



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

FOR IMMEDIATE RELEASE

Thursday, May 6, 2021

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Indiana Demolition Company Owner Sentenced to 2 years' Probation and pay \$108,700 in Restitution for Fraud Related to Illegal Dumping Hardest Hit Fund Blight Demolition Program

Mahmoud Alshuaibi, a/k/a Mike Alshuaibi, age 39, of Hickory Hills, Illinois, the owner and operator of IESCO Construction, Inc., was sentenced today to two years' probation, and ordered to pay \$108,700 in restitution for wire fraud and theft of federal funds, announced Special Inspector General Christy Goldsmith Romero.

“Today an owner of blight demolition company IESCO demolishing houses under Treasury's Hardest Hit Fund program was sentenced to probation for criminal fraud to hide his illegal dumping of the demolition debris in unknown locations,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “SIGTARP warned of this very risk. In addition to illegal dumping, this contractor submitted false disposal, dumping, and fill dirt documentation that gave the appearance that he had properly disposed of the debris in licensed landfills. SIGTARP commends the Office of the U.S. Attorney for the Northern District of Indiana, in particular Assistant U.S. Attorney Toi Houston, for partnering with SIGTARP to bring this serious prosecution.”

The City of Hammond awarded the defendant, owner and operator of IESCO Construction, Inc., several contracts, between January 2016 and continuing through March 2017, under HHF to demolish several properties located in Hammond that were identified through the Blight Elimination Program (“BEP”). HHF is a multi-billion dollar federal program, which funds the BEP. The Indiana Housing and Community Development Authority (IHCDA) manages distribution of BEP funds to various communities in the State of Indiana, including Hammond. The BEP-funded process required the defendant to properly dispose of all non-hazardous demolition material through a registered facility and to use clean fill material.

Between in or about January 2016 and continuing through in or about March 2017, the defendant, d/b/a, IESCO, devised and attempted to devise a fraudulent scheme by failing to properly dispose of demolition debris through a registered facility as required under the Blight Elimination Program. Instead, he dumped the debris in unknown locations enabling him to avoid the registered Facility's fee. The defendant then submitted false disposal, dumping, and fill documentation to the City of Hammond to give the appearance that he complied with the BEP rules and to receive payment for the demolition work. As a result, the City of Hammond wire

transferred payments from its Indiana bank account to the defendant's Illinois bank accounts. The defendant stole and obtained by fraud \$108,700 in BEP funds.

The case was the result of an investigation by the Office of the Special Inspector General for the Troubled Asset Relief Program. This case was prosecuted by Assistant United States Attorney Toi Denise Houston.

About SIGTARP

SIGTARP was created as an independent law enforcement agency to investigate fraud, waste, and abuse related to the Emergency Economic Stabilization Act (EESA). To date, SIGTARP investigations have resulted in the recovery of over \$11.2 billion, 389 criminal convictions and 306 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-SIG-2009 (1-877-744-2009). To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

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