

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	No. 05 CR 167
v.	)	
	)	Violations: Title 18, United States
ROBERT LAINO	)	Code, Sections 2, 666, 1341 and
PATRICK STILLO	)	1346.
DONALD WARREN	)	
EDDIE MILLER and	)	
WILLIE BROWN	)	

**COUNT ONE**

The SPECIAL AUGUST 2003-2 GRAND JURY charges:

1. At times material to this indictment:

a. The City of Chicago (“the City”) was a unit of local government known as a municipal corporation, and a political subdivision of the State of Illinois. The functions and services provided by the City on behalf of its residents were coordinated through various agencies and departments. One of the largest City operational departments was the Department of Transportation (“CDOT”).

b. The City’s Hired Truck Program (“HTP”) provided certain City operating departments, including CDOT, with a mechanism to use trucking services on an as-needed basis to complete construction and operating obligations. Participating HTP trucking companies were hired by the City and provided equipment and operators to CDOT crews to perform specific tasks.

c. The City compensated HTP trucking company participants at a fixed hourly rate based on the size of the truck. There was no bid process, and no formal written contract for any particular job.

d. For CDOT projects, an HTP truck operator reported to the CDOT crew foreman for the assigned project. The work performed by the operator and truck was memorialized on a document referred to as a Daily Activity Report. The Daily Activity Report documented the date, time and location of arrival for the truck and operator, the time of departure, and a reference to the work performed by the truck. The operator of the truck signed, and certified as correct, the Daily Activity Report. The immediate supervisor (generally the CDOT foreman) also signed, and certified as correct, the Daily Activity Report.

e. Based in part on the immediate supervisor's approval of the Daily Activity Reports, the City paid the trucking company for the HTP services. The City typically remitted payments by negotiable instruments known as "warrants" to the HTP trucking company via the United States mails.

f. Among the responsibilities of the Bureau of Streets within CDOT was asphalt maintenance. Individual CDOT foremen managed a crew of laborers and HTP truck drivers who were assigned to perform particular asphalt-related projects. The CDOT crews used HTP trucks to receive hot asphalt purchased by the City and transport the asphalt to the CDOT crews for use in resurfacing City streets.

g. HTP truck drivers assigned to a CDOT asphalt crew would be directed to pick up asphalt from an asphalt plant and deliver it to the designated location for spreading by the laborers. To track the asphalt taken from an asphalt plant through its ultimate destination on a City project, each load taken from the asphalt plant was assigned a “ticket.” Each ticket documented the fact that the City of Chicago purchased the asphalt from the plant and identified the City project and the CDOT foreman associated with the asphalt. The foreman would also complete and sign documentation verifying that the tickets were associated with a City project.

h. ROBERT LAINO was an employee of the City and was a foreman of a CDOT asphalt crew. LAINO approved, signed and certified Daily Activity Reports as the supervisor for HTP work performed on his crew.

i. PATRICK STILLO was an employee of the City and was a foreman of a CDOT asphalt crew. STILLO approved, signed and certified Daily Activity Reports as the supervisor for HTP work performed on his crew.

j. DONALD WARREN was an HTP truck operator employed by a company (“Trucking Company”) that participated in the HTP. WARREN worked on LAINO’s crew and signed Daily Activity Reports as the operator for the Trucking Company’s truck assigned to LAINO’S crew.

k. EDDIE MILLER and WILLIE BROWN were contractors who at times worked together in providing paving services that included grading private lots and laying down asphalt.

l. Individual A was an HTP truck operator who at times worked on LAINO and STILLO's asphalt crews.

m. Individual B was an HTP truck operator who at times worked on LAINO and STILLO's asphalt crews. From in or about April 2004 through November 2004, Individual B was, unbeknownst to defendants, cooperating with law enforcement's investigation of CDOT asphalt operations.

Laws and Duties Applicable to LAINO and STILLO

n. During their employment with the City, and pursuant to the Chicago Governmental Ethics Ordinance, LAINO and STILLO each owed a duty of honest services to the City and the people of the City in the performance of his respective public duties.

o. Pursuant to the criminal laws of the State of Illinois, LAINO and STILLO each was prohibited from: (a) being, in any manner, financially interested, either directly or indirectly, in any contract or the performance of any work in regard to which he may have been called upon to act; (b) receiving, retaining, or agreeing to accept any property or personal advantage which he was not authorized by law to accept, knowing that such property or personal advantage was promised or tendered with intent to cause him to influence the performance of any act related to the employment or function of his office; and (c) soliciting or knowingly accepting, for the performance of any act, a fee or reward which he knew he was not authorized by law to accept.

p. Pursuant to the Chicago Governmental Ethics Ordinance, while each was a city employee, LAINO and STILLO were prohibited from in any way using or

attempting to use their respective position to influence any City governmental decision or action in which he knew or had reason to know that he had an economic interest distinguishable from its effect on the public generally. LAINO and STILLO each were also required to disclose any economic interest he had in a matter, prior to acting on it.

q. Pursuant to the Chicago Governmental Ethics Ordinance, LAINO and STILLO each were prohibited from accepting anything of value, including, but not limited to, a gift, favor or promise of future employment, based upon any mutual understanding, either explicit or implicit, that the official actions, decisions or judgments of any official, employee or City contractor, concerning the business of the City, would be influenced thereby. (Non-monetary gifts valued at less than \$50 generally were exempted from this provision.) Any such gift was required to be turned over to the City Comptroller.

2. From in or about Spring 2002, and continuing to in or about November 2004, in the Northern District of Illinois, Eastern Division,

ROBERT LAINO,  
PATRICK STILLO,  
DONALD WARREN,  
EDDIE MILLER and  
WILLIE BROWN,

defendants herein, along with Individual A, knowingly devised and attempted to devise, and participated in, a scheme to defraud the City of money, property and its intangible right to LAINO and STILLO's honest services, and to obtain money and property by materially false and fraudulent pretenses and representations and material omissions, and in furtherance thereof used the United States mails, which scheme is further described below.

3. It was part of the scheme that EDDIE MILLER and WILLIE BROWN made cash payments to Individual A and Individual B, in exchange for Individual A and Individual B fraudulently obtaining City-owned asphalt, which asphalt was obtained from LAINO and STILLO, and diverting the asphalt from City projects to the private projects of MILLER and BROWN.

4. It was further part of the scheme that LAINO and STILLO accepted and agreed to accept cash payments from Individual A and Individual B in exchange for fraudulently diverting asphalt owned by the City to private paving projects for EDDIE MILLER, WILLIE BROWN and other private paving contractors.

5. It was further part of the scheme that DONALD WARREN, while working for the City through the HTP on LAINO's asphalt crew, drove a Truck Company truck to receive the asphalt and delivered it to MILLER and BROWN's projects, knowing that the asphalt had been fraudulently obtained from the City.

6. It was further part of the scheme that WARREN accepted and agreed to accept cash payments, in exchange for driving and delivering the asphalt in the Truck Company's truck.

7. It was further part of the scheme that LAINO and WARREN completed and signed Daily Activity Reports falsely and fraudulently indicating that the Truck Company truck performed a full day's work for the City on LAINO's crew, when in truth and in fact as LAINO, and WARREN well knew, the Truck Company truck had, for a portion of the day

instead delivered City-owned asphalt to private work sites for MILLER and BROWN and other paving contractors.

8. It was further part of the scheme that LAINO submitted and caused to be submitted false and fraudulent Daily Activity Reports to the City, thereby causing the City to pay the Truck Company for work that had not been performed by WARREN driving the Truck Company's truck.

9. It was further part of the scheme that defendants LAINO, STILLO, WARREN, MILLER and BROWN did misrepresent, conceal, hide and cause to be misrepresented, concealed and hidden, the purposes of and acts done in furtherance of the scheme.

10. On or about October 28, 2004, in the Northern District of Illinois, Eastern Division,

ROBERT LAINO,  
PATRICK STILLO,  
DONALD WARREN,  
EDDIE MILLER and  
WILLIE BROWN,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by the United States Mail, according to the direction thereon, an envelope containing a City of Chicago warrant addressed to the Truck Company, at a Chicago, Illinois address;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

**COUNT TWO**

The SPECIAL AUGUST 2003-2 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth herein.

2. From in or about May 2004 to in or about November 2004, at Chicago, in the Northern District of Illinois, Eastern Division,

ROBERT LAINO, and  
PATRICK STILLO,

defendants herein, being agents of the City, corruptly accepted and agreed to accept things of value from Individual A and Individual B, intending to be influenced and rewarded in connection with diverting City-owned asphalt, in a series of transactions having a value of \$5,000 or more, involving the City, being an agency that received in excess of \$10,000 in federal funding in a twelve-month period from December 1, 2003, to November 30, 2004;

In violation of Title 18, United States Code, Section 666(a)(1)(B) and 2.

A TRUE BILL:

\_\_\_\_\_  
FOREPERSON

\_\_\_\_\_  
UNITED STATES ATTORNEY