

August 21, 2020

RAOUL: STARK COUNTY SHIPPING COMPANY OWNER PLEADS GUILTY TO THEFT & FRAUD

Chicago — Attorney General Kwame Raoul and the U.S. Postal Service Office of Inspector General, Investigations today announced that the owner of a Stark County shipping company has pleaded guilty to defrauding the Postal Service out of nearly \$2 million.

Keith Ratcliff, 55, of Wyoming, Ill., pleaded guilty in Stark County Circuit Court to a Class 1 felony of theft by deception of over \$100,000 and was sentenced to six years in prison.

Ratcliff owned Ratcliff Enterprises Inc., a transportation company based in Wyoming, which contracted with the U.S. Postal Service to transport mail between Postal Service facilities in western Illinois and the Peoria area. Under the contracts, the Postal Service paid directly or reimbursed Ratcliff Enterprises for most expenses. Between July 2005 and September 2017, Ratcliff Enterprises entered into 128 contracts with the Postal Service worth more than \$27 million.

Businesses that contract with the Postal Service are required to follow all federal and state laws, which includes Illinois' workers' compensation law. An investigation by the Illinois Workers' Compensation Commission (IWCC) determined Ratcliff did not purchase workers' compensation insurance for his employees; however, he submitted expense statements to the Postal Service seeking reimbursements that included workers' compensation premiums. IWCC investigators became involved when one of Mr. Ratcliff's drivers filed an injury claim, and it was discovered Ratcliff had no workers' compensation insurance. Ratcliff was allegedly paid more than \$1.9 million for insurance the company never purchased.

"The defendant enriched himself at the expense of taxpayers while risking his employees' health and wellness – unbeknownst to them," Raoul said. "My office is committed to holding accountable those who abuse government funding and services."

The investigation was conducted by the U.S. Postal Service Office of Inspector General, Investigations, based on a tip from the Illinois Workers Compensation Commission.

"We are gratified to have contributed to this investigation and applaud the exceptional work by the Illinois Attorney General's office for both protecting the contracting process and overall program costs," said Steven Stuller, Acting Special Agent in Charge, U.S. Postal Service Office of Inspector General. "Along with our law enforcement partners, the USPS OIG will continue to aggressively investigate those who would engage in fraudulent activities designed to defraud the Postal Service."

"Employers who choose not to purchase workers' compensation insurance, which is required by Illinois law, place themselves in an unfair position against their competition. Simply stated, this is a crime of greed that must be prosecuted to the fullest extent of the law," said Michael Brennan, chairman of the Illinois Workers' Compensation Commission. "The workers of the uninsured are the ultimate victims. Those injured workers and their families suffer most when there is no money available to pay their medical expenses, lost time and permanent disability benefits. We are proud that our joint efforts with the Postal Service and the work of the Illinois Attorney General's office led to Ratcliff's eventual conviction and sentencing,"

Assistant Attorney General John J. Walz is handling the case for Raoul's Special Prosecutions Bureau.