

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
)
 v.) Violations: Title 18, United
) States Code, Sections
 ROBERTO CALDERO) 666(a)(2), 1343, 1346,
) 1952(a)(3), and 2

COUNT ONE

The SPECIAL JANUARY 2019 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant ROBERTO CALDERO was a resident of Chicago and worked as a consultant.

The Custodial Services Contract

b. The Chicago Public Schools (“CPS”) was an independent school district and unit of local government governed by the Board of Education of the City of Chicago (the “CBOE”). The CBOE was a governing body whose members were appointed by the Mayor of the City of Chicago and were responsible for the governance, organizational and financial oversight of CPS. The Mayor of the City of Chicago selected, and the CBOE approved the appointment of, the CPS Chief Executive Officer (the “CPS CEO”), who was responsible for the management of CPS. The CBOE and CPS received in excess of \$10,000 in federal benefits for the calendar year 2016.

c. In or around April 2016, CPS solicited confidential non-public proposals from companies willing to enter into a contract with CPS to provide custodial services, engineering operations, and other trade services within Chicago public schools for a three-year term (the “custodial services contract”). Owing to the size, duration, and possible extensions of the custodial services contract, the company or companies awarded the custodial services contract were projected to receive total payments exceeding approximately \$1 billion under the contract.

d. An evaluation committee (the “Evaluation Committee”), which included representatives from various departments within CPS, was tasked to review all proposals and to recommend to CBOE which company or companies should win the custodial services contract. The Evaluation Committee’s meetings were not public and its discussions were to be treated as confidential. The CBOE was responsible for deciding what company or companies would be awarded the custodial services contract.

e. CPS Employee A was a CPS employee and a member of the Evaluation Committee. CPS Employee A owed a duty of honest services to CPS and the CBOE in the performance of CPS Employee A’s duties. The CPS Code of Ethics prohibited CPS Employee A from accepting anything of value, including, but not limited to, a gift, favor or promise of future employment based upon any explicit or implicit mutual understanding that CPS Employee A’s official actions would be influenced. The CPS Code of Ethics further prohibited CPS Employee A from using

or disclosing confidential information gained by reason of CPS Employee A's position or employment.

f. Company A was a company based in Cleveland, Ohio, that provided facility services, including janitorial and custodial services. On or about July 8, 2016, Company A submitted a proposal to CPS seeking to be awarded the custodial services contract or a portion of the custodial services work.

g. Company A retained Individual A and Individual A's company as its registered lobbyist to help secure the custodial services contract for Company A.

h. CALDERO worked with Individual A to attempt to secure all or a portion of the custodial services contract for Company A.

The Honorary Street Name Designation and Park Renaming

i. The City of Chicago was a unit of local government known as a municipal corporation, and was a political subdivision of the State of Illinois. The City of Chicago received in excess of \$10,000 in federal benefits in 2016.

j. Pursuant to a provision of the Municipal Code of Chicago, commonly known as the honorary street name ordinance, the City of Chicago provided for a process by which streets within the City could be given an honorary street name designation, so that in addition to a street's real name, the street would also bear an honorary street name and sign in recognition of a particular individual.

k. The Chicago Park District was a unit of local government and a political subdivision of the State of Illinois. The Chicago Park District Board of

Commissioners, the governing body of the Chicago Park District, was responsible for approving the naming and renaming of parks.

l. Individual B was a resident of Western Springs, Illinois, who, together with Individual B's relatives, sought to obtain an honorary street name designation in the name of Individual B's father for a street in Chicago, and to rename a park after Individual B's grandfather.

m. CALDERO worked for Individual B and Individual B's relatives to obtain an honorary street designation for Individual B's father and to rename a park in the honor of Individual B's grandfather.

The City Council and Alderman A

n. The City of Chicago's legislative branch of government was the Chicago City Council (the "City Council"), which was comprised of fifty City Council members, each of whom represented one of Chicago's fifty wards, and who were known as Aldermen. The Aldermen were compensated and publicly elected. As a consequence of their membership on the City Council and their prominence as local public officials, Aldermen were capable of influencing, pressuring, and advising other local public officials within Chicago concerning the business and affairs of the City of Chicago and associated entities, such as CPS and the Chicago Park District. In addition, Aldermen were capable of introducing, gathering votes in support for, and voting on ordinances before the City Council, including those involving honorary street name designations.

o. Alderman A was Alderman for the Twenty-Fifth Ward in Chicago. Alderman A was an employee of the City of Chicago, and was paid a salary by the City of Chicago. As an employee of the City of Chicago, Alderman A owed a duty of honest services to the people of the City of Chicago. Unbeknownst to CALDERO and others, Alderman A was cooperating with the Federal Bureau of Investigation, and acted at the direction of law enforcement in connection with CALDERO's efforts to obtain official action from Alderman A and others after his cooperation began.

p. Citizens for Alderman A was an Illinois not-for-profit corporation whose purpose was to support the election of Alderman A.

q. Democratic Organization A was an unincorporated political organization whose purpose was to advance the agenda of the Democratic party within Alderman A's ward.

r. The Municipal Code of Chicago required any person who, on behalf of any person other than himself, or as any part of his duties as an employee of another, undertook to influence any legislative or administrative action, including but not limited to, the introduction, passage or other action to be taken on an ordinance, resolution, motion, order, appointment or other matter before the City Council, to register and file activity reports with the City of Chicago Board of Ethics.

2. Beginning in or around April 2016 and continuing to on or about July 14, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, together with others known and unknown to the Grand Jury, knowingly devised, intended to devise, and participated in a scheme to defraud the people of the City of Chicago of the intangible right to the honest services of CPS Employee A and Alderman A, through bribery and the concealment of material facts, which scheme is further described below.

3. It was part of the scheme that CALDERO promised, gave and offered public officials and employees, including but not limited to CPS Employee A and Alderman A, various benefits in exchange for these public officials and employees taking official action benefitting CALDERO's clients with respect to the award of the custodial services contract, an honorary street name designation and park renaming, as described below.

Bribery in Connection with the Custodial Services Contract

4. It was further part of the scheme that, between in or around April 2016 and continuing through in or around January 2017, CALDERO promised, gave and offered CPS Employee A possible future employment, champagne and discounted event space for a family event, and admission to an annual benefit for a museum, in exchange for, and the performance of, official acts by CPS Employee A, namely, CPS

Employee A's efforts to secure the custodial services contract, or a portion of the custodial services work, for Company A.

5. It was further part of the scheme that in an effort to assist CALDERO, CPS Employee A volunteered to join the Evaluation Committee for the purpose of ensuring that Company A's bid was successful.

6. It was further part of the scheme that on multiple occasions between in or around August 2016 and in or around January 2017, CALDERO sought, and CPS Employee A provided CALDERO, what CALDERO knew to be non-public confidential CPS information concerning the Evaluation Committee's deliberations, including, but not limited to, information about the Evaluation Committee's views about Company A's bid, and weaknesses raised by other Evaluation Committee members concerning Company A's bid.

7. It was further part of the scheme that, in exchange for the items of value, offers and promises CPS Employee A received from CALDERO, CPS Employee A advocated for Company A's selection for some or all of the custodial services contract during Evaluation Committee meetings held in or around October 2016, and also sought to advise and pressure other members of the Evaluation Committee to eliminate one of Company A's competitors from consideration.

8. It was further part of the scheme that, in exchange for the items of value and promises received from CALDERO, CPS Employee A provided higher evaluation

scores for Company A's bid and lower scores for some of Company A's competitors in his capacity as a member of the Evaluation Committee.

9. It was further part of the scheme that on or about September 30, 2016, for purposes of securing Alderman A's assistance with awarding part or all of the custodial services contract to Company A, CALDERO told Alderman A that Company A wanted assistance from Alderman A with respect to the custodial services contract, and that CALDERO had told Company A that CALDERO wanted Company A to provide \$10,000 to Alderman A's campaign.

10. It was further part of the scheme that on or about October 7, 2016, CALDERO again solicited Alderman A's assistance with respect to the award of the custodial services contract. CALDERO asked Alderman A to advise and exert pressure on the Mayor of the City of Chicago to support Company A in its bid for the custodial services contract, and told Alderman A that if Alderman A could "do something" to help Company A, CALDERO would cause Company A to provide \$10,000 to Alderman A.

11. It was further part of the scheme that on or about October 24, 2016, CALDERO offered Alderman A \$10,000 in campaign contributions from Company A and \$2,500 in campaign contributions from Individual A in exchange for Alderman A advising and exerting pressure on another public official to cause CBOE to select Company A for the custodial services contract.

12. It was further part of the scheme that on or about October 24, 2016, CALDERO sent an email to Alderman A and other members of the Chicago City Council attaching a document containing a demand that one of the bidders on the custodial services contract be excluded from future business with CPS and the City of Chicago, for use in a letter CALDERO advocated they write the CBOE to eliminate a competitor of Company A from consideration for the custodial services contract.

13. It was further part of the scheme that on or about November 14, 2016, CALDERO, who was unaware that Alderman A was cooperating with the government, updated Individual A about the efforts CALDERO believed Alderman A was taking to assist Company A with respect to the award of the custodial services contract, and asked Individual A to write a check for Alderman A.

14. It was further part of the scheme that on or about November 14, 2016, Individual A sent CALDERO a text message stating “I have one,” referring to a check for Alderman A.

15. It was further part of the scheme that on or about November 14, 2016, Individual A sent CALDERO a text message in which he confirmed that a third party would “write [a] check to [Alderman A].”

16. It was further part of the scheme that on or about November 14, 2016, CALDERO met with Alderman A and provided Alderman A with a check from Individual A made payable to Citizens for Alderman A in the amount of \$1,000, in

exchange for Alderman A pressuring and advising other public officials to support Company A's bid on the custodial services contract.

17. It was further part of the scheme that on or about December 6, 2016, CALDERO met with Alderman A and reported that a third party had made a contribution to Alderman A on behalf of Company A and asked Alderman A to secure a commitment from the CPS CEO to support Company A's bid on the custodial services contract.

18. It was further part of the scheme that on or about December 7, 2016, CALDERO caused a check from a third party for \$5,000 to be paid to Democratic Organization A in return for Alderman A pressuring and advising other public officials to support Company A's bid for the custodial services contract.

19. It was further part of the scheme that on or about July 14, 2017, CALDERO asked Alderman A to exert pressure on the CPS CEO in support of Company A's bid on the custodial contract and told Alderman A that Company A had given Alderman A \$5,000 and that Company A would give Alderman A another \$15,000 "if we got this thing done," which was in reference to the award of the custodial services contract to Company A.

Bribery in Connection with Honorary Street Name and Park Renaming

20. It was further part of the scheme that between on or about July 15, 2016 and on or about September 13, 2016, CALDERO promised Alderman A \$50,000 in campaign contributions from Individual B and Individual B's family in exchange for

Alderman A introducing and supporting an ordinance that would provide for an honorary street name designation for Individual B's father and for advising and pressuring Chicago Park District officials to rename a park in the City of Chicago for Individual B's grandfather.

21. It was further part of the scheme that on or about August 17, 2016, CALDERO told Alderman A that Alderman A would receive a campaign contribution from Individual B and Individual B's family in exchange for Alderman A's assistance in having a street named in honor of Individual B's father. CALDERO also told Alderman A that once the honorary street designation was completed, Alderman A could also assist in getting a park renamed in honor of Individual B's grandfather, and in exchange Alderman A would receive an additional \$50,000 in campaign contributions from Individual B and Individual B's family.

22. It was further part of the scheme that on or about August 24, 2016, CALDERO told Alderman A that Alderman A would receive a \$50,000 campaign contribution from Individual B and Individual B's family in exchange for Alderman A's assistance in having a street named in honor of Individual B's father and a park renamed in honor of Individual B's grandfather. CALDERO told Alderman A that the payments would come from businesses that are "related to" Individual B's family "but not owned by them" because "it can't be [Individual B's last name] on the checks."

23. It was further part of the scheme that on or about September 13, 2016, CALDERO told Alderman A that in order for Individual B and Individual B's family

to contribute \$50,000 to Alderman A, they needed to see some “forward motion” on having a park renamed for Individual B’s grandfather, and that once that happened, CALDERO would “execute” on the \$50,000 contribution.

24. It was further part of the scheme that on or about September 20, 2016, CALDERO asked about the honorary street designation for Individual B’s father and assured Alderman A that CALDERO would “handle” getting the campaign contribution from Individual B.

25. It was further part of the scheme that in or around October 2016, Alderman A introduced an ordinance in the Chicago City Council, which ordered the City of Chicago Commissioner of Transportation to designate a street in Chicago to honor Individual B’s father.

26. It was further part of the scheme that on or about December 7, 2016, a business owned by Individual B’s family made a \$5,000 contribution to Democratic Organization A for the benefit of Alderman A.

27. It was further part of the scheme that for purposes of concealing the illegal activity, CALDERO did not register with the City of Chicago Board of Ethics as a lobbyist for Individual B, Individual B’s family or any entity owned or controlled by Individual B or Individual B’s family.

28. It was further part of the scheme that CALDERO concealed, misrepresented and hid, and caused to be concealed, misrepresented and hidden, the existence and purpose of the scheme, and acts done in furtherance of the scheme.

29. On or about October 24, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals and sounds, namely, an email from CALDERO's Gmail account to Alderman A attaching text that CALDERO sought to be included in a draft letter from Alderman A and others to the CBOE regarding the custodial services contract, which email was routed across state lines;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TWO

The SPECIAL JANUARY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 28 of Count One are incorporated here.
2. On or about November 23, 2016, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals and sounds, namely, an email from CALDERO's Gmail account to Alderman A with attached talking points to be used by Alderman A to exert pressure on other public officials regarding Company A's bid on the custodial services contract, which email was routed across state lines;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT THREE

The SPECIAL JANUARY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 28 of Count One are incorporated here.
2. On or about December 2, 2016, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals and sounds, namely, an email from CALDERO's Gmail account to CPS Employee A attaching information regarding the custodial services contract that CALDERO sent to CPS Employee A in support of Company A's bid on the custodial services contract, which email was routed across state lines;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT FOUR

The SPECIAL JANUARY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 28 of Count One are incorporated here.
2. On or about December 7, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals and sounds, namely, an electronic funds transfer of approximately \$5,000 from Belmont Bank and Trust to an account at JP Morgan Chase Bank, routed through a Chase data center located in Delaware, which transfer of funds represented a contribution to Democratic Organization A for the benefit of Alderman A;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT FIVE

The SPECIAL JANUARY 2019 GRAND JURY further charges:

1. Paragraphs 1(a) through 1(h) of Count One are incorporated here.

2. In or around September 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, corruptly gave, offered and agreed to give a thing of value, namely, a discounted rental rate for an event space, and champagne, to and for the benefit of CPS Employee A, with intent to influence and reward CPS Employee A, as an agent of CPS, in connection with any business, transaction and series of transactions of CPS involving a thing of value of \$5,000 or more, namely, the award of the custodial services contract;

In violation of Title 18, United States Code, Section 666(a)(2) and 2.

COUNT SIX

The SPECIAL JANUARY 2019 GRAND JURY further charges:

On or about November 15, 2016, at approximately 4:48 p.m. (Session #17827),
at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, used a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-2020, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of 720 ILCS 5/33-1(a) (Bribery) and 720 ILCS 5/33-1(c) (Bribery), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT SEVEN

The SPECIAL JANUARY 2019 GRAND JURY further charges:

On or about December 6, 2016, at approximately 11:51 a.m. (Session #19145),
at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, used a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-2020, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of 720 ILCS 5/33-1(a) (Bribery) and 720 ILCS 5/33-1(c) (Bribery), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT EIGHT

The SPECIAL JANUARY 2019 GRAND JURY further charges:

1. Paragraphs 1(a) and 1(i) through 1(q) of Count One are incorporated here.
2. On or about August 24, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERTO CALDERO,

defendant herein, corruptly gave, offered and agreed to give a thing of value, namely, a portion of a proposed \$50,000 campaign contribution to and for the benefit of Alderman A in exchange for Alderman A's introduction, support and vote in favor of an honorary street name ordinance, with intent to influence and reward Alderman A, as an agent of the City of Chicago, in connection with any business, transaction and series of transactions of the City of Chicago involving a thing of value of \$5,000 or more, namely, an honorary street designation in the name of Individual B's father;

In violation of Title 18, United States Code, Section 666(a)(2) and 2.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY