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**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION**

CHICAGO TEACHERS UNION,
LOCAL 1, IFT-AFT,

Plaintiff

v.

ILLINOIS POLICY INSTITUTE;
LIBERTY JUSTICE CENTER; and
AUSTIN BERG,

Defendants.

Case No. 2026L009674

Jury Trial Demanded as to
all Claims Triable by Jury

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COMPLAINT

Plaintiff Chicago Teachers Union Local 1, IFT-AFT, for its Complaint against Defendants
Illinois Policy Institute, Liberty Justice Center, and Austin Berg (collectively “Defendants”), states
as follows:

NATURE OF THE ACTION

1. This defamation lawsuit arises from Defendants’ deliberate, coordinated and
ongoing smear campaign designed to inflict maximum reputational harm on the Chicago Teachers
Union, Local 1, IFT-AFT (“CTU” or the “Union”).

2. Defendant Austin Berg (“Berg”) and Defendant Illinois Policy Institute’s (“IPI”)
stated goal regarding their anti-CTU strategy is to “make the entity itself [i.e., CTU] toxic ... so
that everything they touch is toxic.”¹

3. Defendants have executed that strategy by publishing articles and social media
posts falsely accusing CTU of “cooking the books,” fraudulent accounting, and engaging in

1 Source Code, *Leaked Recording Reveals Covert Campaign to Undermine Chicago
Teachers Union* (July 23, 2025), <https://www.source-code.org/p/leaked-recording-reveals-covert-campaign>, (last visited Aug. 13, 2026).

“potential criminal conduct,” among other acts of misconduct—despite knowing those accusations were untrue or, at a minimum, acting with a reckless disregard as to the veracity of those accusations.

4. These accusations are false.

5. The truth is far less sensational: CTU hires outside auditors to perform annual audits on its finances. Beginning in 2020, the completion of several years’ audit reports were delayed due to staffing turnover, COVID-related complications, and the impact of a lawsuit (which was resolved in CTU’s favor) regarding whether CTU members had the right to earn credit toward their Chicago Teachers’ Pension Fund and/or Municipal Employees’ Annuity and Benefit Fund pensions while on leave working for CTU. Those audit reports were subsequently finalized, and both summary financial statements and complete audit reports were made available to CTU’s members.

6. Defendants have known the true facts about CTU’s audit reports because CTU had provided them to Defendant Liberty Justice Center (“LJC”) in a different lawsuit LJC filed on behalf of four CTU members seeking access to those audit reports. (IPI describes LJC as its “litigation partner.”)

7. But Defendants are not interested in context or truth. They are interested in disseminating a false narrative designed to undermine CTU. So, they have made public accusations that CTU engaged in criminal activity and fraud in relation to its audits, using incendiary language, innuendo, and inflammatory graphics to attack and attempt to weaken CTU in the eyes of its members, Chicago students and their families, voters, and the broader community.

8. Defendants’ statements are defamatory per se under Illinois law in that they falsely assert that CTU engaged in criminal conduct and impugn CTU’s integrity and ability to perform

its duties. Falsely accusing a labor union of fraud, dishonest accounting, and misuse of funds strikes at the heart of the Union's integrity, fitness, and ability to represent and advocate for its approximately 30,000 member-educators.

9. In this regard, Defendants' statements are not protected speech. Rather, they are false factual accusations of criminal and fraudulent conduct, published to the public and amplified online through reposting and intentional, coordinated messaging as part of their scheme to make the Union "toxic."

10. CTU brings this action to hold Defendants accountable for their false and malicious accusations.

11. CTU seeks presumed, compensatory, and punitive damages for Defendants' defamatory attacks.

PARTIES

12. CTU is a labor union with its principal place of business in Chicago, Illinois. CTU has approximately 30,000 members, primarily teachers in the Chicago Public Schools. The Union is Local 1 of the American Federation of Teachers, and is affiliated with the Illinois Federation of Teachers, the Chicago Federation of Labor, and the American Federation of Labor and Congress of Industrial Organizations.

13. IPI is an Illinois non-profit corporation with its principal place of business in Chicago, Illinois.

14. LJC is a Texas non-profit corporation authorized to conduct business in Illinois with its principal place of business in Austin, Texas.

15. On information and belief, Berg is an individual domiciled in Cook County, Illinois.

JURISDICTION AND VENUE

16. This Court has personal jurisdiction over IPI pursuant to 735 ILCS 5/2-209 because IPI is headquartered in Illinois and because IPI has purposefully directed its activities at Illinois, including the publication and dissemination of the defamatory statements at issue within the State of Illinois and specifically within Cook County. CTU's claims against IPI arise out of its statements directed at Illinois citizens, including CTU, CTU's members, and Chicago voters.

17. This Court has personal jurisdiction over LJC pursuant to 735 ILCS 5/2-209 because LJC has purposefully directed its activities at Illinois, including the publication and dissemination of the defamatory statements at issue within the State of Illinois and specifically within Cook County. CTU's claims against LJC arise out of its statements directed at Illinois citizens, including CTU, CTU's members, and Chicago voters.

18. This Court has personal jurisdiction over Berg pursuant to 735 ILCS 5/2-209 because he is an Illinois resident and has purposefully directed his activities at Illinois, including the publication and dissemination of the defamatory statements at issue within the State of Illinois and specifically within Cook County. CTU's claims against Berg arise out of his statements directed at Illinois citizens, including CTU, CTU's members, and Chicago voters.

19. Venue is proper in this Court pursuant to 735 ILCS 5/2-101 because IPI is headquartered in Cook County, Illinois, and a substantial part of the acts giving rise to CTU's claims—including Defendants' publication and dissemination of defamatory statements about CTU—occurred in Cook County.

FACTS COMMON TO ALL COUNTS

A. Defendants' Ties to One Another

20. Defendants share close financial connections and common donors.

21. Founded in 2002, IPI is a member of the State Policy Network, a consortium of conservative think tanks funded by organizations including the Cato Institute, the Charles Koch Institute, the Mercer Family Foundation, the Lynde and Harry Bradley Foundation, Donors Capital Fund, and DonorsTrust.

22. IPI describes itself as “a nonpartisan 501(c)(3) research organization” and its partner lobbying organization, Illinois Policy, as “an independent, nonpartisan 501(c)(4) advocacy organization.”²

23. John Tillman, who served as IPI’s CEO from 2007 to 2020 and Chairman of the Board until 2026,³ has stated that IPI is waging “a propaganda war” as “a marketing organization hiding inside of a think tank.”⁴

24. Tillman co-founded LJC in Chicago in 2011 to advance conservative and libertarian causes through litigation. Like IPI, LJC is funded largely by organizations tied to anti-union billionaires including Bernard Marcus and Richard Uihlein.

2 Illinois Policy Institute, *Who We Are*, <https://www.illinoispolicy.org/our-story/>, (last visited Aug. 13, 2026).

3 Illinois Policy Institute, *John Tillman | Former Board Chairman and CEO*, <https://www.illinoispolicy.org/author/john-tillman/>, (last visited Aug. 13, 2026).

4 Rachel Del Guidice, *How Conservatives Can Advance Freedom and Stand Against Left’s Agenda*, Daily Signal (May 27, 2021), <https://www.dailysignal.com/2021/05/27/how-conservatives-can-advance-freedom-and-stand-against-lefts-agenda/>, (last visited Aug. 13, 2026).

25. During its early years, LJC litigated cases primarily in Illinois before expanding its anti-union efforts nationwide and relocating its headquarters to Austin, Texas.

26. Since at least 2015, LJC has been IPI's "litigation partner," filing lawsuits on behalf of IPI and individual plaintiffs in furtherance of their shared political agenda.⁵

27. Berg has served as the Vice President of Marketing for IPI and the Executive Director of IPI's Chicago Policy Center.⁶

28. IPI has also employed Berg for marketing services through the for-profit entity, Iron Light, Inc. ("Iron Light"), which he co-founded with Tillman,⁷ to "us[e] persuasion to win the culture war."⁸

B. Defendants' Intent to Harm CTU and Brand the Union as "Toxic"

29. Defendants made the defamatory statements as part of a premeditated effort to hurt the Union.

5 Illinois Policy Institute, *How the Liberty Justice Center Fought for Freedom in 2015* (Dec. 29, 2015), <https://www.illinoispolicy.org/how-the-liberty-justice-center-fought-for-freedom-in-2015/>, (last visited Aug. 13, 2026).

6 Illinois Policy Institute, *Austin Berg | Chicago Policy Center Executive Director, Vice President of Marketing*, <https://www.illinoispolicy.org/author/aberg/>, (last visited Aug. 13, 2026).

7 See Del Guidice, *supra* note 4.

8 Ryan Green, *Using Persuasion to Win the Culture War*, Iron Light Labs, <https://ironlightlabs.org/lab-report/using-persuasion-to-win-the-culture-war/>, (last visited Aug. 13, 2026).

30. On July 23, 2025, the website Source Code reported on a leaked statement Berg made at a private meeting including IPI representatives where he laid out the roadmap for IPI’s campaign to disparage CTU.⁹

31. As Source Code reported, “A marketing firm tied to the Illinois Policy Institute (IPI) [Berg’s Iron Light] has spent years waging a campaign to sabotage the Chicago Teacher’s Union (CTU), seeking to fracture Democratic unity and derail progressive policies, according to a recording of a private video presentation obtained by Source Code.” On the recording, the speaker is heard discussing IPI’s communication strategy for publications concerning CTU, stating “[Y]ou have to make the entity [CTU] itself toxic so that everything they touch is toxic.”

32. The Source Code report identified the strategy underlying IPI’s campaign to undermine CTU: driving down Chicago residents’ support of CTU “through targeted digital, text, and media campaigns.” The article reported on the effects of IPI’s smear campaign: approval of CTU by Chicago residents fell from 70% to 28%.

33. The recording reported by Source Code confirms Defendants’ intent to injure CTU.

34. Indeed, in a recent March 13, 2026 article on IPI’s website, IPI stated that “Chicagoan’s [*sic*] approval of the union has reached an all-time low. Shenanigans like this May 1 strike are making CTU *toxic* in its own city.”¹⁰ (emphasis added). This report, tellingly, echoes the language of “making” the Union “toxic” by IPI and Berg as detailed in the Source Code report.

9 Source Code, *Leaked Recording Reveals Covert Campaign to Undermine Chicago Teachers Union* (July 23, 2025), <https://www.source-code.org/p/leaked-recording-reveals-covert-campaign>, (last visited Aug. 13, 2026).

10 Mailee Smith, *Chicago Teachers Union Demands ‘No Work, No School’ May 1 Shutdown*, Illinois Policy Institute (Mar. 13, 2026), <https://www.illinoispolicy.org/chicago-teachers-union-demands-no-work-no-school-may-1-shutdown/>, (last visited Aug. 13, 2026).

35. As part of this concerted campaign to brand CTU as “toxic,” Berg and IPI have repeatedly described the Union as “toxic” in their publications.

36. For example, on April 27, 2025, Berg published an article on The Last Ward, an online publication of IPI’s Chicago Policy Center titled “How Stacy Davis Gates made the Chicago Teachers Union toxic.”¹¹

37. Likewise, on May 18, 2025, Berg published an article on The Last Ward with the heading “CTU’s money is becoming toxic.”¹²

38. And, in February 2026, Berg published an article on The Last Ward entitled “The Chicago Teachers Union is toxic among Democrats.”¹³

39. Tellingly, a search for the word “toxic” on The Last Ward’s website *exclusively* returns articles about CTU. In other words, Berg and IPI only use the word “toxic” when discussing CTU.

40. Defendants’ efforts to undermine the Union through publication of false statements about the Union’s activities are also evidenced by two websites IPI publishes that encourage CTU members to stop paying dues to the Union. Hosted at leavectu.com and leavemyunion.com, IPI’s

11 Austin Berg, *How Stacy Davis Gates made the Chicago Teachers Union Toxic*, The Last Ward (Apr. 27, 2025), <https://www.thelastward.org/p/how-stacy-davis-gates-made-the-chicago>, (last visited Aug. 13, 2026).

12 Austin Berg, *Why CORE’s re-election to lead the Chicago Teachers Union is a hollow victory*, The Last Ward (May 18, 2025), <https://www.thelastward.org/p/why-cores-re-election-to-lead-the>, (last visited Aug. 13, 2026).

13 Austin Berg, *The Chicago Teachers Union is toxic among Democrats*, The Last Ward (Feb. 15, 2026), <https://www.thelastward.org/p/the-chicago-teachers-union-is-toxic>, (last visited Aug. 13, 2026).

websites represent that they are “operated by the Illinois Policy Institute.”¹⁴ The websites state that IPI “created this website to make the process easy for those who want to opt out of union membership.” However, CTU is required to represent qualifying educators who are both members and non-members. Thus, IPI’s intended result in hosting these websites can only be to financially harm the Union by depriving it of membership dues income. IPI repeatedly links to these websites in its publications about CTU.

41. In sum, IPI has demonstrated its goals with respect to its false reporting about CTU: to undermine public confidence in CTU, to weaken CTU’s finances, and, ultimately, to eliminate CTU’s ability to advocate for its members.

C. Defendants’ Publicity Campaign Attacking CTU

42. Most of Defendants’ defamatory statements identified herein relate to CTU’s annual audits.

43. While Defendants have had a longstanding animosity towards CTU, Defendants’ focus on CTU’s audits largely began on October 9, 2024, when LJC, on behalf of four CTU members, filed a lawsuit claiming that CTU did not produce annual financial audit reports for certain recent years as required by CTU’s governing documents. That case is now pending as *Weiss v. Chicago Teachers Union*, Case No. 2024 CH 09334, in the Circuit Court of Cook County, Illinois (the “*Weiss* Lawsuit”).

44. The finalization of these audit reports was delayed for innocuous reasons. Although CTU has always engaged outside auditors to audit its finances on an annual basis and made its complete annual audit reports available for personal inspection by any CTU member upon request,

14 Leave My Union, www.leavemyunion.com, (last visited Aug. 13, 2026); Leave CTU, www.leavectu.com, (last visited Aug. 13, 2026).

in recent years, CTU has been catching up on finalizing those audit reports. The finalization of audit reports for fiscal years 2020 through 2023 was delayed due to complications arising out of the COVID pandemic and staffing turnover, as well as the impact of the Union's successful litigation to protect pension benefits for participants in the Chicago Teachers' Pension Fund and/or Municipal Employees' Annuity and Benefit Fund while those persons are on leave working for the CTU. The audit reports, once completed, were made available to CTU's members and have been available for inspection as follows: (i) the 2019 report has been available since about December 2020; (ii) the 2020, 2021, and 2022 reports have been available since on or about December 13, 2024; (iii) the 2023 report has been available since March 2025; and (iv) the report for 2024 was made available in October 2025.

45. Despite these delays, CTU complied with its governing documents and applicable laws by engaging outside auditors for each fiscal year and making its summary financial statements and audit reports available for review by members.

46. CTU provided the true facts concerning the cause of delays related to CTU's audit reports to LJC and the plaintiffs in the course of the *Weiss* Lawsuit.

47. However, as shown below, Defendants disregarded these facts and began publishing a series of articles, blog posts, and social media statements about CTU's handling of its financial audits and federal labor filings with false accusations of fraud and criminality.

48. Defendants published these related posts and articles in a manner designed to create the false appearance that these baseless attacks were coming from multiple sources, rather than being part of a carefully orchestrated campaign by entities and persons all tied to IPI.

CAUSES OF ACTION

COUNT I: Defamation Per Se – August 22, 2025 Post (Against LJC)

49. CTU repeats and realleges the allegations of the preceding paragraphs as if fully set forth herein.

50. On August 22, 2025, LJC posted an image to its “X” (formerly Twitter) account directed to CTU President Stacy Davis Gates, depicting a storefront advertisement showing a black woman—intended to depict Ms. Davis Gates—sitting next to the text “Cooked Books” in a style mimicking the branding of the restaurant chain Cracker Barrel (the “August 22, 2025 Post”).¹⁵ Beneath the woman and the sign reading “Cooked Books,” LJC included the text “Chicago Teachers Union Center.” Accompanying the image, LJC posted: “.@stacydavisgates, we ordered 4 audits. Will you check and see if they’re ready?” The August 22, 2025 Post is reproduced below:



¹⁵ Liberty Justice Center (@LJCenter), X (Aug. 22, 2025, 4:25 PM ET), <http://x.com/LJCenter/status/1958988990675394923>, (last visited Aug. 13, 2026).

51. LJC published the August 22, 2025 Post as part of Defendants' strategy to "make the union itself toxic" through sustained negative messaging.

52. By publishing this post, which was directed at Davis Gates and identified CTU and the audit dispute, LJC made the false and defamatory factual accusation that CTU was "cooking the books," that is, engaging in fraud and deceptive accounting.

53. LJC acted with actual malice by making the false statement "Cooked Books" in the August 22, 2025 Post, despite knowing or acting with reckless disregard as to the falsity of that statement as part of Defendants' deliberate campaign to harm CTU's reputation.

54. LJC's statement of "Cooked Books" in the August 22, 2025 Post was defamatory *per se* because it falsely imputed CTU's (i) engagement in criminal conduct and (ii) lack of integrity and/or fitness in the discharge of its duties, and (iii) prejudiced CTU in its profession.

55. CTU's damages are presumed because LJC's statements in the August 22, 2025 Post were defamatory *per se*.

56. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests that this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendant Liberty Justice Center on Count I of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendant Liberty Justice Center's defamatory statements identified in Count I;
- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendant Liberty Justice Center's actual malice toward CTU;
- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

COUNT II:
Defamation Per Se – October 28, 2025 Article
(Against IPI)

57. CTU repeats and realleges the allegations contained in the preceding paragraphs 1 through 48 as if fully set forth herein.

58. On October 28, 2025, IPI published an article on its website accusing CTU of refusing to show its audits to its members as required by the Union’s governing documents (the “October 28, 2025 Article”).¹⁶ IPI accused the Union of “failing to release required annual audits to members” “since September 2020,” thereby giving CTU’s members “reason to question the union’s spending practices.” IPI also stated that “[u]ntil CTU comes clean with its members, questions about its spending ... will continue.”

59. IPI knowingly omitted from its publication of the October 28, 2025 Article the true facts regarding the availability of CTU’s audits and the reasons for the timing delays.

60. By suggesting that CTU had not “come clean” to its members regarding the Union’s finances, IPI made the false and defamatory statement insinuating that CTU’s leadership was wrongfully hiding financial information from its members, and that CTU was lying about its financial information.

61. IPI acted with actual malice by making the defamatory statement that CTU had not “come clean” to its members regarding the Union’s finances in the October 28, 2025 Article, despite knowing or acting with reckless disregard as to the falsity of that statement as part of Defendants’ deliberate campaign to harm CTU’s reputation.

16 Mailee Smith, *Chicago Teachers Union Spent \$173k on Poolside Recording Studio, Won’t Show Audit to Members*, Illinois Policy Center (Oct. 28, 2025), <https://www.illinoispolicy.org/chicago-teachers-union-spent-173k-on-poolside-recording-studio-wont-show-audit-to-members/>, (last visited Aug. 13, 2026).

62. IPI's statements in the October 28, 2025 Article that CTU had not "come clean" to its members regarding the Union's finances was defamatory *per se* because they falsely imputed CTU's (i) engagement in criminal conduct and (ii) lack of integrity and/or fitness in the discharge of its duties, and (iii) prejudiced CTU in its profession.

63. CTU's damages are presumed because IPI's statements were defamatory *per se*.

64. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests that this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendant Illinois Policy Institute on Count II of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendant Illinois Policy Institute's defamatory statements identified in Count II;
- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendant Illinois Policy Institute's actual malice toward CTU;
- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

**COUNT III:
Defamation Per Se – November 25, 2025 Post
(Against LJC)**

65. CTU repeats and realleges the allegations contained in the preceding paragraphs 1 through 48 as if fully set forth herein.

66. On November 25, 2025, LJC published a post to LJC's "X" (formerly Twitter) account with the statement that CTU was "cooking the books," accompanied by an AI-generated, Thanksgiving-themed image (the "November 25, 2025 Post").¹⁷ In the image, a cookbook stands

¹⁷ Liberty Justice Center (@LJCenter), X (Nov. 25, 2025, 10:12 AM ET), <https://x.com/LJCenter/status/1993337072963444799>, (last visited Aug. 13, 2026).

on a kitchen counter in front of a cooked Thanksgiving turkey. The cookbook is entitled “Cooking The Books by Stacy Davis Gates and Jackson Potter” and features an image showing a woman and a man intended to depict CTU President Stacy Davis Gates and CTU Vice President Jackson Potter standing next to a binder of documents and stacks of United States currency. Along with the image, LJC posted the text: “The only thing @CTUlocal1 leadership knows how to serve is EXCUSES.” The November 25, 2025 Post is reproduced below:



67. By publishing this post, which was directed at CTU, LJC made the false and defamatory factual accusation that CTU was engaged in fraud and criminal conduct by accusing CTU of “cooking the books,” that is, engaging in fraud and deceptive accounting in connection with CTU’s audits.

68. LJC acted with actual malice by making the false statement “cooking the books” in the November 25, 2025 Post, despite knowing or acting with reckless disregard as to the falsity of that statement as part of Defendants’ deliberate campaign to harm CTU’s reputation.

69. LJC’s statement of “cooking the books” in the November 25, 2025 Post was defamatory *per se* because it falsely imputed CTU’s (i) engagement in criminal conduct and (ii) lack of integrity and/or fitness in the discharge of its duties, and (iii) prejudiced CTU in its profession.

70. CTU’s damages are presumed because LJC’s statements in the November 25, 2025 Post were defamatory *per se*.

71. LJC’s statements in the November 25, 2025 Post constitute defamation *per se* under Illinois law because they impute criminal conduct, lack of integrity, and prejudice Plaintiff in its trade or profession.

72. CTU’s damages are presumed given LJC’s statements were defamatory *per se*.

73. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests that this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendant Liberty Justice Center on Count III of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendant Liberty Justice Center’s defamatory statements identified in Count III;
- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendant Liberty Justice Center’s actual malice toward CTU;
- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

**COUNT IV:
Defamation Per Se – December 31, 2025 Article
(Against IPI)**

74. CTU repeats and realleges the allegations contained in the preceding paragraphs 1 through 48 as if fully set forth herein.

75. On December 31, 2025, IPI published an article on its website with the headline, “Over 600 Chicago Teachers Hit Sin City on Taxpayers’ Dime” (the “December 31, 2025 Article”).¹⁸ The article prominently features a photograph of CTU President Stacy Davis Gates wearing a Chicago Teachers Union hat. This image is reproduced below:



76. The Office of Inspector General (“OIG”) Report discussed in the December 31, 2025 Article contains no allegations of wrongdoing against Ms. Davis Gates or the CTU.

¹⁸ Lilly Rossi, *Over 600 Chicago Teachers Hit Sin City on Taxpayers’ Dime*, Illinois Policy Institute (Dec. 31, 2025), <https://www.illinoispolicy.org/over-600-chicago-teachers-hit-sin-city-on-taxpayers-dime/>, (last visited Aug. 13, 2026).

77. IPI knowingly omitted from its publication of the December 31, 2025 Article the fact that the OIG Report makes *no reference* to the CTU or Ms. Davis Gates and does not make any criticism of CTU.

78. However, by including the above picture of Ms. Davis Gates in a hat with the CTU name on it, IPI's December 31, 2025 Article intentionally created, falsely and defamatorily, the false and defamatory impression that Ms. Davis Gates and CTU leadership wrongfully visited Las Vegas using taxpayer money—despite the fact that there was no basis whatsoever for this false accusation in the OIG Report or elsewhere.

79. IPI published the December 31, 2025 Article as part of Defendants' strategy to "make the union itself toxic" through sustained negative messaging.

80. IPI acted with actual malice by publishing the defamatory insinuation in the December 31, 2025 Article that CTU's President and leaders wrongfully visited Las Vegas using taxpayer money, despite knowing or acting with reckless disregard as to the falsity of that statement as part of Defendants' deliberate campaign to harm CTU's reputation.

81. IPI's insinuation in the December 31, 2025 Article that CTU's President and leaders wrongfully visited Las Vegas using taxpayer money constitutes defamation per se under Illinois law because it imputes a lack of integrity and fitness in the discharge of CTU's duties.

82. CTU's damages are presumed because IPI's statements and insinuations in the December 31, 2025 Article were defamatory per se.

83. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendant Illinois Policy Institute on Count IV of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendant Illinois Policy Institute's defamatory statements identified in Count IV;

- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendant Illinois Policy Institute's actual malice toward CTU;
- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

COUNT V
Defamation Per Se – January 19, 2026 Post
(Against Berg)

84. CTU repeats and realleges the allegations contained in the preceding paragraphs 1 through 48 as if fully set forth herein.

85. On January 19, 2026, Berg published a social media posting to his "X" (formerly Twitter) account stating: "EXCLUSIVE: CTU audits show potential criminal conduct. The new filings appear to show that while CTU told a court and its membership that the audits were not yet complete, union leadership suggested the opposite to the U.S. Department of Labor and IRS" (the "January 19, 2026 Post").¹⁹ The January 29, 2026 Post is reproduced below:



¹⁹ Austin Berg (@Austin_Berg), X (Jan. 19, 2026, 9:22 AM ET), https://x.com/Austin_Berg/status/2013255784751124967, (last visited Aug. 13, 2026).

86. By publishing this post, Berg made the false and defamatory factual accusation that CTU was engaged in criminal conduct in connection with its audits.

87. Berg made the January 19, 2026 Post as part of Defendants' strategy to "make the union itself toxic" through sustained negative messaging.

88. Berg published the January 19, 2026 Post to third parties through his publicly accessible "X" account. Berg's post was viewed over 140,000 times.

89. Berg acted with actual malice by making the false statement "CTU audits show potential criminal conduct" in the January 19, 2026 Post, despite knowing or acting with reckless disregard as to the falsity of that statement as part of Defendants' deliberate campaign to harm CTU's reputation.

90. Berg's statement "CTU audits show potential criminal conduct" in the January 19, 2026 Post was defamatory *per se* because it falsely imputed CTU's (i) engagement in criminal conduct and (ii) lack of integrity and/or fitness in the discharge of its duties, and (iii) prejudiced CTU in its profession.

91. CTU's damages are presumed because Berg's statements in the January 19, 2026 Post were defamatory *per se*.

92. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests that this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendant Austin Berg on Count V of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendant Austin Berg's defamatory statements identified in Count V;
- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendant Austin Berg's actual malice toward CTU;

- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

COUNT VI
Defamation Per Se - January 19, 2026 Article
(Against IPI and Berg)

93. CTU repeats and realleges the allegations contained in the preceding paragraphs 1 through 48 as if fully set forth herein.

94. On January 19, 2026, Berg included a link in his January 19, 2026 Post to his own article that he published the same day on The Last Ward, a publication of IPI's Chicago Policy Center, titled "Exclusive: Chicago Teachers Union audits show potential criminal conduct" (the "January 19, 2026 Article").²⁰ The headline of the January 19, 2026 Article is reproduced below:



95. Berg and IPI stated in the January 19, 2026 Article that CTU's statement in the *Weiss* Lawsuit that its audit reports for fiscal years 2020, 2021, and 2022 were not completed until 2024 was irreconcilable with CTU's 2022 federally mandated disclosure form (Form LM-2) in which CTU indicated that it had an audit of its books and records completed by an outside auditor.

²⁰ Austin Berg, *Exclusive: Chicago Teachers Union audits show potential criminal conduct*, The Last Ward (Jan. 19, 2026), <https://www.thelastward.org/p/exclusive-ctu-audits-show-potential>, (last visited Aug. 13, 2026).

96. Berg and IPI intentionally portrayed CTU as having lied and engaged in criminal activity in relation to that LM-2 disclosure. Specifically, Berg and IPI stated that, by CTU indicating that it had engaged an auditor in its LM-2 form while declaring its audits were not completed until 2024, CTU's conduct could constitute "a Class 3 felony" and subject the Union to "criminal penalties for false reporting and perjury" and "loss of the Foundation's tax-exempt status."

97. Contrary to Berg's assertions, CTU's statements in the *Weiss* Lawsuit and in its LM-2 form were not only reconcilable, but they were also the truth: CTU *had* engaged an auditor who reviewed its books and records for each year at issue, but the *finalization* of those audit reports had not been completed because of the delays described herein. The LM-2 had asked: "During the reporting period did the labor organization have an audit or review of its books and records by an outside accountant or by a parent body auditor/representative," to which CTU truthfully answered "Yes."

98. Berg and IPI (and LJC) knew that CTU had hired outside accountants to conduct annual audits of CTU's financials because of CTU's filings in the *Weiss* Lawsuit. Indeed, Berg and IPI knew that the Union had engaged independent auditors for its 2022 audit because those accountants were identified in the same LM-2 filing Berg and IPI referenced in the January 19, 2026 Article.

99. In addition, Berg and IPI made the defamatory statement in the article that the Union "kept two sets of books," implying that the Union was engaged in fraudulent and deceptive accounting.

100. Again, the truth regarding CTU's accounting practices was not nefarious: the Chicago Teachers Union Foundation ("CTUF") and the Children & Teachers Foundation of the

Chicago Teachers Union (“CTF”) are affiliates of the CTU. Although each entity maintains its own set of books and records, CTU and these affiliates’ financial statements are reported jointly in a “consolidated” audit report. Despite this fact being readily available, Berg and IPI stated in the January 19, 2026 Article that the Union’s “financial statements were misstated in a material and pervasive way.” But this “adverse opinion” related only to the Union’s “combined” audit report, which includes only the Union’s financial statements—not its affiliates’. The issue the auditor identified was that the combined audit report was incomplete without CTUF’s and CTF’s financial statements. Again, CTU’s financial statements were already jointly reported with those of CTUF and CTF in the consolidated audit report; the auditor’s statement did not in any way reflect a finding that funds were missing, misallocated, or misused.

101. By wrapping their statements in accusations that CTU staked out irreconcilable positions and engaged in potential criminality, Berg and IPI intended to falsely insinuate that CTU was engaged in accounting fraud by allegedly keeping a second, secret of books.

102. IPI and Berg knowingly omitted from their publication of the January 19, 2026 Article facts regarding the availability and completion of CTU’s audit reports and the truthful reasons for any timing delays with respect to CTU’s audit reports.

103. IPI and Berg acted with actual malice by making the defamatory statement “CTU audits show potential criminal conduct” and CTU “kept two sets of books” in the January 19, 2026 Article, despite knowing or acting with reckless disregard as to the falsity of those statements as part of Defendants’ deliberate campaign to harm CTU’s reputation.

104. IPI and Berg’s statements that “CTU audits show potential criminal conduct” and CTU “kept two sets of books” in the January 19, 2026 Article were defamatory *per se* because

they falsely imputed CTU's (i) engagement in criminal conduct and (ii) lack of integrity and/or fitness in the discharge of its duties, and (iii) prejudiced CTU in its profession.

105. CTU's damages are presumed because IPI and Berg's statements in the January 19, 2026 Article were defamatory per se.

106. WHEREFORE, Plaintiff Chicago Teachers Union respectfully requests that this Court:

- a. Enter judgment in favor of Plaintiff Chicago Teachers Union and against Defendants Austin Berg and Illinois Policy Institute on Count VI of the Complaint;
- b. Award Plaintiff Chicago Teachers Union compensatory damages in an amount to be determined at trial for harm to its reputation, standing in the community, and other actual injuries resulting from Defendants Austin Berg and Illinois Policy Institute's defamatory statements identified in Count VI;
- c. Award Plaintiff Chicago Teachers Union punitive damages as permitted by law, based on Defendants Austin Berg and Illinois Policy Institute's actual malice toward CTU;
- d. Award Plaintiff Chicago Teachers Union its costs of suit; and
- e. Grant such other and further relief as this Court deems just and proper.

JURY DEMAND

Pursuant to section 2-1105 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-1105, Plaintiff Chicago Teachers Union hereby asserts its right to request a trial by jury on all issues so triable.

Dated: August 16, 2026

Respectfully submitted,

CHICAGO TEACHERS UNION

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