

## UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

UNITED STATES OF AMERICA

UNDER SEAL

v.

CRIMINAL COMPLAINT

JOSE HERNANDEZ

CASE NUMBER:

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

On or about August 21, 2008, in Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant Jose Hernandez, being an agent of the City of Chicago, corruptly accepted and agreed to accept, anything of value from any person, namely \$1,000 cash, intending to be influenced or rewarded in connection with any business, transaction, and series of transactions of the City of Chicago, involving anything of value of \$5,000 or more, the City of Chicago being a local government that received in excess of \$10,000 in federal funding in a twelve month period from January 1, 2008, through December 31, 2008;

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

I further state that I am a Postal Inspector, United States Postal Inspection Service, and that this complaint is based on the following facts:

See Attached Affidavit

Continued on the attached sheet and made a part hereof:  X  Yes   No

\_\_\_\_\_  
Signature of Complainant

Sworn to before me and subscribed in my presence,

August 7, 2009

Date

at Chicago, Illinois

City and State

Hon. Geraldine Soat Brown, U.S. Magistrate Judge

Name &amp; Title of Judicial Officer

\_\_\_\_\_  
Signature of Judicial Officer

## **AFFIDAVIT**

I, David B. Hodapp, being duly sworn under oath, depose and state as follows:

### **I. BACKGROUND OF AFFIANT**

1. I am a Postal Inspector with the United States Postal Inspection Service and have been so employed since September 1987. In connection with my official duties, I have investigated violations of federal criminal law, including violations relating to public officials. I have received training and participated in all normal methods of investigation, including, but not limited to, visual and electronic surveillance, the general questioning of witnesses, the use of informants, and undercover operations. I also have received training in the enforcement of laws concerning, among other things, public corruption and white-collar crime.

### **II. PURPOSE OF AFFIDAVIT**

2. This affidavit is made for the limited purpose of establishing probable cause in support of a criminal complaint charging JOSE HERNANDEZ with a violation of Title 18, United States Code, Section 666(a)(1)(B), charging that on or about August 21, 2008, HERNANDEZ, being an agent of the City of Chicago, corruptly accepted and agreed to accept \$1,000 from a person, intending to be influenced or rewarded in connection with any business, transaction, and series of transactions of the City of Chicago that involved a thing of value of \$5,000 or more, the City of Chicago being a local government that received in excess of \$10,000 in federal funding in a twelve month period from January 1, 2008 through December 31, 2008.

3. More specifically, HERNANDEZ worked as a City of Chicago Building Inspector in the Department of Buildings, Bureau of New Construction. As more

fully described below, HERNANDEZ has solicited cash bribe payments from contractors, developers and homeowners. On August 21, 2008, HERNANDEZ accepted a \$1,000 bribe from a cooperating witness ("CW2") in exchange for providing a favorable rough inspection for a new construction project on South Throop, Chicago, Illinois.

4. This investigation has been jointly conducted by the United States Postal Inspection Service, the City of Chicago Office of Inspector General and the Federal Bureau of Investigation. The information contained in this Affidavit is based on my personal knowledge as well as information obtained from other law enforcement agents participating in the investigation, cooperating witnesses, documents, and recorded conversations. Since this Affidavit is being submitted for the limited purpose of establishing probable cause in support of a criminal complaint, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish probable cause to believe that HERNANDEZ committed a violation of 18 U.S.C. § 666(a)(1)(B). Where statements of others are set forth, they are in summary and in part, and are not verbatim.

### **III. EXPLANATION OF THE BUILDING PERMIT PROCESS**

5. The process for issuing building permits and monitoring construction projects is governed by several departments within the City of Chicago, including the Department of Zoning and the Department of Buildings.

6. The Department of Buildings is responsible for enforcing the Chicago Building Code, which governs the construction, rehabilitation and maintenance of structures within the City of Chicago. Inspectors from the Department of Buildings sign the back of a contractor's building permit after completing an inspection if they determine that the completed work is within the scope of a building permit and meets the requirements of the Building Code. If a structure is not in conformance with the Building Code, inspectors may issue violation notices. The Department of Buildings also conducts inspections of projects prior to the issuance of a Certificate of Occupancy, which is a certificate from the City certifying that a structure is fit for human habitation.

7. According to the City of Chicago website, the New Construction Bureau of the Department of Buildings inspects all building permits, complaints, and Certificates of Inspection, and responds to all emergencies that occur after working hours. Inspections can also be generated by the public by dialing 311, the non-emergency number for city services. New construction inspectors also perform inspections to ensure that construction and renovation work conforms to the permits that have been issued.

8. Inspectors from the Department of Buildings can issue "stop work orders" to stop any construction that is done without a permit, contrary to an approved permit, or that poses a threat to the health and safety of the public. A stop work order is a directive from the Department of Buildings to the owner of property on which construction or demolition work is proceeding. The stop work order

prohibits further work, and in some cases requires the removal of work already completed, until or unless an appropriate Building Permit has been obtained. There are different procedures for releasing stop work orders, including paying fines and/or paying additional permit fees. Some releases occur at the City's Satellite Offices, while others require the applicant to present the plans and application to the Department of Buildings or to another Department, usually at City Hall.

9. Contractors, developers, and homeowners sometimes hire a permit expediter to facilitate the permit application process. The services performed by a permit expediter include, among other things: completing permit application forms; collecting and submitting relevant documents to inspectors; waiting in line at City Hall for plan reviews; scheduling building inspections; meeting with architects, contractors, developers, homeowners, City of Chicago inspectors and other City of Chicago officials; resolving building code violations; and obtaining Certificates of Occupancy.

10. Obtaining timely reviews, approvals, and permits is important to developers. Waiting a lengthy period of time for a review, failing to pass an inspection to obtain a permit, or the issuance of a stop work order can have significant financial consequences for developers. These circumstances can preclude developers from starting or completing the work that needs to be done on a project (thereby lengthening the period of time for a project, which may add costs or at least delay the time at which a developer can recoup capital tied up in a project),

or require developers to do additional work on a project (thereby increasing the cost of the project).

#### **IV. THE INVESTIGATION**

##### **A. *Information from CW1***

11. In approximately May 2007, an expediter (“CW1”) agreed to cooperate with law enforcement.<sup>1</sup> CW1 advised law enforcement that it was the practice of many developers and contractors with whom CW1 worked to express a willingness to bribe City officials. CW1 further advised that City officials sometimes solicited bribe payments from CW1, and CW1 would then communicate this to the developer or contractor. The developer or contractor would then pay CW1 for expediting services, and the payment would include the amount of any bribes that CW1 paid to City officials. CW1 admitted to paying bribes to inspectors in the Zoning Department, employees in the Department of Construction and Permits, employees in the Department of Administrative Hearings, and inspectors in the Department of Buildings. Since agreeing to cooperate with law enforcement, CW1’s cooperation has included conducting consensually recorded calls and meetings and playing the

---

<sup>1</sup> CW1 has been charged and has pleaded guilty to bribery pursuant to a written plea agreement with the government. CW1 has agreed to cooperate with the government, and the government has agreed to recommend a sentence of 50% of the low-end of the applicable sentencing guidelines range. Under the terms of the plea agreement, CW1 is free to recommend any sentence to the judge. CW1 has no previous arrests or convictions. Although CW1 lied to agents during the initial interview about the nature and scope of CW1’s relationship with City of Chicago employees, CW1 has subsequently spoken with investigators numerous times under proffer protection, and is believed to have provided truthful information. CW1 has provided information about bribe activities by more than thirty individuals. This information has been corroborated for a number of those

role of “bagman” at the direction of law enforcement (collecting bribe money from developers and contractors seeking some official act from a City employee or a “priority” handling of a project and paying the bribes to City of Chicago employees).

12. CW1 told investigators that CW1 met JOSE HERNANDEZ several years ago when HERNANDEZ showed up to perform an inspection for a Certificate of Occupancy. According to CW1, in approximately late 2005, HERNANDEZ started contacting CW1 with “referrals.” The referrals worked like this: HERNANDEZ would perform an inspection and threaten the homeowner or contractor with a stop work order. HERNANDEZ would tell the homeowner or contractor to contact CW1 so CW1 could help them with their situation. In exchange for calling CW1, HERNANDEZ would allow the homeowner or contractor to continue working, either by signing a permit or some other means. Often the homeowner or contractor needed a permit that required architectural plans; however, with HERNANDEZ’s assistance, CW1 would be able to secure an Easy Permit (a permit for minor repairs and alterations for which no architectural plans are required). CW1 would charge the homeowner or contractor an expediting fee for CW1’s work. Typically, CW1 would keep a portion of this money, and would pay HERNANDEZ \$1,000 for the “referral.” Indeed, after HERNANDEZ told a homeowner or contractor to call CW1, HERNANDEZ would call CW1 with the property address and ask CW1 to “add one” to CW1’s expediting fee. CW1 understood that HERNANDEZ was expecting a payment of \$1,000 from CW1 for the “referral.” According to CW1, CW1 received

---

individuals by recorded conversations and controlled bribe payments.

approximately 40 to 50 of these referrals from HERNANDEZ over the next year and a half. In addition, CW1 passed bribes on to HERNANDEZ from other contractors and developers. According to CW1, one of CW1's clients included a building contractor ("CW2") who passed bribes to HERNANDEZ with the help of CW1.

***B. Information from CW2***

13. In June 2008, law enforcement agents interviewed CW2. CW2 began actively cooperating with the government in July 2008.<sup>2</sup> According to CW2, in approximately 2005, CW2 was constructing three houses on Garfield Blvd. in Chicago. A city building inspector performed an inspection of the jobs and CW2's buildings failed to pass the inspection. Another contractor suggested to CW2 that CW1 might be able to help CW2 get the building inspections passed because CW1 knew many city inspectors. CW2 contacted CW1, and CW1 suggested that CW2 contact HERNANDEZ. HERNANDEZ met CW2 at CW2's buildings and advised CW2 what CW2 needed to do in order to pass the inspection. HERNANDEZ then signed CW2's building permits, in effect, approving the work. According to CW2, CW1 later contacted CW2 and told CW2 that HERNANDEZ wanted a bribe of \$15,000 (\$5,000 for each building) for passing the inspections. CW2 stated that he/she paid the \$15,000 bribe to HERNANDEZ through CW1.

---

<sup>2</sup> CW2 has not yet been charged with any crime. CW2 has agreed to cooperate with the government, in hope that the government will consider this cooperation when deciding what charges to file or what sentence to recommend. No promises have been made to CW2 regarding what benefits CW2 will receive, if any. As set forth herein, much of CW2's information has been corroborated by recorded conversations, controlled bribe payments, and information from CW1.



14. Also according to CW2, in approximately 2006, CW2 was working as a project manager for a developer who was constructing ten houses on 64<sup>th</sup> Place in Chicago. After the buildings failed to pass a city inspection conducted by a city inspector, CW2 contacted CW1 for assistance. CW1 again referred CW2 to HERNANDEZ. According to CW2, HERNANDEZ met CW2 at the construction site and advised CW2 that he wanted \$10,000 (\$1,000 per building) to pass the inspections. According to CW2, CW2 obtained \$10,000 from the developer and paid the money directly to HERNANDEZ to pass the inspections.

15. CW2 further told investigators that around the same time as the 64<sup>th</sup> Place projects, CW2 was working on another project involving the construction of four houses on 63<sup>rd</sup> Place. The same building inspector who failed the buildings on 64<sup>th</sup> Place did an inspection of the buildings on 63<sup>rd</sup> Place and cited the buildings for several violations. CW2 began correcting the violations and in the meantime also contacted CW1. CW1 again referred CW2 to HERNANDEZ. HERNANDEZ met CW2 at the job site. According to CW2, HERNANDEZ requested \$4,000 (\$1,000 per building) from CW2 to sign the back of the building permits, even though CW2 had corrected the violations cited by the previous building inspector.

16. CW2 told investigators that in approximately August 2007, HERNANDEZ showed up to perform an inspection of a building being constructed by CW2 on Congress Parkway. HERNANDEZ was actually the second new construction inspector that had shown up at CW2's building to perform an inspection. The building had already passed the inspection performed by the first

new construction inspector at the building, yet according to CW2, CW2 paid a \$1,000 bribe to HERNANDEZ because HERNANDEZ acted as if he expected a payment and CW2 felt intimidated by HERNANDEZ.

17. CW2 further related that in approximately January 2008, CW2 was constructing another house on 63<sup>rd</sup> Place. CW2 was concerned that the inspector who previously had failed CW2's properties on 63<sup>rd</sup> Place and 64<sup>th</sup> Place would be assigned to perform the inspection. CW2 contacted HERNANDEZ and asked if HERNANDEZ would perform the inspection so that CW2 could avoid the other building inspector. According to CW2, HERNANDEZ did not come to the job site; instead, HERNANDEZ met with CW2 on the street, and HERNANDEZ signed the name of another inspector on the back of CW2's building permit. CW2 paid a bribe of \$1,000 in return for the signature on the permit.

**C. City of Chicago Inspector General Complaints**

18. In May 2006, Individual A reported to the City of Chicago Inspector General's Office that HERNANDEZ had solicited a bribe payment from him/her for a construction project on the south side of Chicago. HERNANDEZ told Individual A that the building he/she was rehabbing did not have the proper permits. In a telephone conversation with Individual A, HERNANDEZ told Individual A not to worry about it because "they" would fix it and get Individual A another permit. Five minutes later, Individual A received a phone call from an expeditor, later identified as CW1. CW1 told Individual A that the "permit" would cost him/her \$2,000. Individual A told CW1 that the price seemed unreasonable. CW1 responded by saying words

to the effect of: "Joe [HERNANDEZ] didn't explain it to you?" Individual A received another call from HERNANDEZ and HERNANDEZ told Individual A words to the effect of: "I'm trying to keep the alderman off your ass." Individual A told HERNANDEZ that Individual A was not going to pay for the "permit" after which HERNANDEZ became angry with Individual A. HERNANDEZ then told Individual A it was too late to pay and that Individual A would be written a ticket and issued a stop work order. In fact, City of Chicago records show that HERNANDEZ did issue a stop work order at Individual A's property on April 10, 2006.

19. In the summer of 2006, the City of Chicago Inspector General received a complaint indicating that a certain individual was having problems with his/her inspection. Based upon this complaint, agents interviewed Individual B, a property owner, in November 2006. According to Individual B, in approximately June 2006, HERNANDEZ performed an inspection of a property owned by Individual B and Individual C. Individual B was present when HERNANDEZ performed his inspection. HERNANDEZ advised Individual B about some minor problems that he found that would require Individual B to revise the plans. HERNANDEZ told Individual B that he knew of someone that could help Individual B with Individual B's problem. HERNANDEZ gave CW1's name to Individual B and said that CW1 would contact Individual B. Shortly thereafter, HERNANDEZ called Individual B and asked Individual B if Individual B was going to use the services of CW1. Individual B informed HERNANDEZ that Individual B was not going to use the services of CW1. After the conversation with HERNANDEZ, Individual B received a letter from the

Department of Administrative Hearings because HERNANDEZ stated that Individual B had failed the inspection.

20. In August 2006, the Department of Buildings Commissioner referred a case to the City of Chicago Inspector General. Based upon this referral, agents contacted Individual D, a property owner. According to Individual D, in approximately July 2006, HERNANDEZ conducted an inspection of a project at a property in the Pilsen neighborhood. The property owner, Individual D, arrived at the property a short time later and discovered an orange Stop Work Order sticker on the property with HERNANDEZ's name and phone number handwritten on the sticker. The next day, Individual D called HERNANDEZ, and HERNANDEZ met with Individual D later that evening. HERNANDEZ told Individual D that he would meet Individual D at the building and they would discuss what Individual D needed to do. On August 2, 2006, Individual D met HERNANDEZ at the building. Outside of the building, HERNANDEZ explained to Individual D that the building had many violations which were already entered into the City of Chicago's computer system. HERNANDEZ told Individual D words to the effect of: "It'll cost you five big ones to resolve all the problems." Individual D thought that HERNANDEZ meant \$500, but HERNANDEZ went on to explain that because he had to involve other people it would be \$5,000. HERNANDEZ and Individual D entered the building and HERNANDEZ began performing an inspection. A few minutes later, Individual D's alderman entered the building. HERNANDEZ abruptly terminated the inspection and left the building. Later that day, HERNANDEZ called Individual D and was very

upset, asking Individual D why Individual D had set him up. Individual D explained why the alderman was there and HERNANDEZ hung up the phone.

21. In April 2007, a property owner complained to the City of Chicago Inspector General. Based upon this complaint, agents interviewed Individual E, the general contractor for the property owner's project. According to Individual E, in approximately October 2006, HERNANDEZ showed up unannounced at a rehab project that was being conducted by Individual E. HERNANDEZ shut down the job because he did not observe any permits or drawings at the location. Individual E was not present when HERNANDEZ performed the inspection but obtained HERNANDEZ's phone number from one of Individual E's workers. Individual E contacted HERNANDEZ and made arrangements to meet HERNANDEZ at the job site. When HERNANDEZ arrived, Individual E showed him the architectural drawings and permits. HERNANDEZ told Individual E that the plans and permits must remain at the job site and went on to perform a complete inspection. HERNANDEZ placed a stop work order on the job because Individual E had replaced the second floor joists with new joists and the joist replacement was not reflected in the plans. Individual E obtained another permit for the joist replacement and began working again. On November 7, 2006, HERNANDEZ appeared again at the job site and ordered Individual E to stop working. HERNANDEZ did not explain to Individual E why Individual E needed to stop working. HERNANDEZ gave CW1's phone number to Individual E and instructed Individual E to call CW1 because CW1 could help Individual E. On November 8, 2006, Individual E called CW1 and

explained what Individual E was doing and the problems Individual E was experiencing. CW1 said to Individual E words to the effect of: "Do you want me to make things right? Do you want me to take care of this?" Individual E told CW1 that Individual E didn't know who CW1 was. CW1 explained to Individual E that CW1 was an expediter. Individual E told CW1 that Individual E didn't need an expediter because the building owner already had an expediter. Individual E called HERNANDEZ and told him Individual E had talked to CW1 and informed CW1 that Individual E already had an expediter. HERNANDEZ showed up at the building approximately two months later and issued another stop work order.

22. In June 2007, the City of Chicago Inspector General received a complaint from Individual F. According to Individual F, on June 15, 2007, Hernandez performed an inspection of a building being renovated by Individual F. Individual G, an employee of Individual F, was present when HERNANDEZ performed the inspection. After reviewing the plans and walking around the building, HERNANDEZ informed Individual G that work was being done that was beyond the scope of the permit and said that the walls were not properly fire rated. After explaining this to Individual G, HERNANDEZ took a piece of blue painter's tape and wrote the figure "2000" on the tape. HERNANDEZ said to Individual G words to the effect of: "does this look alright to you." HERNANDEZ then crumbled up the painter's tape and stuck it in his pocket. Individual G told HERNANDEZ that Individual G would have to call his boss and discuss the matter. HERNANDEZ provided his cell number to Individual G and told Individual G to have Individual F

call him. Individual G informed Individual F about HERNANDEZ's demand and Individual F then placed a three-way call between HERNANDEZ, Individual F and Individual G. HERNANDEZ told Individual F that Individual F was working beyond the scope of the plans and then said to Individual F words to the effect of: "did [Individual G] tell you the deal." Individual F told HERNANDEZ that Individual F was out of town until the following week. HERNANDEZ said to Individual F words to the effect of: "keep this under your hat." The following Tuesday, Individual G received a call from HERNANDEZ. Individual G told HERNANDEZ that Individual G could not make any decisions and Individual G would call Individual F. HERNANDEZ told Individual G words to the effect of: "I usually don't have to chase people around." When Individual F arrived at the building the following morning, Individual F discovered that HERNANDEZ had placed an orange Stop Work Order sticker on the front door.

**D.      Controlled Bribe Payment Pertaining to South Throop Address**

23. On August 21, 2008, HERNANDEZ was assigned a rough inspection at an address on South Throop, Chicago, Illinois. A rough inspection is an inspection performed prior to the installation of the drywall so that the inspectors can visually inspect the framing, electrical wiring, plumbing, and ventilation ductwork. According to the information received by HERNANDEZ, the contact person for South Throop was CW2. Prior to August 21, 2008, the interior walls of South Throop had been covered with drywall, thus rendering a legitimate rough inspection impossible.

24. On August 21, 2008 at approximately 9:19 am, HERNANDEZ called CW2. The call was consensually recorded and I have reviewed the recording of this conversation.<sup>3</sup> During the conversation, HERNANDEZ informed CW2 that he would be conducting a rough inspection at South Throop between 10:00 am and 3:00 pm that day.

25. On the morning of August 21, 2008, CW2 met with agents at a briefing location. Agents searched CW2's person and vehicle and temporarily confiscated the currency in CW2's possession. Agents gave \$2,000 cash to CW2 to pay a bribe to HERNANDEZ. The money had been previously photocopied by agents. CW2 divided the money in half and placed \$1,000 each into two small white envelopes in the presence of agents. Audio recording and transmitting devices were placed on CW2. At approximately 10:04 am, CW2 drove alone in CW2's vehicle to South Throop followed by agents. Agents set up surveillance of CW2's vehicle in the vicinity of the Throop property.

26. At approximately 1:29 pm, a vehicle entered the lot and parked next to CW2's vehicle. HERNANDEZ exited the vehicle and met with CW2. The meeting

---

<sup>3</sup> Throughout this Affidavit, I describe various conversations that were consensually recorded. These descriptions often include my understanding of what is being said during such conversations. This understanding and interpretation of the conversations is based on (i) the contents and context of the conversations, (ii) my experience as a law enforcement officer and the experience of other law enforcement officers in this investigation, including our experience listening to the conversations as a whole, and (iii) the investigation to date, including information obtained from CW1 and others. All times listed are approximate. The summaries of the recorded conversations set forth in this Affidavit are based on draft, not final, transcriptions. Finally, the summaries below do not include all potentially criminal consensually recorded conversations,



was video recorded by surveillance agents. The agents later discovered that the audio recording devices on CW2 were not functioning; however, the video camera used by surveillance agents captured the audio of the meeting from CW2's transmitter when the video was activated, and agents were able to listen to the entirety of the conversation and took contemporaneous notes of what was said. At approximately 1:31 pm, CW2 and HERNANDEZ entered the building at South Throop. When CW2 and HERNANDEZ entered the building, the video recording device was turned off. While inside the building, CW2 said: "I applied for the inspection three or four weeks ago, and I had to start the drywall." HERNANDEZ replied: "You're lucky I came out." CW2 then said to HERNANDEZ: "Do you want to do the usual or whatever?" HERNANDEZ replied: "That's cool." Based on my experience in this investigation, I understand that when HERNANDEZ advised CW2 that he was lucky he came out, he was referring to the fact that another inspector would have failed the inspection and required CW2 to remove the drywall before the inspection could be performed. When CW2 asked HERNANDEZ if they could "do the usual," CW2 was asking HERNANDEZ to pass the inspection without requiring CW2 to remove the drywall in exchange for a bribe. By replying "that's cool," HERNANDEZ was agreeing to approve the inspection in exchange for payment.

27. At approximately 1:35 pm, HERNANDEZ and CW2 re-emerged from the building and surveillance agents resumed videotaping the meeting. The video camera again captured the audio recording of the meeting from the transmitter.

---

or all statements or topics covered during the course of the conversations.

HERNANDEZ and CW2 then entered HERNANDEZ's van. CW2 said: "Here's some. I'll put this one down here. Is one okay for this one, Joe, yeah?" HERNANDEZ did not say anything in response to CW2's question. Based upon my training and experience, I understood CW2 to be asking if \$1,000 was acceptable payment for the bribe.

28. Following this discussion, HERNANDEZ and CW2 discussed CW2's request for HERNANDEZ to perform a final inspection for another one of CW2's building's. HERNANDEZ explained to CW2 how HERNANDEZ could be assigned to the inspection. Specifically, HERNANDEZ said, "Call 311 and say, yeah, I want a complaint filed. It's a building complaint. They're doing work on this building with no permits. They're remodeling." HERNANDEZ asked CW2 for the address and CW2 replied that it was on West 63<sup>rd</sup> Place. HERNANDEZ said: "Yeah, I'll look for it tomorrow...Yeah, if I go out there and there is a 311 complaint, I can do a final on the property."

29. HERNANDEZ then asked CW2 if CW2 heard about what happened to CW1.

HERNANDEZ: Hey, did you read about [CW1] over here.

CW2: No.

HERNANDEZ: You never dealt with [CW1] did you?

CW2: No, I haven't dealt with [CW1] in ages.

HERNANDEZ: Yeah, [CW1] was the one that was a witness, the same witness on that thing and [CW1] got all those people in trouble.

CW2: Oh, are you serious?

HERNANDEZ: Yeah...I guess they caught [CW1], and I guess [CW1] was wearing a wire or something.

CW2: No way.

HERNANDEZ: [CW1] got a shit load of people in trouble. Yeah, when [CW1] called me, I didn't call [CW1] back.

Based on my knowledge of the investigation, HERNANDEZ was discussing CW1's cooperation with the government's investigation. At approximately 1:42 pm, CW2 exited HERNANDEZ's vehicle, entered his/her own vehicle and drove away.

30. At approximately 1:50 pm, agents met with CW2 at the debriefing location. Agents searched CW2's vehicle, which yielded negative results for cash. Agents search of CW2's person yielded no cash except for one envelope containing \$1,000 in U.S. Currency. CW2 returned the \$1,000 to agents who confirmed that the \$1,000 matched the serial numbers of the currency previously provided to CW2. CW2 informed agents that CW2 placed the other envelope containing \$1,000 on the floor of HERNANDEZ's vehicle between the passenger's and driver's seats during CW2's meeting with HERNANDEZ, after asking HERNANDEZ if "one" was okay, and that HERNANDEZ nodded when CW2 set the envelope down.

31. During CW2's debriefing, he/she also provided agents with the building permit for South Throop. I have inspected the permit, and have verified that HERNANDEZ signed the back of the permit, and stated "rough frame approved," despite the presence of the drywall.

32. City of Chicago permit application records reflect that the contractor's estimate of the value of the work to be performed at South Throop was \$180,000.

33. City of Chicago records and the City's web site reflect that the City of Chicago is a unit of local government that received in excess of \$10,000 in federal funding in a twelve-month period from January 1, 2008 through December 31, 2008.

34. According to City of Chicago personnel records, JOSE HERNANDEZ has been employed by the City since August 1, 1988 and currently holds the position of Building Inspector in the Department of Buildings.

35. Based on the facts described above, I submit that there is probable cause to believe that JOSE HERNANDEZ, violated Title 18, United States Code, Section 666(a)(1)(B), when, on or about August 21, 2008, HERNANDEZ, being an agent of the City of Chicago, corruptly accepted and agreed to accept \$1,000 from a person, intending to be influenced or rewarded in connection with any business, transaction, and series of transactions of the City of Chicago that involved a thing of value of \$5,000 or more, the City of Chicago being a local government that received in excess of \$10,000 in federal funding in a twelve month period from January 1, 2008 through December 31, 2008.

---

David Hodapp  
Postal Inspector  
United States Postal Inspection Service

Subscribed and sworn to me this  
\_\_\_\_ day of August, 2009:

---

Hon. Geraldine Soat Brown  
U.S. Magistrate Judge