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***Latina MBE Electrical Firm Sues the State of Illinois for Certifying Rex Electric as an MBE
Rex Electric is owned by the Chugach Alaskan Corporation***

Chicago, IL – A lawsuit was filed this week against CMS. The state agency is responsible for overseeing the BEP program which requires that at least 20% of state contracts must be conducted by minority owned businesses. BEP firms must be owned by an MBE or WBE and must have annual income less than \$75 million. CMS has certified that Rex Electric is an MBE, despite Rex’s parent company having revenue of nearly one billion dollars.

“A large, wealthy MBE could provide enough services to a general contractor that the GC could reach a 20% MBE participation goal with only one subcontractor,” said Cristina Beran owner of Chicago Voice and Data Authority. “As a Latina who grew up in Chicago’s Little Village, I understand and appreciate the need for MBE and BEP set aside programs. These programs are crucial for small growing businesses. It is a major problem for small businesses when large companies claim to be MBEs. I am calling on the State to ensure that only qualifying small businesses that are both owned and run by minorities should be able to compete as MBEs.”

Rex was purchased several years ago by the Chugach Alaskan Corporation. Chugach has a portfolio of complementary businesses and investments across a range of industries with 6,000 employees and 150 locations. <https://www.chugach.com/business-lines/>. After the acquisition, Rex approached the state to become a certified MBE.

The lawsuit alleges that REX Electric does not qualify for minority certification, as it does not meet the revenue limit given its affiliation with its parent company.

The lawsuit can be found at: <https://www.1818advocacy.com/CVADA-lawsuit>