

Members of the jury, you have seen and heard all the evidence and the arguments of the attorneys. Now I will instruct you on the law.

You have two duties as a jury. Your first duty is to decide the facts from the evidence in the case. This is your job, and yours alone.

Your second duty is to apply the law that I give you to the facts. You must follow these instructions, even if you disagree with them. Each of the instructions is important, and you must follow all of them.

Perform these duties fairly and impartially. Do not allow sympathy, prejudice, fear, or public opinion to influence you.

Nothing I say now, and nothing I said or did during the trial, is meant to indicate any opinion on my part about what the facts are or about what your verdict should be.

The evidence consists of the testimony of the witnesses, the exhibits admitted in evidence, and stipulations.

A stipulation is an agreement between both sides that certain facts are true or that a person would have given certain testimony.

You are to decide whether the testimony of each of the witnesses is truthful and accurate, in part, in whole, or not at all, as well as what weight, if any, you give to the testimony of each witness.

In evaluating the testimony of any witness, you may consider, among other things:

- the witness's age;
- the witness's intelligence;
- the ability and opportunity the witness had to see, hear, or know the things that the witness testified about;
- the witness' memory;
- any interest, bias, or prejudice the witness may have;
- the manner of the witness while testifying; and
- the reasonableness of the witness' testimony in light of all the evidence in the case.

You should use common sense in weighing the evidence and consider the evidence in light of your own observations in life.

In our lives, we often look at one fact and conclude from it that another fact exists. In law we call this "inference." A jury is allowed to make reasonable inferences. Any inferences you make must be reasonable and must be based on the evidence in the case.

Some of you have heard the phrases "circumstantial evidence" and "direct evidence." Direct evidence is the testimony of someone who claims to have personal knowledge of the commission of the crime which has been charged, such as an eyewitness. Circumstantial evidence is the proof of a series of facts which tend to show whether the defendant is guilty or not guilty. The law makes no distinction between the weight to be given either direct or circumstantial evidence. You should decide how much weight to give to any evidence. All the evidence in the case, including the circumstantial evidence, should be considered by you in reaching your verdict.

Certain things are not evidence. I will list them for you:

First, testimony and exhibits that I struck from the record, or that I told you to disregard, are not evidence and must not be considered.

Second, anything that you may have seen or heard outside the courtroom is not evidence and must be entirely disregarded. This includes any press, radio, or television reports you may have seen or heard. Such reports are not evidence and your verdict must not be influenced in any way by such publicity.

Third, questions and objections by the lawyers are not evidence. Attorneys have a duty to object when they believe a question is improper. You should not be influenced by any objection or by my ruling on it.

Fourth, the lawyers' statements to you are not evidence. The purpose of these statements is to discuss the issues and the evidence. If the evidence as you remember it differs from what the lawyers said, your memory is what counts.

Any notes you have taken during this trial are only aids to your memory. The notes are not evidence. If you have not taken notes, you should rely on your independent recollection of the evidence and not be unduly influenced by the notes of other jurors. Notes are not entitled to any greater weight than the recollections or impressions of each juror about the testimony.

It is proper for an attorney to interview any witness in preparation for trial.

You may find the testimony of one witness or a few witnesses more persuasive than the testimony of a larger number. You need not accept the testimony of the larger number of witnesses.

You will receive a summary of the indictment for purposes of your deliberations. The indictment in this case is the formal method of accusing the defendants of an offense and placing them on trial. It is not evidence against the defendants and does not create any inference of guilt.

Defendant George H. Ryan, Sr. is charged with: racketeering conspiracy (Count 1); mail fraud (Counts 2 through 10); making materially false statements to the FBI (Counts 11 through 13); corruptly obstructing or impeding the IRS (Count 18); and filing false tax returns (Counts 19 through 22). Defendant George H. Ryan, Sr. has pleaded not guilty to the charges.

Defendant Lawrence E. Warner is charged with: racketeering conspiracy (Count 1); mail fraud(Counts 2 through 5, and Counts 7 through 9); extortion (Count 14); money laundering (Counts 15 and 16); and structuring of financial transactions to evade reporting requirements (Count 17). Defendant Warner has pleaded not guilty to the charges.

The defendants are presumed to be innocent of each of the charges. This presumption continues during every stage of the trial and your deliberations on the verdict. It is not overcome unless from all the evidence in the case you are convinced beyond a reasonable doubt that the defendant is guilty as charged. The United States has the burden of proving the guilt of a defendant beyond a reasonable doubt as to each count.

This burden of proof stays with the United States throughout the case. The defendants are never required to prove their innocence or to produce any evidence at all.

A defendant has an absolute right not to testify. The fact that a defendant did not testify should not be considered by you in any way in arriving at your verdict.

You have heard evidence of acts of defendant George H. Ryan, Sr. other than those with which he is charged in this case. You may consider this evidence only on the question of the intent, plan, knowledge, and absence of mistake of the defendant with respect to the offenses with which he is charged. You should consider this evidence only for this limited purpose.

You have heard opinion evidence about a defendant's character trait for honesty and integrity.

You should consider character evidence together with and in the same way as all the other evidence in the case.

You have heard witnesses give opinions about matters requiring special knowledge or skill. You should judge this testimony in the same way that you judge the testimony of any other witness. The fact that such a person has given an opinion does not mean that you are required to accept it. Give the testimony whatever weight you think it deserves, considering the reasons given for the opinion, the witness' qualifications, and all of the other evidence in the case.

Certain demonstrative exhibits, charts and diagrams have been shown to you. Those are used for convenience and to help explain the facts of the case. They are not themselves evidence or proof of any facts.

You have heard evidence that before the trial witnesses made statements that may be inconsistent with the witnesses' testimony here in court. If you find that it is inconsistent, you may consider the earlier statements in deciding the truthfulness and accuracy of that witness' testimony in this trial. If that statement was made under oath, you may also consider it as evidence of the truth of the matters contained in that prior statement.

You have heard testimony from Nicole Altounian, Ken Brodsky, Frank Cavallaro, Mike Chamness, James Covert, Anthony DeSantis, Vicki Easley, Harry Klein, Bradley Roseberry, Len Sherman, Nancy Smith, Larry Stern, Kevin Wright, Michael Fairman, who received immunity; that is, a promise from the government that any testimony or other information they provided would not be used against them in a criminal case.

You have also heard testimony from Richard Juliano and Donald Udstuen, who were convicted of offenses, and Scott Fawell, who was convicted of offenses including lying under oath, each of whom received benefits from the government.

The convictions of Richard Juliano, Donald Udstuen and Scott Fawell are not to be considered as evidence against either defendant.

You may give the testimony of the witnesses who received immunity and the testimony of Richard Juliano, Donald Udstuen and Scott Fawell such weight as you feel it deserves, keeping in mind that it must be considered with caution and great care.

Certain summaries are in evidence. The accuracy of some of these summaries has been challenged by a defendant. The original materials upon which the summaries are based have also been admitted into evidence so that you may determine whether the summaries are accurate.

Neither defendant has challenged the accuracy of the other summaries in evidence, and these summaries should be considered together with and in the same way as all other evidence in the case.

You have heard and seen recorded statements and conversations. These recorded statements and conversations are proper evidence and you may consider them, just as any other evidence.

When the audio recordings were played during the trial, you were furnished transcripts of the recorded conversations prepared by government agents.

The recordings are the evidence, and the transcripts were provided to you only as a guide to help you follow as you listen to the recordings. The transcripts are not evidence of what was actually said or who said it. It is up to you to decide whether the transcripts correctly reflect what was said and who said it. If you noticed any difference between what you heard on the recordings and what you read in the transcripts, you must rely on what you heard, not what you read. And if after careful listening, you could not hear or understand certain parts of the recordings, you must ignore the transcripts as far as those parts are concerned.

I am providing you with the recordings and a player. You are not required to play the tapes, in part or in whole. You may rely, instead, on your recollections of these recordings as you heard and saw them at trial. If you do decide to listen to an audio recording and wish to have the transcript corresponding to that recording, ask the Marshal in writing and the transcript will be

given to you. You may choose to listen to the audio recordings without the transcript.

The summary of indictment charges that the offenses were committed "on or about" certain dates. The government must prove that the offenses happened reasonably close to the dates alleged but is not required to prove that the alleged offenses happened on those exact dates.

Even though the defendants are being tried together, you must give each of them separate consideration. In doing this, you must analyze what the evidence shows about each defendant, leaving out of consideration any evidence that was admitted solely against the other defendant. Each defendant is entitled to have his case decided on the evidence and the law that applies to that defendant.

Defendant Ryan's statements to government agents and the press cannot be considered by you as evidence against defendant Warner.

When the word "knowingly" or the phrase "the defendant knew" is used in these instructions, it means that the defendant realized what he was doing and was aware of the nature of his conduct, and did not act through ignorance, mistake or accident. Knowledge may be proved by the defendant's conduct, and by all the facts and circumstances surrounding the case.

Solely with respect to your consideration of diversion of state resources for campaign-related purposes, which relates solely to defendant Ryan, you may infer knowledge from a combination of suspicion and indifference to the truth. Only in that context, if you find that defendant Ryan had a strong suspicion that things were not what they seemed or that someone had withheld some important facts, yet intentionally shut his eyes for fear of what he would learn, you may conclude that he acted knowingly, as I have used that word. You may not conclude that the defendant had knowledge if he was merely negligent in not discovering the truth.

To "attempt" means that a defendant knowingly took a substantial step toward the commission of the offense with the intent to commit that offense.

An offense may be committed by more than one person. A defendant's guilt may be established without proof that the defendant personally performed every act constituting the crime charged.

Any person who knowingly aids, counsels, commands, induces, or procures the commission of an offense may be found guilty of that offense. That person must knowingly associate with the criminal activity, participate in the activity, and try to make it succeed.

If a defendant knowingly caused the acts or omissions of another, the defendant is responsible for those acts as though he personally committed them.

A defendant's association with alleged conspirators or persons involved in a criminal enterprise is not by itself sufficient to prove his participation or membership in a conspiracy or criminal enterprise.

If a defendant performed acts that advanced a criminal activity but had no knowledge that a crime was being committed or was about to be committed, those acts alone are not sufficient to establish a defendant's guilt.

In this case, the defendants are charged with violations of various federal laws, including violation of the mail fraud and racketeering laws. The defendants are not charged in this case with any substantive state crimes or any violations of state regulations, although, as I will describe later in these instructions, the defendants are alleged to have conspired to commit various racketeering acts, some of which involve state laws and state regulations. To find a defendant guilty of the charged federal offenses, it is not enough to find that one or both of the defendants violated Illinois law, but instead you must consider Illinois law along with all of the elements of law that I instruct you on. Your job is to decide whether the government has proved, beyond a reasonable doubt, every element of each particular federal offense you are considering, based on the instructions I give you.

INSTRUCTIONS REGARDING COUNT 1
(RACKETEERING CONSPIRACY)

Defendants Ryan and Warner have been charged in Count 1 with racketeering conspiracy in violation of 18 U.S.C. § 1962(d). Title 18, United States Code, Section 1962 provides in pertinent part:

(c) It shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity . . .

(d) It shall be unlawful for any person to conspire to violate the provisions of subsection (c) of this section.

To prove a defendant guilty of conspiracy to commit racketeering, as charged in Count 1, the government must prove the following propositions:

First, that the defendant knowingly conspired to conduct or participate in the conduct of the affairs of an enterprise, through a pattern of racketeering activity as described in Count 1; and

Second, that the State of Illinois was an enterprise;

Third, that the activities of the enterprise would affect interstate or foreign commerce.

If you find that each of these propositions has been proved beyond a reasonable doubt as to a defendant, then you should find that defendant guilty of Count 1.

If, on the other hand, you find that any of these propositions has not been proved beyond a reasonable doubt as to a defendant, then you should find that defendant not guilty of Count 1.

A conspiracy is an agreement between two or more persons to accomplish an unlawful purpose. A conspiracy may be established even if its purpose was not accomplished. To sustain the charge of conspiracy, the government must prove:

First, that the conspiracy as charged in Count 1 existed; and

Second, that the defendant knowingly became a member of the conspiracy with an intention to further the conspiracy.

To be a member of the conspiracy, the defendant need not join at the beginning or know all the other members or the means by which its purpose was to be accomplished. The government must prove beyond a reasonable doubt that the defendant was aware of the common purpose and was a willing participant.

In deciding whether the charged conspiracy exists, you may consider the actions and statements of every one of the alleged participants. An agreement may be proved from all the circumstances and the words and conduct of all the alleged participants which are shown by the evidence.

In deciding whether a particular defendant joined the charged conspiracy, you must base your decision only on what that defendant did or said. In determining what that defendant did or said, you may consider that defendant's own words or acts. You may also consider the words or acts of other persons to decide what that defendant did or said, and you may use them to help you understand what that defendant did or said.

The defendants are charged with participating in a single conspiracy to conduct, and to participate in the conduct, of the affairs of an enterprise through a pattern of racketeering activity.

Proof that there were multiple conspiracies is not necessarily proof of a single conspiracy, nor is it necessarily inconsistent with the existence of a single conspiracy.

Proof of several separate or independent conspiracies will not establish the single conspiracy alleged in Count 1 unless one of the several conspiracies which is proved is included within the single conspiracy alleged in Count 1.

If you do not find beyond a reasonable doubt that a particular defendant was a member of any conspiracy, you should find that defendant not guilty of Count 1 (the racketeering conspiracy charge).

If you find beyond a reasonable doubt that there was one overall conspiracy as alleged in Count 1, and that a particular defendant was a member of that conspiracy, then you should find that defendant guilty of Count 1.

If you find beyond a reasonable doubt that there were two or more conspiracies, and that a particular defendant was a member of or aided and abetted one or more conspiracies, you may find that defendant guilty of Count 1 only if you further find beyond a

reasonable doubt that this proven conspiracy was included within the conspiracy alleged in Count 1.

A conspiracy exists until its main criminal objectives have been accomplished or abandoned.

Defendant Ryan cannot be found guilty of the conspiracy charged in Count 1 if the main criminal objectives of the conspiracy were accomplished or abandoned prior to December 17, 1998.

Defendant Warner cannot be found guilty of the conspiracy charged in Count 1 if the main criminal objectives of the conspiracy were accomplished or abandoned prior to May 21, 1997.

The term "enterprise" includes any corporation, association, or other legal entity. A state is a legal entity.

To be associated with an enterprise, a person must be involved with the enterprise in a way that is related to its affairs or common purpose, although the person need not have a stake in the goals of the enterprise and may even act in a way that subverts those goals. A person may be associated with an enterprise without being so throughout its existence.

A person conducts or participates in the conduct of the affairs of an enterprise if that person uses his or her position in, or association with, the enterprise to perform acts which are involved in some way in the operation or management of the enterprise, directly or indirectly, or if a person knowingly agrees to facilitate the activities of those who are operating or managing the enterprise.

In order to have conducted or participated in the conduct of the affairs of an enterprise, a person need not have participated in all the activity alleged in Count 1.

In order to find a "pattern of racketeering activity" for purposes of Count 1, you must find beyond a reasonable doubt that the defendant agreed that some member or members of the conspiracy would commit at least two acts of racketeering as described in Count 1, and that they were separate acts. You must also find that those acts were in some way related to each other and that there was continuity between them.

Acts are related to each other if they are not isolated events, that is, if they have similar purposes, or results, or participants, or victims, or are committed a similar way, or have other similar distinguishing characteristics or are part of the affairs of the same enterprise.

There is continuity between acts if, for example, they are ongoing over a substantial period of time, or had the potential to continue over a substantial period, or if they are part of the regular way some entity does business or conducts its affairs.

For purposes of Count 1, the government does not have to prove that any racketeering acts were actually committed at all, or that the defendant agreed to personally commit any such acts, or that the defendant agreed that two or more specific acts would be committed.

The law defines "racketeering activity" as follows:

Any act which is chargeable under any of the following provisions of Title 18, United States Code:

- (1) Section 1341 (mail fraud)
- (2) Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii) (money laundering)
- (3) Section 1951 (extortion)
- (4) Section 1503 (obstruction of justice)

Any act which is chargeable under any of the following provisions of the laws of the State of Illinois:

- (1) 720 ILCS 5/33-1(c) and (d) (bribery)
- (2) 720 ILCS 5/33-3(d) (official misconduct)

Any violation of any of these statutes may constitute a distinct act of "racketeering activity."

The offenses charged in Counts 11 through 13 and 17 through 22 are not charged as racketeering activities.

Interstate commerce includes the movement of money, goods, services or persons from one state to another. This would include the purchase or sale of goods or supplies from outside the State of Illinois, the use of interstate mail or wire facilities, or the causing of any of those things. If you find that beyond a reasonable doubt either (a) that the enterprise made, purchased, sold or moved goods or services that had their origin or destination outside the State of Illinois; or (b) that the actions of the enterprise affected in any degree the movement of money, goods or services across state lines, then interstate commerce was engaged in or affected.

The government need only prove that the enterprise as a whole engaged in interstate commerce or that its activity affected interstate commerce to any degree, although proof that racketeering acts did affect interstate commerce meets that requirement. The government need not prove that a defendant engaged in interstate commerce, or that the acts of a defendant affected interstate commerce.

**INSTRUCTIONS REGARDING RACKETEERING ACTIVITY
INVOLVING MAIL FRAUD
(18 U.S.C. § 1341)**

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including mail fraud in violation of 18 U.S.C. § 1341.

The instructions I will subsequently give you regarding your consideration of Counts 2 through 10 also apply to your consideration of this racketeering activity in that they explain the nature of mail fraud.

**INSTRUCTIONS REGARDING RACKETEERING ACTIVITIES
INVOLVING MONEY LAUNDERING
(18 U.S.C. §§ 1956(a)(1)(A)(i), 1956(a)(1)(B)(i)
& 1956(a)(1)(B)(ii))**

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including money laundering, in violation of 18 U.S.C. § 1956(a)(1)(A)(i) (promoting unlawful activity).

Title 18, United States Code, Section 1956 provides, in pertinent part:

Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity . . . with the intent to promote the carrying on of specified unlawful activity [commits an offense against the United States].

An individual has committed the offense of money laundering in violation of 18 U.S.C. § 1956(a)(1)(A)(i) (promoting an unlawful activity), when:

First, the individual knowingly conducted or attempted to conduct a financial transaction;

Second, the property involved in the financial transaction in fact involved the proceeds of mail fraud or extortion as described in Count 2;

Third, the individual knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity; and

Fourth, the individual engaged in the financial transaction with the intent to promote the carrying on of mail fraud or extortion as described in Count 2.

The transfer and spending of funds in itself is not sufficient to constitute a money laundering offense under Title 18, United States Code, § 1956(a)(1)(A)(i). Instead the transaction in proceeds must be intended to promote the carrying on of unlawful activity.

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including money laundering, in violation of 18 U.S.C. § 1956(a)(1)(B)(i)(concealing or disguising proceeds).

Title 18, United States Code, Section 1956 provides, in pertinent part:

Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity . . . knowing that the transaction is designed in whole or in part . . . to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity [commits an offense against the United States].

An individual has committed the offense of money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(i) (concealing or disguising proceeds), when:

First, the individual knowingly conducted or attempted to conduct a financial transaction;

Second, the property involved in the financial transaction in fact involved the proceeds of mail fraud or extortion as described in Count 2;

Third, the individual knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity; and

Fourth, the individual knew that the transaction was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of mail fraud or extortion as described in Count 2.

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(ii) (avoiding reporting requirements).

Title 18, United States Code, Section 1956 provides, in pertinent part:

Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity . . . knowing that the transaction is designed in whole or in part . . . to avoid a transaction reporting requirement under State or Federal law [commits an offense against the United States].

An individual has committed the offense of money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(ii) (avoiding reporting requirements), when:

First, the individual knowingly conducted or attempted to conduct a financial transaction;

Second, the property involved in the financial transaction in fact involved the proceeds of mail fraud or extortion as described in Count 2; and

Third, the individual knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

Fourth, the individual knew that the transaction was designed in whole or in part to avoid a transaction reporting requirement under state or federal law.

**INSTRUCTIONS REGARDING RACKETEERING ACTIVITY
INVOLVING EXTORTION
(18 U.S.C. § 1951)**

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including extortion in violation of 18 U.S.C. § 1951.

The instructions I will subsequently give you regarding your consideration of Count 14 also apply to your consideration of this racketeering activity in that they explain the nature of extortion.

**INSTRUCTIONS REGARDING RACKETEERING ACTIVITY
INVOLVING OBSTRUCTION OF JUSTICE
(18 U.S.C. § 1503)**

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including obstruction of justice in violation of 18 U.S.C. § 1503.

Title 18, United States Code, Section 1503 provides, in pertinent part:

(a) Whoever corruptly . . . influences, obstructs, or impedes, or endeavors to influence, obstruct, or impede, the due administration of justice [commits an offense against the United States].

An individual has committed the offense of obstruction of justice under Title 18, United States Code, Section 1503, when:

First, that individual influenced, obstructed, or impeded or endeavored to influence, obstruct, or impede the due administration of justice;

Second, that the individual acted knowingly; and

Third, that the individual's acts were done corruptly, that is, with the purpose of wrongfully impeding the due administration of justice.

The word endeavor describes any effort or act to influence, obstruct, or impede the due administration of justice. The endeavor need not be successful, but it must have at least a reasonable tendency to influence, obstruct, or impede the due administration of justice.

The phrase "due administration of justice" requires that an individual's corrupt acts relate to a pending federal judicial proceeding. An individual does not commit the offense of obstruction of justice when there is no pending federal judicial proceeding, or where his actions relate to a state, as opposed to a federal, investigation or proceeding. A federal grand jury investigation is a federal judicial proceeding.

**INSTRUCTIONS REGARDING RACKETEERING ACTIVITIES
INVOLVING BRIBERY AND OFFICIAL MISCONDUCT
(720 ILCS 5/33-1(c); 720 ILCS 5/33-1(d); 720 ILCS 5/33-3(d))**

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including bribery under the laws of the State of Illinois, in violation of 720 ILCS 5/33-1(c).

720 Illinois Compiled Statutes 5/33-1 provides, in pertinent part:

A person commits bribery when:

(c) With intent to cause any person to influence the performance of any act related to the employment or function of any public officer [or] public employee, . . . he promises or tenders to that person any property or personal advantage which he is not authorized by law to accept

An individual has committed the offense of bribery under 720, Illinois Compiled Statutes, 5/33-1(c), when:

First, the individual promises or tenders to a public official property or a personal advantage which the public official was not authorized by law to accept; and

Second, the individual does so with the intent to influence the performance of any act related to the public officer's employment or function as a public officer.

Count 1 charges a conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including bribery under the laws of the State of Illinois, in violation of 720 ILCS 5/33-1(d).

720 Illinois Compiled Statutes 5/33-1 provides, in pertinent part:

A person commits bribery when:

(d) He receives, retains or agrees to accept any property or personal advantage which he is 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 any public officer [or] public employee

An individual has committed the offense of bribery under 720, Illinois Compiled Statutes, 5/33-1(d), when:

First, the individual received, retained, or agreed to accept property or a personal advantage which he was not authorized by law to accept; and

Second, that the individual knew that the property or personal advantage was tendered or promised with intent to cause the individual to influence the performance of any act related to the employment or function of a public officer.

Count 1 charges conspiracy to conduct or participate in the conduct of the affairs of an enterprise through a pattern of racketeering activity including official misconduct under the laws of the State of Illinois, in violation of 720 ILCS 5/33-3(d).

720 Illinois Compiled Statutes 5/33-3 provides, in pertinent part, that a public officer or employee commits the offense of official misconduct when, in his official capacity, he:

(d) Solicits or knowingly accepts for the performance of any act a fee or reward which he knows is not authorized by law.

An individual has committed the offense of official misconduct under 720, Illinois Compiled Statutes, 5/33-3(d), when:

First, that individual is a public officer; and

Second, in his official capacity, that individual solicits or knowingly accepts for the performance of any act, a fee or reward which he knew was not authorized by law.

The term "public officer" means a person who is elected to office pursuant to statute to discharge a public duty for the State or who is appointed to an office which is established, and the qualifications and duties of which are prescribed by statute, to discharge a public duty for the State.

The term "public employee" is a person who is authorized to perform an official function on behalf of, and is paid by, the State.

The government does not allege that Mr. Warner was a public officer or public employee during the period relevant to this case.

A public official's receipt of personal or financial benefits, or the receipt of such benefits by the public official's family, friends, employees or associates, does not, standing alone, violate the Illinois bribery or official misconduct statutes, even if the individual providing the personal or financial benefit has business with the state. Instead, that receipt violates the law only if the benefit was received with the public official's understanding that it was given to influence his decision-making.

Similarly, the providing of personal or financial benefits by a private citizen to and for the benefit of a public official, or to and for the benefit of a public official's family, friends, employees, or associates, does not, standing alone, violate the Illinois bribery statute, even if the private citizen does business with the state, so long as the personal or financial benefits were not intended to influence or reward the public official's exercise of office.

A public official's receipt of campaign contributions, standing alone, does not violate the Illinois bribery or misconduct statutes, even if the contributor has business or expects to have

business pending before the public official or the state in which the public official holds office. Rather, public officials may receive campaign contributions from those who might seek to influence the candidate's performance as long as no promise for or performance of a specific official act is given in exchange.

Similarly, the giving of a campaign contribution to a public official, standing alone, does not amount to a violation of the Illinois bribery statute, even if the person making the contribution has or expects to have business pending before the public official. Only when a person gives a campaign contribution knowing that it is given in exchange for a specific official act does his conduct violate the bribery statute.

The intent of each party can be implied from their words and ongoing conduct.

A conspirator is a person who knowingly and intentionally agrees with one or more persons to accomplish an unlawful purpose. A conspirator is responsible for offenses committed by his fellow conspirators if he was a member of the conspiracy when the offense was committed and if the offense was committed in furtherance of and as a foreseeable consequence of the conspiracy.

Therefore, if you find defendant Ryan guilty of the conspiracy charged in Count 1, you should find defendant Ryan guilty of Count 2, 3, 4, 5, 6, 7, 8, 9 and/or 10, if you find the government has proved beyond a reasonable doubt that the offense in the count under consideration was committed (a) by his fellow conspirators in furtherance, and as a foreseeable consequence, of the conspiracy charged in Count 1, (b) while defendant Ryan was a member of the conspiracy charged in Count 1.

Likewise, if you find defendant Warner guilty of the conspiracy charged in Count 1, you should find defendant Warner guilty of Count 2, 3, 4, 5, 7, 8 and/or 9, if you find that the government has proved beyond a reasonable doubt that the offense in the count under consideration was committed (a) by his fellow conspirators in furtherance, and as a foreseeable consequence, of the conspiracy charged in Count 1, (b) while defendant Warner was a member of the conspiracy charged in Count 1.

INSTRUCTIONS REGARDING COUNTS 2 THROUGH 10

(MAIL FRAUD - 18 U.S.C. § 1341)

Defendants Ryan and Warner are both charged with mail fraud in Counts 2, 3, 4, 5, 7, 8, and 9, and defendant Ryan is charged individually with mail fraud in Counts 6 and 10. To sustain each charge of mail fraud, the government must prove the following propositions:

First, that the defendant knowingly devised or participated in the scheme to defraud or to obtain money or property by means of materially false pretenses, representations, or promises, as charged;

Second, that the defendant did so knowingly and with the intent to defraud; and

Third, that for the purpose of carrying out the scheme or attempting to do so, the defendant used or caused the use of the United States mails or a private or commercial interstate carrier in the manner charged in the particular count.

If you find that each of these propositions has been proved beyond a reasonable doubt as to a particular count, then you should find the defendant guilty of that count.

If, on the other hand, you find that any of these propositions has not been proved beyond a reasonable doubt as to a particular count, then you should find the defendant not guilty of that count.

A scheme is a plan or course of action formed with the intent to accomplish some purpose.

A scheme to defraud is a scheme that is intended to deceive or cheat another and to obtain money or property or cause the potential loss of money or property to another or to deprive the people of the State of Illinois of their intangible right to the honest services of their public officials or employees.

Counts 2 through 10 (the "mail fraud counts") charge that the defendants participated in a single scheme to defraud or to obtain money or property by means of materially false pretenses, representations, or promises.

Proof that there were multiple schemes is not necessarily proof of a single scheme, nor is it necessarily inconsistent with the existence of a single scheme.

Proof of several separate or independent schemes will not establish the single scheme alleged in Counts 2-10 unless one of the schemes which is proved is included within the single scheme alleged in those counts.

If, therefore, you find beyond a reasonable doubt that there were two or more schemes to defraud and that the defendant was a member of one or more of these schemes to defraud, and you further find beyond a reasonable doubt that the proved scheme to defraud was included within the charged scheme to defraud, you should find that defendant guilty of the particular count you are considering, provided that all other elements of the mail fraud charge have been proved.

If, on the other hand, you find that there were two or more schemes to defraud and that the defendant was not a member of any proved scheme included within the charged scheme to defraud, you should find that defendant not guilty of that count.

A false pretense, representation or promise is "material" if it has the natural tendency to influence, or is capable of influencing, the decision of the decision-making body to which it was addressed.

In order for the government to demonstrate a scheme to defraud the public of its right to the honest services of a public official or employee, only one participant in such scheme must owe a duty of honest services to the public.

Accordingly, a defendant who schemes with a public official or employee to deprive the public of its right to that public official's or employee's honest services may be guilty of a scheme to defraud the public of its right to honest services, provided all the elements of the offense as set forth in these instructions are met.

The phrase "intent to defraud" means that the acts charged were done knowingly with the intent to deceive or cheat the people of the State of Illinois in order to cause a gain of money or property to the defendants or others, or the potential loss of money or property to another, or to deprive the people of the State of Illinois of their right to the honest services of their public officials and employees. Such intent may be determined from the evidence admitted as to each defendant.

Good faith on the part of the defendant is inconsistent with intent to defraud, an element of the mail fraud charges. The burden is not on the defendant to prove his good faith; rather, the government must prove beyond a reasonable doubt that a defendant acted with intent to defraud.

A public official has a duty to provide honest services to the people of the State of Illinois. The government does not allege that defendant Warner was a public official during the time period relevant to this case.

Because of his official position, defendant Ryan owed a duty of honest services to the people of the State of Illinois.

A public official or employee has a duty to disclose material information to a public employer. If an official or employee conceals or knowingly fails to disclose a material personal or financial interest (also known as a conflict of interest) in a matter over which he has decision-making power, then that official or employee deprives the public of its right to the official's or employee's honest services, if the other elements of the mail fraud offense are met.

The law does not require that the government identify a specific official act given in exchange for personal and financial benefits received by the public official so long as the government proves beyond a reasonable doubt that the public official accepted the personal and financial benefits with the understanding that the public official would perform or not perform acts in his official capacity in return.

Likewise, the law does not require that the government identify a specific official act given in exchange for personal and financial benefits received by the public official so long as the government proves beyond a reasonable doubt that the personal and financial benefits were given with the understanding that the public official would perform or not perform acts in his official capacity in return.

A benefit or benefits received by a defendant or given by a defendant with the intent that such benefit or benefits would ensure favorable official action when necessary can be sufficient to establish the defendant's intent to defraud the public of its right to honest services. You need not find that such a benefit was conferred or received in exchange for a specific official action.

A public official's receipt of personal or financial benefits, or the receipt of such benefits by the public official's family, friends, employees or associates, does not, standing alone, violate the mail fraud statute, even if the individual providing the personal or financial benefit has business with the state. Instead, that receipt violates the law only if the benefit was received with the public official's understanding that it was given to influence his decision-making.

Similarly, the providing of personal or financial benefits by a private citizen to and for the benefit of a public official, or to and for the benefit of a public official's family, friends, employees, or associates, does not, standing alone, violate the mail fraud statute, even if the private citizen does business with the state, so long as the personal or financial benefits were not intended to influence or reward the public official's exercise of office.

A public official's receipt of campaign contributions, standing alone, does not violate the mail fraud statute, even if the contributor has business or expects to have business pending

before the public official or the state in which the public official holds office. Rather, public officials may receive campaign contributions from those who might seek to influence the candidate's performance as long as no promise for or performance of a specific official act is given in exchange.

Similarly, the giving of a campaign contribution to a public official, standing alone, does not amount to a violation of the mail fraud statute, even if the person making the contribution has or expects to have business pending before the public official. When a person gives and a public official receives a campaign contribution knowing that it is given in exchange for a specific official act, that conduct violates the mail fraud statute, if the other elements of the mail fraud offense are met.

The intent of each party can be implied from their words and ongoing conduct.

Not every instance of misconduct or violation of a state statute by a public official or employee constitutes a mail fraud violation. I instruct you that the following state laws were among the laws applicable to state officials throughout the relevant time frame, except as otherwise noted:

1. Article VIII, Section 1(a) of the Illinois Constitution provided that “[p]ublic funds, property or credit shall be used only for public purposes.”

2. 720 ILCS 5/33-3 provided that a public officer or employee commits misconduct when, in his official capacity, he

- with intent to obtain a personal advantage for himself or another, he performs an act in excess of his lawful authority; or

- solicits or knowingly accepts for the performance of any act a fee or reward which he knows is not authorized by law.

3. 5 ILCS 420/4A-101 provided that a person holding an elected office in the Illinois Executive Branch, which includes the Office of the Secretary of State and the Governor’s Office, is obligated to file annually a Statement of Economic Interest with the State of Illinois, wherein he is required to disclose various economic and associated information, which is specified on the forms that are in evidence.

4. From January 1, 1999 and continuing throughout 2002, 5 ILCS 425/10 provided that a public officer was prohibited from soliciting or accepting any gifts from any prohibited source or in violation of any federal or state statute, rule or regulation. Prohibited sources included, among others, anyone who was registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, which act obligated persons to register as lobbyists if they undertook to influence executive, legislative or administrative action, or employed another person

for the purpose of influencing executive, legislative or administrative action.

A number of items were specifically excluded from this prohibition, including lawful campaign contributions, gifts from relatives, gifts given to an officer or employee of the executive branch from another officer or employee of the executive branch, gifts of personal hospitality of an individual other than a registered lobbyist, and gifts from any one prohibited source during any calendar year having a cumulative total value of less than \$100.

Also excluded from this prohibition was anything provided on the basis of a personal friendship, unless the officer had reason to believe that the gift was provided because of the official position of the officer, and not because of friendship. In determining whether a gift was provided on the basis of friendship, the officer was to consider the history of the relationship between the individual giving the gift and the officer, including any previous exchange of gifts between those individuals, whether the officer knew the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement, and whether the officer knew the individual who gave the gift also gave the same or similar gifts to other public officials.

5. 10 ILCS § 5/9-25.1 provided that "[n]o public funds shall be used to urge any elector to vote for or against any candidate or proposition, or be appropriated for political or campaign purposes to any candidate or political organization."

Under Illinois statute, 30 ILCS § 505/6, prior to July 1, 1998, certain purchases and contracts were not required to be competitively bid, including: (a) purchases and contracts for data processing equipment, software or services; (b) where the services required were for professional skills pursuant to a written contract; and (c) in emergencies where immediate expenditure was necessary for repairs to state property in order to prevent or minimize serious disruption of state service or to ensure the integrity of state records.

Again, not every instance of misconduct or violation of a state statute by a public official or employee constitutes a mail fraud violation. Where a public official or employee misuses his official position (or material, non-public information he obtained in it) for private gain for himself or another, then that official or employee has defrauded the public of his honest services, if the other elements of the mail fraud offense have been met.

A public official may deprive the public of its right to honest services even if the same official action would have resulted absent the official's deprivation of the public's right to honest services.

The mail fraud statute can be violated whether or not there is any loss to the victim of the crime or gain to the defendants.

A participant in a scheme to defraud may be guilty even if all the benefits of the fraud accrue to others, so long as the government has proved the other elements of mail fraud beyond a reasonable doubt.

The public may be deprived of its public officials' or employees' honest services no matter who receives the benefits of the fraud, so long as the government has proved the other elements of mail fraud beyond a reasonable doubt.

In order to prove a scheme to defraud, the government does not have to prove that the defendants contemplated actual or foreseeable harm to the victims of the scheme.

The government must prove that the United States mails or a private or commercial interstate carrier were used to carry out the scheme, or were incidental to an essential part of the scheme.

In order to use or cause the use of the United States mails or a private or commercial interstate carrier, a defendant need not actually intend that use to take place. You must find that the defendant knew that it would occur in the ordinary course of business, or that the defendant knew facts from which that use could reasonably have been foreseen. However, the government does not have to prove that a defendant knew that the carrier was an interstate carrier.

The defendant need not actually or personally use the mail or an interstate carrier.

Although an item mailed or sent by interstate carrier need not by itself contain a fraudulent representation or promise or request for money, it must further or attempt to further the scheme.

Each separate use of the mail or an interstate carrier in furtherance of the scheme to defraud constitutes a separate offense.

In connection with whether a mailing was made, evidence of the habit of a person or of the routine practice of an organization, whether corroborated or not and regardless of the presence of eyewitnesses, is relevant to prove that the conduct of the person or organization on a particular occasion was in conformity with the habit or routine practice. You should consider this evidence in the same manner that you consider all circumstantial evidence.

INSTRUCTIONS REGARDING COUNTS 11 THROUGH 13
(FALSE STATEMENTS - 18 U.S.C. § 1001(a)(2))

To sustain the charge of making a false, fictitious or fraudulent statement or representation as charged in Counts 11 through 13, the government must prove the following propositions:

First, a defendant made a false, fictitious or fraudulent statement or representation;

Second, the statement or representation was material;

Third, the statement or representation was made knowingly and willfully; and,

Fourth, the statement or representation was made in a matter within the jurisdiction of the executive branch of the government of the United States.

If you find from your consideration of all the evidence that each of these propositions has been proved beyond a reasonable doubt, then you should find the defendant guilty.

If, on the other hand, you find from your consideration of all the evidence that any of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty.

A statement is false or fictitious if untrue when made and then known to be untrue by the person making it.

A statement or representation is fraudulent if known to be untrue, and made with intent to deceive.

A statement made with good faith belief in its accuracy does not amount to a false statement. This is so even if the statement is, in fact, erroneous. A defendant is under no burden to prove good faith; rather, the prosecution must prove knowledge of falsity beyond a reasonable doubt.

A statement that is non-responsive but literally true is not false.

In determining whether Mr. Ryan's answers were untruthful, and in determining whether he knew they were false, you should consider the context of the questions and answers. The context of the question and answer is often of critical importance if it is claimed that the question was ambiguous or was misunderstood.

A statement may not be false if it is based on an ambiguous question where the response may be literally true and factually correct.

The Federal Bureau of Investigation is a part of the executive branch of the government of the United States, and statements or representations concerning matters being investigated by the Federal Bureau of Investigation are within the jurisdiction of the executive branch.

A statement is material if it had the effect of influencing the action of the Federal Bureau of Investigation, or was capable of or had the potential to do so. It is not necessary that the statement actually have that influence or be relied on by the Federal Bureau of Investigation, so long as it had the potential or capability to do so.

An act is done willfully if done voluntarily and intentionally, and with the intent to do something the law forbids.

Counts 11 and 12 each contain multiple alleged false, fictitious or fraudulent statements made by defendant Ryan. To find the defendant guilty of these counts, the government must prove beyond a reasonable doubt that at least one of the alleged statements contained in each count was false, fictitious or fraudulent. However, as to each count, you must unanimously agree on which statement was false or fictitious, or you must unanimously agree on which statement was fraudulent.

For example, with respect to Count 11, if some of you find that defendant Ryan's alleged statement in subparagraph 2(ii) that he was unaware of the pricing and contents of the South Holland lease and did not personally take part in its negotiation, was false, and the rest of you find that the statement in subparagraph 2(ii) was not false, but that the alleged statement in subparagraph 2(iii), that Ryan had no recollection or knowledge of the original negotiations of the Joliet lease, was false, then there is no unanimous agreement as to subparagraph 2(ii) or 2(iii). On the other hand, if all jurors find that the statement in subparagraph 2(ii) was false, then there is unanimous agreement with respect to which statement was false.

INSTRUCTIONS REGARDING COUNT 14
(ATTEMPTED EXTORTION - 18 U.S.C. § 1951)

Defendant Warner has been charged in Count 14 with attempted extortion in violation of 18 U.S.C. § 1951. Title 18, United States Code, Section 1951 provides, in pertinent part:

Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by extortion or attempts or conspires so to do [commits an offense against the United States].

To sustain the charge of attempted extortion, as charged in Count 14, the government must prove the following propositions:

First, that the defendant knowingly attempted to obtain money from American Decal Manufacturing as described in Count 14;

Second, that the defendant did so by means of extortion by the use of actual and threatened fear, as that term is defined in these instructions;

Third, that the defendant believed that American Decal Manufacturing would have parted with the money because of the extortion; and

Fourth, that the conduct of the defendant affected, would have affected, or had the potential to affect interstate commerce.

If you find that each of these propositions has been proved beyond a reasonable doubt, then you should find the defendant guilty.

If, on the other hand, you find that any of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty.

The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual and threatened fear. Attempted extortion by the use of actual and threatened fear means the wrongful use of actual and threatened fear of economic harm to obtain or attempt to obtain money or property. "Wrongful" means that the defendant had no lawful right to obtain money or property in that way. "Fear" includes fear of economic loss. This includes fear of a direct loss of money, fear of harm to future business operations or a fear of some loss of ability to compete in the marketplace in the future if the victim did not pay the defendant. The government must prove that the victim's fear would have been reasonable under the circumstances. However, the government need not prove that the defendant actually intended to cause the harm threatened.

With respect to Count 14, the government must prove that the defendant's actions affected interstate commerce in any way or degree. This means that the natural consequences of the defendant's actions were some effect on interstate commerce, however minimal. It is not necessary for you to find that the defendant knew or intended that his actions would affect interstate commerce.

INSTRUCTIONS REGARDING COUNTS 15-16

(MONEY LAUNDERING - CONCEALING OR DISGUIISING -
18 U.S.C. § 1956(a)(1)(B)(i))

To sustain the charge of money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(i) (concealing or disguising the nature, source or ownership of proceeds), as charged in Count 15, the government must prove the following propositions:

First, that defendant knowingly conducted or attempted to conduct a financial transaction;

Second, the property involved in the financial transaction in fact involved the proceeds of mail fraud or extortion as described in Count 2;

Third, the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity; and

Fourth, the defendant knew that the transaction was designed in whole or in part to conceal or disguise the nature, the source, the ownership, or the control of the proceeds of mail fraud or extortion as described in Count 2.

If you find that each of these propositions has been proved beyond a reasonable doubt then you should find the defendant guilty.

If, on the other hand, you find that any one of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty.

To sustain the charge of money laundering in violation of 18 U.S.C. § 1956(a)(1)(B)(i) (concealing or disguising the nature, source or ownership of proceeds), as charged in Count 16, the government must prove the following propositions:

First, that defendant knowingly conducted or attempted to conduct a financial transaction;

Second, the property involved in the financial transaction in fact involved the proceeds of mail fraud as described in Count 2;

Third, the defendant knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity; and

Fourth, the defendant knew that the transaction was designed in whole or in part to conceal or disguise the nature, the source, the ownership, or the control of the proceeds of mail fraud as described in Count 2.

If you find that each of these propositions has been proved beyond a reasonable doubt then you should find the defendant guilty.

If, on the other hand, you find that any one of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty.

The term "financial transaction" means a purchase, sale, transfer, delivery, or other disposition involving one or more monetary instruments, which in any way or degree affects interstate commerce.

The term "monetary instruments" includes coin or currency of the United States and checks drawn on banks.

The term "financial institution" includes, for example, commercial banks and trust companies.

"Interstate commerce" means trade, transactions, transportation or communication between any point in a state and any place outside that state, or between two points within a state through a place outside the state.

When a financial institution, a business or an individual in Illinois is engaged in commerce outside of that state, then the activities of that financial institution, business or individual affect interstate commerce.

Any bank that is insured by the Federal Deposit Insurance Corporation ("FDIC") is engaged in, and affects, interstate commerce.

The United States must prove that the financial transaction affected interstate commerce in any way or degree. This means that the natural consequence of the financial transaction would have been some effect on interstate commerce, however minimal.

The government must prove that the foreseeable consequences of the defendant's acts would be to affect interstate commerce. It is not necessary for you to find that the defendant knew or intended that the defendant's actions would affect interstate commerce.

The term "conducts" for purposes of Counts 15 and 16 includes initiating, concluding or participating in initiating or concluding a transaction.

The government must prove that the defendant knew that the property represented the net proceeds of some form of activity that constitutes a felony under State or Federal law. The government is not required to prove that the defendant knew that the property involved in the transaction represented the proceeds of mail fraud or extortion.

The transfer and spending of funds in itself is not sufficient to prove a money laundering offense under Title 18, United States Code, § 1956(a)(1)(B)(i). Instead, the transaction in proceeds must be intended to hide the source, the ownership or the control of proceeds involved in the charged financial transaction.

A transaction that creates proceeds of alleged unlawful activity cannot be the financial transaction in a money laundering offense. A transaction that creates proceeds of alleged unlawful activity must be separate and distinct from the financial transaction charged in a money laundering offense.

I advise you that mail fraud, a violation of 18 U.S.C. § 1341, and extortion, a violation of 18 U.S.C. § 1951, are both felonies under federal law.

INSTRUCTIONS REGARDING COUNT 17
(STRUCTURING - 31 U.S.C. § 5324(a)(3))

To sustain the charge of unlawfully structuring a financial transaction as alleged in Count 17, the government must prove the following propositions:

First, that the defendant structured or attempted to structure a transaction for the purpose of evading the currency transaction reporting requirements;

Second, that the transaction involved one or more domestic financial institutions; and

Third, that the defendant did so with the knowledge that the domestic financial institutions involved were legally obligated to report currency transactions in excess of \$10,000.

If you find that each of these propositions has been proved beyond a reasonable doubt, then you should find the defendant guilty.

If, on the other hand, you find that any of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty.

The term "currency transaction" means the physical transfer of currency from one person to another.

As used in these instructions, the term "structure" refers to the manner in which a transaction was carried out.

Structuring occurs when a person acting alone or with or on behalf of others conducts or attempts to conduct one or more currency transactions at a financial institution on one or more days, with the purpose of evading currency transaction reporting requirements in any manner. Structuring includes breaking down a single sum of currency over \$10,000 into smaller sums, or conducting a series of cash transactions all at or below \$10,000, with the purpose of evading currency transaction reporting requirements.

During this trial, certain evidence has been admitted regarding alleged \$9,000 or \$9,500 withdrawals by defendant Warner before July 31, 1997. This evidence was offered for your consideration of Count 17, which relates to alleged structuring of transactions between July 31, 1997 and August 4, 1997. The defendant is not charged with structuring transactions prior to July 31, 1997.

INSTRUCTIONS REGARDING COUNT 18
(CORRUPTLY ENDEAVORING TO OBSTRUCT OR IMPEDE THE DUE
ADMINISTRATION OF THE INTERNAL REVENUE LAWS - 26 U.S.C. § 7212)

To sustain the charge of corruptly endeavoring to obstruct or impede the due administration of the internal revenue laws as charged in Count 18, the government must prove the following propositions:

First, the defendant corruptly endeavored to obstruct or impede the due administration of the internal revenue laws;

Second, that the defendant did so knowingly and intentionally.

If you find from your consideration of all the evidence that each of these propositions has been proved beyond a reasonable doubt, then you should find the defendant guilty of that count.

If, on the other hand, you find from your consideration of all the evidence that any of these propositions has not been proved beyond a reasonable doubt, then you should find the defendant not guilty of that count.

The phrase "due administration of the internal revenue laws" includes the Internal Revenue Service of the Department of the Treasury carrying out its lawful functions in the ascertaining of income; the computing, assessing and collecting of income taxes; the auditing of tax returns and records; and the investigation of possible criminal violations of the internal revenue laws, such as the filing of false or fraudulent individual income tax returns.

The term "endeavor" describes any effort or act to obstruct or impede the due administration of the internal revenue laws. The endeavor need not be successful, but it must have at least a reasonable tendency to obstruct or impede the due administration of the internal revenue laws.

The word "corruptly" means that the act or acts were done with the purpose to secure an unlawful benefit for oneself or another by obstructing or impeding the administration of the internal revenue laws.

A defendant does not act willfully if he believes in good faith that he is acting within the law, or that his actions comply with the law. Therefore, if the defendant actually believed that what he was doing was in accord with the tax statutes, he cannot be said to have had the criminal intent to impede or obstruct the administration of the internal revenue laws. This is so even if the defendant's belief was not objectively reasonable, as long as he held the belief in good faith. However, you may consider the reasonableness of the defendant's belief together with all the other evidence in the case in determining whether the defendant held the belief in good faith. As I have explained, the government has the burden of proving that the defendant acted willfully. The defendant does not have the burden of proving his own good faith.

INSTRUCTIONS REGARDING COUNTS 19 THROUGH 22
(FILING FALSE TAX RETURNS - 26 U.S.C. § 7206(1))

To sustain the charge that a defendant willfully made and caused to be made a false individual income tax return as charged in Counts 19 through 22, the government must prove the following propositions:

First, the defendant made or caused to be made the income tax return;

Second, the defendant signed the income tax return, which contained a written declaration that it was made under penalties of perjury;

Third, the defendant filed the income tax return or caused the income tax return to be filed with the Internal Revenue Service;

Fourth, the income tax return was false as to a material matter, as charged in the count; and

Fifth, when the defendant made and signed the tax return, the defendant did so willfully and did not believe that the tax return was true, correct, and complete as to every material matter.

If you find from your consideration of all the evidence that each of these propositions has been proved beyond a reasonable doubt as to the particular count, then you should find the defendant guilty of the particular count.

If, on the other hand, you find from your consideration of all the evidence that any of these propositions has not been proved beyond a reasonable doubt as to the particular count, then you should find the defendant not guilty of that particular count.

The word "willfully" means the voluntary and intentional violation of a known legal duty or the purposeful omission to do what the law requires. The defendant acted willfully if he knew it was his legal duty to file truthful individual tax returns, and intentionally filed a false tax return.

A defendant does not act willfully if he believes in good faith that he is acting within the law, or that his actions comply with the law. Therefore, if the defendant actually believed that what he was doing was in accord with the tax statutes, he cannot be said to have had the criminal intent to willfully file false tax returns. This is so even if the defendant's belief was not objectively reasonable, as long as he held the belief in good faith. However, you may consider the reasonableness of the defendant's belief together with all the other evidence in the case in determining whether the defendant held the belief in good faith.

A line on a tax return is a material matter if the information required to be reported on that line is capable of influencing the correct computation of the amount of tax liability of the individual or the verification of the accuracy of the return.

If you find that the defendant willfully understated the amount of adjusted gross income on his individual tax return, and if you find that the amount of adjusted gross income is essential to a correct computation of the amount of taxable income or tax or to the verification of that return, then you may find that the false and fraudulent statements were false as to a material matter.

You have heard testimony concerning Treasury Regulation 1.527-5, which describes the circumstances under which funds an individual received from a political organization does constitute part of that individual's income. This Treasury Regulation, also commonly known as an IRS Regulation, has the force and effect of law.

In determining whether defendant Ryan believed in good faith that his actions did not violate the tax laws, you may consider whether the defendant relied on the advice and service of qualified tax preparers. If defendant Ryan provided full disclosure of all pertinent facts and materials to individuals that he believed to be competent, relied in good faith on their professional services and advice, and acted in accordance with the advice of those individuals without reason to believe it was incorrect, then defendant Ryan cannot be said to have had the criminal intent to impede or obstruct the due administration of the internal revenue laws or to have made a materially false statement on a particular tax return.

In determining whether the United States has proven its case beyond a reasonable doubt against any defendant, in any count, you, the jury, should not give any consideration to the matter of punishment, for this question is exclusively the responsibility of the judge.

Upon retiring to the jury room, select one of your number as your foreperson. The foreperson will preside over your deliberations and will be your representative here in court.

Forms of verdict have been prepared for you.

[Forms of verdict read.]

Take these forms to the jury room, and when you have reached unanimous agreement on the verdict, your foreperson will fill in and date the appropriate form, and each of you will sign it.

Each count of the indictment charges each defendant named in that count with having committed a separate offense.

You must give separate consideration both to each count and to each defendant. You must consider each count and the evidence relating to it separate and apart from every other count.

You should return a separate verdict as to each defendant and as to each count. Your verdict of guilty or not guilty of an offense charged in one count should not control your decision as to that defendant under any other count.

I do not anticipate that you will need to communicate with me. If you do need to communicate with me, the only proper way is in writing. The writing must be signed by the presiding juror, or, if he or she is unwilling to do so, by some other juror. The writing should be given to the marshal, who will give it to me. I will respond either in writing or by having you return to the courtroom so that I can respond orally.

If you do communicate with me, you should not indicate in your note what your numerical division is, if any.

The verdict must represent the considered judgment of each juror. Your verdict, whether it be guilty or not guilty, must be unanimous.

You should make every reasonable effort to reach a verdict. In doing so, you should consult with one another, express your own views, and listen to the opinions of your fellow jurors. Discuss your differences with an open mind. Do not hesitate to re-examine your own views and change your opinion if you come to believe it is wrong. But you should not surrender your honest beliefs about the weight or effect of evidence solely because of the opinions of your fellow jurors or for the purpose of returning a unanimous verdict.

The twelve of you should give fair and equal consideration to all the evidence and deliberate with the goal of reaching an agreement which is consistent with the individual judgment of each juror.

You are impartial judges of the facts. Your sole interest is to determine whether the government has proved its case beyond a reasonable doubt.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No. 02 CR 506
) Hon. Rebecca R. Pallmeyer
)
LAWRENCE E. WARNER)

SUMMARY OF CHARGES

COUNTS: 1 (racketeering conspiracy); 2 through 5, and 7 through 9 (mail fraud); 14 (extortion); 15 and 16 (money laundering); and 17 (structuring).

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) No. 02 CR 506
 v.) Hon. Rebecca R. Pallmeyer
)
LAWRENCE E. WARNER)

VERDICT FORM FOR LAWRENCE E. WARNER

We, the jury, find the defendant, LAWRENCE E. WARNER,
NOT GUILTY as charged in the Indictment.

_____	_____
FOREPERSON	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) No. 02 CR 506
 v.) Hon. Rebecca R. Pallmeyer
)
LAWRENCE E. WARNER)

VERDICT FORM FOR LAWRENCE E. WARNER

We, the jury, find the defendant, LAWRENCE E. WARNER,
GUILTY as charged in the Indictment.

_____	_____
FOREPERSON	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

With respect to Count 3 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, a January 11, 1999 mailing related to the lease of the building at 605 Maple Road, Joliet, Illinois,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 4 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, a December 28, 1998 mailing related to the computer system and computer-related contracts awarded to International Business Machines ("IBM"),

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 5 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, a January 12, 1999 mailing related to the computer system and computer-related contracts awarded to International Business Machines ("IBM"),

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 7 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, a November 15, 2002 mailing related to the digital licensing contract awarded to Viisage Technologies,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 8 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, a January 19, 1999 mailing related to the lease of the building at 405 North Mannheim Road, Bellwood, Illinois,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 9 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with, as part of the mail fraud scheme described in Count 2, an April 13, 1999 mailing related to the lease of the building at 17 N. State, Chicago, Illinois,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 14 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with the attempted extortion of American Decal Manufacturing ("ADM") in September 1998,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 15 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with money laundering in connection with the issuance of a National Consulting Company check to American Management Resources on or about May 18, 1998 in order to conceal the nature, source and ownership of proceeds of mail fraud and extortion related to the validation stickers contract,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY NOT GUILTY

With respect to Count 16 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with money laundering in connection with the issuance of an Omega Consulting Group check to American Management Resources on July 31, 1997 in order to conceal the nature, source and ownership of proceeds of mail fraud related to the computer system and other computer-related contracts,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY

NOT GUILTY

With respect to Count 17 of the Indictment, in which the defendant LAWRENCE E. WARNER is charged with structuring of a financial transaction for the purpose of evading reporting requirements in connection with a withdrawal of \$14,000 in currency from his Omega Consulting Group Ltd. checking account on July 31, 1997,

we, the jury, find the defendant, LAWRENCE E. WARNER:

GUILTY

NOT GUILTY

If you find the defendant, LAWRENCE E. WARNER, guilty of Count 17, then you must make the following additional findings beyond a reasonable doubt:

A. We find the defendant LAWRENCE E. WARNER

_____ did

_____ did not

commit the offense charged in Count 17 while violating other laws of the United States.

For purposes of making this finding, the term "other laws of the United States" means any of the following: (1) Section 1962(d) (racketeering conspiracy as charged in Count 1); (2) Section 1341 (mail fraud as charged in Counts 2 through 5 and Counts 7 through 9); and (3) Section 1956(a)(1)(B)(i) (money laundering as charged in Count 16).

B. We find the defendant LAWRENCE E. WARNER

_____ did

_____ did not

commit the offense charged in Count 17 as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period.

FOREPERSON

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No. 02 CR 506
) Hon. Rebecca R. Pallmeyer
)
GEORGE H. RYAN, SR.)

SUMMARY OF CHARGES

COUNTS: 1 (racketeering conspiracy); 2 through 10 (mail fraud);
11 through 13 (false statements); 18 (obstructing the IRS's
collection of taxes); and 19 through 22 (false tax returns).

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) No. 02 CR 506
 v.) Hon. Rebecca R. Pallmeyer
)
GEORGE H. RYAN, SR.)

VERDICT FORM FOR GEORGE H. RYAN, SR.

We, the jury, find the defendant, GEORGE H. RYAN, SR.,
NOT GUILTY as charged in the Indictment.

_____	_____
FOREPERSON	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

With respect to Count 3 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a January 11, 1999 mailing related to the lease of the building at 605 Maple Road, Joliet, Illinois,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 4 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a December 28, 1998 mailing related to the computer system and computer-related contracts awarded to International Business Machines ("IBM") (December 28, 1998 mailing),

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 5 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a January 12, 1999 mailing related to the computer system and computer-related contracts awarded to International Business Machines ("IBM"),

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 6 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a January 22, 1999 mailing related to the lease of a commercial building in South Holland, Illinois, we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 7 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a November 15, 2002 mailing related to the digital licensing contract awarded to Viisage Technologies,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 8 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a January 19, 1999 mailing related to the lease of the building at 405 North Mannheim Road, Bellwood, Illinois,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 9 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, an April 14, 1999 mailing related to the lease of the building at 17 N. State, Chicago, Illinois,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 10 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with, as part of the mail fraud scheme described in Count 2, a March 12, 2001 mailing related to the payment of lobbying fees related to the selection of the town of Grayville as the site for a new prison,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 11 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with making false statements to an agent of the Federal Bureau of Investigation on January 5, 2000,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 12 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with making false statements to an agent of the Federal Bureau of Investigation on October 16, 2000,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 13 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with making false statements to an agent of the Federal Bureau of Investigation on February 5, 2001,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 18 of the Indictment, in which the defendant GEORGE H. RYAN, SR. is charged with corruptly endeavoring to obstruct and impede the Internal Revenue Service in the due administration of the Internal Revenue Code,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 19 of the Indictment, in which the defendant GEORGE H. RYAN is charged with willfully filing an amended Joint Individual Tax Return (form 1040X with schedules and attachments) which understated his adjusted gross income for the calendar year 1995,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 20 of the Indictment, in which the defendant GEORGE H. RYAN is charged with willfully filing an amended Joint Individual Tax Return (form 1040X with schedules and attachments) which understated his adjusted gross income for the calendar year 1996,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 21 of the Indictment, in which the defendant GEORGE H. RYAN is charged with willfully filing a Joint Individual Tax Return (form 1040 with schedules and attachments) which understated his adjusted gross income for the calendar year 1997,

we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY NOT GUILTY

With respect to Count 22 of the Indictment, in which the defendant GEORGE H. RYAN is charged with willfully filing a Joint Individual Tax Return (form 1040 with schedules and attachments) which understated his adjusted gross income for the calendar year 1998, we, the jury, find the defendant, GEORGE H. RYAN, SR.:

GUILTY

NOT GUILTY

FOREPERSON

