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U.S. Department of Justice

S-7720.3

United States Attorney
Northern District of Illinois

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June 30, 2009

Anthony J. Jacob
Hinshaw and Culbertson, LLP
222 North LaSalle - Suite 300
Chicago, IL 60601

Re: *United States v. Blagojevich*
Friends of Blagojevich

Dear Mr. Jacob:

As you are aware, on April 9, 2009, an indictment was returned in the above matter that alleged certain funds belonging to Friends of Blagojevich ("FOB") were subject to forfeiture. Accordingly, the Court entered a restraining order directing the various financial institutions holding the FOB funds that the contents of the accounts were to be restrained subject to further order of the Court. Subsequently, the Court entered an order further directing that the funds contained in the FOB accounts be transferred to the Clerk of the Court for the duration of the pending criminal proceedings in order to pay legally-authorized attorney's fees. If any funds remain upon completion of the pending proceedings, the government will seek forfeiture pursuant to Title 18, United States Code, Section 1963. A copy of the transfer order is enclosed for your reference.

Very truly yours,

PATRICK J. FITZGERALD
United States Attorney

By: s/Marsha A. McClellan
Marsha A. McClellan
Assistant United States Attorney

cc: Reid Schar, Assistant United States Attorney
Deputy Chief, Public Corruption Section

S-7720/HHN

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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UNITED STATES OF AMERICA)
)
 v.)
)
 ROD BLAGOJEVICH)

No. 08 CR 888 - 1
Violations: Title 18, Sections 1001,
1343, 1346, 1349, 1951, and 1962(d)

Judge James B. Zagel

**AMENDED RESTRAINING ORDER PRESERVING
PROPERTY SUBJECT TO FORFEITURE**

This matter comes before the Court on application of the United States of America for an amended restraining order and other relief pursuant to the provisions of Title 18, United States Code, Section 1963, which provides jurisdiction to enter restraining orders and take such other action as the Court shall deem necessary to preserve the availability of property forfeitable to the United States. The Court having reviewed the government's original application for a restraining order and heard additional argument, finds as follows:

(A) There is probable cause to believe that Rod Blagojevich conspired and agreed to conduct the affairs of an enterprise through a pattern of racketeering activity in violation of Title 18, United States Code, Section

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1962(d), therefore subjecting to forfeiture certain property pursuant to the provisions of Title 18, United States Code, Section 1963;

(B) On December 7, 2008, a complaint and warrant for arrest was issued upon a finding that there was probable cause to believe that Rod Blagojevich engaged in a conspiracy to defraud the State of Illinois and the people of the State of Illinois of honest services, in furtherance of which the mails and interstate wire communications would be used in violation of Title 18, United States Code, Sections 1341, 1343, 1346; all in violation of Title 18, United States Code, Section 1349. Rod Blagojevich was the Governor of the State of Illinois from 2002 through February 2009. As an official of the State of Illinois, Blagojevich owed a duty of honest services to the State of Illinois and the people of the State of Illinois in performance of his public duties;

(C) As set forth more fully in the Superseding Indictment returned on April 2, 2009, attached to the original application for a restraining order and marked Exhibit A, a grand jury concluded that there is probable cause to believe that from approximately 2002 through December 2008, Rod Blagojevich, being employed by and associated with an enterprise, conspired to conduct, and participate in the conduct, of the affairs of an enterprise through a pattern of racketeering activity, involving multiple acts indictable under the following provisions of federal law: Title 18, United States Code, Sections 1341, 1343, and

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1346 (mail and wire fraud); Title 18, United States Code, Section 1951 (extortion, attempted extortion, and conspiracy to commit extortion); and multiple acts involving bribery chargeable under provisions of Illinois law;

(D) Rod Blagojevich, the Office of the Governor of Illinois, and Friends of Blagojevich were associated in fact, and constituted an "enterprise." This enterprise, consisting of the aforementioned individual and entities, is referred to for purposes of this application and in the Superseding Indictment as the "Blagojevich Enterprise." The primary purpose of the Blagojevich Enterprise was to exercise and preserve power over the government of the State of Illinois for the financial and political benefit of defendant Rod Blagojevich, both directly and through Friends of Blagojevich, and for the financial benefit of his family members and associates;

(E) Friends of Blagojevich is a private entity organized and existing under the laws of the State of Illinois as a state-wide political campaign committee established on behalf of Rod Blagojevich to support his campaign efforts. As described more fully in the Superseding Indictment, Friends of Blagojevich is part of the racketeering enterprise and as such, operated for the financial and political benefit of defendant Rod Blagojevich. Upon conviction, any interest Rod Blagojevich has acquired and maintained through racketeering

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activities and any interest in the enterprise is subject to forfeiture pursuant to Title 18, United States Code, Section 1963(a)(1) and (a)(2);

(F) Friends of Blagojevich controls a number of bank accounts containing funds, certificates of deposit and letters of credit at various financial institutions, including the Bank of Ravenswood, DuQuoin State Bank, the Community Bank of DuPage and the First Suburban National Bank. Upon conviction of defendant Rod Blagojevich, the funds contained within these accounts and any assets held for the benefit of Friends of Blagojevich by these financial institutions, identified below, will be subject to forfeiture because defendant Rod Blagojevich:

(1) has acquired and maintained interests in violation of Title 18, United States Code, Section 1962, which interests are subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1); and

(2) has interests in, claims against, property and contractual rights affording sources of influence over the enterprise described in Count One which the defendant established, operated, controlled, conducted, and participated in the conduct of, and conspired to do so, in violation of Title 18, United States Code, Section 1962, thereby making all such interests, claims, and property and contractual rights subject to forfeiture to the United States of America pursuant to Title 18, United States Code, Section 1963(a)(2). The interests include but

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are not limited to those contained in the following accounts or held on behalf of Friends of Blagojevich at the identified financial institutions:

(a) Bank of Ravenswood
Account No

(b) DuQuoin State Bank
Account No
Certificate of Deposit No.

(c) The funds in any and all accounts and certificates of deposit held by the Community Bank of DuPage for the benefit of Friends of Blagojevich;

(d) The funds in any and all accounts and certificates of deposit held by the First Suburban National Bank for the benefit of Friends of Blagojevich including Certificate of Deposit 55000072028.

(G) Title 18 U.S.C. § 1963(d) provides in pertinent part:

A restraining order under this subsection may be entered upon application of the United States with the filing of an indictment charging a violation of section 1962, if the United States demonstrates that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and that such action is necessary to preserve the availability for forfeiture under this section provision of notice will jeopardize the availability of the property for forfeiture.

(H) The United States sought an initial restraining order to preserve the status quo and to secure itself so that, upon entry of a judgment of forfeiture against defendant Rod Blagojevich pursuant to 18 U.S.C. §1963(a)(1) and (2),

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the United States will be able to satisfy that judgment of forfeiture. Funds in bank accounts are easily transferable and may be susceptible to concealment such that the government would be unable to find them if they are not presently restrained. If the money contained in the accounts described below, is withdrawn as cash, it is difficult, if not impossible to trace. If the funds are untraceable, then it is unlikely that these funds will be available for forfeiture.

(I) Without any entry of a restraining order, defendant Rod Blagojevich or an agent on behalf of Friends of Blagojevich may take steps to move or conceal property subject to forfeiture. Without this restraining order and the further relief requested, these individuals or others at their direction, may transfer, dissipate and conceal these funds making them unavailable for forfeiture upon the conviction:

(J) In order to preserve the availability of property to satisfy forfeiture liability, entry of the initial restraining order was appropriate to prohibit Rod Blagojevich, or an agent of behalf of Friends of Blagojevich, employees, attorneys, family members, those persons in active concert or participation with him, including financial institutions, from attempting or completing any action affecting the disposition of the assets until further order of this Court. If the Court failed to enter such a restraining order as requested by the United States, the funds subject to forfeiture to the United States may have been placed beyond

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the jurisdiction of the Court or the government's interest in the property subject to forfeiture could have been otherwise detrimentally affected, thereby frustrating the ends of justice and causing irreparable harm to the United States;

(K) After considering briefing on the issue of the proper restraint of the funds described below and considering oral argument regarding the use of the funds, the Court has been informed that the parties have agreed to the entry of this amended restraining order allowing available funds that may be withdrawn from bank accounts without penalty to be transferred to the Clerk of Court for the Northern District of Illinois to be used in accordance with requirements and specifications of the Criminal Justice Act, Title 18, United States Code, Section 3006A, and the Plan of the United States District Court for the Northern District of Illinois Pursuant to the Criminal Justice Act of 1964 (collectively "CJA"), and that the funds not be used for any expenses other than those authorized under the CJA;

(L) That the parties have further agreed that the use of the funds be limited to proper CJA expenses for defendant Rod Blagojevich until such time that defendant Robert Blagojevich can demonstrate he meets the standards to have counsel appointed under the CJA, at which point defendant Robert

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Blagojevich may also use the funds through the CJA process; Accordingly, it is hereby:

ORDERED, ADJUDGED AND DECREED:

(1) That any and all funds and contained in the accounts identified below or otherwise held by the identified financial institutions on behalf of Friends of Blagojevich are restrained:

(a) Bank of Ravenswood
Account No

(b) DuQuoin State Bank
Account No
Certificate of Deposit No. =

(c) The funds in any and all accounts and certificates of deposit held by the Community Bank of DuPage for the benefit of Friends of Blagojevich;

(d) The funds in any and all accounts and certificates of deposit held by the First Suburban National Bank for the benefit of Friends of Blagojevich including Certificate of Deposit 55000072028.

(2) That Rod Blagojevich, his agents, employees, attorneys, family members, those persons in active concert or participation with him, and third parties, are prohibited and enjoined, until further order of the Court, from attempting or completing any action or transaction that would affect the

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disposition of, or otherwise remove from the jurisdiction of the Court all or any part of their interest, direct or indirect, any and all funds and contained in the accounts identified below or otherwise held by the identified financial institutions on behalf of Friends of Blagojevich:

(a) Bank of Ravenswood
Account N

(b) DuQuoin State Bank
Account No
Certificate of Deposit

(c) The funds in any and all accounts and certificates of deposit held by the Community Bank of DuPage for the benefit of Friends of Blagojevich:

(d) The funds in any and all accounts and certificates of deposit held by the First Suburban National Bank for the benefit of Friends of Blagojevich including Certificate of Deposit 55000072028.

(3) That, after considering briefing on the issue of the proper restraint of the funds and considering oral argument regarding the use of the funds, and noting the agreement of the parties, the funds at the Bank of Ravenswood, DuQuoin State Bank, the Community Bank of DuPage and the First Suburban National Bank, are permitted to be transferred from the bank accounts, through representatives of the United States government, to the Clerk of Court for the Northern District of Illinois to be used in accordance with requirements and

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specifications of the Criminal Justice Act, Title 18, United States Code, Section 3006A, and the Plan of the United States District Court for the Northern District of Illinois Pursuant to the Criminal Justice Act of 1964;

(4) That the funds transferred to the Clerk of Court for the Northern District of Illinois may only be used for expenses authorized under the CJA and are further limited to CJA expenses for defendant Rod Blagojevich until such time that defendant Robert Blagojevich can demonstrate he meets the standards to have counsel appointed under the CJA, at which time defendant Robert Blagojevich may also use the funds through the CJA process;

(5) That the funds should be transferred from the banks to the Clerk of Court of the Northern District of Illinois only at times that the transfer of such funds will not incur any monetary penalty from the banks;

(6) That funds remaining at the end of litigation in the instant case shall still be restrained and available for forfeiture to the United States;

(7) That good cause having been shown, this Order shall remain in effect until further order of the Court, or until the Court modifies the Order as appears necessary in the interest of justice;

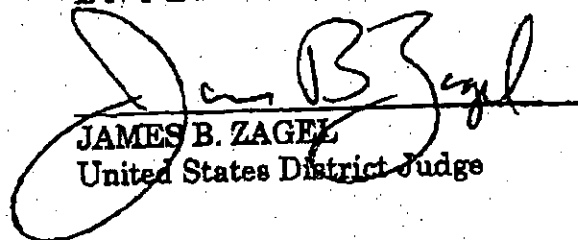
(8) That nothing in this Order constitutes a waiver by the government of the government's (a) legal arguments in support of the restraint and proper

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disposition of the restrained funds, or (b) right to object to other claims for the restrained funds, including those from Friends of Blagojevich; and

(9) This Court shall retain jurisdiction to take additional action and enter further orders as necessary to implement this Order.

ENTER:


JAMES B. ZAGEL
United States District Judge

Dated: 1 June 2009