



Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

September 12, 2011

Kim L. McAfee
KLM Loss Prevention, Inc.
1304 N. 41st Street
East St. Louis, IL 62204

Subject: Notice of Interim Suspension

Dear Mr. McAfee:

This letter serves as notice, from the Illinois Department of Transportation (the "Department") and its Chief Procurement Officer, placing you and KLM Loss Prevention, Inc., under an interim suspension from doing business with the Department. The Department has discovered the following:

- That you were indicted in the United States District Court for the Southern District of Illinois in Criminal Case Number 11-30114-WDS filed June 23, 2011, wherein you were charged with 16 Counts of False Statement, 14 Counts of Mail Fraud, and 3 Counts of Wire Fraud.
- That on August 22, 2011, you entered a guilty plea on all counts of the indictment.
- That on August 22, 2011, you were charged by way of Information with the offense of False Statement to a Special Agent of the Federal Bureau of Investigation in the United States District Court for the Southern District of Illinois in Criminal Case Number 11-30141-WDS.
- That on August 22, 2011, you waived indictment and entered a plea of guilty to the charge.

The Magistrate Judge has issued a Report and Recommendation and further proceedings are contemplated.

All of the aforementioned demonstrates a lack of integrity and honesty in the conduct of business or the performance of contracts and provides cause for suspension pursuant to Section 520 of the procurement rules. 44 Illinois Administrative Code, Section 6.520. Further, Section 6.530 of the rules of the Department (44 Illinois Administrative Code, Section 6.530), provides for the interim suspension of any contractor due to acts or omissions that indicate the contractor lacks integrity and honesty in the conduct of business or the performance of contracts. Section 6.530 specifically provides for interim suspension based upon indictment. Copies of all rules cited herein are enclosed.

We find that immediate action is necessary to safeguard the public interest in the solicitation, execution, administration and performance of public contracts. Therefore, pending the conclusion of the legal proceedings, you and KLM Loss Prevention, Inc. are subject to an interim suspension. Neither you nor KLM Loss Prevention, Inc. shall be eligible for selection as a contractor, subcontractor, or service provider on any contract with the Department, with a local agency wherein the contract is subject to the approval of the Department, or on any other contract with or requiring approval of the Department, pending further notice.

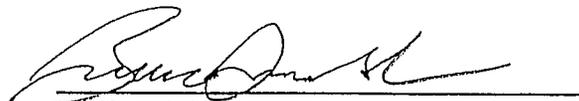
Further, pursuant to Section 6.590 of the rules of the Department (44 Illinois Administrative Code, Section 6.590), this interim suspension applies to all executory contracts that you and/or KLM Loss Prevention, Inc., are currently performing.

This interim suspension is effective immediately.

Department of Transportation



Ann Schneider, Acting Secretary of
Transportation



Bill Grunloh
Chief Procurement Officer

Enclosure

cc: Ellen Schanzle-Haskins, Chief Counsel