



PRESS RELEASE

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Redflex Traffic Systems Enters into Non-Prosecution Agreement with United States

The Department of Justice and the United States Attorney's Offices for the Northern District of Illinois and the Southern District of Ohio (collectively, "DOJ") have entered into a non-prosecution agreement with Redflex Traffic Systems Inc., a Phoenix-based automated safety company.

The agreement was announced by Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division; Zachary T. Fardon, United States Attorney for the Northern District of Illinois; and Benjamin C. Glassman, United States Attorney for the Southern District of Ohio.

The agreement was reached in part due to Redflex's extensive and thorough cooperation over recent years, which is detailed in the agreement. It included cooperation with the successful prosecutions of several individuals, including a high-ranking city of Chicago official and Redflex's prior Chief Executive Officer.

Among the company's obligations under the agreement, which shall continue for two years, Redflex will pay restitution and compensatory damages to the City of Chicago, the amount of which will be determined either by a final judgment or a settlement agreement in Chicago's pending civil lawsuit against Redflex. Redflex will also pay restitution of \$100,000 to the City of Columbus, Ohio.

Further, Redflex agreed to cooperate fully with DOJ and any other law enforcement agency designated by DOJ, including the Australian Federal Police and other Australian law enforcement authorities. As part of that obligation, Redflex must, among other things, provide DOJ, the Australian Federal Police, and other Australian law enforcement authorities, upon request, all non-privileged information, documents, records, or other tangible evidence. Notwithstanding the two-year time period of the agreement, Redflex agreed to cooperate with DOJ, the Australian Federal Police, and other Australian law enforcement authorities until all of their investigations or prosecutions are concluded.

In exchange for Redflex's fulfillment of its obligations under the agreement, DOJ agreed that it will not criminally prosecute Redflex for any of the conduct arising out of investigations in Chicago and Columbus. The agreement does not relate to any potential tax charges.

Redflex Traffic Systems is wholly owned by Redflex Holdings Group of Melbourne, Australia, which owns and operates a network of digital speed and red-light cameras worldwide. The company installs cameras that automatically record and ticket drivers who run red lights. As part of the non-prosecution agreement, Redflex accepted responsibility for its conduct related to the illegal activities of its employees in recent U.S. investigations.

Its former CEO was convicted as part of the probes into bribes paid to elected officials to procure or expand Redflex's contracts with Chicago and Columbus. The investigations also resulted in the convictions of a Chicago official and a Columbus lobbyist. John Bills, a former Chicago assistant transportation commissioner, was convicted of accepting cash and benefits from Redflex in exchange for expanding the company's business with Chicago. The lobbyist, John Raphael, pleaded guilty to extorting cash from Redflex to pass on to elected officials in Ohio in an effort to obtain red-light camera contracts.

Since the inception of the U.S. investigations, Redflex has initiated substantial additions and changes to its compliance program, policies and procedures. The company agreed in the non-prosecution agreement to revise and address any deficiencies in its compliance code, policies and procedures regarding compliance with applicable anti-bribery and anti-corruption laws. Redflex agreed to adopt new policies to ensure that it maintains a rigorous anti-bribery and anti-corruption compliance code, and to install procedures designed to detect and deter violations of such laws.

During the term of the agreement, Redflex must prepare at least four follow-up reports and periodically submit them to DOJ. If DOJ determines that Redflex has violated any provision of the non-prosecution agreement, Redflex shall be subject to prosecution for any applicable violation of U.S. law, including perjury and obstruction of justice.

The government was represented in the Chicago case by Mr. Fardon and Assistant U.S. Attorneys Laurie Barsella and Timothy Storino of the Northern District of Illinois. The Chicago case was investigated by the FBI's Chicago Field Office, the IRS Criminal Investigation Division, and the City of Chicago's Inspector General's Office.

The government in the Columbus case was represented by Trial Attorney Edward P. Sullivan of the Criminal Division's Public Integrity Section and Assistant U.S. Attorney J. Michael Marous of the Southern District of Ohio. The Columbus case was investigated by the FBI's Cincinnati Field Office, Columbus Resident Agency, the IRS Criminal Investigation Division, and the Ohio Bureau of Criminal Investigation.

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