

MEMORANDUM CHICAGO HOUSING AUTHORITY OFFICE OF THE INSPECTOR GENERAL

To:	Angela Hurlock, Chairperson, Board of Commissioners Matthew Brewer, Vice Chairperson, Finance and Audit Committee Tracey Scott, Chief Executive Officer Eric Garrett, Chief Property and Asset Management Officer
From:	Kathryn B. Richards, Inspector General
Date:	June 9, 2022
Subject:	Significant OIG Activity – Sentencing of Major Barrow, <i>U.S. v. Barrow</i> , 19-CR-00650 (N.D. of III.).

On June 8, 2022, Major Barrow, president and owner of Barrow Construction, was sentenced before the Honorable Judge Edmund Chang in the U.S. District Court, Northern District of Illinois, for his crime of wire fraud committed as part of a scheme to defraud the Chicago Housing Authority (CHA). Barrow was ordered to pay restitution to the CHA in the amount of \$184,817.00. The Court declined to impose incarceration or probation in accordance with the U.S. Attorney's Office recommendation for a non-custodial sentence due to Barrow's declining health.

Barrow's company, Barrow Construction, was a business located in Oak Lawn, IL, that provided maintenance and renovation services. Barrow Construction entered into multiple subcontract agreements to provide maintenance and renovation services to property management (PPM) companies at CHA sites. Barrow's contracts for work at CHA properties totaled approximately \$345,532 in CHA funds, including wages purportedly paid to Barrow Construction employees.

The CHA Office of the Inspector General's investigation found that Barrow Construction submitted multiple false representations regarding its labor practices. In documents submitted to the CHA, Barrow Construction falsely represented that it paid prevailing wages as set forth in Davis-Bacon regulations. Additionally, Barrow knowingly prepared weekly certified payroll reporting forms that contained materially false statements regarding the dates of work performed by the employees; the wages paid to the employees; the financial instruments used to pay the employees; and the withholding of relevant taxes from the employees' wages.

Barrow had been charged on August 15, 2019, with two counts of wire fraud for transmitting fraudulent certified payroll reports to the CHA and the PPMs by means of wire communication through interstate commerce.

The OIG has closed this matter as sustained.