

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE CASTILLO

Jr

UNITED STATES OF AMERICA)
)
 v.)
)
 ARENDA TROUTMAN,)
 STEVEN BOONE, and)
 VINCENT GILBERT)

MAGISTRATE JUDGE KEYS

No. 07 CR 5
Violations: Title 18, United States Code,
Sections 2, 666(a)(1)(B), 1001(a)(2), 1014,
1341, 1346, 1951; Title 26,
United States Code, Section 7206(1)

Second Superseding Indictment

COUNT ONE

The SPECIAL JUNE 2007 GRAND JURY charges:

1. At times material to this indictment:

Individuals and Entities

J.N APR X 8 2008

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

a. Defendant ARENDA TROUTMAN served as the Alderman for the City's 20th Ward, having held that position from approximately 1992 until approximately May 2007.

b. The 20th Ward Regular Democratic Organization was registered with the Illinois State Board of Elections as a political committee supporting Alderman TROUTMAN.

c. Citizens for Troutman was registered with the Illinois State Board of Elections as a political committee supporting Alderman TROUTMAN.

d. The 20th Ward Women's Auxiliary (hereafter "the Women's Auxiliary") was an Illinois corporation that was associated with Alderman TROUTMAN whose articles of incorporation claimed it was a non-profit entity. Because the Women's Auxiliary accepted contributions exceeding \$3,000 during 12-month periods on behalf of defendant ARENDA TROUTMAN, a candidate for public office who was required to file statements of economic interest with the Cook County Clerk, the Women's Auxiliary was a "local political committee," pursuant to the Illinois law (10 ICS 5/9-1.7), and was required to register (10 ICS 5/9-3) and file financial

reports (10 IICS 5/9-10) with the Illinois State Board of Elections, but it failed to do so.

e. Defendant STEVEN BOONE worked for defendant ARENDA TROUTMAN and was paid by the City as a member of defendant ARENDA TROUTMAN's Aldermanic staff.

f. Defendant VINCENT GILBERT was an acquaintance of defendant ARENDA TROUTMAN.

g. Relative A, a relative of defendant ARENDA TROUTMAN, worked for defendant ARENDA TROUTMAN and was paid by the City as a member of defendant ARENDA TROUTMAN's aldermanic staff. Relative A also served as an officer of the 20th Ward Regular Democratic Organization. Further, Relative A was a signatory on the bank account of the Women's Auxiliary.

h. Ward Office Worker A worked for defendant ARENDA TROUTMAN and was paid by the City as a member of defendant ARENDA TROUTMAN's Aldermanic staff.

i. Individual A was a person who occasionally worked on real estate projects.

j. Individual B was a person who formed a company to purchase real estate for the purpose of converting it to housing for low-income families.

k. Individual C was a resident of the 20th Ward.

l. Individual D was a real estate developer with real estate projects in the 20th Ward and elsewhere.

m. Individual E was an acquaintance of defendant ARENDA TROUTMAN who, unbeknown to defendant ARENDA TROUTMAN, was cooperating with law enforcement.

n. Individual F was a person who was in the business of purchasing distressed real estate in the 20th Ward and elsewhere, and, after stabilizing or rehabilitating the real estate, would sell it.

o. Individual G was a person who purchased real estate in the 20th Ward and elsewhere, rehabilitated it, and either sold or rented it.

p. Individual H was a community leader involved in not-for-profit organizations.

q. Individual I was a real estate developer with projects in the 20th Ward and elsewhere who, unbeknown to defendant ARENDA TROUTMAN, was cooperating with law enforcement.

The City of Chicago

r. The City of Chicago ("the City") was a unit of local government known as a municipal corporation, and a political subdivision of the State of Illinois. The functions and services provided by the City on behalf of its residents were coordinated through various agencies and departments.

s. The City's legislative branch of government was the Chicago City Council, which was comprised of fifty City Council members, each of whom represented one of Chicago's fifty wards, and who were also known as Aldermen. The Aldermen were compensated and publicly elected.

t. One of the City's operational departments was the Chicago Department of Transportation ("CDOT"). One of CDOT's functions was to review requests for "alley access," or authorization to use a city alley for egress and ingress to the parking area of real estate property.

u. Another of the City's operational departments was the Department of Zoning. This department's functions included: enforcing the City's zoning ordinances which govern land use within the City; implementing the City's land use policies; and maintaining and updating the City's official zoning maps.

v. Another of the City's operational departments was the Department of

Planning, which operated to promote economic development and growth through community-based planning.

w. Another of the City's operational departments was the Department of Buildings. Among this department's functions was enforcement of the Chicago Building Code, which governs the construction, rehabilitation, and maintenance of structures within the City. Up until April 2003, the Department of Buildings also issued building or construction permits. In April 2003, the Department of Construction and Permits ("DCAP"), another of the City's operational departments, became responsible for issuing building or construction permits.

x. It was the practice of Aldermen to (1) issue letters to City departments such as CDOT, the Department of Buildings, DCAP, and the Department of Zoning, which communicated aldermanic support or non-support for governmental action on matters such as the sale of City-owned real estate, zoning changes, the granting of alley access, and other land use requests, which letters typically were influential in securing the governmental action or inaction endorsed by the letters, and (2) propose ordinances in the Chicago City Council concerning such matters, which ordinances would be eventually either approved or rejected by the City Council members.

Laws, Duties, Policies and Procedures Applicable to Defendant TROUTMAN

y. Defendant ARENDA TROUTMAN, in her capacity as 20th Ward Alderman, was bound by the following laws, duties, policies and procedures:

(i) Defendant TROUTMAN owed a duty of honest services to the citizens of the City in the performance of her public duties.

(ii) Pursuant to the criminal laws of the State of Illinois (720 ILCS 5/33-1(d)), Defendant TROUTMAN was prohibited from receiving, retaining, or agreeing to accept any

property or personal advantage which she was not authorized by law to accept, knowing that such property or personal advantage was promised or tendered with intent to cause her to influence the performance of any act related to her employment or function as a public officer.

(iii) Pursuant to the criminal laws of the State of Illinois (720 ILCS 5/33-3(c) and (d)), Defendant TROUTMAN was prohibited from committing the following acts in her official capacity: (1) performing an act in excess of her lawful authority, with intent to obtain a personal advantage for herself or others; and (2) soliciting or knowingly accepting, for the performance of any act, a fee or reward which she knew was not authorized by law.

(iv) Pursuant to the criminal laws of the State of Illinois, including 5 ILCS 420/4A-101(g), 4A-102, and 4A-106, defendant TROUTMAN was obligated to file annually a Statement of Economic Interest with the Clerk of Cook County, wherein she was required to disclose, among other things, the name of any entity from which a gift or gifts, valued singly or in the aggregate in excess of \$500, was received during the preceding calendar year.

2. Beginning in or around early 2002, and continuing to in or about January 8, 2007, in Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere:

ARENDA TROUTMAN and
STEVEN BOONE,

defendants herein, together with Vincent Gilbert and others known and unknown, knowingly devised and participated in a scheme to defraud Chicago and its citizens of the intangible right to the honest services of defendant ARENDA TROUTMAN, and to obtain money and property by materially false and fraudulent pretenses and representations and material omissions, which scheme is described further below:

Summary of the Scheme

3. It was part of the scheme that defendant ARENDA TROUTMAN used her official position as the Alderman of the 20th Ward to solicit, directly and with and through others, and to obtain, for the benefit of herself and others, including defendant STEVEN BOONE and Vincent Gilbert, with their knowledge and participation, payments and other things of value from persons who were involved in real estate work, with the implicit and explicit understanding that, without such payments and other things of value, her support for land use requests, zoning changes, alley access, sale of City-owned real estate, and other requests that required local government action would either not be forthcoming or would be delayed.

The Scheme

4. It was further part of the scheme that defendant ARENDA TROUTMAN and others acting at the direction or with the knowledge of defendant ARENDA TROUTMAN, including Ward Office Worker A, solicited contributions from persons who asked defendant TROUTMAN for assistance in her official capacity, such as a letter of support for a specific land use, a zoning change, or alley access.

Solicitation of Individual A

5. It was further part of the scheme that in approximately the spring of 2002, when Individual A had purchased a building located on South State Street and was rehabilitating the building without proper building permits, defendant STEVEN BOONE approached Individual A, identified himself as defendant TROUTMAN's assistant, pointed out that Individual A could not work on the building without proper building permits, and stated that, if Individual A took care of the 20th Ward Office, he would be allowed to continue to work on the building without proper permits.

6. It was further part of the scheme that, when Individual A declined to make a contribution to the 20th Ward Office, defendant STEVEN BOONE called Chicago Police and reported Individual A's failure to obtain building permits.

7. It was further part of the scheme that, when Individual A then went to Alderman TROUTMAN's 20th Ward Office and spoke with defendant STEVEN BOONE, defendant BOONE said that, for a payment of \$10,000 in cash, Individual A would be allowed to continue rehabbing his building without proper permits. After some negotiation, Individual A agreed to pay \$8,000 in cash in exchange for the 20th Ward Office allowing him to work on his building without proper building permits. Shortly thereafter, Individual A gave defendant BOONE \$8,000 in cash.

8. It was further part of the scheme that, on approximately July 24, 2002, Individual A received a receipt from the 20th Ward Office for a small portion of the \$8,000 cash payment. The receipt falsely made it appear that the money was a campaign contribution.

9. It was further part of the scheme that after Individual A finished rehabbing the building and learned that the building was zoned for retail use but not commercial use, Individual A attended a meeting with defendant STEVEN BOONE, defendant ARENDA TROUTMAN, and others at defendant TROUTMAN's 20th Ward Office, at which meeting Individual A asked Defendant TROUTMAN for a letter of support for rezoning his property for commercial use. Defendant BOONE then stated, in Alderman TROUTMAN's presence, that defendant TROUTMAN would provide the letter of support if Individual A would take care of the 20th Ward Office, and defendant BOONE specified that the price would be \$15,000. Still in defendant TROUTMAN's presence, Individual A offered \$12,000, to which defendant BOONE agreed.

10. It was further part of the scheme that, several days after the meeting in the 20th Ward Office, Individual A returned to the 20th Ward Office and paid defendant STEVEN BOONE \$6,000

in cash. Several weeks later, Individual A met with defendant BOONE at Individual A's rehabbed building and paid defendant BOONE another \$6,000 in cash, at which time defendant BOONE stated that a letter from defendant TROUTMAN supporting the rezoning of Individual A's building would be ready.

11. It was further part of the scheme that, after making the second \$6,000 payment to defendant STEVEN BOONE, Individual A went to the 20th Ward Office and picked up a letter of support, signed by defendant TROUTMAN and dated March 17, 2003, stating that Alderman TROUTMAN supported the rezoning of Individual A's property.

Solicitation of Individual B

12. It was further part of the scheme that, in approximately August 2004, Individual B attended a meeting with defendant TROUTMAN, Ward Office Worker A, and others, at which meeting Individual B discussed Individual B's plans to convert a building located on South Marshfield to housing for low-income families and asked for defendant TROUTMAN's support for the rezoning of the building. Defendant TROUTMAN expressed enthusiasm for the project and told Individual B that Ward Office Worker A would escort Individual B out of the office and explain to Individual B some "political things," or words to that effect.

13. It was further part of the scheme that, while escorting Individual B out of the office, Ward Office Worker A told Individual B words to the effect that, to get defendant TROUTMAN to act on issuing a letter of support for the rezoning of the building, Individual B would have to make a \$1,500 campaign contribution.

14. It was further part of the scheme that Individual B did not make a campaign contribution to defendant TROUTMAN's ward organization, and, although Individual B continued to contact defendant TROUTMAN's 20th Ward Office asking for a letter of support from defendant

TROUTMAN for the rezoning of the building, Individual B never obtained the letter of support.

Solicitation of Individual C

15. It was further part of the scheme that, in about June 2002, Individual C, who had unsuccessfully applied numerous times at the 20th Ward Office to purchase city-owned vacant lots adjacent to his property, went once again to the 20th Ward Office to apply to purchase the lots, and an assistant of defendant TROUTMAN completed the land purchase application for Individual C and then gave Individual C an envelope, saying that defendant TROUTMAN wanted him to have the envelope. The assistant also told Individual C about an upcoming fundraising event defendant TROUTMAN was hosting. When Individual C looked in the envelope, he found a request for a donation to a 20th Ward organization. In response to the request, he made a \$1,500 donation.

16. It was further part of the scheme that, after making the \$1,500 donation, Individual C received a letter from defendant TROUTMAN in which she apologized for the length of time that had passed while Individual C previously had applied to purchase the lots. Individual C was then notified of a meeting at the Planning Department, where officials of the City offered to sell the lots to Individual C, but he could not afford the City's price and ultimately declined the offer.

Solicitation of Individual D

17. It was further part of the scheme that, in approximately early December 2003, Individual D met with defendant TROUTMAN and asked defendant TROUTMAN for a letter supporting alley access for property that Individual D was developing on South Martin Luther King Drive, in response to which request Alderman TROUTMAN agreed to write a letter of support and simultaneously handed Individual D a flyer and tickets for a fundraiser called "Masquerade Ball" that the 20th Ward Regular Democratic Organization was holding. As she did so, defendant TROUTMAN said to Individual D, "You just bought some tickets," or words to that effect.

18. It was further part of the scheme that, on or about December 2, 2003, at the direction of a member of defendant TROUTMAN's staff, Individual D caused three checks to be written to pay for the tickets: one for \$1,500 to the "20th Ward Regular Democratic Org"; one for \$2,000 to the "20th Ward Women Auxilliary"; and one for \$1,500 to "Citizens for Troutman." Individual D caused the checks to be mailed to defendant TROUTMAN's 20th Ward Office, attended the fundraiser, and the alley access request was granted.

Solicitation of Individual E

19. It was further part of the scheme that in late August 2006, Individual E told defendant TROUTMAN that Individual E had been approached by a wealthy investor who wanted Individual E to invest money in real estate development, and defendant TROUTMAN suggested that Individual E look into new construction developments. Subsequently, on or about September 26, 2006, Individual E showed defendant TROUTMAN properties on South Halsted Street and explained that the wealthy investor was planning on purchasing the properties, but that the properties needed a zoning change in order to build mixed-use buildings. Defendant TROUTMAN assured Individual E that she would support a zoning change and then asked, "What do I get out of it?" Later in that conversation and in subsequent conversations, defendant TROUTMAN and Individual E discussed how defendant TROUTMAN would receive a residential unit and a commercial space in one of the buildings in exchange for her support of the rezoning of the properties. Individual E further told defendant TROUTMAN that the wealthy investor would allow Individual E to give defendant TROUTMAN an additional \$5,000 for defendant TROUTMAN's support of the zoning change. When defendant TROUTMAN asked if she could get a second unit in the building, Individual E responded that the investor would rather give defendant TROUTMAN cash than more parts of the development.

20. It was further part of the scheme that, on or about November 29, 2006, Individual E asked for the letter of support for the zoning change, and handed defendant TROUTMAN \$5,000 in cash, stating that Individual E had a total of \$15,000 to give defendant TROUTMAN, at which point defendant TROUTMAN made several phone calls to officials of the City to inquire about the proper zoning of the property and the possibility of alley access to the property. After the phone calls, defendant TROUTMAN directed a member of her staff to prepare a letter of support for alley access to the property on South Halsted Street, which letter was later sent to the Commissioner of CDOT.

21. It was further part of the scheme that after the letter of support was prepared and signed, defendant TROUTMAN handed Individual E ten tickets to her campaign fundraiser called "Black Satin," which was to take place on December 16, 2006, stating that Individual E needed to have the investor commit to buying ten tickets to the fundraiser, which tickets cost \$1,500 each, and that such a purchase would be separate and apart from the \$15,000 that the investor was to give defendant TROUTMAN. Defendant TROUTMAN pointed out that defendant TROUTMAN was saving the investor money on zoning and that defendant TROUTMAN had talked to city officials on his behalf. Defendant TROUTMAN further said that if the investor were to write a check for the cost of the tickets, the check should be written to the "20th Ward Women's Auxiliary." She also said that if the investor wished to make the check a political contribution, it should be written to "Citizens for Troutman."

22. It was further part of the scheme that on or about December 13, 2006, defendant TROUTMAN presented in the Chicago City Council her letter of support and a proposed ordinance for alley access to the property on South Halsted Street.

23. It was further part of the scheme that on or about December 14, 2006, Individual E

gave defendant TROUTMAN a check for \$5,000 written to the 20th Ward Women's Auxiliary. When Individual E said that the investor wanted to know what defendant TROUTMAN was providing the investor in exchange for the \$5,000 check, defendant TROUTMAN instructed Individual E to tell the investor that the \$5,000 check was in exchange for Defendant TROUTMAN introducing to the City Council on December 13, 2006, her support for alley access to the property on South Halsted.

Solicitation of Individuals F and G

24. It was further part of the scheme that in approximately late December 2003, defendant STEVEN BOONE told Individual F that defendant TROUTMAN wanted Individual F to purchase a building located at 6417 South Maryland and that defendant TROUTMAN and a partner would then quickly buy the building from Individual F. At the time, the building had been ordered demolished by the Cook County Circuit Court.

25. It was further part of the scheme that Individual F, defendant BOONE, and defendant ARENDA TROUTMAN met at the 20th Ward Office with the then-owner of the building, at which time Individual F agreed to purchase the building for \$60,000, and defendant TROUTMAN told Individual F that she and a partner would buy the building from Individual F.

26. It was further part of the scheme that on approximately January 12, 2004, defendant TROUTMAN wrote a letter to the Commissioner of the Chicago Department of Buildings, asking that the demolition proceedings against the building be put on hold, which letter did not mention defendant TROUTMAN'S intention of purchasing the property, and, on January 29, 2004, Individual F filed a motion in the Circuit Court asking that the order of demolition be vacated, which motion was granted by order of court on February 18, 2004.

27. It was further part of the scheme that some time after Individual F closed on the

purchase of the building in approximately January 2004, defendant TROUTMAN told Individual F that she and her partner were ready to buy the building from Individual F, and that, since the property could not be in defendant TROUTMAN's name, the sale would be in the name of defendant TROUTMAN's partner. Accordingly, in early April 2004, Individual F wrote a contract for the sale of the building for \$80,000, leaving the name of the purchaser blank. Individual F signed the contract and gave it to defendant TROUTMAN.

28. It was further part of the scheme that defendant TROUTMAN contacted Individual G, who conducted real estate business in the 20th Ward, and asked Individual G to do emergency repair work on a wall of the building on South Maryland, telling Individual G that the work had to be done in time for a court hearing or there was a possibility that the building would be demolished. Defendant TROUTMAN told Individual G that she owned the building, but that the building was purchased in the name of Individual F, and she further told Individual G that she did not have money to pay for the work. Individual G arranged for the work to be done and paid the workers approximately \$5,600. Individual G never asked defendant TROUTMAN to pay for the work because, prior to this, Individual G had needed and received defendant TROUTMAN's support to obtain permits for Individual G's construction projects in the 20th Ward, and Individual G feared that, if Individual G asked for payment for the work, defendant TROUTMAN would withhold her support for other projects that Individual G had or might have in the 20th Ward.

29. It was further part of the scheme that, when the work on the South Maryland building was done, defendant TROUTMAN asked Individual G to go to court to be introduced as a potential buyer of the building, which would prevent the court from ordering the building demolished. Although Individual G had not indicated any interest and had no interest in buying the building, Individual G agreed to do as defendant TROUTMAN asked.

30. It was further part of the scheme that, on or about May 19, 2004, defendant TROUTMAN wrote a letter expressing her support of Individual G "and his efforts to rehab the property," which letter was given to the City's lawyers. The letter made no mention of defendant TROUTMAN's interest in purchasing the property. On May 26, 2004, Individual G attended a hearing at the Circuit Court of Cook County regarding the property on South Maryland, which hearing was also attended by defendant STEVEN BOONE, as a representative of defendant TROUTMAN's office. At the hearing, Individual G was introduced to the court as a person who intended to purchase the building.

31. It was further part of the scheme that, after the hearing on May 26, 2004, when neither defendant TROUTMAN nor anyone presented by her was entering into a contract to buy the building, Individual F decided to sell the building to a real estate developer, which sale was completed in about July 2004, for a purchase price of \$120,000. Shortly thereafter, defendant TROUTMAN contacted Individual F, stating that she and her partner had done some work on the building and that she wanted Individual F to pay her some funds from the sale. She asked for \$20,000 in cash.

32. It was further part of the scheme that, after repeated requests by defendant TROUTMAN for the \$20,000 in cash, and despite the fact that defendant TROUTMAN produced no receipts or any evidence of having expended money to do work on the building, Individual F acceded to defendant TROUTMAN's demands for the \$20,000. Individual F acceded because, prior to this, Individual F had needed and received defendant TROUTMAN's support for land use projects in the 20th Ward, and Individual F feared that, if Individual F did not give defendant TROUTMAN the money she requested, she would withhold her support for other projects that Individual F had or might have in the 20th Ward. The first payment, \$5,000 in cash, was collected by defendant

TROUTMAN in approximately April 2005. The second payment, \$10,000 in cash, was collected by defendant STEVEN BOONE on behalf of defendant TROUTMAN in approximately September 2005. And the third payment, \$5,000 in cash, was collected by defendant TROUTMAN in approximately November 2005.

33. It was further part of the scheme that defendant TROUTMAN never reported any of Individual F's three cash payments as income to her.

Solicitation of Individual H

34. It was further part of the scheme that in approximately December 2005, during a meeting where Individual H and others asked defendant TROUTMAN for an updated letter of support for a residential building project along 63rd Street, which letter of support was needed to purchase land owned by the City, and during a follow-up telephone conversation between Individual H and defendant TROUTMAN, defendant TROUTMAN agreed to provide the letter of support only on the condition that certain demands be met. One of the demands was that the persons and entities requesting the letter of support were to raise money for defendant TROUTMAN through two "significant" fundraisers.

35. It was further part of the scheme that, after discussing defendant TROUTMAN's demand for two fundraisers with others, Individual H told defendant TROUTMAN that the persons and entities requesting the letter of support could not hold fundraisers in exchange for her support, and, thereafter, months passed during which defendant TROUTMAN did not issue the letter of support, despite repeated requests by Individual H and others.

The Women's Auxiliary

36. It was further part of the scheme that defendant ARENDA TROUTMAN caused the Women's Auxiliary to be used as a means to conceal and disguise the payments that defendant

ARENDA TROUTMAN and members of her staff received from real estate developers.

37. It was further part of the scheme that, despite the fact that the Women's Auxiliary never filed for not-for-profit status in the State of Illinois or with the federal government and never filed a federal or state tax return or any other public document showing its financial condition, its income, or its expenditures, defendant ARENDA TROUTMAN and members of her staff, including Relative A, represented to others that the Women's Auxiliary was a charitable organization whose donations were not subject to the restrictions of political contributions. Relative A instructed other members of the staff that fundraising contributions that were over \$1,500 were to go to the Women's Auxiliary, and fundraising contributions that were less than \$1,500 were to go to the other political committees of the 20th Ward. Further, in connection with the 2003 fundraiser of the 20th Ward Regular Democratic Organization, called "Masquerade Ball," Defendant TROUTMAN's staff asked religious representatives to make their checks payable to the Women's Auxiliary.

38. It was further part of the scheme that, while some funds of the Women's Auxiliary were used to pay for charitable functions, tens of thousands of dollars in funds of the Women's Auxiliary were taken in cash withdrawals by Relative A, none of which withdrawals were ever accounted for in reports that must be publicly filed by either a not-for-profit or a political committee.

Inducing Partnerships of Vincent Gilbert with Real Estate Developers

40. It was further part of the scheme that, on several occasions, defendant ARENDA TROUTMAN attempted to induce real estate developers to take on as a partner or major collaborator Vincent Gilbert, an acquaintance of TROUTMAN who had little, if any, real estate development experience. These occasions included one occasion that involved the residential building project along 63rd Street referenced in paragraph 34 above, and another occasion that involved Individual I, to whom TROUTMAN introduced Gilbert in approximately late 2004 or early 2005 and indicated,

directly and indirectly, that she would support a particular real estate project of Individual I only if Individual I worked on the project with Gilbert.

41. It was further part of the scheme that Vincent Gilbert presented Individual I with a consulting contract whereby Individual I would pay Vincent Gilbert a \$5,000 retainer. Individual I initially did not enter into the contract because he had no need for whatever services Vincent Gilbert could provide. Later, on or about July 1, 2005, as part of his cooperation with the government, Individual I did enter into the consulting contract with Gilbert.

42. It was further part of the scheme that, when, on or about July 1, 2005, Individual I met with Vincent Gilbert; agreed to hire Vincent Gilbert as a consultant; and paid him a \$5,000 fee by check, Vincent Gilbert told Individual I, "... when I'm happy, the Alderman's happy. I'm happy now because she actually directed at me to you so I never thought it would be like pulling teeth."

43. It was further part of the scheme that when Individual I told Vincent Gilbert that he needed defendant TROUTMAN's letter of support for the real estate project, but would not make Vincent Gilbert a partner on the project, Vincent Gilbert expressed disapproval and warned that, "... I can make this project go, otherwise I think this project is in jeopardy."

44. It was further part of the scheme that, when on or about July 13, 2005, Vincent Gilbert told Individual I that he had made a presentation to defendant TROUTMAN and her economic development board regarding Individual I's real estate project, but defendant TROUTMAN would not support the project, after Individual I expressed displeasure with Vincent Gilbert, Vincent Gilbert then warned Individual I, "... and don't piss me off because you still have property [Individual I's first name] in that ward." Individual I then asked Vincent Gilbert to arrange a meeting with defendant TROUTMAN to discuss this real estate project.

45. It was further part of the scheme that, in approximately early December 2005, Individual I met with defendant TROUTMAN. During this meeting, defendant TROUTMAN acknowledged that the pairing of Vincent Gilbert and Individual I "didn't seem to work out." She told Individual I, "[W]e have to go back to where we were or else we can't do business." She further told Individual I, "And you're in business, you want to make money and I have to have money in order to survive." Later in the conversation, defendant TROUTMAN also noted, "I got to think about something after this. You know what I'm saying?" As an alternative to Individual I dealing with Vincent Gilbert, Defendant TROUTMAN suggested her brother, telling Individual I that her brother is a broker who deals with a lot of developers, "And then, I'm paid through him, see? So maybe we'll do it like that."

46. It was further part of the scheme that, at a meeting in February 2006 between Individual I and members of defendant TROUTMAN's staff, Individual I balked at making defendant TROUTMAN's brother a partner in a particular real estate project and expressed a preference for paying defendant TROUTMAN's brother a consulting fee instead, and after this meeting, defendant TROUTMAN no longer discussed the real estate project with Individual I.

47. It was further part of the scheme that defendants ARENDA TROUTMAN and STEVEN BOONE, Vincent Gilbert and others known and unknown did misrepresent, conceal, hide and cause to be misrepresented, concealed and hidden, the purposes of and acts done in furtherance of the scheme.

48. On or about February 23, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, did knowingly cause to be placed in an authorized depository for mail matter an envelope addressed to Ira Kaufman, 1155 N Milwaukee, Riverwood, IL 60015, which envelope contained a court order staying the order of demolition against the property at 6417 S. Maryland Ave.;

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

COUNT TWO

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraphs 1-47 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about February 23, 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, did knowingly cause to be placed in an authorized depository for mail matter an envelope addressed to Mildred Bradley, 4918 S. Drexel Blvd., Ste. #1, Chicago, Illinois 60615, which envelope contained a court order vacating an order of demolition against the property at 6417 S. Maryland Ave.;

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

COUNT THREE

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraphs 1-47 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

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

ARENDA TROUTMAN,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, did knowingly cause to be placed in an authorized depository for mail matter an envelope addressed to the 20th Ward Office, 5859 South State Street, Chicago, Illinois 60621, which envelope contained three checks (one payable to the 20th Ward Regular Democratic Organization, one payable to Citizens for Troutman, and one payable to the 20th Ward Women's Auxiliary);

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

COUNT FOUR

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraphs 1-47 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.
2. On or about April 11, 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN and
STEVEN BOONE,

defendants herein, for the purpose of executing the aforesaid scheme, and attempting to do so, did knowingly cause to be placed in an authorized depository for mail matter an envelope addressed to Prayer Church, 5826 S State St, Chicago, IL 60621, which envelope contained a letter notifying the addressee that an application for a zoning change was going to be filed for the property located at 5843 S. State St., Chicago, IL.;

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

COUNT FIVE

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about July 24, 2002, at Chicago, in the Northern District of Illinois, Eastern Division,

STEVEN BOONE,

defendant herein, being an agent of the City, corruptly solicited and demanded, and accepted and agreed to accept, things of value from Individual A, namely, approximately \$8,000 in United States currency, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City involving a thing of value of \$5,000 or more, that is, building permit regulation by the City of the property located at 5843 South State Street, Chicago, Illinois, the City being a local government that received in excess of \$10,000 in federal funding in a twelve-month period from April 1, 2002, to March 31, 2003;

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

COUNT SIX

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. In approximately March 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN and
STEVEN BOONE,

defendants herein, being agents of the City, corruptly solicited and demanded, and accepted and agreed to accept, things of value from Individual A, namely, approximately \$12,000 in United States currency, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City involving a thing of value of \$5,000 or more, that is, land use regulation by the City of the property located at 5843 South State Street, Chicago, Illinois, including a zoning change for which defendant TROUTMAN issued a letter of support to the Department of Zoning, the City being a local government that received in excess of \$10,000 in federal funding in a twelve-month period from April 1, 2002, to March 31, 2003;

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

COUNT SEVEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. In approximately early December 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, knowingly committed extortion, as that term is used in Title 18, United States Code, Section 1951(b)(2), which extortion would and did affect commerce, as that term is used in Title 18, United States Code, Section 1951(b)(3) and which extortion consisted of obtaining property, namely \$5,000, from Individual D, with Individual D's consent induced under color of official right, and by the wrongful use of fear of economic harm;

In violation of Title 18, United States Code, Section 1951.

COUNT EIGHT

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. In approximately early December 2003, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, being an agent of the City, corruptly solicited and demanded, and accepted and agreed to accept, things of value from Individual D, namely, approximately \$5,000 in payment for fundraising tickets, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City involving a thing of value of \$5,000 or more, that is, land use regulation by the City of the property located at 6137 and 6139 South Martin Luther King Drive, Chicago, Illinois, including permission for alley access thereto, the City being a local government that received in excess of \$10,000 in federal funding in a twelve-month period from January 1, 2003, to December 31, 2003;

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

COUNT NINE

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.
2. Beginning in or about May 2006 and continuing to on or about December 14, 2006, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, being an agent of the City, corruptly solicited and demanded, and accepted and agreed to accept, things of value from Individual E, namely, \$5,000 cash and a check for \$5,000.00 payable to the "Twentieth Ward Woman Auxillary," intending to be influenced and rewarded in connection with a business, transaction and series of transactions of the City involving a thing of value of \$5,000 or more, that is, land use regulation by the City of the property located at 5730 South Halsted Street, Chicago, Illinois, including permission for alley access thereto, for which defendant TROUTMAN issued a letter of support to CDOT and also proposed an ordinance in the Chicago City Council, the City being a local government that received in excess of \$10,000 in federal funding in a twelve-month period from May 1, 2006, to April 30, 2007;

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

COUNT TEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. In approximately May 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, knowingly committed extortion, as that term is used in Title 18, United States Code, Section 1951(b)(2), which extortion would and did affect commerce, as that term is used in Title 18, United States Code, Section 1951(b)(3) and which extortion consisted of obtaining property, approximately \$5,600, which paid for masonry services, from Individual G, with Individual G's consent induced under color of official right, and by the wrongful use of fear of economic harm;

In violation of Title 18, United States Code, Section 1951.

COUNT ELEVEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. From approximately April 2005 to approximately November 2005, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, knowingly committed extortion, as that term is used in Title 18, United States Code, Section 1951(b)(2), which extortion would and did affect commerce, as that term is used in Title 18, United States Code, Section 1951(b)(3) and which extortion consisted of obtaining property, namely at least \$10,000, from Individual F, with Individual F's consent induced under color of official right, and by the wrongful use of fear of economic harm;

In violation of Title 18, United States Code, Section 1951.

COUNT TWELVE

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. Beginning in approximately late 2004 or early 2005 and continuing until approximately early 2006, at Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN and
VINCENT GILBERT,

defendants herein, knowingly attempted to commit extortion, as that term is used in Title 18, United States Code, Section 1951(b)(2), which extortion would have affected commerce, as that term is used in Title 18, United States Code, Section 1951(b)(3), in that they attempted to obtain property, namely \$5,000 as part of a financial arrangement related to real estate development projects, from Individual I, with Individual I's consent induced under color of official right, and by the wrongful use of fear of economic harm;

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

COUNT THIRTEEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

In approximately July 2006, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, willfully made and subscribed, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040 with schedules and attachments) for the calendar year 2005, which return was verified by a written declaration that it was made under the penalties of perjury, and filed with the Internal Revenue Service, which return she did not believe to be true and correct as to every material matter, in that the defendant did not report as "Other Income" at least \$10,000 in cash that she received, and also in that the defendant listed her total income as being \$77,801, whereas, in truth and fact, as the defendant well knew, her total income was substantially in excess of said amount;

In violation of Title 26, United States Code, Section 7206(1).

COUNT FOURTEEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about January 10, 2007, in Chicago, in the Northern District of Illinois, Eastern Division,

STEVEN BOONE,

defendant herein, did knowingly and willfully make materially false, fictitious and fraudulent statements and representations 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 he stated the following:

a. BOONE had no knowledge of the building at 6417 South Maryland, Chicago, Illinois, or any transactions or violations concerning that building;

b. In connection with fundraising during his employment with Defendant Arenda Troutman, BOONE never collected any cash or check donations or any money whatsoever.

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

COUNT FIFTEEN

The SPECIAL JUNE 2007 GRAND JURY further charges:

On or about July 28, 2006, in Chicago, in the Northern District of Illinois, Eastern Division,

ARENDA TROUTMAN,

defendant herein, knowingly made and caused to be made a false statement to LaSalle Bank, a financial institution the accounts of which were then insured by the Federal Deposit Insurance Corporation, for the purpose of influencing LaSalle Bank in approving a refinancing mortgage loan, by submitting to the bank two letters, one dated May 21, 2003, which falsely stated that defendant was a consultant to a law firm and was paid \$30,000 a year for her services, and one dated July 17, 2006, which falsely stated that the defendant was a consultant to a law firm and was paid \$35,000 a year for her services, when, in fact, the defendant well knew that she was not, at or around the time of either letter, a consultant to a law firm, nor paid for any such consulting services.

In violation of Title 18, United States Code, Section 1014.

FORFEITURE ALLEGATION

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations contained in Count One of this 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 her violation of Title 18, United States Code, Sections 1341 and 1346, as alleged in Count One of the foregoing indictment,

ARENDA TROUTMAN and
STEVEN BOONE

defendants 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 offense charged in Count One of the foregoing indictment.

3. The interests of the defendant 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:

- a. all financial benefits and proceeds defendant ARENDA TROUTMAN received related to:
 - (i) her support of alley access for 5730 South Halsted Street, Chicago, Illinois, including, without limitation, \$5,000;
 - (ii) her support of alley access for 6137 and 6139 South Martin Luther King Drive, Chicago, Illinois, including, without limitation, \$5,000;
- and

- (iii) her demand that Individual F pay her a portion of the proceeds Individual F received for the sale of 6417 South Maryland, Chicago, Illinois, including, without limitation, \$10,000;
- b. all financial benefits and proceeds defendant BOONE received related to:
 - (i) his demand that Individual A "take care" of the Ward Office in order that Individual A be allowed to rehab property on South State Street without proper permits, including, without limitation, \$8,000;
 - (ii) his demand that Individual A "take care" of the Ward Office in order that Individual receive defendant ARENDA TROUTMAN's letter of support for rezoning property on South State Street, including, without limitation, \$12,000; and
 - (iii) a portion of the proceeds Individual F received for the sale of 6417 South Maryland, which defendant BOONE collected from Individual F on behalf of defendant ARENDA TROUTMAN, including, without limitation, \$10,000.

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

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third party;
- c. Has been placed beyond the jurisdiction of the Court;
- d. Has been substantially diminished in value; or

- e. Has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

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:

FOREPERSON

UNITED STATES ATTORNEY