

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) Case No.
))
) Violations: Title 18, United States
) Code, Sections 371, 641,
) 1001(a)(2), and 1952(a)(3)
CARRIE M. AUSTIN and)
CHESTER WILSON, JR.)

COUNT ONE

THE SPECIAL JANUARY 2020 GRAND JURY charges:

1. At times material to this indictment:

Relevant Entities and Individuals

a. The City of Chicago’s legislative branch of government was the Chicago City Council (the “City Council”), which was comprised of 50 City Council members, also known as Aldermen, each of whom represented one of Chicago’s 50 wards. The Aldermen were compensated and publicly elected. It was one of the functions of Aldermen to provide or withhold their support for real estate development projects proposed for land in their respective wards. The Alderman’s support or non-support was instrumental in securing necessary governmental action or inaction relating to the proposed projects, as well as the assistance or non-assistance of third parties concerning the projects.

b. Tax increment financing (“TIF”) was a funding tool used by the City of Chicago to promote public and private investment across the City. Individuals

or entities seeking to obtain TIF funds had to submit an application, which, if approved by the Committee on Finance, would be submitted to the full City Council for a vote.

c. Each Alderman had available to him or her approximately \$1.32 million annually to spend on infrastructure maintenance and improvements within his or her ward from what was known as the “Aldermanic Menu.” An Alderman had extensive discretion in how to allocate and spend menu funds available to him or her.

d. The City of Chicago Department of Planning and Development was an agency of the City of Chicago. Among other things, the Department of Planning and Development was responsible for ensuring that building projects complied with the Chicago Zoning Ordinance.

e. The City of Chicago Department of Transportation was an agency of the City of Chicago. Among other things, the Department of Transportation was responsible for administering the Aldermanic Menu program, including by scheduling crews to perform the requested work.

f. Defendant CARRIE M. AUSTIN was Alderman of the 34th Ward in Chicago and a member of the City Council.

g. Defendant CHESTER WILSON, JR., was employed by the City of Chicago to serve as AUSTIN’s Chief of Staff. WILSON was paid a salary by the City of Chicago.

h. Starting in or around May 2017, AUSTIN resided at a single-family home in Chicago, Illinois (hereinafter “AUSTIN’s residence”).

i. WILSON owned investment properties in Chicago, Illinois, including a two-unit property on 112th Place (hereinafter “WILSON’s investment property”).

j. Individual A, now deceased, was a real estate developer and contractor who owned construction companies, including Company A.

k. In or around 2014, Company A took control of a development project within AUSTIN’s ward (“Development A”). Company A was assigned and assumed a Redevelopment Agreement (“RDA”) with the City of Chicago to construct approximately 91 for-sale units for a total project cost of approximately \$49.6 million. Under the RDA, Company A was responsible for infrastructure construction within the project, including construction of new interior streets, street lighting, landscaping, and sidewalk improvements, and was eligible for up to approximately \$7.3 million in Pay-As-You-Go TIF funding (the “TIF Payments”) and a taxable note of approximately \$3.2 million (the “City Note”).

l. Under the RDA, the TIF Payments were subject to the requirements of the City’s Affordable Housing Ordinance and an agreement that Company A would meet certain thresholds for the sale of affordable units within the project. In addition, the RDA specified that 2016 TIF Payments would be paid only after Developer A’s completion of infrastructure construction within Development A.

m. Bank A provided financing for Development A. Due to its role in financing Development A, Bank A held the right to receive the TIF Payments and payments pursuant to the City Note.

n. AUSTIN's residence was not located within Development A.

o. Individual B was a relative of Individual A's. Individual B owned and operated Company B-1, and operated Company B-2. Company B-1 and Company B-2 worked as contractors for Development A.

p. Company C was owned by Individual C and worked as a contractor for Development A. Individual C was a close associate of Individual A.

q. Company D was owned by Individual D and worked as a contractor for Development A. Individual D was related to Individuals A and B.

Laws Regarding Conduct of the Defendants

r. Illinois law, 720 ILCS 5/33-1(a), stated that a person commits bribery when, “[w]ith intent to influence the performance of any act related to the employment or function of any public officer, . . . he or she promises or tenders to that person any property or personal advantage which he or she is not authorized by law to accept.”

s. Illinois law, 720 ILCS 5/33-1(d), stated that a person commits bribery when “[h]e or she receives, retains or agrees to accept any property or personal advantage which he or she is not authorized by law to accept knowing that the property or personal advantage was promised or tendered with intent to cause

him or her to influence the performance of any act related to the employment or function of any public officer . . .”

t. Illinois law, 720 ILCS 5/33-3(a)(4), stated that “[a] public officer or employee . . . commits misconduct when, in his official capacity . . . , he or she . . . [s]olicits or knowingly accepts for the performance of any act a fee or reward which he knows is not authorized by law.”

u. The City of Chicago ethics ordinance required City employees, including Aldermen, to report, directly and without undue delay, to the City’s Inspector General or Legislative Inspector General any and all information concerning conduct which was known, or should have been reasonably known, to involve corrupt or other unlawful activity.

2. From no later than in or around April 2016 and continuing until at least in or around February 2019, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARRIE M. AUSTIN and
CHESTER WILSON, JR.,

defendants herein, together with Individuals A, B, and C, and others known and unknown to the grand jury, knowingly conspired to commit an offense against the United States, that is, to use and cause to be used a facility in interstate commerce with the intent to promote, manage, and carry on, and to facilitate the promotion, management, and carrying on of an unlawful activity, namely, bribery in violation of 720 ILCS 5/33-1(a) and (d) and official misconduct in violation of 720 ILCS

5/33-3(a)(4), and thereafter to perform and attempt to perform an act of promotion, management, and carrying on, and facilitation of the promotion, management, and carrying on of the unlawful activity, in violation of Title 18, United States Code, Section 1952(a)(3).

Manner and Means of the Conspiracy

3. It was part of the conspiracy that AUSTIN, WILSON, and Individuals A, B, and C agreed to use and used interstate facilities, including cellular telephones, email accounts, and their associated communications networks, to promote, manage, and carry on, and to facilitate the promotion, management, and carrying on of, bribery and official misconduct in violation of Illinois law.

4. It was further part of the conspiracy that AUSTIN received, retained, and agreed to accept benefits, including home improvement materials, home improvement services, furniture, and home appliances at AUSTIN's residence, purchased and tendered by Individuals A and B and companies owned or operated by Individuals A and B, and that AUSTIN did so knowing that Individuals A and B intended to influence AUSTIN in her performance of acts related to her employment and function as an Alderman, including acts in relation to Development A.

5. It was further part of the conspiracy that WILSON knew of and facilitated AUSTIN's receipt of benefits from Individuals A and B and companies they owned or operated, and that WILSON did so knowing that Individuals A and B intended to influence AUSTIN in her performance of acts related to her employment and function as an Alderman, including acts in relation to Development A.

6. It was further part of the conspiracy that WILSON received, retained, and agreed to accept benefits, including home improvement materials and services at WILSON's rental properties, from Individuals A, B, and C, and companies they owned or operated, and WILSON did so knowing that Individuals A, B, and C intended to influence WILSON in his performance of acts related to his employment and function as Chief of Staff to AUSTIN, including in relation to Development A.

7. It was further part of the conspiracy that AUSTIN and WILSON solicited and knowingly accepted home improvement materials, home improvement services, furniture, and home appliances from Individual A and others for the performance of acts, knowing that the home improvements were fees and rewards not authorized by law.

8. It was further part of the conspiracy that AUSTIN and WILSON took acts related to their City employment and function to benefit Individuals A, B, and C, and companies owned or operated by Individuals A, B, and C, including but not limited to the following:

a. In or around 2016, AUSTIN caused to be transmitted by email aldermanic acknowledgement letters stating that she had no objection to the City issuing building permits at particular addresses within Development A.

b. On multiple occasions in or around 2017 and 2018, AUSTIN coordinated with Individual A to seek the City's release of TIF Payments to Bank A and payments pursuant to the City Note.

c. On multiple occasions in or around 2017 and 2018, AUSTIN and WILSON authorized the expenditure of Aldermanic Menu funds for infrastructure within Development A for which Company A was responsible under the terms of the RDA.

9. It was further part of the conspiracy that members of the conspiracy communicated about benefits received by and acts performed by AUSTIN and WILSON using facilities of interstate commerce, namely, cellular telephones, email accounts, and their associated communications networks.

10. It was further part of the conspiracy that, in an attempt to conceal their unlawful activity, AUSTIN and WILSON did not report to the City's Inspector General or Legislative Inspector General information concerning conduct which was known, or should have been reasonably known, to involve corrupt or other unlawful activity.

11. It was further part of the conspiracy that, to conceal the unlawful activity, members of the conspiracy caused the cost of certain home improvement materials for AUSTIN's residence to be paid from an escrow account at a title company that was reserved for paying expenses incurred within Development A.

12. It was further part of the conspiracy that members of the conspiracy concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden, the existence and purpose of the conspiracy and the acts done in furtherance of the conspiracy.

Overt Acts

13. In furtherance of the conspiracy and to effectuate its unlawful objectives, AUSTIN, WILSON, and Individuals A, B, and C committed and caused to be committed the following overt acts, among others, in the Northern District of Illinois and elsewhere:

a. On or about December 8, 2016, WILSON sent a text message by cellular telephone to Individual D, attaching drawings for kitchen cabinets to be installed at AUSTIN's residence.

b. On or about April 19, 2017, AUSTIN and WILSON caused to be transmitted by email a letter from AUSTIN to the Commissioner of the Department of Transportation, in which AUSTIN stated that she wished to use future Aldermanic Menu funds towards, and requested a survey and cost estimate for, the resurfacing of streets within Development A.

c. On or about June 20, 2017, Individual B paid and caused to be paid an invoice for \$5,250 to cover a portion of the purchase price of kitchen cabinets for AUSTIN's residence, by falsely representing that the cabinets were for an address within Development A.

d. On June 20, 2017, Individual A used a cellular telephone to confirm that Individual B had paid an invoice for AUSTIN's kitchen cabinets.

e. On or about July 5, 2017, AUSTIN used a cellular telephone to solicit from Individual A "bathroom tiles in white or vein white" for a "five by seven bathroom" at AUSTIN's residence.

f. On or about July 6, 2017, AUSTIN used a cellular telephone to accept Individual A's offer to pay for two "brand new" and "expensive" sump pumps at AUSTIN's residence.

g. On or about July 7, 2017, AUSTIN used a cellular telephone to accept Individual A's offer to have a family member buy and install a new dehumidifier at AUSTIN's residence.

h. On or about September 21, 2017, during a conversation via cellular telephones about potential changes to the TIF for Development A that would be beneficial to Individual A, WILSON directed Individual A, "Now make sure that they do my heating and air" at WILSON's investment property.

i. On or about October 12, 2017, Individual A used a cellular telephone to tell WILSON that Individual A would pay for a portion of a new HVAC system at WILSON's investment property because, "you help me a lot, and I'll help you."

j. On or about October 12, 2017, Individual A used a cellular telephone to tell Individual C that he was planning to pay for a portion of the new HVAC system at WILSON's investment property because, "[If] I get what I want next week, it's worth it."

k. On or about November 7, 2017, Individual A used a cellular telephone to ask WILSON for financial assistance from the City with paying for and installing new sidewalks within Development A.

l. On or about November 20, 2017, Individuals A and C spoke by cellular telephone about not charging WILSON for labor associated with the installation of HVAC equipment at WILSON's investment property.

m. On or about February 24, 2018, Individual A used a cellular telephone to tell WILSON that "we'll do it," in reference to the purchase of granite countertops for WILSON's investment property.

n. On or about March 7, 2018, Individual A used a cellular telephone to tell WILSON that Individuals A and B had authorized paying for granite countertops for WILSON's investment property.

o. On or about February 12, 2019, Individual B sent a text message by cellular telephone to WILSON regarding the installation of granite at AUSTIN's residence.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE SPECIAL JANUARY 2020 GRAND JURY further charges:

1. Paragraphs 1(a)-(t) of Count One of this indictment are realleged and incorporated here.

2. On or about July 5, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARRIE M. AUSTIN,

defendant herein, used and caused to be used a facility in interstate commerce, namely, a cellular telephone and an associated communication network, to request from Individual A “bathroom tiles in white or vein white” for a “five by seven bathroom” at AUSTIN’s residence, with intent to promote, manage, carry on, and facilitate the promotion, management, and carrying on of an unlawful activity, namely, bribery in violation of 720 ILCS 5/33-1(a) and (d) and official misconduct in violation of 720 ILCS 5/33-3(a)(4), and thereafter did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT THREE

THE SPECIAL JANUARY 2020 GRAND JURY further charges:

1. Paragraphs 1(a)-(t) of Count One of this indictment are realleged and incorporated here.

2. On or about July 6, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARRIE M. AUSTIN,

defendant herein, used and caused to be used a facility in interstate commerce, namely, a cellular telephone and an associated communication network, to thank Individual A for offering to purchase and install two sump pumps in AUSTIN's residence, with intent to promote, manage, carry on, and facilitate the promotion, management, and carrying on of an unlawful activity, namely, bribery in violation of 720 ILCS 5/33-1(a) and (d) and official misconduct in violation of 720 ILCS 5/33-3(a)(4), and thereafter did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT FOUR

THE SPECIAL JANUARY 2020 GRAND JURY further charges:

1. Paragraphs 1(a)-(t) of Count One of this indictment are realleged and incorporated here.
2. On or about September 21, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

CHESTER WILSON, JR.,

defendant herein, used and caused to be used a facility in interstate commerce, namely, a cellular telephone and an associated communication network, to request from Individual A, during a conversation about potential changes to the TIF for Development A that would benefit Individual A, that Company C install new heating and air systems at WILSON's investment property, with intent to promote, manage, carry on, and facilitate the promotion, management, and carrying on of an unlawful activity, namely, bribery in violation of 720 ILCS 5/33-1(a) and (d) and official misconduct in violation of 720 ILCS 5/33-3(a)(4), and thereafter did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT FIVE

THE SPECIAL JANUARY 2020 GRAND JURY further charges:

1. Paragraphs 1(a)-(t) of Count One of this indictment are realleged and incorporated here.

2. On or about March 7, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

CHESTER WILSON, JR.,

defendant herein, used and caused to be used a facility in interstate commerce, namely, a cellular telephone and an associated communication network, to discuss Individuals A's and Individual B's provision of new granite countertops at WILSON's investment property at no cost to WILSON, with intent to promote, manage, carry on, and facilitate the promotion, management, and carrying on of an unlawful activity, namely, bribery in violation of 720 ILCS 5/33-1(a) and (d) and official misconduct in violation of 720 ILCS 5/33-3(a)(4), and thereafter did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT SIX

The SPECIAL JANUARY 2020 GRAND JURY further charges:

1. Paragraphs 1(a)-(t) of Count One of this indictment are realleged and incorporated here.

2. Prior to on or about June 19, 2019, the Federal Bureau of Investigation had initiated an investigation of AUSTIN and Individual A concerning potential violations of federal criminal law.

3. The scope and nature of AUSTIN's interactions with Individual A, and items of value received by AUSTIN from Individual A, were material to the investigation.

4. On or about June 19, 2019, at Chicago, in the Northern District of Illinois, Eastern Division,

CARRIE M. AUSTIN,

defendant herein, did knowingly and willfully make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the Federal Bureau of Investigation, an agency within the executive branch of the government of the United States, when she stated the following:

a. AUSTIN denied receiving "anything" from Individual A other than a cake.

b. When told that Individual A had provided sump pumps at her residence, AUSTIN said, "No, that's [Individual E]."

c. When told that Individual A provided a dehumidifier at her residence, AUSTIN said, "Not to me."

In violation of Title 18, United States Code, Section 1001(a)(2).

COUNT SEVEN

THE SPECIAL JANUARY 2020 GRAND JURY further charges:

1. At times material to this indictment:

a. The Supplemental Nutrition Assistance Program (SNAP) was a federal program that provided a subsidy to low-income individuals and families, allowing them to buy food. The program was managed by the Food and Nutrition Service of the United States Department of Agriculture and, in Illinois, was administered by the Illinois Department of Human Services.

b. Recipients of SNAP benefits in Illinois received their benefits on an electronic card, known as a “Link card,” that was funded with a cash balance to be used for the purchase of food.

c. Defendant CHESTER WILSON, JR., was employed by the City of Chicago as Alderman Carrie M. Austin’s Chief of Staff. WILSON’s salary made him ineligible for SNAP benefits in the State of Illinois.

d. Individual F was approved to receive SNAP benefits in Illinois and was issued a Link card by the Illinois Department of Human Services.

2. WILSON knew his income was too high for him to be eligible for SNAP benefits. WILSON also knew that it was unlawful for him to obtain the use of Link card funds by paying cash to the valid user of a Link card in an amount below the face value of the balance on the card.

3. WILSON unlawfully converted to his own use the funds on Individual F's Link card, by paying cash to Individual F in an amount below the face value of the balance of the card.

4. On or about December 14, 2017, at Calumet City, in the Northern District of Illinois, Eastern Division, and elsewhere,

CHESTER WILSON, JR.,

defendant herein, did knowingly and willfully convert to his own use money of the United States, namely, approximately \$372 in funds administered by the Food and Nutrition Service of the United States Department of Agriculture, which funds defendant was not entitled to receive;

In violation of Title 18, United States Code, Section 641.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY