Former House Speaker Indicted on Federal Charges

Former House of Representatives Speaker Dennis Hastert was indicted on Thursday on federal charges, including for lying to the FBI, relating to an alleged effort to hide $3.5 million in payments he was making to a person to conceal past misconduct.

The Illinois Republican, who left Congress in 2007, was charged with structuring the withdrawal of $952,000 in cash to evade the requirement that banks report cash transactions over $10,000, and lying to the FBI about his withdrawals, the U.S. Attorney’s Office in Chicago said.

Each count of the two-count indictment carries a maximum penalty of five years in prison and a $250,000 fine.

Hastert, 73, resigned on Thursday from the Dickstein Shapiro law firm in Washington where he was listed as a senior adviser and from the board of the exchange operator CME Group Inc., representatives of the law firm and CME said.

Hastert could not be reached immediately to comment on the indictment.

According to the indictment, the unspecified misconduct involved payments to an unnamed individual who had been a Yorkville, Illinois, resident and had known Hastert for most of the person’s life.

Before his terms in Congress, Hastert served three terms as an Illinois state representative and was a teacher at Yorkville High School in suburban Chicago for 16 years, according to a biography from Wheaton College where he graduated in 1964.

Hastert also was a football and wrestling coach at the high school.

According to the indictment, Hastert met with the person several times around 2010 and discussed past misconduct by the former lawmaker. Eventually, Hastert agreed to pay the person $3.5 million in compensation to conceal the misconduct, the indictment said.

Shortly afterward, Hastert began making cash payments to the individual, according to the indictment. He withdrew $1.7 million in cash from various domestic bank accounts from 2010 to 2014 and gave it to the person, the indictment said.

Hastert made 15 withdrawals of $50,000 each from June 2010 until April 2012 when bank representatives, who are required to report cash transactions in excess of $10,000, asked him about the withdrawals, the indictment said.

In July 2012, Hastert began to make cash withdrawals in increments under $10,000 each, at least 106 totaling $952,000, the indictment said.

The FBI and the Internal Revenue Service began investigating the withdrawals in 2013 and the indictment alleges Hastert lied to FBI agents when they interviewed him in December of last year.

The indictment said agents asked Hastert to confirm, as he had previously indicated, that he was withdrawing the cash to store it because he did not feel safe with the banking system, and he said: “Yeah … I kept the cash. That’s what I’m doing.”

Hastert served as a congressman from suburban Chicago for more than 20 years before resigning from the House in November 2007, having lost the speaker’s job when Democrats gained control of the House in the 2006 elections.

The case has been assigned to U.S. District Court Judge Thomas Durkin.