



U.S. Department of Justice

*United States Attorney
Northern District of Illinois*

*Patrick J. Fitzgerald
United States Attorney*

*Federal Building
219 South Dearborn Street, 5th Floor
Chicago, Illinois 60604
(312) 353-5300*

FOR IMMEDIATE RELEASE
FRIDAY MARCH 12, 2010
www.usdoj.gov/usao/iln

PRESS CONTACTS:
AUSA T. Markus Funk (312) 886-7635
Randall Samborn (312) 353-5318

**RUDOLPH FRATTO, ALLEGED SELF-DESCRIBED MEMBER OF CHICAGO MOB,
AND SECOND MAN INDICTED IN BID-RIGGING SCHEME AT McCORMICK PLACE**

CHICAGO — A west suburban man who allegedly represented himself as a member of the “The Chicago Outfit,” was arrested today on federal charges accusing him and a co-defendant of engaging in a contract bid-rigging scheme to provide forklift trucks for trade shows at McCormick Place Convention Center. A two-count indictment returned by a federal grand jury yesterday was unsealed this morning following the arrest of **Rudolph Carmen Fratto** by FBI agents. Fratto and **William Anthony Degironemo**, were charged with fraud for rigging a 2006 contract awarded by Greyhound Exposition Services (GES), a Las Vegas-based trade show general contractor, to Degironemo’s business, MidStates Equipment Rentals and Sales, Inc. Degironemo was also charged with lying to federal agents during the investigation, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of Federal Bureau of Investigation.

Fratto, 66, of Darien, also known as “The Chin” and “Uncle Rudy,” who was charged with one count of mail fraud, was scheduled to be arraigned at 11 a.m. today before U.S. Magistrate Judge Maria Valdez in U.S. District Court. Degironemo, 66, of Inverness, also known as “Billy D,” who

was charged with one count of mail fraud and one count of making false statements, will be arraigned at a later date in Federal Court.

Mr. Fitzgerald and Mr. Grant praised the valuable assistance of agents of the U.S. Department of Labor, Office of Inspector General, and the Internal Revenue Service Criminal Investigation Division, and noted that GES has cooperated throughout the investigation.

According to the indictment, in 2001, unnamed Individual A started a trade show company in Chicago (identified as “Trade Show Company A”) in which members of a Cleveland organized crime family, as well as Individual B, a lawyer in Chicago, invested approximately \$350,000 in 2001 and 2002. In 2003, Trade Show Company A went out of business and Individual B and members of the Cleveland organized crime family began to re-characterize the investment as a “loan,” which they demanded Individual A “repay.” Unknown to anyone at the time, Individual A in January 2004 reported these attempts to “collect” on the “debt” to law enforcement and began cooperating.

Also in 2001, Individual A began working for GES pursuant to a consulting agreement that precluded Individual A from disclosing confidential information and from negotiating with potential bidders vying for subcontracts with GES. Among GES’s clients who used McCormick Place for trade shows were the International Machine and Tool Show (IMTS) and the National Plastics Exposition (NPE). GES issued requests for proposals each year to potential vendors to submit bids to provide forklifts for one or more shows staged by GES. In his consulting role, Individual A and three GES managers were responsible for deciding which vendors to award forklift subcontracts for the IMTS and NPE, the indictment states.

Between July 2005 and October 2008, Fratto allegedly made representations to Individual A about Fratto’s standing and association with the Chicago Outfit, and he promised to use his position

with the Outfit to intercede on Individual A's behalf concerning the debt Individual A purportedly owed to Individual B and members of the Cleveland organized crime family. In return, Individual A was to provide Fratto and Degironemo with non-public bid information concerning bids GES received for the 2006 IMTS and NPE forklift subcontracts and to use his position to help steer those contracts to Fratto and Degironemo. In attempting to obtain those subcontracts, Degironemo made false representations to GES about MidStates' ability to perform the contracts, the indictment alleges.

More specifically, in July 2005, Fratto allegedly told Individual A, in essence, that if Fratto and Degironemo could get the 2006 forklift subcontract, then Fratto would assist Individual A with his "debt to Cleveland." As part of the scheme, Fratto and Degironemo agreed to split all profits and proceeds from the subcontract between themselves and Individual A, with each receiving one-third of the proceeds, the charges allege. Fratto allegedly suggested that Individual A could use his share to repay the "debt" he owed.

In December 2005, without the knowledge or consent of GES, Fratto and Degironemo allegedly received from Individual A non-public pricing information that they had requested concerning a competitor's confidential bid. Around Dec. 8, 2005, Fratto and Degironemo discussed with Individual A leaving MidStates proposed rate figures blank so that Individual A could fill them in during the course of a GES meeting to decide the winning bid. In January 2006, Fratto and Degironemo allegedly used confidential information that they obtained from Individual A about their competitor's bid to prepare their own bid for the forklift subcontracts for the 2006 IMTS and NPE.

On Jan. 15, 2006, MidStates submitted its proposal to GES with rates lower than its competitors' bids, according to the indictment.

As part of the scheme, Frattono and Degironemo asked Individual A to support MidStates' claim that it was a reliable and trustworthy forklift company, and on Jan. 29, 2006, GES awarded MidStates the 2006 IMTS and NPE forklift subcontracts. In April 2006, Degironemo, through Individual B, sought to further bolster MidStates' qualifications by causing four individuals to write letters falsely stating that MidStates had previously provided various forklift services to their full satisfaction when, in fact, no such services were ever provided. At a meeting with GES management, Degironemo provided flyers asserting that MidStates was a "leader in the rental material handling industry for over twenty years," which "offer[ed] one of the most diverse fleets [of forklifts] in the industry," when, in fact, MidStates was not actively involved in the forklift business, the indictment alleges.

Degironemo alone was charged with lying to FBI agents on Aug. 18, 2008, when he stated that he "had no idea what MidStates' competitors' forklift pricing was prior to submitting the MidStates bid for the IMTS forklift contract," allegedly knowing that the statement was false.

The government is being represented by Assistant U.S. Attorneys T. Markus Funk and Marny Zimmer.

The mail fraud count carries a maximum penalty of 20 years in prison and a \$250,000 fine, and making false statements carries a maximum penalty of five years in prison and a \$250,000 fine. If convicted, the Court would determine a reasonable sentence to impose under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

###