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**CITY OF CHICAGO RECEIVES \$2 MILLION FROM JAMES MCHUGH CONSTRUCTION CO.  
TO SUPPORT DISADVANTAGED, MINORITY AND WOMEN-OWNED BUSINESSES**  
*As Part of Separate Settlement, McHugh Will Also Hire, Retain an Independent Monitor  
to Ensure Future DBE Compliance*

Mayor Rahm Emanuel today announced that James McHugh Construction Co. has voluntarily donated \$2 million to the City of Chicago to support M/WBE and DBE programs through the Department of Procurement Services (DPS).

The \$2 million will be dedicated to the City's M/WBE and DBE programs, which will help ensure that programs offered by DPS are fully implemented and that all qualifying City projects are in full compliance with M/WBE and DBE requirements.

"The City of Chicago is engaged in a significant number of public construction projects, and we've made it a priority to engage minority and women-owned businesses and increase outreach to this community so they are aware of the various opportunities to partner with the City," said Mayor Emanuel. "This funding will help further our efforts to help support minority and women-owned businesses thrive."

This donation was made in conjunction with a \$12 million settlement paid by James McHugh Construction Co. to Federal and Illinois State governments to settle a lawsuit that alleged the company falsely claimed credit for participation by DBEs on certain public construction projects in Chicago. Because the City projects in question were fully funded by the Federal and State governments, the City has no claim under its own false claims ordinance to recover funds as part of this settlement; however, the City was actively involved in settlement negotiations to ensure that the wrongdoing alleged in this lawsuit would not occur again and that McHugh Construction will fully comply with its DBE commitments in its public construction contracts.

"DPS is committed to expanding opportunities for disadvantaged, minority and women-owned businesses, and this funding will help to boost these efforts," said Chief Procurement Officer Jamie Rhee. "At the same time, the funding will help us support our diverse vendor community by strengthening our compliance and enforcement efforts."

Additionally, the City insisted on, and achieved, a compliance agreement in which McHugh Construction will reform its DBE program going forward. This agreement will require McHugh to adopt and implement a detailed Code of Ethics and Corporate Compliance Program and to appoint a Corporate Compliance Officer who is knowledgeable about DBE programs and requirements.

The agreement also requires McHugh to hire and retain, at its own expense, an independent monitor who would evaluate the company's future DBE compliance. This monitor will be approved by and report directly to the City, Federal and State governments.

"Through rigorous enforcement and compliance efforts, the City seeks to ensure that city contractors are meeting their DBE commitments," said Corporation Counsel Stephen Patton. "We believe the compliance agreement with McHugh is one of the most rigorous ever entered in a DBE compliance matter and we hope it will serve as a model for others in the construction industry."

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