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July 7, 2021

Mayor Lori Lightfoot
City of Chicago
121 North LaSalle Street, Suite 500
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RE: SIGNIFICANT ACTIVITY REPORT

On July 1, 2021, Carrie M. Austin, Alderman of the 34th Ward, and Chester Wilson Jr., her Chief of Staff, were indicted on federal bribery offenses related to home improvements from construction contractors seeking city assistance for a development in Austin's ward. Austin was charged with one count of conspiring to use interstate facilities to promote bribery (18 USC 371), two counts of using interstate facilities to promote bribery (18 USC 1952 (a)(3)), and one count of willfully making materially false statements to the FBI (18 USC 1001(a)(2)). Wilson was charged with one count of conspiring to use interstate facilities to promote bribery, two counts of using interstate facilities to promote bribery, and one count of theft of government funds (18 USC 641).

The indictment, which was announced by United States Attorney for the Northern District of Illinois; the Chicago Field Office of the FBI; the U.S. Department of Agriculture, Office of Inspector General; the IRS Criminal Investigation Division in Chicago; and the City of Chicago Office of Inspector General, alleges the following:

- Starting in 2014, a construction company planned to construct a residential development in Austin's ward at a cost of approximately \$49.6 million. Under an agreement with the City, the company was responsible for making infrastructure improvements within the project, including construction of new interior streets, street lighting, landscaping, and sidewalk improvements, and was eligible to receive more than \$10 million in tax increment financing and other payments from the City.
- In 2016, Austin and Wilson were provided with personal benefits by the owner of the construction company and other contractors in an effort to influence them in their official capacities. The benefits included home improvements, furniture, and appliances for Austin's residence, and home improvement materials and services for rental properties owned by Wilson.
- In June 2017, a contractor on the development project paid an invoice for \$5,250 to cover a portion of the purchase price of kitchen cabinets at Austin's residence by falsely representing that the cabinets were for an address within the development. In addition, in July 2017 Austin accepted from a contractor on the project an offer to pay for two

sump pumps, and to have the contractor's family member buy and install a new dehumidifier.

- Austin and Wilson authorized the expenditure of aldermanic menu funds to benefit the construction company for infrastructure within the development, and on multiple occasions in 2017 and 2018, Austin coordinated with the construction company owner to seek the City's release of TIF and other payments.
- Austin made materially false statements to the FBI by denying that she received sump pumps, a dehumidifier, or anything else of value from the contractors.
- Wilson solicited benefits from a contractor on the project for his rental property, including services for heating and air.
- In a separate theft scheme, Wilson purchases Supplemental Nutrition Assistance Program (SNAP) benefits at a discount. Wilson, who was not eligible for SNAP benefits due to his City of Chicago salary, obtained a card containing SNAP benefits by paying cash to the recipient in an amount below the face value of the card.

The public should note that charges in an indictment are not evidence of guilt. The defendant is presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

The case is assigned to the Honorable John F. Kness of the United States District Court for the Northern District of Illinois. Arraignment for both Austin and Wilson is set for July 8, 2021 at 11:45 a.m. and may be accessed by the public via Zoom (call-in number 888-684-8852, access code 3796759).

Please do not hesitate to direct any questions or requests for additional information to me or Natalie A. Kuriata, Director of Communications, at (773) 478-8417.

Respectfully,



Joseph M. Ferguson
Inspector General
City of Chicago