

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA )  
 )  
 v. ) No. 06 CR 729-2  
 )  
 )  
 ) Violation: Title 18, United  
 ) States Code, Section 1001,  
 ALI ATA, ) and Title 26, United States  
 ) Code, Section 7206(1)  
 Defendant. )  
 )  
 ) Hon. James B. Zagel  
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 )  
 ) **SUPERSEDING INFORMATION**

**COUNT ONE**

The UNITED STATES ATTORNEY charges:

1. At times material to this information:

a. Antoin Rezko (also known as "Tony Rezko") ("Rezko"), a resident of Wilmette, Illinois, was the president of Rezko Enterprises LLC, a businesses that owned and operated restaurants including Papa John's Pizza restaurants, directly and through subsidiaries. Antoin Rezko also owned and operated a real estate business in Chicago, Illinois, known as Rezmar. Antoin Rezko was a fund-raiser for candidates for elected office, including Public Official A.

b. Defendant ALI ATA, a resident of Lemont, Illinois, was the Executive Director of the Illinois Finance Authority.

Defendant ALI ATA maintained investments in business ventures controlled by Antoin Rezko.

c. The Illinois Finance Authority ("IFA") was a state authority principally engaged in issuing taxable and tax-exempt bonds to promote business in the state. Under Illinois law, the IFA could guarantee private loans to third parties to promote economic development in Illinois, but had no statutory authority to guarantee loans that would promote economic activity outside Illinois or in connection with assets located outside of Illinois. Before the IFA could guarantee a private loan, a written application and supporting materials would have to be submitted, and the IFA board of directors would have to vote to approve the proposed financing.

d. There was a federal criminal investigation into allegations of mail fraud, bribery, political corruption, and other criminal activities in connection with the granting of state jobs and the appointment of officials to agencies and boards and commissions of the State of Illinois. It was material to the investigation to learn what influence, if any, Antoin Rezko had in the making of appointments to positions with the State of Illinois, and whether campaign contributions to political office holders and candidates were required in order to obtain positions with the state.

2. On or about December 1, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALI ATA,

defendant herein, knowingly and willfully did make materially false, fictitious, and fraudulent statements in a matter within the jurisdiction of the Federal Bureau of Investigation of the Department of Justice, an agency of the United States government, in that defendant stated orally to a Federal Bureau of Investigation Special Agent that:

(a) he was not aware of any role that Antoin Rezko played in regards to his appointment to the position of Executive Director of the Illinois Finance Authority, whereas, as defendant then knew, such a statement and representation was false, namely, that in fact Antoin Rezko was instrumental in obtaining that position for the defendant; and

(b) he did not receive anything for his political contributions to the campaign of Public Official A, whereas, as defendant then knew, such a statement and representation was false, namely, that in fact he did receive something for those contributions, specifically paid employment as Executive Director with the Illinois Finance Authority;

In violation of Title 18, United States Code, Section 1001.

COUNT TWO

The UNITED STATES ATTORNEY further charges:

1. At times material to this information:

a. Addison Venture LLC was an Illinois Limited Liability Company formed in or about November 2000 to develop a parcel of real property located at or near Addison and Kimball Streets in Chicago.

b. Defendant Ali Ata, along with two partners, each owned a one-third interest in the Addison Venture LLC.

c. Limited Liability Companies were treated as partnerships for federal income tax purposes. An LLC was required to file a federal Form 1065(U.S. Return of Partnership Income) on a yearly basis and report its income and expenses. Each partner in an LLC was required to report his or her share of income and expenses on his or her federal income tax return (Form 1040)which information was provided to each partner by the LLC on a Schedule K-1.

d. Addison Venture LLC acquired the real property in or about September 2001. Prior to the acquisition, defendant Ali Ata had expended approximately \$100,000 in earnest money towards the acquisition of the property together with costs of approximately \$10,000 in legal fees. In 2002, he was reimbursed

by Addison Venture LLC for his earnest money expenditure. On or about August 23, 2002, less than twelve months after acquiring an interest in the aforementioned real property, Addison Venture LLC sold its interest in that real property for approximately \$12.4 million. As a result of this sale, the partners (collectively) realized approximately \$3.64 million in short term gain from that sale of that asset.

e. As a one-third partner in the LLC, defendant Ali Ata was required to report his share of the LLC's income and expenses for calendar year 2002 on his personal income tax return for 2002. At the conclusion of the sale of real property by the LLC in August 2002, defendant Ali Ata's projected share of the LLC's income, solely from that transaction, was approximately \$1.2 million. Notwithstanding any other income and expenses from the LLC, defendant Ali Ata would have been required to report that amount as a short-term capital gain on his personal income tax return for calendar year 2002.

f. After the August 2002 sale of the property and in an effort to fraudulently reduce for the defendant the income tax resulting from this transaction, the defendant together with his Addison Venture partners and other individuals, agreed that it would be made to appear falsely that, prior to the August 2002

sale of the property, the defendant had sold his interest in Addison Venture LLC to one of his partners for \$700,000. The three partners signed a false and fraudulent backdated contract, and, together with others, caused Addison Venture LLC to issue the defendant a false and fraudulent form K-1 for 2002.

g. Defendant Ali Ata caused the false transaction described above to be reflected on his personal income tax return. Rather than correctly report the income earned from the sale of the real property by the LLC of approximately \$1.2 million as a short-term capital gain, he caused that transaction to be omitted from his personal income tax return. Defendant Ata caused a false transaction reflecting a sale of his interest in the LLC for \$700,000 to be reflected on his personal income tax return, thereby omitting approximately \$496,000 in income and fraudulently altering the income from short-term capital gain to long-term capital gain.

2. On or about November 12, 2003, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALI ATA,

defendant herein, willfully did make and subscribe, and caused to be made and subscribed, a United States Individual Income Tax Return (Form 1040) for the calendar year 2002, on behalf of

himself and his wife, which return was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which return he did not believe to be true and correct as to every material matter, in that it falsely stated on line 8 of Schedule D (Capital Gains and Losses) that he had sold his interest in Addison Venture LLC on January 15, 2002 for \$700,000, when he well knew those statements to be false; as a result of these false statements, and his failure accurately to report his correct income attributable to Addison Venture LLC on line 5 of Schedule D, namely approximately \$1.086 million net short term capital gain, the defendant caused the reported total taxable income at line 41 of the Form 1040 to be inaccurate. Specifically, it was stated in that Form 1040 return that the total income was \$0 whereas the defendant then and there well knew and believed that his and his wife's total income for the year 2002 substantially exceeded that amount since he had under-reported and mischaracterized the capital gain attributable to Addison Venture LLC;

In violation of Title 26, United States Code, Section 7206(1).

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UNITED STATES ATTORNEY