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

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 MICHAEL REESE)
)
)

No. **08 CR 1061**

Violations: Title 18, United States Code,
Sections 371 and 1001(a)(2)

JUDGE KENDALL

COUNT ONE

The SPECIAL JUNE 2007 GRAND JURY charges:

MAGISTRATE JUDGE COLE

1. At times material to this indictment:

A. 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. Two of the City's operational departments were the Department of Buildings and the Department of Construction and Permits.

B. The principal function of the Department of Buildings was to conduct inspections to ensure that buildings conformed and are maintained according to the City's Building Code. If a building violated the Building Code, it would be referred to the Department of Administrative Hearings. The party responsible for the building would receive a notice of violation.

C. Defendant MICHAEL REESE began working for the City in or about 1993. Beginning in 2005, MICHAEL REESE was a Supervising Building Inspector in the Department of Buildings.

D. David Johnson was also a Building Inspector in the Department of Buildings.

E. Sorin Adrian Oros was a building contractor. Oros was acting on behalf of himself and other individuals who wished to perform renovation at multi-unit apartment buildings in Chicago. The buildings were undergoing extensive renovation, including an increase in the number of individual units in each property.

F. Changes in the number of units in a building could only be made with the approval of the Department of Zoning.

G. Darryl Williams was an electrical examiner in the Department of Construction and Permits.

H. Individual A was a property owner in the City of Chicago.

I. Individual B was a business owner in the City of Chicago. Unbeknownst to REESE, Individual B was cooperating with the government.

2. Beginning in or about early 2005, and continuing until on or about December 13, 2006,

MICHAEL REESE,

defendant herein, conspired and agreed with David Johnson, Sorin Adrian Oros, and others known and unknown to the Grand Jury, that defendant REESE and Johnson would accept money from Oros and others, said money being given and accepted with the intent to influence and reward defendant REESE and Johnson in connection with any business, transaction, and series of transactions of the City involving things of value of \$5,000 or more, that is, issuing certificates of occupancy, expediting permit approvals on properties undergoing renovations, and abating code violations, the City being a local government that received in excess of \$10,000 in federal funding in a twelve month period from June 1, 2005, through May 31, 2006, in violation of Title 18, United States Code, Section 666(a).

3. It was part of the conspiracy that defendant MICHAEL REESE and David Johnson directly accepted money from individuals, and would and did refer individuals, including Sorin Adrian Oros and Individual A to each other in order to solicit and accept money from these individuals in exchange for the requested official actions from the City, including approvals of permits, removal of code violations and the issuance of certificates of occupancy.

4. It was further part of the conspiracy that from early 2005 through early 2006, MICHAEL REESE took cash payments in the amount of approximately \$10,000 from Adrian Oros in exchange for changing information in the Department of Buildings mainframe computer database, in order to facilitate City approvals for Oros' renovation projects.

5. It was further part of the conspiracy that in or about early 2006, MICHAEL REESE asked David Johnson if he knew someone who could obtain unit change approvals to a property.

6. It was further part of the conspiracy that, after David Johnson informed MICHAEL REESE that he did know someone who could approve unit changes, MICHAEL REESE introduced Johnson to Sorin Adrian Oros.

7. It was further part of the conspiracy that from early 2006 through on or about December 13, 2006, Oros gave Johnson money and architectural plans showing the unit changes that required approval.

8. It was further part of the conspiracy that David Johnson gave a portion of Sorin Adrian Oros' money to Darryl Williams, along with the architectural plans, so that Williams could quickly obtain approval for the unit changes on defendant Oros' properties.

9. It was further part of the conspiracy that MICHAEL REESE, David Johnson and Sorin Adrian Oros concealed and hid, and caused to be concealed and hidden, the existence of and acts done in furtherance of the conspiracy.

OVERT ACTS

10. In furtherance of the conspiracy and to accomplish the objectives of the conspiracy, MICHAEL REESE, David Johnson and Sorin Adrian Oros committed one or more overt acts in the Northern District of Illinois, and elsewhere, which overt acts included but were not limited to the following:

a. On or about October 20, 2005, MICHAEL REESE introduced David Johnson to Individual A, who was seeking the removal of building code violations on his property.

b. On or about October 20, 2005, Johnson solicited \$4,000 from Individual A in order to abate the code violations. When Individual A replied that he did not have that much money, Johnson said words to the effect of, "How much do you have?"

c. In or about early 2006, after learning that David Johnson had a connection who could fraudulently obtain unit change approvals in exchange for money, MICHAEL REESE introduced Sorin Adrian Oros to David Johnson so that Johnson could obtain the unit change approvals for Oros.

d. On or about December 13, 2006, Adrian Oros paid David Johnson \$12,000 in exchange for obtaining unit change approvals for three different properties in the City of Chicago;

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

COUNT TWO

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in Paragraphs 1(A) through (C), (E), and (F) of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. It was material to the SPECIAL JUNE 2007 GRAND JURY's and the United States Postal Inspection Service's investigation concerning MICHAEL REESE whether Sorin Adrian Oros had paid REESE in exchange for changing the numbers of units in City records regarding buildings controlled by Oros.

3. On or about May 3, 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL REESE,

defendant herein, did knowingly and willfully make materially false, fictitious and fraudulent statements and representations in a matter within the jurisdiction of the United States Postal Inspection Service, an agency within the executive branch of the government of the United States, when he stated that:

- (A) Adrian Oros never asked him for anything except advice; and
- (B) Adrian Oros never asked him to change unit numbers on a property in exchange for money;

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

COUNT THREE

The SPECIAL JUNE 2007 GRAND JURY further charges:

1. The allegations in Paragraphs 1(A) through (D), and (G) through (I) of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. It was material to the SPECIAL JUNE 2007 GRAND JURY's and the United States Postal Inspection Service's investigation concerning MICHAEL REESE whether REESE had referred individuals to David Johnson who were interested in obtaining building permits.

3. On or about May 7, 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL REESE,

defendant herein, did knowingly and willfully make materially false, fictitious and fraudulent statements and representations in a matter within the jurisdiction of the United States Postal Inspection Service, an agency within the executive branch of the government of the United States, when he stated that:

(A) He had not ever referred individuals to David Johnson who were interested in obtaining building permits; and

(B) He had not referred a named individual to David Johnson, in order for the person to obtain a building permit;

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

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY