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FOR IMMEDIATE RELEASE

February 14, 2020

**CONSTRUCTION COMPANY OWNER CHARGED WITH FRAUDULENTLY OBTAINING MORE THAN \$2.75 MILLION IN CHICAGO HOUSING AUTHORITY CONTRACTS**

CHICAGO — The owner of a construction company has been indicted for allegedly fraudulently obtaining more than \$2.75 million in Chicago Housing Authority contracts designed to benefit minority-owned businesses.

LESTER COLEMAN owned Coleman Development Corp., a Chicago-based construction company and certified minority-owned business. From 2010 to 2018, Coleman falsely represented to the CHA that his company would perform construction work sufficient to satisfy the agency's minority-owned business requirements, which mandated that a certain percentage of work on CHA properties be performed by minority or women-owned enterprises, according to an indictment returned Thursday in U.S. District Court in Chicago. In reality, Coleman subcontracted nearly all of the work to a company that was not certified as a minority-owned business, the indictment states. Coleman, through his company, fraudulently obtained more than \$2.75 million in payments from the CHA contracts, including for construction or rehab work on properties in the Chicago neighborhoods of West Ridge, North Park, Albany Park, Archer Heights, and Oakland, the indictment states.

The charges also allege that Coleman falsely represented and certified to the CHA that the employees performing the work were paid the prevailing wages required by federal labor laws, when, in fact, they were not paid the prevailing wages.

The indictment charges Coleman, 62, of Chicago, with three counts of wire fraud. An arraignment date in federal court in Chicago has not yet been scheduled.

The indictment was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Elissa Rhee-Lee, Inspector General of the CHA; Brad Geary, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development's Office of Inspector General in Chicago; and Irene Lindow, Special Agent-in-Charge of the U.S. Department of Labor's Office of Inspector General in Chicago. The government is represented by Assistant U.S. Attorney Stephen Heinze.

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

Each count of wire fraud is punishable by up to 20 years in federal prison. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory U.S. Sentencing Guidelines.

Complaints of fraud at the CHA may be reported to the CHA's Office of Inspector General by clicking [here](#).

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