

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA            )     No.   05 CR 691  
  )  
                  v.                     )     Violations:  Title 18, United  
  )     States Code, Sections 666,  
  )     1341, 1343, 1346, 1951, 1956,  
STUART LEVINE and                    )     and 2  
ANTOIN REZKO,                         )  
    also known as "Tony Rezko"     )     **SUPERSEDING INDICTMENT**

**COUNT ONE**

**Mail Fraud**

The SPECIAL FEBRUARY 2005-2 GRAND JURY charges:

1.   At times material to this Superseding Indictment:

**Relevant Entities and Individuals**

a.   The Teachers' Retirement System of the State of Illinois ("TRS") was a public pension plan created by Illinois law for the purpose of providing pension, survivor, and disability benefits for teachers and administrators employed in Illinois public schools except in the City of Chicago.  It served approximately 325,000 members and annuitants, and had assets in excess of approximately \$30 billion.  TRS was funded by annual contributions from teachers, their employers, and the State of Illinois, as well as investment income.

b.   The activities of TRS were directed by an 11-member Board of Trustees.  Certain of those trustees were appointed by statute by the Governor of the State of Illinois, while other trustees were elected by teachers and annuitants.  Among its other

responsibilities, the Board of Trustees reviewed and voted to approve or reject proposals by private investment management companies to manage funds on behalf of TRS. At any given time, TRS assets were managed by numerous different investment management companies. These companies were compensated by TRS for their activities, typically through fees calculated as a percentage of the TRS assets they managed.

c. In carrying out all of their duties, including reviewing and deciding whether to approve or reject proposals by private investment management firms to manage TRS assets, members of the TRS Board of Trustees owed a fiduciary duty to the beneficiaries of TRS and were required to act solely for the benefit of the beneficiaries of TRS. In order to assist members of the TRS Board of Trustees in evaluating proposals to manage TRS assets, TRS required an investment firm to disclose, before TRS decided whether to authorize it to manage TRS assets, all finder's fees, placement fees, and commissions (hereafter collectively referred to as "finder's fees") to be paid by that investment firm in connection with its TRS business. Such fees at times were paid by investment firms to individuals or entities in exchange for bringing the investment firm to the attention of TRS or facilitating the communications between the investment firm and TRS.

d. TRS was an organization and state agency that received federal funds in excess of \$10,000 during each calendar year from 2001 through 2004.

e. The Illinois Health Facilities Planning Board ("Planning Board") was a commission of the State of Illinois, established by statute, whose members were appointed by the Governor of the State of Illinois. State law required an entity seeking to build a hospital, medical office building, or other medical facility in Illinois to obtain a permit, known as a "Certificate of Need" ("CON"), from the Planning Board prior to beginning construction.

f. Pursuant to the Illinois Health Facilities Planning Act (5 ILCS 3960), and the Planning Board Rules, members of the Planning Board were required to base their decision on an application for a CON on a reasonable and objective application of the pertinent standards set forth in the Planning Act and the Planning Board Rules. In carrying out all of their duties, including reviewing and deciding whether to approve or reject an application for a CON, members on the Planning Board owed a fiduciary duty to the people of the State of Illinois, and were required to act solely for the benefit of the people of the State of Illinois. Prior to each meeting of the Planning Board, the staff of the Planning Board reviewed each CON application to be presented at that meeting and prepared a written analysis of

whether the application was consistent with the standards for the issuance of a CON. The Planning Board could approve, deny, or defer an application, or it could issue an "intent-to-deny," and the application ordinarily would be reconsidered by the Planning Board within a specified time period.

g. The Illinois State Board of Investment ("ISBI") was a board of the State of Illinois as established by statute. ISBI oversaw the net investment assets of the General Assembly Retirement System, the Judges' Retirement System and the State Employees' Retirement System, which were public pension systems maintained for the benefit of members of the Illinois state legislature, state judges, and state employees. The activities of ISBI were directed by a 9-member Board of Trustees. Five of the ISBI trustees were appointed by the Governor of the State of Illinois, while the four remaining trustees were members of the ISBI Board by statute because they held other positions. Among its other responsibilities, the ISBI Board of Trustees reviewed and voted to approve or reject proposals by private investment management companies to manage funds on behalf of ISBI.

h. The Illinois State Universities Retirement System ("SURS") was a public pension system established by statute on behalf of state universities, community colleges, and state agencies. The activities of SURS were directed by a 9-member Board of Trustees, all of whom were appointed by the Governor of the

State of Illinois. Among its other responsibilities, the SURS Board of Trustees reviewed and voted to approve or reject proposals by private investment management companies to manage funds on behalf of SURS.

i. Defendant ANTOIN REZKO ("REZKO") was a businessman who owned and operated fast food restaurants and a real estate development firm. REZKO raised significant amounts of money for certain Illinois politicians.

j. Defendant STUART LEVINE ("LEVINE") was a member of the TRS Board of Trustees and the Planning Board.

k. Joseph Cari was an attorney. He also was a partner and the managing director of a private equity firm that in or about 2003 received \$35 million in TRS funds to invest. In or about 2004, Cari's private equity firm was seeking investments from other public pension funds established by the State of Illinois, including ISBI.

l. Steven Loren was an attorney. He and his law firm were outside counsel to TRS.

m. Individual A had longstanding relationships with TRS trustees, including LEVINE, and TRS staff members and was associated with a real estate asset management firm that managed hundreds of millions of dollars on behalf of TRS.

n. Individual B was a political fundraiser and associate of REZKO.

o. Mercy Health System Corporation ("Mercy Hospital") was a not-for-profit corporation located in Janesville, Wisconsin that operated hospitals and provided health care services to the public in Wisconsin and Illinois. Beginning in or about 2003, Mercy Hospital sought a CON to construct a hospital in Crystal Lake, Illinois.

p. Jacob Kiferbaum owned and operated Kiferbaum Construction Company ("Kiferbaum Construction"), a construction company located in Deerfield, Illinois. Mercy Hospital planned to use Kiferbaum Construction to build the proposed Crystal Lake Hospital.

**Illinois Laws Regarding Conduct of Public Officials and Bribery**

q. Pursuant to the criminal laws of the State of Illinois, relating to bribery (720 ILCS 5/33-1(d)), LEVINE, as a member of the TRS Board and the Planning Board, was prohibited from agreeing to accept any property or personal advantage which he was not authorized by law to accept, knowing that such property or personal advantage was promised or tendered with intent to cause him to influence the performance of any act related to the employment or function of any public officer.

r. Pursuant to the criminal laws of the State of Illinois, relating to official misconduct (720 ILCS 5/33-3), LEVINE, as a member of the TRS Board and the Planning Board, was prohibited from doing the following in his official capacity: (1)

performing any act in excess of his lawful authority, with intent to obtain a personal advantage for himself or others; and (2) soliciting or knowingly accepting, for the performance of any act, a fee or reward which he knew was not authorized by law.

s. Pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/5-50), effective December 9, 2003, members of the TRS Board and members of the Planning Board were prohibited from having any material communications with a representative of a party concerning a pending matter, or *ex parte* contacts, without reporting that contact to their respective Board in writing.

t. The Planning Board's Ethical Guidelines, which were circulated in August 2003, also prohibited *ex parte* communications, providing, *inter alia*:

A Member should not accept, or offer to accept, either directly or indirectly, any economic opportunity or thing of value, if a substantial possibility exists that the opportunity or thing of value is made available to the Member for the purpose of influencing an official action.

A Member should not solicit, accept or agree to accept, directly or indirectly, anything of value from any person having an interest in any matter which is pending before the Board, under circumstances from which it might reasonably be inferred that the donor's purpose is to influence an official action....

A Member should not communicate with any party in support of, or opposed to, a matter pending before the Board or with the representative of any such party concerning such matter, except as a matter of official record[.]

### The Scheme To Defraud

2. Beginning no later than in and about the spring of 2003 and continuing through at least in or about July 2004, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE and  
ANTOIN REZKO, also known as "Tony Rezko,"

defendants herein, together with Joseph Cari, Steven Loren, Jacob Kiferbaum, Individual A, and others known and unknown to the Grand Jury, devised and intended to devise, and participated in, a scheme and artifice to defraud the beneficiaries of TRS and the people of the State of Illinois, of money, property, and the intangible right to LEVINE's honest services, by means of materially false and fraudulent pretenses, representations, and promises, and material omissions, and in furtherance thereof used the United States mails and other interstate carriers, and interstate and foreign wires, which scheme is further described below.

### Overview of the Scheme

3. It was part of the scheme that defendants REZKO and LEVINE, with the assistance of Cari, Loren, Kiferbaum, Individual A, Individual B, and others, fraudulently used and sought to use the position and influence of LEVINE and other members of the TRS Board of Trustees and the Planning Board to obtain financial benefits for REZKO, LEVINE, and their nominees and associates. In the course of the scheme, REZKO and LEVINE solicited and demanded



millions of dollars in undisclosed kickbacks and payments, and received and directed hundreds of thousands of dollars in actual undisclosed kickbacks and payments, for the benefit of REZKO, LEVINE, and their nominees and associates, from investment firms seeking to do business with TRS, and from Kiferbaum. Among the defendants' fraudulent activities in the course of the scheme were the following:

a. REZKO used his relationship with certain State of Illinois officials, to ensure that REZKO and LEVINE had the ability to influence the actions of TRS and the Planning Board for the benefit of themselves and their nominees and associates.

b. REZKO and LEVINE used LEVINE's position with TRS, and the influence of REZKO and LEVINE over TRS staff, TRS Board members, and Loren to assist certain investment funds in obtaining TRS funds, in exchange for payments by those investment firms and their representatives to persons and entities identified by REZKO and LEVINE.

c. REZKO and LEVINE agreed to establish or acquire a company that they or their nominees would control, and to use their influence with TRS Board members and TRS staff to ensure that their company would be chosen to make hundreds of millions of dollars of real estate investments for TRS, without disclosure to TRS of REZKO's and LEVINE's financial interest in that company. REZKO and LEVINE expected to share the profits from this company.

d. REZKO and LEVINE assisted Mercy Hospital in receiving a CON from the Planning Board for a new hospital in Crystal Lake, Illinois, to be built by Kiferbaum Construction, in exchange for a kickback to be paid by Kiferbaum to REZKO and LEVINE of approximately \$1 million or more.

**REZKO's and LEVINE's Efforts to Obtain and Retain Influence Over TRS and the Planning Board**

4. It was further part of the scheme that REZKO sought to influence certain State of Illinois officials, in order to ensure that LEVINE, and persons allied with REZKO and LEVINE, retained and obtained memberships on the TRS Board and the Planning Board that enabled REZKO and LEVINE to influence the actions of those boards for the benefit of REZKO, LEVINE, and their nominees and associates. As part of this aspect of the scheme:

a. In or about the spring of 2003, when certain State of Illinois officials advocated consolidating TRS, the Illinois State Board of Investment, and the State University Retirement System, into a single pension fund, LEVINE and Individual A approached REZKO and Individual B for assistance in defeating this proposal. REZKO and Individual B agreed to use their relationships and influence with high-ranking State of Illinois officials to oppose the pension consolidation plan, and in exchange, LEVINE and Individual A agreed to use their influence and LEVINE's position at TRS to ensure that TRS used investment firms and hired lawyers identified by REZKO and Individual B.

b. In or about the spring of 2004, REZKO and LEVINE agreed that LEVINE, whose term on the TRS Board was due to expire in May 2004, needed to be reappointed to the TRS Board and that additional TRS Board members needed to be appointed who would cooperate with REZKO and LEVINE. REZKO agreed to use his relationships and influence with high-ranking State of Illinois officials to facilitate these efforts.

c. In or about early May 2004, REZKO instructed a State of Illinois employee responsible for facilitating appointments to state boards to move forward on LEVINE's reappointment to the TRS Board, and represented that the reappointment had been approved by a high-ranking state official. The high-ranking state official subsequently directed that LEVINE be reappointed to the TRS Board. Also in or about May 2004, two new members were appointed to the TRS Board who voted with LEVINE on matters of interest to REZKO and LEVINE.

**REZKO's and LEVINE's Efforts to  
Obtain Payments From Investment Firms**

5. It was further part of the scheme that REZKO and LEVINE solicited and received, from certain investment firms seeking to do business with TRS, payments by those investment firms and their agents to nominees identified by REZKO and LEVINE.

**REZKO, LEVINE, and Individual C**

6. It was further part of the scheme that REZKO and LEVINE agreed that they would use their influence and LEVINE's position on

the TRS Board to assist Individual C in obtaining TRS funds for Investment Firms 1, 2, and 3, on whose behalf Individual C was working. In return, REZKO and LEVINE agreed that LEVINE would instruct Individual C to pay to individuals chosen by REZKO a share of the finder's fees that Individual C received from Investment Firms 1, 2, and 3. In connection with this aspect of the scheme:

**Investment Firm 1**

a. In or about the spring of 2003, when Individual C was seeking TRS funds on behalf of Investment Firm 1, LEVINE told Individual C that Individual C would have to split his finder's fee from Investment Firm 1 with a local public official, who would not do any work in return for the payment.

b. REZKO subsequently told LEVINE that REZKO did not want Individual C to split his finder's fee with the local public official. REZKO said that he would supply LEVINE with the name of another individual who would split Individual C's fee. LEVINE in turn told Individual C that the local public official was not going to share Individual C's fee from Investment Firm 1.

c. On or about August 14, 2003, the TRS Board approved an investment of a total of \$50 million in two investment funds operated by Investment Firm 1. Individual C received a total of \$375,000 from Investment Firm 1 for acting as a consultant to Investment Firm 1 in connection with TRS. REZKO, LEVINE, and

Individual C agreed that Individual C would pay \$250,000 of that fee as he was directed by LEVINE.

d. LEVINE asked Loren to prepare a draft contract that would appear to justify Individual C's splitting his finder's fee by paying \$250,000 of that fee to a third party. LEVINE instructed Loren to draft a sham consulting agreement that would pass scrutiny if someone like the U.S. Attorney looked at it. Loren drafted a sham consulting agreement for Individual C, in order to conceal the fraudulent nature of the payments by Individual C to a third party. Loren gave the draft consulting agreement to LEVINE.

e. In or about early 2004, REZKO told LEVINE that Individual C should split his finder's fee from Investment Firm 1 with Individual D, who was involved with REZKO in the operation of a chain of pizza restaurants. LEVINE relayed this instruction to Individual C, and gave Individual C the sham consulting agreement that Loren had prepared in order to conceal the fraudulent nature of the payments.

f. In or about early 2004, Individual C agreed with Individual D to pay the \$250,000 in two installments, with the first being made in or about early March, 2004, and the second on or about July 1, 2004.

g. Individual C and Individual D each signed the sham consulting agreement. Although the consulting agreement indicated that a company owned by Individual D would provide services in

exchange for payments by Individual C, no services were expected to be provided or were provided by Individual D or his company.

h. On or about March 4, 2004, acting at LEVINE's direction, Individual C gave Individual D a check in the amount of \$125,000 payable to Individual D's company as the first installment of the money that Individual D would receive. In turn, Individual D used the money that he received from Individual C in substantial part for the benefit of REZKO.

i. In or about late April 2004, Individual D asked Individual C to pay the remaining \$125,000 immediately, instead of waiting for July. At that point, Individual C refused to make the payment early.

j. After learning that Individual C had refused to pay Individual D the \$125,000 immediately, REZKO spoke with LEVINE. REZKO directed LEVINE to arrange for Individual C to make the payment to Individual D.

k. On or about April 26, 2004, LEVINE directed Individual C to make the \$125,000 payment to Individual D immediately, which Individual C agreed to do. Individual C gave Individual D a check for \$125,000 made payable to Individual D's company that same day. In turn, Individual D used the money that he received from Individual C in substantial part for the benefit of REZKO.

### **Investment Firms 2 and 3**

1. In or about late 2003 and early 2004, LEVINE agreed with Individual C that LEVINE would use his influence and position at TRS to help Investment Firms 2 and 3 get investments from TRS. Individual C agreed that he would split any finder's fees that he received from Investment Firms 2 and 3 at LEVINE's direction.

m. Investment Firms 2 and 3 each agreed to pay a finder's fee to Individual C, and each applied for TRS funds.

n. LEVINE directed Loren to assist Individual C by providing advice about the sorts of investments that TRS would consider and reviewing investment proposals submitted by Individual C and others. Loren subsequently met with representatives of Investment Firms 2 and 3 and discussed potential TRS investments.

o. LEVINE arranged for TRS staff members to meet with representatives of Investment Firms 2 and 3 and indicated to TRS staff that REZKO and LEVINE wanted TRS staff to recommend that the TRS Board approve investments in Investment Firms 2 and 3.

p. On or about April 12, 2004, LEVINE directed Individual C to share his potential finder's fees from Investment Firms 2 and 3 with Individual E, who was a friend and business associate of LEVINE. Individual E provided no services to Individual C or Investment Firms 2 or 3 in connection with their applications to receive TRS funds. LEVINE arranged with Individual

E that LEVINE would later receive a portion of the payments Individual E received from Individual C.

q. On or about April 14, 2004, REZKO and LEVINE agreed that they would each receive approximately one-third of the finder's fees that they expected Individual C to receive for TRS investments in Investment Firms 2 and 3. At that time, REZKO and LEVINE expected that Individual C would receive approximately \$250,000 from Investment Firm 2 and \$1 million from Investment Firm 3.

r. TRS staff initially recommended that the TRS Board approve a \$25 million investment with Investment Firm 2 and the TRS Board was scheduled to vote on that recommendation at the May 2004 TRS Board meeting. Shortly before the May 2004 TRS Board meeting, TRS staff learned that Investment Firm 2 had not initially disclosed that Individual C would receive a finder's fee as required by a TRS questionnaire. After learning that the TRS staff was concerned about Investment Firm 2's failure to disclose the finder's fee for Individual C, LEVINE tried to help Investment Firm 2 remain on the TRS agenda.

s. On or about May 20, 2004, LEVINE was approached by law enforcement agents. As a result of that approach, LEVINE stopped trying to help Investment Firm 2 remain on the TRS agenda. TRS staff ultimately changed its recommendation on Investment Firm



2 and the TRS Board did not approve any investment for Investment Firm 2 at the May 2004 TRS Board meeting.

t. TRS staff had not completed its review of Investment Firm 3's application when LEVINE was approached by law enforcement agents on or about May 20, 2004. After that date, LEVINE did not further attempt to assist Investment Firm 3's application. Investment Firm 3's application was never presented to the TRS Board.

**REZKO, LEVINE, Cari and Individual F: Investment Firm 4**

7. It was further part of the scheme that in the spring of 2004, after Investment Firm 4 had submitted an application to receive funds from TRS, LEVINE, with the assistance of Cari, attempted to coerce Investment Firm 4 into hiring a consultant who would receive a finder's fee from Investment Firm 4. REZKO and LEVINE agreed that they would share evenly the finder's fee that Investment Firm 4 paid, and REZKO directed that his share of the finder's fee be paid to Individual F, a businessman and associate of REZKO, and to whose wife REZKO owed a substantial sum of money. In connection with this aspect of the scheme:

a. In or about late February or early March 2004, after Investment Firm 4 had made a presentation to TRS staff members seeking funds from TRS, LEVINE spoke with Cari about Investment Firm 4. LEVINE and Cari agreed that LEVINE would help Investment

Firm 4 get funds from TRS and that Investment Firm 4 would hire a consultant chosen by LEVINE.

b. On or about April 14, 2004, REZKO and LEVINE discussed Investment Firm 4's application for TRS funds. LEVINE told REZKO that Investment Firm 4 had agreed to hire a consultant chosen by LEVINE in exchange for LEVINE's help. REZKO agreed to provide LEVINE with the name of a person who would receive the consulting fee on behalf of REZKO and LEVINE. REZKO and LEVINE agreed that they would share evenly the finder's fees that Investment Firm 4 paid to the consultant they chose. At that time, REZKO and LEVINE expected that Investment Firm 4 would pay the consultant they chose approximately \$750,000.

c. In that same conversation, REZKO and LEVINE discussed an application by Cari's private equity firm for ISBI funds. LEVINE had arranged with Cari that Cari's private equity firm would pay a 2% finder's fee to a person identified by LEVINE. REZKO and LEVINE agreed that they would share evenly the finder's fees that Cari's private equity firm paid, which they expected would be approximately \$700,000.

d. In or about late April 2004, REZKO provided LEVINE with the name of Individual F as the person who would receive the consulting fee from Investment Firm 4. LEVINE spoke with Individual F and confirmed that Individual F would receive a finder's fee from Investment Firm 4, although Individual F would

not be expected to do any actual work for Investment Firm 4. LEVINE and Individual F agreed that Individual F would send a portion of the finder's fee he received from Investment Firm 4 to a company controlled by Individual E.

e. REZKO told Individual F that Individual F could keep approximately 10% of the finder's fee that Individual F received from Investment Firm 4. Individual F understood that REZKO would get a portion of the remaining money that Individual F received from Investment Firm 4.

f. In or about late April 2004, LEVINE directed Loren to prepare a draft contract for Investment Firm 4. LEVINE told Loren that there was going to be a split of finder's fees relating to the TRS investment in Investment Firm 4. Loren prepared a draft compensation agreement, which LEVINE sent to Individual F.

g. On or about May 1, 2004, LEVINE discussed with Individual E the possibility of changing the agreement between REZKO and LEVINE so that REZKO would keep the entire \$750,000 fee from Investment Firm 4 while LEVINE and Individual E would keep the entire \$700,000 fee that LEVINE expected from Cari's private equity firm.

h. On or about May 10, 2004, an attorney in the Turks & Caicos Islands who was associated with Individual F, attempted to contact the president of Investment Firm 4, and left a message stating that the attorney had been referred by Individual F and

wanted to discuss the placement of funds. Investment Firm 4 had not had any previous contact with Individual F or the attorney, and had not sought the services of a consultant or used a consultant in its application to receive TRS funds.

i. On or about May 19, 2004, a compensation agreement was faxed to Investment Firm 4 by the attorney from the Turks & Caicos Islands. The compensation agreement provided that Investment Firm 4 would pay approximately a 1% finder's fee to Individual F's company. In fact, neither Individual F nor Individual F's company provided any services to Investment Firm 4 in exchange for the payments required under the contract.

j. On or about May 20, 2004, Cari, acting at LEVINE's direction, made a series of calls to Investment Firm 4. He spoke to the president of the company, and other representatives of the company. Cari said that Investment Firm 4 was supposed to pay a finder's fee, and that this should have been taken care of already. Cari said that unless Investment Firm 4 signed the consulting contract before the end of the day, Investment Firm 4's application would be dropped from the TRS Board's May agenda. Cari said that he was close to representatives of TRS and a high-ranking Illinois public official. Cari said that if Investment Firm 4 wanted to get money from TRS, the company had to hire a consultant. Cari said that if Investment Firm 4 did not enter into the consulting

agreement by the end of the day, the company was going to lose the TRS commitment.

k. On or about May 20, 2004, in a subsequent phone call, Cari spoke to two attorneys who represented Investment Firm 4. Cari said that if Investment Firm 4 did not sign the contract with Individual F, Investment Firm 4 would be taken off of the TRS May agenda. Cari said that this was how things are done in Illinois. Cari said that the attorneys should do whatever they needed to do, but this had to get done.

l. After LEVINE was approached by law enforcement agents on or about May 20, 2004, he did not try to interfere with Investment Firm 4 or its application for TRS funds. Investment Firm 4 received approval for an approximately \$85 million investment at the May 25, 2004 TRS Board meeting. LEVINE voted to approve the investment.

**REZKO, LEVINE, and Individual G: Investment Firm 5**

8. It was further part of the scheme that beginning in about 2003, REZKO and LEVINE agreed to assist Investment Firm 5 in obtaining funds from TRS, in return for a fee that Investment Firm 5 would pay to a person designated by REZKO, who would then share that fee with REZKO. In connection with this aspect of the scheme:

a. REZKO told LEVINE that Individual G, who worked with REZKO's real estate business, would act as a finder on REZKO's behalf. LEVINE agreed to use his influence and position at TRS on

behalf investment firms that Individual G brought to TRS, including Investment Firm 5.

b. In late 2003, Individual G arranged with Investment Firm 5 to receive a fee equal to 1% of any investment that TRS made with Investment Firm 5. REZKO and Individual G discussed the manner in which this fee would be split between REZKO, Individual G, and others.

c. LEVINE used his influence with the TRS staff to ensure that Individual G and representatives of Investment Firm 5 met with key members of the TRS staff, as well as with Loren. LEVINE encouraged TRS staff to recommend that TRS place funds with Investment Firm 5.

d. In or about early May 2004, REZKO and Individual G agreed that Individual G would not be disclosed to TRS as the recipient of the finder's fee from Investment Firm 5 because of Individual G's close association with REZKO. Individual G instructed Investment Firm 5 to replace Individual G's name on the disclosure with the name of Individual H, who was a business associate of Individual G and a political fundraiser.

e. On or about May 10, 2004, Investment Firm 5 disclosed to TRS that it was going to pay a finder's fee to Individual H. Individual H had done no work in relation to Investment Firm 5's application for TRS investment funds.

f. TRS staff indicated to LEVINE and others that the TRS staff would recommend that Investment Firm 5 receive a \$25 million investment from TRS at the May 2004 TRS Board meeting.

g. On or about May 20, 2004, a TRS staff member expressed concern to LEVINE about Investment Firm 5's disclosure of Individual H, with whom TRS staff members had not had contact, as the recipient of a finder's fee. In response, LEVINE tried to allay the TRS staff member's concerns in order to help Investment Firm 5.

h. After LEVINE was approached by law enforcement agents later that day, LEVINE no longer tried to help Investment Firm 5. Investment Firm 5's application for TRS investment funds was not addressed at the May 2004 TRS Board meeting.

**REZKO, LEVINE, and Individual I: Investment Firm 6**

9. It was further part of the scheme that in the spring of 2004 that LEVINE agreed with Individual I, a Chicago businessman who acted as a placement agent for Investment Firm 6, that LEVINE and REZKO would help Investment Firm 6 obtain investments from TRS and other Illinois state pension boards in exchange for Individual I's payment to LEVINE of two-thirds of the fees that Individual I would receive from Investment Firm 6 for arranging the investments. REZKO and LEVINE agreed to evenly split the portion of the fees that Individual I would pay LEVINE. In connection with this aspect of the scheme:

a. In about early 2004 LEVINE learned from Individual I and others that Investment Firm 6 was interested in attracting investments from Illinois state pension funds, including TRS.

b. LEVINE agreed with Individual I that LEVINE and REZKO would use LEVINE's position at TRS and their influence at TRS and other state pension funds to help Investment Firm 6 obtain investments. Individual I agreed that he would split any finder's fees he received from Investment Firm 6 with LEVINE in exchange for LEVINE's assistance. Individual I further agreed to split with LEVINE the ongoing management fees that Investment Firm 6 would earn from investments from TRS. Individual I agreed to pay LEVINE two-thirds of the finder's fees and management fees that Individual I received so that LEVINE could share those fees with REZKO.

c. On or about April 14, 2004, LEVINE advised REZKO about LEVINE's arrangement with Individual I. REZKO and LEVINE agreed that they would share evenly the fees that Individual I would receive for TRS and other Illinois state pension fund investments in Investment Firm 6. REZKO also agreed to use his influence with other Illinois state pension funds to help Investment Firm 6 obtain investments from those entities. REZKO and LEVINE each expected to receive at least approximately \$1.3 million in fees from Individual I, based on the size of the investment that REZKO and LEVINE believed TRS would make in Investment Firm 6.



d. To assist Investment Firm 6, LEVINE arranged for a meeting with LEVINE, Loren, Individual I, and representatives of Investment Firm 6 so that the Investment Firm 6 representatives could explain their firm and investment products to Loren. At LEVINE's request, Loren provided Investment Firm 6 with advice about how Investment Firm 6 should proceed with an application for funds from TRS.

e. On or about May 19, 2004, LEVINE told Individual I that he intended to recommend Investment Firm 6 to TRS staff after the May 2004 TRS Board meeting.

f. At the time that LEVINE was approached by law enforcement agents on or about May 20, 2004, Investment Firm 6 had not yet applied for TRS funds. LEVINE did not attempt to help Investment Firm 6 obtain TRS funds after that date.

**REZKO, LEVINE, and Individual A: Investment Firm 7**

10. It was further part of the scheme that during the spring of 2004, LEVINE used his influence at TRS to delay a planned allocation of \$220 million in TRS funds to Investment Firm 7. REZKO and LEVINE then agreed to extort a principal of Investment Firm 7, Individual J, by threatening to withhold the allocation unless Individual J made a payment. In connection with this aspect of the scheme:

a. In about early 2004, TRS staff decided to recommend that the TRS Board allocate available funds for real estate

investments among the existing TRS real estate managers, which included Investment Firm 7. TRS staff further decided to recommend that TRS invest \$220 million with Investment Firm 7 at the February 2004 TRS Board meeting.

b. LEVINE arranged to postpone the planned TRS allocation to Investment Firm 7 in order to force Investment Firm 7 or Individual J to pay a fee to LEVINE for his support for the potential allocation. LEVINE provided information to TRS staff about a possible sale of Investment Firm 7, which resulted in TRS staff recommending at the February 2004 TRS Board meeting that the TRS Board postpone the planned allocation to Investment Firm 7. The TRS Board, including LEVINE, agreed that TRS would not allocate \$220 million to Investment Firm 7 pending further investigation.

c. In or about April 2004, REZKO and LEVINE agreed to use their influence and LEVINE's position at TRS to prevent Investment Firm 7 from getting its \$220 million allocation unless Individual J agreed either to pay an approximately \$2 million fee to a consultant chosen by REZKO and LEVINE, or to arrange for approximately \$1.5 million in political contributions to be made to a certain public official. REZKO and LEVINE agreed that they would split the fee paid to the consultant if that was what Individual J chose to do. REZKO and LEVINE further agreed that LEVINE would arrange for an intermediary, namely Individual A, to indicate to Individual J that Investment Firm 7 had not received its \$220

million allocation because Investment Firm 7 had not contributed significantly to a certain public official.

d. In about early May 2004, Individual A told Individual J that there had been a meeting involving REZKO and Individual B concerning plans for raising political donations from pension fund managers, and that during this meeting REZKO had observed that Investment Firm 7 had a lot of TRS funds under management but had not made any political donations. Individual A told Individual J words to the effect that Investment Firm 7 had not gotten its \$220 million allocation from TRS because of its failure to make political donations.

e. On or about May 8, 2004, Individual J advised Individual A that he would not be extorted. Individual A advised LEVINE of this conversation and told LEVINE that Individual J had threatened to inform law enforcement about what REZKO and Individual B were doing. Individual A and LEVINE agreed to discuss the matter with REZKO.

f. On or about May 10, 2004, REZKO, LEVINE, Individual A, and Individual B agreed that in light of Individual J's reaction, it was too risky to continue demanding money from Investment Firm 7 or blocking its \$220 million allocation. They further agreed that although Investment Firm 7 would receive the \$220 million allocation, it would not receive any further business from any State of Illinois entity, including TRS.

g. After this meeting Individual A spoke with Individual J on several occasions for the purpose of discouraging him from disclosing the extortion attempt, falsely advising Individual J that REZKO and LEVINE had nothing to do with Investment Firm 7's failure to receive its allocation, and representing that LEVINE and Individual A had used their influence with TRS staff to ensure that Investment Firm 7 would receive its allocation.

h. On about May 25, 2004, the TRS Board, including LEVINE, voted to invest a total of \$220 million with Investment Firm 7.

**REZKO, LEVINE and Individual E: TRS Asset Manager**

11. It was further part of the scheme that REZKO and LEVINE agreed to attempt to obtain financial benefits for REZKO and LEVINE and their nominees, in connection with TRS's placement of funds with a real estate asset manager. In connection with this aspect of the scheme:

a. In or about the Spring of 2004, REZKO and LEVINE agreed to establish or obtain a company that they or their nominees owned and controlled. REZKO and LEVINE further agreed that they would use their influence and LEVINE's position at TRS to ensure that TRS would make hundreds of millions of dollars of real estate investments with their company. REZKO and LEVINE expected to share the profits from the company.

b. In or about April 2004, LEVINE met with Loren to find out how REZKO, LEVINE, and their nominees could do business with TRS, including the possibility of setting up a company to do business with TRS as an asset manager. LEVINE asked Loren to present ideas to LEVINE that would allow participation by REZKO, LEVINE, and their nominees, without such participation being disclosed to TRS.

c. Loren subsequently advised LEVINE that if a development company entered into a business relationship with an asset manager, there would be no requirement to disclose the ownership of the developer.

d. On or about May 1, 2004, LEVINE and Individual E agreed to try to find a way to obtain funds from TRS for their own benefit and the benefit of their nominees, by putting someone in place to be an asset manager for TRS, and by having a developer selected by LEVINE participate in deals with that asset manager.

**REZKO, LEVINE, and Kiferbaum: Mercy Hospital Kickback**

12. It was further part of the scheme that REZKO and LEVINE agreed that they would use their influence and LEVINE's position at the Planning Board to assist Mercy Hospital in receiving approval of its application to build a hospital in Crystal Lake, in exchange for a kickback from Kiferbaum. REZKO and LEVINE agreed that they would share approximately \$1 million or more from Kiferbaum in

exchange for their assistance. In connection with this aspect of the scheme:

a. In or about late 2003, LEVINE and Kiferbaum agreed that LEVINE would use his position as a Planning Board member to attempt to influence the Planning Board to approve Mercy's application to build a hospital in Crystal Lake so that Kiferbaum Construction Company could build the planned hospital. In exchange for LEVINE's help, LEVINE and Kiferbaum agreed that Kiferbaum would pay a kickback as directed by LEVINE, with the exact amount and manner of the payments to be determined at a later date.

b. LEVINE told REZKO about Kiferbaum's willingness to pay a kickback to ensure that Mercy Hospital's application for a CON would be approved. REZKO agreed to support Mercy Hospital's application in exchange for a share of Kiferbaum's kickback. REZKO and LEVINE agreed that they would split evenly Kiferbaum's kickback, which they expected would be approximately \$1 million or more.

c. At its December 2003 meeting, the Planning Board issued an intent-to-deny with respect to Mercy Hospital's application.

d. On or about April 21, 2004, the Planning Board voted in favor of granting Mercy Hospital's application for a permit to build a new hospital. REZKO and LEVINE took steps to cause other

Planning Board members to vote to approve Mercy Hospital's application, and LEVINE voted in favor of the application.

e. After the April 21, 2004 Planning Board meeting, LEVINE directed Kiferbaum to pay the kickback proceeds relating to the Mercy Hospital project to Individual E. LEVINE, Kiferbaum, and Individual E agreed to use a sham consulting contract to conceal the fraudulent nature of the intended payments from Kiferbaum to Individual E.

### Concealment

13. It was further part of the scheme that REZKO, and his co-schemers, including LEVINE, Loren, Cari, and others, did misrepresent, conceal and hide, and cause to be misrepresented, concealed, and hidden, the acts done in furtherance of the scheme and the purposes of those acts.

14. It was further part of the scheme that, as REZKO was aware, LEVINE intentionally concealed from and failed to disclose to the TRS Board and the Planning Board material facts concerning the financial benefits that REZKO and LEVINE sought to obtain for themselves and their nominees from official actions taken by those Boards and their staff members, as well as *ex parte* communications in which LEVINE had engaged with third parties concerning these official actions and related matters pending before the Boards.

**Mail Fraud: Investment Firm 1 Questionnaire Sent to TRS**

15. On or about July 18, 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, knowingly caused to be deposited, to be sent and delivered by UPS, a commercial interstate carrier, an envelope from Investment Firm 1 in Chicago, Illinois, and addressed to TRS in Springfield, Illinois, which envelope contained a TRS Questionnaire that had been completed by Investment Firm 1;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.



COUNT TWO

**Mail Fraud: Investment Firm 1 Presentation Materials Sent to TRS**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about July 30, 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, knowingly caused to be deposited, to be sent and delivered by UPS, a commercial interstate carrier, an envelope from Investment Firm 1 in Chicago, Illinois, and addressed to TRS in Springfield, Illinois, which envelope contained presentation materials from Investment Firm 1 for the August 2003 TRS Board meeting;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT THREE

**Wire Fraud: Individual C's Modified Letter Agreement  
Faxed to Investment Firm 2**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 19, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely a modified Letter Agreement, sent by facsimile, from Investment Firm 2's office in Wayne, Pennsylvania, to Individual C's office in Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT FOUR

Wire Fraud: Phone Call Between LEVINE & Cari re Investment Firm 4

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about April 14, 2004, at Highland Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate and foreign commerce signals and sounds, namely a phone call between LEVINE, in Highland Park, Illinois, and Cari, in Hong Kong, in which LEVINE and Cari discussed Investment Firm 4 and the name of a consultant to be provided to Investment Firm 4;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT FIVE

Wire Fraud: Compensation Agreement Faxed to Investment Firm 4

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 19, 2004, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate and foreign commerce signals and sounds, namely a cover letter and a Compensation Agreement, sent by facsimile, from the Turks & Caicos Islands, BWI, to Investment Firm 4, in Virginia, with the Compensation Agreement setting forth terms for payments to Individual F's company, which was located in Downers Grove, Illinois;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT SIX

Wire Fraud: Phone Call Between Cari and Investment Firm 4

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 20, 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely a phone call between Cari, in Chicago, Illinois, and Investment Firm 4, in Virginia, in which Cari spoke to the President of Investment Firm 4, about the need to sign a consulting agreement;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT SEVEN

Mail Fraud: Investment Firm 5 Materials Sent To TRS

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 10, 2004, at Northbrook, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, knowingly caused to be deposited, to be sent and delivered by Federal Express, a commercial interstate carrier, an envelope from Investment Firm 5 in Northbrook, Illinois, and addressed to TRS in Springfield, Illinois, which envelope contained materials relating to Investment Firm 5's application for a TRS investment;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT EIGHT

Mail Fraud: Investment Firm 5 Materials Sent To TRS

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 19, 2004, at Northbrook, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, knowingly caused to be deposited, to be sent and delivered by Federal Express, a commercial interstate carrier, an envelope from Investment Firm 5 in Northbrook, Illinois, and addressed to TRS in Springfield, Illinois, which envelope contained presentation materials from Investment Firm 5 for the May 2004 TRS Board meeting;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT NINE

Wire Fraud: Email Between Loren and Investment Firm 6

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 7, 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely an email from Loren in Chicago, Illinois, to a Investment Firm 6 representative in Arizona providing advice on Investment Firm 6's prospective application to TRS;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.



COUNT TEN

Wire Fraud: Email Between Loren and Investment Firm 6

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 10, 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely an email from Loren in Chicago, Illinois, to an Investment Firm 6 representative in Arizona providing advice on Investment Firm 6's prospective application to TRS;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT ELEVEN

Mail Fraud: Letter From Kiferbaum to Mercy Hospital

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about November 25, 2003, at Deerfield, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, and attempting to execute the above-described scheme, did knowingly cause to be placed in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service, according to the directions thereon, an envelope containing a letter from Kiferbaum to Mercy Hospital, soliciting the construction contract for the proposed hospital and offering to help Mercy get approval from the Planning Board, which envelope was addressed to Mercy Hospital, in Woodstock, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT TWELVE

Mail Fraud: Mercy Hospital Approval Letter

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 24, 2004, at Woodstock, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, and attempting to execute the above-described scheme, did knowingly cause to be delivered by mail according to the directions thereon, an envelope containing a letter from the Planning Board confirming that a permit was being issued authorizing Mercy Crystal Lake Hospital and Medical Center, Inc. to build a new hospital, which envelope was addressed to a representative of Mercy Hospital, at the hospital's address, in Woodstock, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346, and 2.

COUNT THIRTEEN

**Wire Fraud: Phone Call Between LEVINE and  
Individual E (regarding Investment Firms 3, 6, and 7)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about April 17, 2004, at Highland Park, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely a phone call between LEVINE, in Highland Park, Illinois, and Individual E, in Florida, in which they discussed Investment Firms 3, 6, and 7;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT FOURTEEN

Wire Fraud: Phone Call Between LEVINE and  
Individual E (regarding Investment Firm 6 and Mercy Hospital)

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about April 21, 2004, at Highland Park, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko," and  
STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely a phone call between LEVINE, in Highland Park, Illinois, and Individual E, in Florida, in which they discussed Investment Firm 6 and Mercy Hospital;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT FIFTEEN

**Wire Fraud: Phone Call Between LEVINE and  
Individual E (regarding Investment Firms 4, 6, and 7,  
Mercy Hospital, and the Asset Management Business)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about May 1, 2004, at Highland Park, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko,"  
and STUART LEVINE,

defendants herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire and radio communication in interstate commerce signals and sounds, namely a phone call between LEVINE, in Highland Park, Illinois, and Individual E, in Florida, in which they discussed Investment Firms 4, 6, and 7, Mercy Hospital, and the potential TRS asset management business;

In violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNT SIXTEEN

Attempted Extortion of Investment Firm 7

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. At times material to this Superseding Indictment, Investment Firm 7 was a real estate asset manager based in Chicago, Illinois, which invested funds on behalf of TRS in various real estate projects located throughout the United States.

3. In or about the spring of 2004, at Highland Park and Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ANTOIN REZKO, also known as "Tony Rezko,"  
and STUART LEVINE,

defendants herein, and Individual A did attempt to commit extortion, which extortion would obstruct, delay, and affect commerce, in that the defendant attempted to obtain property, in the form of payments from Investment Firm 7 and Individual J to a consultant identified by REZKO and LEVINE or political donations to a candidate identified by REZKO and LEVINE, with Investment Firm 7's and Individual J's consent induced under the color of official right, and by the wrongful use of actual and threatened fear of economic harm;

In violation of Title 18, United States Code, Sections 1951  
and 2.



**COUNT SEVENTEEN**

**Solicitation of Funds from Individual C  
(Finder's Fees Paid by Investment Firm 1)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. From in or about May 2003 through in or about April 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during this period received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, payments from Individual C totaling approximately \$250,000, to be paid to Individual D as directed by REZKO and LEVINE, which payments involved Individual C's splitting finder's fees that he received from Investment Firm 1; and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko,"  
defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.

**COUNT EIGHTEEN**

**Solicitation of Funds from Individual C  
(Finder's Fees Expected To Be Paid by Investment Firm 2)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. From in or about the Fall of 2003 through in or about May 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during this period received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, payments from Individual C to be paid to a person chosen by REZKO and LEVINE, which payments involved Individual C's splitting finder's fees that he would receive from Investment Firm 2; and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko,"  
defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.

**COUNT NINETEEN**

**Solicitation of Funds from Individual C  
(Finder's Fees Expected To Be Paid by Investment Firm 3)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. From in or about June 2003 through in or about May 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during this period received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, payments from Individual C to be paid to a person chosen by REZKO and LEVINE, which payments involved Individual C's splitting finder's fees that he would receive from Investment Firm 3; and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko," defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.

COUNT TWENTY

Solicitation of Funds from Investment Firm 4

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. In or about the spring of 2004, at Highland Park and Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during a one-year period including the spring of 2004 received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, payments from Investment Firm 4 to be paid to a consultant identified by REZKO and LEVINE, and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko,"

defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.



COUNT TWENTY-ONE

**Solicitation of Funds from Individual G  
(Finder's Fees Expected To Be Paid by Investment Firm 6)**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. From in or about the Spring of 2004 through in or about May 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during a one-year period including the spring of 2004 received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, payments from Finder 3 to be paid to a person chosen by REZKO and LEVINE, which payments involved Finder 3's splitting finder's fees that he would receive from Investment Firm 6; and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko,"  
defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.

COUNT TWENTY-TWO

Solicitation of Funds from Individual J and Investment Firm 7

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraph 1 of Count One of this Superseding Indictment as though fully set forth herein.

2. From in or about January 2004 through in or about May 2004, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

STUART LEVINE,

defendant herein, being an agent of TRS, an organization which during a one-year period including during this time received federal benefits in excess of \$10,000, did corruptly solicit, demand, accept, and agree to accept, for the benefit of REZKO, LEVINE, and others, a thing of value, namely, contributions from Individual J and Investment Firm 7 to a political candidate chosen by REZKO and LEVINE, and LEVINE intended to be influenced and rewarded in connection with the business, a transaction, and a series of transactions of TRS involving a thing of value of \$5,000 or more, namely, the placement of TRS funds, and

ANTOIN REZKO, also known as "Tony Rezko,"  
defendant herein, did aid and abet LEVINE in committing said offense;

In violation of Title 18, United States Code, Sections 666  
(a)(1)(B), and 2.

**COUNT TWENTY-THREE**

**Money Laundering of Investment Firm 1 Fees**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about March 4, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko,"  
and STUART LEVINE,

defendants herein, knowingly caused to be conducted a financial transaction affecting interstate commerce, when Individual C gave Individual D a \$125,000 check drawn on a JP Morgan Chase Bank account made out to an company controlled by Individual D, which involved the proceeds of specific unlawful activity, namely mail fraud in violation of Title 18, United States Code, Sections 1341 and 1346, knowing that the transaction was designed in whole and in part to conceal the nature, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(I) and 2.

COUNT TWENTY-FOUR

Money Laundering of Investment Firm 1 Fees

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates by reference paragraphs 1 through 14 of Count One of this Superseding Indictment as though fully set forth herein.

2. On or about April 26, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ANTOIN REZKO, also known as "Tony Rezko,"  
and STUART LEVINE,

defendants herein, knowingly caused to be conducted a financial transaction affecting interstate commerce, when Individual C gave Individual D a \$125,000 check drawn on a JP Morgan Chase Bank account made out to an company controlled by Individual D, which involved the proceeds of specific unlawful activity, namely mail fraud in violation of Title 18, United States Code, Sections 1341 and 1346, knowing that the transaction was designed in whole and in part to conceal the nature, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(I) and 2.

**FORFEITURE ALLEGATION**

The SPECIAL FEBRUARY 2005-2 GRAND JURY further charges:

1. The allegations contained in Counts 1-15 and 17-22 of this Superseding Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations of Title 18, United States Code, Sections 1341, 1343, and 666 as alleged in the foregoing Superseding Indictment,

ANTOIN REZKO, also known as "Tony Rezko,"  
defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section, 981(a)(1)(c) and Title 28, United States Code, Section 2461(c) include but are not limited to, approximately \$250,000.

4. If any of the funds subject to forfeiture and described above, as a result of any act or omission of the defendant:

- (a) Cannot be located upon the exercise of due diligence;
- (b) Have been transferred or sold to, or deposited with,

a third party;

- (c) Have been placed beyond the jurisdiction of the Court;
- (d) Have been substantially diminished in value; or
- (e) Have been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property, including but not limited to, the following property, under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c):

(i) The real property commonly known as: 1250 Chestnut Avenue, Wilmette, Illinois, legally described as follows:

Lot 2 in Cyrus-Chestnut Subdivision in the west half of the Southwest quarter of Section 27, Township 42 North, Range 13, East of the Third Principal Meridian;

PIN: 05-27-300-087-0000; and,

(ii) The real property commonly known as: 880 South Lake Shore Drive, Unit 2S, Lake Geneva, Wisconsin, legally described as follows:

Unit 2S and so much of the undivided interest in the common areas and facilities appurtenant to such unit in the percentage specified and established in the hereinafter mentioned declaration and amendments thereto in a condominium commonly known as stone manor condominium, formerly known as Newport condominium created under the condominium ownership act of the state of Wisconsin by declaration recorded on November 13, 1978 in the office of the register of deeds for Walworth County, Wisconsin in Volume 223, Pages 114 to 181 inclusive, as document number 40892, and by amendments thereto;

Permanent Real Estate Index Number: ZCNQ00004.



All pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY