG. Prosecution of the matter was handled by the U.S. Attorney's Office for the Northern District of Illinois. The OIG's investigation is now closed.