



U. S. Department of Justice

*United States Attorney
Northern District of Illinois
Federal Building*

*Patrick J. Fitzgerald
United States Attorney*

*219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

FOR IMMEDIATE RELEASE
THURSDAY MAY 19, 2005

PRESS CONTACTS:
AUSA Manish Shah (312)353-0517
AUSA/PIO Randall Samborn (312)353-5318

FORMER STAFF CHIEF TO LEADING ILLINOIS HOUSE REPUBLICAN INDICTED FOR DIVERTING STATE EMPLOYEES TO CAMPAIGN WORK

CHICAGO – The former chief of staff to a leading Illinois Republican legislator was indicted on federal fraud, theft and extortion conspiracy charges for allegedly directing state employees to perform political campaign work on state time between 1998 and 2001, and for steering \$1.3 million in state funds to a Chicago suburb to benefit a private real estate venture that hired and supported a Republican candidate for the General Assembly. The defendant, **Michael Tristano**, was charged in a nine-count indictment returned by a federal grand jury late yesterday, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation, announced today.

Tristano, 49, of Glenview, was chief of staff to State Rep. Lee A. Daniels (R-Elmhurst), when Daniels served as House Republican Leader and Minority Leader in the state House of Representatives. In that capacity, Tristano directed the Minority Leader's Office, which had a state budget of approximately \$5 million and approximately 100 full-time state employees who worked in offices in Chicago, Springfield and Elmhurst. Tristano also served as executive director of the House Republican Campaign Committee (HRCC), which was headed by Daniels since 1975 and provided financial support to Illinois House Republican candidates.

Tristano was charged with seven counts of mail fraud and one count each of theft and extortion. He will be arraigned at a later date in U.S. District Court in Chicago.

“Using the state payroll to bankroll campaign workers and steering state grants in return for private political benefits is a fraud upon the citizens of Illinois who have a right to expect honest government,” Mr. Fitzgerald said. “Public servants must understand that the law requires them to separate political activities from government functions and that public office is not a private reservoir of campaign resources.”

The indictment alleges that between 1997 and December 2001, Tristano and others engaged in a fraud scheme to deprive the State of Illinois and its citizens of money, property and the honest services of Tristano and other employees of the Minority Leader’s Office. Tristano and others allegedly converted and misapplied state funds for non-public purposes, including supporting the political campaigns of House Republican candidates and others throughout the state.

According to the indictment, Tristano assigned employees of the Minority Leader’s Office to work full-time on the political campaigns of certain candidates who were targeted to receive support from the Minority Leader’s Office in House Republican primary and House general elections in 1998 and 2000 and local municipal elections in 1999 and 2001.

The private political activities that Tristano allegedly directed Minority Leader’s Office employees to perform, and subsidized with public funds, included preparing campaign plans and weekly campaign reports; managing campaigns; soliciting voters in person and by phone; designing campaign literature; and analyzing telephone polling.

As part of the scheme, Tristano allegedly fraudulently converted the state’s non-salary compensation – vacation, sick and compensatory time – by requiring state employees to use such

non-salary compensation to perform campaign work. He concealed employees' campaign work by awarding fictitious comp time on targeted races, knowing that employees had not earned the comp by working overtime at their state jobs. He also concealed state employees' campaign work on targeted races by causing HRCC to partially pay the salaries of state employees who worked full-time on political campaigns, creating the appearance that these state employees were performing only part-time campaign work, the indictment alleges.

Tristano further allegedly obtained and authorized the use of state funds, by making false statements, to subsidize travel by and housing of campaign workers. This allowed state employees to travel to political campaign offices, including those of Republican challengers, for whom no state-related work was performed, the indictment alleges.

The extortion conspiracy count alleges that in 2000 Tristano conspired with others, including Roger Stanley, Tristano's friend and a member of a real estate partnership, to illegally obtain money from the partnership. Tristano allegedly agreed with Stanley to induce the real estate partnership to pay Candidate A – a private citizen who was campaigning for a seat in the General Assembly in a targeted race as a Republican in a downstate Illinois House district – in exchange for Tristano's efforts to obtain approximately \$1.3 million in state funding for the Village of Willow Springs and the property venture's development projects. As part of the conspiracy, Candidate A was hired by the real estate partnership but did little or no work for the partnership; instead, Candidate A campaigned for office, according to the indictment.

The government is being represented by Assistant U.S. Attorneys Manish Shah and Philip Guentert.

If convicted, each count of mail fraud carries a maximum penalty of five years in prison and a \$250,000 fine; theft carries a maximum penalty of 10 years in prison and a \$250,000 fine; and

extortion conspiracy carries a maximum sentence of 20 years in prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed.

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

###