



**U. S. Department of Justice**

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Northern District of Illinois

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FOR IMMEDIATE RELEASE  
TUESDAY MARCH 13, 2012  
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**STATE REP. DERRICK SMITH ARRESTED ON FEDERAL BRIBERY CHARGE**

CHICAGO — Illinois State Rep. **Derrick Smith** (10<sup>th</sup> District) was arrested today on a federal bribery charge after an undercover investigation for allegedly accepting a \$7,000 cash bribe to write an official letter of support for a daycare center that he believed was seeking a state grant. Since December 2011, Smith and an individual identified as CS-1, who works on Smith's political campaigns and who, unbeknownst to Smith, was cooperating with the FBI, had numerous conversations about helping a fictional daycare owner obtain a purported state grant in exchange for a political contribution, according to a criminal complaint unsealed after Smith's arrest. On March 2, Smith provided CS-1 with an official letter of support for the daycare owner to obtain a \$50,000 Early Childhood Construction Grant from the state's Capital Development Board. In return, during a recorded meeting this past Saturday, CS-1 gave Smith \$7,000 cash, purportedly from the fictional daycare owner, the complaint alleges.

Smith, 48, of Chicago, was charged with one count of accepting a bribe, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Smith will appear at 3 p.m. today before Magistrate Judge Nan Nolan in U.S. District Court. Smith was appointed state representative for the 10<sup>th</sup> District, which covers portions of Chicago's near west and near northwest sides, in March 2011, and is a candidate for the General Assembly seat in next week's primary election.

According to the complaint, the FBI began receiving information concerning Smith from CS-1 in December 2011. CS-1, who has known Smith for approximately six years, primarily distributes literature for Smith's campaign and worked on Smith's unsuccessful 2010 campaign for Cook County Commissioner. CS-1 told agents that almost immediately following Smith's appointment as a state representative, Smith agreed to present CS-1 as a contractor so that CS-1 could apply for and receive a state grant, which would be used to pay CS-1 for his/her campaign work. In turn, Smith would take a "fee" for approving the grant, but CS-1 declined the offer.

CS-1 further told agents that since his appointment Smith has talked about his need for assistance in campaign fund-raising, and told CS-1 last fall that he wanted donations in the range of \$5,000 to \$7,000. CS-1 said Smith stated that he was willing to accommodate donors' requests so long as they were reasonable.

Acting in coordination with law enforcement, CS-1 met with Smith in December 2011 and told Smith that CS-1 knew a woman who was the owner and a silent partner in a local daycare center, who might be willing to contribute to Smith's campaign. CS-1 told Smith that the daycare needed repairs and the owner might be looking for a state grant. According to CS-1, Smith said he would help the daycare owner with obtaining a state grant in return for a \$5,000 political contribution. Later, Smith told CS-1 that if the daycare owner was "legitimate," she could come up with a \$7,000 contribution.

The complaint affidavit states that the daycare owner was, in fact, fictional, and the daycare center, while a real business, was not applying for a state grant, nor was it seeking to bribe Smith. The Capital Development Board administers an Early Childhood Construction Grant program, which provides funds to assist early childhood centers with the renovation and expansion of their facilities.

The complaint alleges that during multiple consensually recorded in-person meetings and telephone calls since Jan. 24, 2012, Smith agreed to write a letter of support for the purported grant application in exchange for a \$7,000 bribe. On Jan. 26, Smith and CS-1 toured the daycare facility and Smith was given information about its purported expansion plans.

Throughout February, Smith and CS-1 had multiple conversations in which CS-1 told Smith that the daycare was applying for an Early Childhood Construction Grant, and confirming that Smith would provide a letter of support in exchange for the daycare owner's payment of \$7,000. On Feb. 28, Smith directed CS-1 to have the daycare owner draft a letter for Smith to sign, adding that his office would fix it with the correct language. Later that day, law enforcement sent a draft letter of support to Smith's office via email. On Feb. 29, a campaign worker in Smith's office requested additional information to include in the letter, and after receiving a second draft from law enforcement, replied that it would be ready the next day. On March 2, CS-1 retrieved the letter, which was written on Smith's official letterhead and was addressed to the Illinois Capital Development Board.. The letter stated in part:

“As a State Representative for the West Humboldt Park neighborhood, I support [Daycare Owner's purported organization] in their application for a \$50,000 Early Childhood Construction Grant from the Illinois Capital Development Board.”

Between March 2 and March 8, Smith and CS-1 discussed how Smith wanted to receive the \$7,000 from the daycare owner, and Smith rejected payment by cashier's check because he didn't

want any trace of the money. Ultimately, Smith allegedly told CS-1 that he wanted the \$7,000 in cash, and agreed to give CS-1 \$2,000 for arranging the deal.

Just before 3 p.m. on Saturday (March 10), CS-1 met with Smith in Smith's vehicle and CS-1 counted out the \$7,000 – all in \$100 bills – for Smith during their recorded meeting. The next day, Smith called CS-1 and told CS-1 to meet him in his car in an alley behind CS-1's residence, and according to CS-1, Smith gave CS-1 \$1,000 in cash, consisting of \$20 and \$50 bills, which CS-1 gave to agents. In a subsequent phone call on Sunday, Smith said he would pay CS-1 the remaining \$1,000 later by check.

The bribery charge carries a maximum penalty of 10 years in prison and a \$250,000 fine and restitution is mandatory. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is being represented by Assistant U.S. Attorney Greg Deis.

The public is reminded that a complaint 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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