

Chicago Pol Pleads Not Guilty To Public Corruption Charges

By **Lauraann Wood**

Law360 (June 4, 2019, 3:11 PM EDT) -- Chicago Alderman Edward Burke and two co-defendants indicted for an alleged scheme to trade Burke's considerable political clout for private tax work pled not guilty Tuesday to the government's racketeering, bribery and extortion charges.

Burke, along with real estate developer Charles Cui and Burke staffer Peter Andrews, who works in the alderman's 14th Ward office, each waived a formal reading of the grand jury's 19-count indictment during their brief appearance before U.S. Magistrate Judge Jeffrey Cole. The judge set bond conditions and lined the case up for a July 2 status hearing before their trial judge.

None of the men stopped to talk to reporters following their brief arraignment, and their lawyers did not immediately respond Tuesday to requests for comment.

Representatives for the U.S. attorney's office did not immediately respond Tuesday to a request for comment.

Burke, who has long been considered Chicago's most powerful alderman, faces 14 of the indictment's 19 counts as a pile-on to the one-count attempted bribery complaint prosecutors slapped him with in January. Cui, who is also an Illinois attorney, was initially charged and had pled not guilty in April to claims he hired Burke's firm, Klafter & Burke, for property tax assistance in exchange for the alderman's help with a sign permit in Chicago's Irving Park neighborhood.

The indictment also details several instances in which Burke, who formerly chaired the city council's finance committee, allegedly threatened to block initiatives by companies seeking funding or other



Chicago Alderman Edward Burke, shown at a City Council meeting in April 2016, made a brief appearance along with two co-defendants before a U.S. magistrate judge on Tuesday. (AP)

support for their projects, including a redevelopment of Chicago's historic Old Main Post Office and a fast-food restaurant in the alderman's ward.

Burke began working with an alderman in 2016 to solicit tax work for his firm from the developers who took on the post office project, according to the government. That alderman was secretly working with the FBI at the time and recorded several conversations in which Burke discussed his willingness to help with the project, as long as the developers retained his firm for their tax work, according to prosecutors.

In December 2016, at law enforcement's direction, the alderman told Burke the developer would hire his firm if he helped with necessary permits and access issues with the neighboring Amtrak station. The developer's real estate company still hadn't retained Burke's firm by the following month, so Burke told the alderman that "the cash register has not rung yet" and that he would take no action benefiting the developer or the post office project unless his firm gets hired, according to the indictment.

In March 2017, the alderman told Burke he believed the developer would retain his firm if he helped secure \$100 million in tax increment financing, or TIF, for the project. That May, the alderman told Burke the developer was still having problems, but Burke told him he was not "motivated" to help the developer because his firm had still not been retained, prosecutors claim.

Burke asked the alderman about a week later whether they were able to "land ... the tuna," which the alderman confirmed at the direction of law enforcement, according to the indictment. That confirmation triggered Burke's willingness to look into the developer's remaining project issues, the government claims.

But the developer still hadn't hired Burke's firm by that October, when Burke and the alderman met with the developer to discuss the need for TIF, the indictment alleges. Following that meeting, Burke told the alderman he was not pleased with their conduct, and "as far as I'm concerned, they can go f--- themselves," according to the indictment.

The alderman told Burke he had already relayed that the developer's TIF request would be called for a finance committee vote, but Burke told him "good luck getting it on the agenda," the government claims.

After the developer officially agreed to work with Burke's firm in August, Burke told the alderman during a phone conversation that he would "absolutely" support the TIF request. The developer retained Burke's firm about three weeks later, and the finance committee passed his TIF proposal about a month after hiring Burke's firm, according to the indictment.

Andrews, Burke's ward office employee, is accused of conspiring to extort the operator of the fast-food restaurant who wanted support in his remodeling efforts.

Burke is represented by Charles B. Sklarsky of Jenner & Block LLP and Joseph J. Duffy, Andrew R. DeVooght and Robin Valentina Waters of Loeb & Loeb LLP.

Cui is represented by Tinos Diamantatos, Alex David Berger and Megan Rose Braden of Morgan Lewis & Bockius LLP, Daniel Eli Radakovich and Vadim A. Glzman.

The government is represented by Matthew Lawrence Kutcher and Sarah E. Streicker of the U.S. Attorney's Office for the Northern District of Illinois.

The case is US v. Burke et al., case number 1:19-cr-00322, in the U.S. District Court for the Northern District of Illinois.

--Editing by Orlando Lorenzo.