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Cause of Action Pursues Multimillion Dollar Fraud Lawsuit Against the Chicago Transit Authority After Justice Department Refuses to Intervene

WASHINGTON – [Cause of Action](#) (CoA), a government accountability organization, is pursuing False Claims Act litigation against the Chicago Transit Authority (CTA) for engaging in systemic fraud at the expense of American taxpayers. The Department of Justice (DOJ), led by Attorney General Eric Holder, declined to intervene in the case.

CoA first brought the lawsuit to the DOJ's attention on May 8, 2012, [uncovering](#) up to \$150 million in taxpayer funds that the CTA may have improperly received by overreporting mileage for grant funding dating as far back as 1982. On December 16, 2013, the DOJ refused to intervene despite the Federal Transit Administration's (FTA) own determination on April 27, 2012 that the CTA had misreported data in 2010. Furthermore, the Department of Transportation's (DOT) Inspector General and the FTA communicated about the need for recusals of agency employees moving forward.

In addition to the improper reporting, there exists potential conflicts of interest between the CTA and the Executive Branch; most notably Robert S. Rivkin, the current General Counsel at the DOT, who formerly served as CTA's General Counsel from 2001 to 2004, and Valerie Jarrett, current Senior Advisor to the President, who was formerly a chair of CTA from 1995 to 2003.

“We are pursuing this fraud lawsuit against the CTA because American taxpayers deserve accountability,” said Cause of Action's Executive Director, Dan Epstein. “The reputations of political insiders cannot be more important than the integrity of federal programs and the protection of taxpayer funds. When the federal government, including Department Inspector Generals, cannot be counted on to discourage fraud, citizen watchdog groups like ours must intervene.”

According to a [report](#) by the House Committee on Oversight and Government Reform, this isn't the first time the DOJ decided not to intervene in a high-profile fraud case: In 2009, the DOJ and then Assistant Attorney General, Thomas Perez, who is the current Secretary of Labor, declined to intervene in a whistleblower lawsuit alleging the City of St. Paul improperly received federal funds. Perez's decision, apparently involving an inappropriate *quid pro quo* agreement with the city, allowed the fraud to go unpunished.

In October 2013, CoA released an investigative report about fraud at the CTA, which can be read [here](#).

About Cause of Action:

Cause of Action is a non-profit, nonpartisan government accountability organization that fights to protect economic opportunity when federal regulations, spending and cronyism threaten it. For more information, visit www.causeofaction.org.

To schedule an interview with Cause of Action's Executive Director Dan Epstein, contact Mary Beth Hutchins, mary.beth.hutchins@causeofaction.org or Annalisa Musarra, annalisa.musarra@causeofaction.org.