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**DR. ROBERT WEINSTEIN INDICTED FOR ALLEGED ROLE IN DEFRAUDING
MEDICAL SCHOOL AND CHARITY OF MILLIONS WITH STUART LEVINE**

CHICAGO – An area physician and businessman was indicted on federal charges for his alleged role in defrauding a north suburban medical school and a charitable organization in a multi-million dollar scheme with his longtime business partner and others, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, announced today. The defendant, **Robert J. Weinstein**, and his partner, Stuart Levine, were both trustees of the two alleged fraud victims – the Rosalind Franklin University of Medicine and Science, formerly known as the Finch University of Health Sciences/the Chicago Medical School (CMS) in North Chicago, and the Northshore Supporting Organization (NSO), which Weinstein created in 2001 ostensibly to provide financial support to CMS. Weinstein and Levine, who has pleaded guilty in related cases and is cooperating with the Government, and others allegedly fraudulently obtained millions of dollars for Weinstein and Levine by misusing their trustee positions and taking money belonging to CMS and NSO. Weinstein was also charged with lying to federal agents about whether Levine ever told him about the influence that recently convicted businessman and political fund-raiser Antoin “Tony” Rezko had over the Illinois Health Facilities Planning Board, on which Levine served.

Weinstein, 62, of Northbrook and Delray Beach, Fla., was charged with one count each of wire fraud, mail fraud and making false statements, in a three-count indictment returned by a federal grand jury late yesterday. He will be arraigned at a later date in U.S. District Court. The indictment is part of *Operation Board Games*, an ongoing federal public corruption investigation of insider-dealing, influence-peddling and kickbacks involving private interests and public duties related to various state boards and non-profit organizations.

Mr. Fitzgerald announced the charges with Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago; and James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor Office of Inspector General in Chicago.

Between early 2000 and March 2003, Weinstein and Levine allegedly engaged in two specific fraudulent transactions that deprived CMS and NSO of money and the honest services of the two trustees.

In one deal, according to the indictment, in 2000, Weinstein and Levine sought to obtain millions of dollars for themselves in connection with CMS's proposed development of property it owned at 2020 West Ogden Ave., Chicago, near various hospitals and healthcare facilities. They allegedly used their influence as trustees of CMS to require Developer A, as a condition of doing business with CMS, to pay their designee, Co-Schemer S, approximately 20 percent of the net profits of the development, even though Co-Schemer S had nothing to do with the project and never even met with representatives of the developer. Unbeknownst to CMS and Developer A, Co-Schemer S was acting secretly as a middleman for Weinstein and Levine to conceal their financial

interest in the project, and Co-Schemer S would transfer some or all of the proceeds he received to them. Weinstein and Levine used John Glennon, who has pleaded guilty to other charges related to CMS and was CMS's consultant on the development project, to convey their unlawful demands to Developer A, thus concealing their roles in demanding to receive any proceeds, the charges allege.

In the second deal, Weinstein and Levine, assisted by C-Schemer S, allegedly looted \$6 million from NSO by causing NSO to transfer \$3 million to each of them in exchange for two \$3 million promissory notes, which neither of them intended to repay. Weinstein and Levine allegedly concealed this fraud by orchestrating a series of sham transactions among NSO, CMS, and Co-Schemer S, which ultimately resulted in neither Weinstein nor Levine having to repay the \$6 million, thus allowing them to misappropriate the money from NSO for themselves.

The false statements count alleges that on May 24, 2004, Weinstein lied to an FBI agent when he said that Levine never told him that Rezko had influence over the Illinois Health Facilities Planning Board, the state board that regulates hospital construction and expansion. In fact, the indictment alleges Weinstein knew that he and Levine had discussed Rezko's influence over the Planning Board, including in a recorded conversation on April 21, 2004, in which Levine explicitly advised Weinstein of Rezko's role in manipulating the Planning Board's vote earlier that day on the Certificate of Need application of Mercy Health System Corp. Hospital and other matters.

The government is being represented by Assistant U.S. Attorney Kaarina Salovaara.

If convicted, mail fraud and wire fraud each carry a maximum penalty of 20 years in prison and a \$250,000 fine, or an alternative maximum fine of twice the gross profit to any defendant or twice the loss to any victim. Making false statements carries a maximum penalty of five years in

prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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