BEFORE THE ILLINOIS HOUSE OF REPRESENTATIVES
IMPEACHMENT COMMITTEE

Hearing held on the 22nd day of December, 2008,
at the hour of 12:00 p.m., in Room 114, Illinois State
Capitol, Springfield, Illinois.

TRANSCRIPT OF PROCEEDINGS
VOLUME IV

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CHAIRWOMAN CURRIE: The special investigative committee will come to order. We have two substitutes today. Representative Franks is replaced by Representative John Bradley and Representative Hamos is replaced by Representative Mendoza.

The Clerk will please call the roll.

CLERK: Currie.

CHAIRWOMAN CURRIE: Here.

CLERK: Durkin.

REPRESENTATIVE DURKIN: Here.

CLERK: Acevedo.

REPRESENTATIVE ACEVEDO: Here.

CLERK: Bassi.

Bellock.

REPRESENTATIVE BELLOCK: Here.

CLERK: Black.

REPRESENTATIVE BLACK: Here.

CLERK: Bost.

REPRESENTATIVE BOST: Here.

CLERK: Davis.

REPRESENTATIVE DAVIS: Here.

CLERK: Eddy.

REPRESENTATIVE EDDY: Here.

CLERK: Flowers.
Representative Flowers: Here.
Clerk: Bradley.
Representative Bradley: Here.
Clerk: Fritchey.
Representative Fritchey: Here.
Clerk: Mendoza.
Representative Mendoza: Here.
Clerk: Hannig. Hannig.
Representative Hannig: Here.
Clerk: Howard.
Lang.
Representative Lang: Here.
Clerk: Mautino.
Representative Mautino: Present.
Clerk: Rose.
Representative Rose: Yes.
Clerk: Sacia.
Representative Sacia: Here.
Clerk: Tracy.
Representative Tracy: Here.
Clerk: Turner.
Representative Turner: Here.
Chairwoman Currie: Thank you. We have a quorum.
And just for the record, I want to indicate that we have -- as part of the record of this committee we have some new exhibits that I want just to make note of in the record.

Exhibit 9 would be a December 17th letter from the chief of staff of the Attorney General regarding the question of the Governor's motion for appointment of counsel with pay.

A December 18th letter from the committee to U.S. Attorney Patrick Fitzgerald requesting various documents and information.

A follow-up letter, this is Exhibit 11, of December 18th requesting additional information from Director Maram and Tamara Hoffman of the Department of Health care and Family Services.

A December 19th letter from the committee to Mr. Genson and Sam Adam, Jr.

And Exhibit 14 would be the December 19th follow-up information from the Auditor General that he promised us last week.

And December 20th, Exhibit 15, a letter from the committee to the Governor.

And December 16th, a letter from Barry Maram and Tamara Hoffman to the committee.
That is housekeeping.

I want to just say that today we plan to hear from a former United States Attorney. We plan to hear from the Procurement Policy Board. We plan to hear from a representative of the Illinois Campaign for Political Reform. We will have follow-up questions that were asked of the Department of Healthcare and Family Services last week. Some of that information has come to us and we'll have a report on that from Representative Lang.

We have not yet heard from the United States Attorney in answer to our request for information and the opportunity to hear from witnesses that are also relevant to his criminal investigation. We are hopeful that we might hear from him today. Although, we don't know the answer to that yet.

I do want to make clear to the Governor's counsel that we will welcome an opportunity to hear from you if -- tentatively, I would offer tomorrow, December 23rd, as an option. Is that something that you would like to advise us right now whether you will or not?

MR. GENSON: I'd like to be heard. I'd like to be heard, and if tomorrow is convenient to the committee, that's fine.
CHAIRWOMAN CURRIE: So you'd be ready to present to us tomorrow?

MR. GENSON: I would be ready to present to you tomorrow whatever witnesses I am going to offer and I'd like to make a statement.

CHAIRWOMAN CURRIE: And pardon me?

MR. GENSON: And I would like to make a statement to the committee.

CHAIRWOMAN CURRIE: Okay. Would you like to do that today if we have time?

MR. GENSON: I would like to do that today if we have time.

CHAIRWOMAN CURRIE: Okay.

MR. GENSON: Two days before Christmas, Your Honor -- I'm sorry, Madam Chairman.

CHAIRWOMAN CURRIE: I'm sorry, could you say that again?

MR. GENSON: Two days before Christmas, if we could get done today, it would not be a bad idea.

CHAIRWOMAN CURRIE: Okay. And if you could tell us who it is you intend to call, we would appreciate knowing that.

MR. GENSON: Okay.

CHAIRWOMAN CURRIE: All right. Our first
witness is going to be John Scully, a former Assistant United States Attorney General, and I think we've asked him to come and talk about how easy it is or isn't to get from the courts an opportunity to provide wiretaps on telephones or bugs in people's offices. So if you would come forward, please, sir. And if you would raise your right hand, please.

(Mr. Scully was duly sworn.)

CHAIRWOMAN CURRIE: Thank you very much.

Representative Durkin.

REPRESENTATIVE DURKIN: Representative Currie, one of the things that we had discussed was perhaps -- I'm not sure if it's the appropriate time now or later, but just to put into evidence the Department of Justice manual or the parts of the manual that set out the protocols for obtaining an order for the surveillance or the interception.

CHAIRWOMAN CURRIE: We will accept that and that would be Exhibit Number 17.

REPRESENTATIVE DURKIN: Thank you. I think that's been distributed to the members of the committee.

And, Mr. Genson, have you received it?

MR. GENSON: Not yet.
REPRESENTATIVE DURKIN: Okay. If we could -- if someone could provide Counsel with a copy of it, it would be great.

And if you don't mind, Madam Chair, if I could in a sense maybe direct questions to Mr. Scully.

CHAIRWOMAN CURRIE: That would be dandy.

REPRESENTATIVE DURKIN: Great. Okay.

Mr. Scully, I appreciate you coming here. If you could look over to your left, there's Mr. Genson. I'm not sure if you're familiar with him or not. But he's representing the Governor. And Sam Adam, Jr. and the other counsel. I forget. I can't see the name.

But I appreciate you coming here today. I just wanted to make sure that you're here voluntarily; correct?

MR. SCULLY: That's correct.

REPRESENTATIVE DURKIN: And could you just -- what are you here to talk about today?

MR. SCULLY: Just my background and my knowledge of the process of obtaining authority to intercept wire communications and oral communications.

REPRESENTATIVE DURKIN: If you can pull the mic a little closer to you, it would be helpful.
Can you just give us some background of your --
your own background, your education, and also your
years of involvement with the United States Attorney's
office?

MR. SCULLY: All right. I went to the United
States Naval Academy, graduated in 1969. Was on
active duty for nine years, initially on a ship off
the coast of Vietnam for about six months, then went
to law school, was in the JAG Corps. I went into the
Reserves and was in the intelligence field and retired
as a captain, that's the equivalent of a colonel, back
in 1999.

Went to University of San Diego Law School.

In 1982, I went with what's called the Organized
Crime Strike Force in Chicago. It was really a field
office in the Department of Justice working under the
Organized Crime Section in D.C. In 1990, that merged
with the U.S. Attorney's office, so I just went from
being a Special Attorney with the Organized Crime
Strike Force to being an Assistant U.S. Attorney.

I was there until September 1st, 2007, when I
retired, with a little over 25 years working for the
Department of Justice, a total of 39 years for United
States Government.
REPRESENTATIVE DURKIN: Which U.S. Attorneys did you serve under?

MR. SCULLY: Well, initially, under the Strike Force we weren't directly under the U.S. Attorneys, but we worked with them. Dan Webb, Tony Valuskas. Then when it merged the Strike Force, Ira Raphaelson and Fred Foreman, Jim Burns, Scott Lassar, and then Patrick Fitzgerald.

REPRESENTATIVE DURKIN: Okay. And you are -- you have retired, correct, from the United States Attorney's office?

MR. SCULLY: Right.

REPRESENTATIVE DURKIN: How many trials did you -- were you involved in as a prosecutor? That you sat in the room, sat in a chair and tried the case.

MR. SCULLY: Probably close to 20. I've not really counted them.

REPRESENTATIVE DURKIN: Okay.

MR. SCULLY: Some as little as two or three days. One was three months and the other was four and a half months.

REPRESENTATIVE DURKIN: Perhaps just for -- for our benefit, could you perhaps discuss any notable prosecutions that you were involved with?
MR. SCULLY: The most recently one, the one I basically retired on when the verdict came back, was what they called the Family Secrets case, involving 18 murders, a racketeering conspiracy and other charges. That ended in 2007.

Before that, one of the more notable ones was William Hanhardt. He was the former chief of detectives. That did not go to trial. He pled guilty for his involvement and others for running a mob jewelry theft group.

REPRESENTATIVE DURKIN: Okay. All right.

Can you explain to the committee what exactly is a wiretap?

MR. SCULLY: A wiretap is where one is actually listening to a telephone conversation. It's the recording and monitoring of telephone conversations under the authority of court.

REPRESENTATIVE DURKIN: Is there a distinction between a wiretap and a bug?

MR. SCULLY: A bug is basically a microphone that's placed in a location. It's not really -- it's not on the phone. It's in a location, say an office, where again it's called oral communications -- interception of oral communications, and that is again
through a court order.

REPRESENTATIVE DURKIN: Could you distinguish to the members of this committee the difference between a wiretap and a bug and also versus body recordings and consensual recorded calls?

MR. SCULLY: Well, in a wiretap or a bug where there is no party that's part of the conversation agrees to it or even knows about it, that's one thing. That's where you need a court order.

When you have consensual, where one of the parties is working with the government, that person can be wearing a wire actually on his or her person, or it could say be in a briefcase that's on the table when that person is communicating with the subject of an investigation. Or again, if there's a telephone conversation, again, it's consensual because one party is cooperating with the government, that could be -- that could be taped, that conversation, and that does not violate any federal law. That's authorized under federal law.

REPRESENTATIVE DURKIN: All right. So under the federal rules or federal law, for the body recording it's consensual. It's the one-party consent
rule which applies to that; correct?

MR. SCULL: That's correct.

REPRESENTATIVE DURKIN: Okay. Do you need Department of Justice and court approval for the intercepted wire oral communications?

MR. SCULLY: For the bug or for the wiretap or --

REPRESENTATIVE DURKIN: For the -- for the -- I would say for the wiretap and the bug.

MR. SCULLY: Where there is no party --

REPRESENTATIVE DURKIN: Yes, correct.

MR. SCULLY: Where there is no consent, they don't know, you do need Department of Justice approval and court authority, a court order.

REPRESENTATIVE DURKIN: So this electronic surveillance which is the -- what is the Department of Justice, court authority, that is -- we were talking a little bit about Title III last week. That is what Title III is about; correct? It's the court ordered, Department of Justice reviewed type of interceptions; correct?

MR. SCULLY: That's what it's commonly called, Title III.

REPRESENTATIVE DURKIN: How many Title III --
Title IIIs have you been involved with either applying for one or using Title III recordings as evidence in investigation or trial?

MR. SCULLY: I've been personally involved with ten, ten different cases. Three of those that I was involved not being the attorney and making the application but afterwards when the case went to trial. So there was another attorney who was the lead attorney, if you would. Personally I was involved with seven. And the most recent one was involving the Family Secrets case.

There were two where we were working towards having a wiretap or a bug in a location. Exactly -- on those two it was actually for a bug. And I determined and the agent determined we did not have enough to make application, so we did not apply. But we went as far as we could.

REPRESENTATIVE DURKIN: Okay. Now, we've previously put in evidence as -- I'm sorry, I forget what the exhibit number is, but it is the -- are the most current United States Attorney sections dealings with the -- their policies regarding the use of electronic surveillance. Have you looked at that a little bit earlier? You're familiar with that
document; correct?

MR. SCULLY: Yes, sir.

REPRESENTATIVE DURKIN: Okay. With that --

MR. GENSON: Excuse me, Mr. Durkin. I don't mean to interrupt.

CHAIRWOMAN CURRIE: Mr. Genson.

MR. GENSON: Yes. Sometime before I begin my clarification I'd like to have that, and we still haven't gotten a copy of it.

CHAIRWOMAN CURRIE: Of the --

MR. GENSON: Of the document that he's mentioning now, the --

CHAIRWOMAN CURRIE: I thought staff just brought round a copy to you.

MR. GENSON: I have it. Thank you.

REPRESENTATIVE DURKIN: All right. May I proceed, Counsel?

MR. GENSON: You -- you always can proceed.

REPRESENTATIVE DURKIN: Thank you.

MR. GENSON: Don't ask my permission.

REPRESENTATIVE DURKIN: Mr. Scully, could you explain to the ladies and gentlemen of the jury the process that you as an Assistant United States Attorney go through in order to obtain the wiretap or
bug? Just take us through this.

MR. SCULLY: Okay. It's actually fairly involved, fairly lengthy. But let me -- let me proceed to kind of lay out at least what my experience has been and my understanding of the process.

Typically, what you're dealing with is an Assistant U.S. Attorney working with an agent. In my case it was always an agent of the Federal Bureau of Investigation.

REPRESENTATIVE DURKIN: But it could be other federal agents, whether it's a Postal Inspector or Secret Service, any of them; correct?

MR. SCULLY: Typically, you're only going to mainly see it with DEA or FBI.

REPRESENTATIVE DURKIN: Okay.

MR. SCULLY: Because they have the manpower.

And what you as an Assistant U.S. Attorney and the agent are dealing with is trying to put together an affidavit to apply then ultimately to the chief judge of the district court. In my cases it was either the district court in the Northern District of Illinois or one case I had was up in Michigan at the federal prison.

You're doing this because all of the
investigative steps that you've taken so far cannot get you to the point where you have enough evidence against the individual. You have to be able to establish to the court the necessity of this fairly intrusive investigative means. So what you're doing is you're working with that agent, putting together an affidavit, and these can run -- I mean some of these are as -- that I've had are over a hundred pages long. What you're trying to do then is establish probable cause that there is evidence that various federal felonies are being committed. And these are by statute. So it's not all federal felonies. There are many Assistant U.S. Attorneys that have put in 10, 15, 20 years, and they've never even used the wiretap statute because they didn't need to because their investigation could resolve the case without going to that extreme. So you, one, have to establish certain crimes. Not all federal felonies are the subject of wiretap.

Then what you're trying to do is show -- you have to allege information not only about those crimes but that a particular location or a particular phone is being used to commit at least a portion of that crime. You have to then allege facts to show probable
cause that certain individuals are going to be interceptees present either in that location or on the telephone.

And then finally, you're also laying out your knowledge as to who the violators are. Not the people who are going to be picked up with the mic or with the telephone tap, but the people that you know from your probable cause are part of this criminal -- criminal conspiracy, say. So it might be eight people that you're actually investigating but only four that are going to be in that location based upon your evidence.

So this is a fairly lengthy process, you're going through this, you're developing information.

What kind of information? And I've seen each one of these in the various affidavits and many of them have most, if not all, these, but not necessarily.

Most often you're going to see confidential information, the confidential informant information. These are people that provide information. You have to establish their reliability based upon specific information, their background. You're laying out specific information that they're providing about the individuals, if they know about the location, about the crime, but these are people that cannot typically
go into that location or would not be on the phone conducting the kind of conversations that show the evidence of a crime.

Cooperating witnesses. So the beginning of the affidavit might say confidential informant number 1 through 3. Cooperating witnesses are different. These are people, -- they may be called cooperating witness 1, cooperating witness 2. These are people that might ultimately be willing to testify, but at this point do not want to be identified in a written document. So the government knows who they are, but their name is not being put in the affidavit. They're also being described as their kind of information and where it's coming from.

REPRESENTATIVE DURKIN: So the affidavit is a pretty lengthy document at times?

MR. SCULLY: Yes.

REPRESENTATIVE DURKIN: Now, after you feel the affidavit is complete, could you describe the application process that follows that?

MR. SCULLY: If I could just mention a couple of other things.

REPRESENTATIVE DURKIN: Sure.

MR. SCULLY: There's often names of
witnesses, people whose names are actually being used. If there's an undercover agent, at time that happens, the undercover agent's information is provided. At times cooperating witnesses or individuals who are named or undercover agents who have been willing to wear a consensual mic for conversations or a telephone conversation they would tape, physical surveillances are laid out, photographs, if any were taken, are also included. A thing called a pen register where you're taking a look at someone's activity on a telephone where it is a -- you're not listening but you're paying attention to who they're calling and then subpoena documents. So all of these could be in an affidavit. And you put all this together and you get to the point you feel -- you and the agent feel there's probable cause.

REPRESENTATIVE DURKIN: Okay. And there's an application that you have to fill out that the affidavit's attached to. That's the next stage in the process?

MR. SCULLY: That's correct. The Assistant U.S. Attorney puts together the application -- proposed application, proposed orders, along with the affidavit.
Okay. What the agent does with the affidavit, the FBI agent, his or her supervisor may or may not review it, but for sure what happens then is it goes to the local FBI attorney. They have two — in Chicago they have two or three on staff. And then they then review it for all the requirements. Then, again from the FBI standpoint, once it passes that hurdle for probable cause, et cetera, it then goes to the FBI headquarters where their legal staff takes a look at it, again to make sure it complies with all the statutes and that there's enough facts alleged for probable cause.

Then from the FBI headquarters, it goes to the Office of Enforcement Operations — OEO they call it — at the Criminal Department — Criminal Division.

REPRESENTATIVE DURKIN: Is that called the Electronic Surveillance Unit of the Office of Enforcement Operations?

MR. SCULLY: Yes.

REPRESENTATIVE DURKIN: Of the Criminal Division of the Department of Justice.

MR. SCULLY: Correct.

REPRESENTATIVE DURKIN: That's after the FBI has done their vetting, whatever you want to say, and
They feel it's ready to go forward. So it goes over to the DOJ in the Electronic Surveillance Unit. What happens at that point?

MR. SCULLY: Okay. Even before that, as that's happening -- it's going on a dual track -- the affidavit -- proposed affidavit and application and orders are then -- from the Assistant U.S. Attorney is going to his or her supervising Assistant U.S. Attorney. Often, the next level in the U.S. Attorney's office is brought in, First Assistant, head of the Criminal Division, maybe even the U.S. Attorney, to discuss the matter.

It then moves out of the U.S. Attorney's office in Chicago, goes to the Office of Enforcement Operation, the Electronic Surveillance Unit.

And in the case where I was involved, because I was in the Organized Crime Section, it went also to the Organized Crime Section in Washington.

And then from there, once it goes to that attorney, then you're working with the attorney in the Office of Enforcement Operation. They're just trying to establish that there in fact is probable cause. They're there also to determine that the information, even if there's probable cause, to make sure that it's
not stale, that it's relatively current. They're also making the determination in their mind, and they see -- you know, they'll see hundreds of these over the course of a year on an individual, that there is a necessity to use these fairly drastic means to obtain the authority. And so they're going through a checklist that we had gone through to make sure that there is probable cause and this need.

From that, in essence, line attorney at OEO, it goes to the head of OEO. The man's name was Fred Hess. I'm not sure if he's still there.

And then from him, he's reviewed it, and then it goes up to a Deputy Assistant -- Deputy Assistant Attorney General in the Criminal Division. And that person again sees hundreds of these probably over the course of a year or two.

REPRESENTATIVE DURKIN: At what point is it sent over to a federal judge for review? Who's the last person in DOJ who's going to have reviewed that application?

MR. SCULLY: It's the Deputy Assistant Attorney General.

REPRESENTATIVE DURKIN: Right now you've given us -- how many layers within the department have
we talked about before it even gets out of the hands of the Department of Justice and before the court?

MR. SCULLY: Within the U.S. Attorney's office you could -- it's the line assistant, often you have another assistant working it, supervising attorney, maybe one or two in the front office. I mean right there you could have three or four. OEO, five, line person at OEO five. Hess number six, and the Deputy Assistant Attorney General, seven. And you've got the affidavit going through the FBI.

REPRESENTATIVE DURKIN: Once you've received approval from the Department of Justice, do you have a certain amount of time to present this before a federal court?

MR. SCULLY: Generally, you're doing it within a day or so. I mean if you get it a Friday afternoon at 5:30, you're going to wait until Monday morning because the judge probably isn't there at that point.

REPRESENTATIVE DURKIN: Explain why this is time sensitive.

MR. SCULLY: Well, because you have to make sure that the information is still current. If you waited three or four weeks after you got the
authority, now you're beyond the point where it's -- the information would be stale. The phone could no longer be used; the people are no longer meeting in the room.

REPRESENTATIVE DURKIN: Can any federal judge or is there one judge in particular, and let's in your experience in the Northern District of Illinois, that you present the application and affidavit to for a Title III applicant or a Title III order?

MR. SCULLY: It's the -- it's always the chief judge of the district. Now, if the chief judge is on vacation, it might be the acting chief judge, but it's always the person that's -- in my experience, most of the times the chief judge is there. And at this point in time it's Judge James Holderman, who himself had been an Assistant U.S. Attorney. I think he was head of the Criminal Division back in the late '70s.

REPRESENTATIVE DURKIN: All right. So Judge Holderman, just use him as an example, receives the application for the Title III. Explain what happens with him.

MR. SCULLY: Well, at least my practice was, with him as it's -- as the affidavit had been approved
at the level of the attorney within the Electronic Surveillance Unit, so it's now gone up to -- it's going up to the next level, I would give him a draft affidavit, order -- orders and application. Then if anything changed, say if up the chain they say there's not enough information on this particular individual, you can't put him in as a violator, or if there's more information to make the affidavit more current, we would add that and tell the judge what changes we would make -- we had made, and then provide him with the affidavit and application that myself and the agent were prepared to testify to or to -- not testify to, but take an oath on.

REPRESENTATIVE DURKIN: All right. How long does it usually take for a judge to review this information? Is it quick or they -- tell me what your experience is.

MR. SCULLY: Typical experience, he was given the draft a day or two ahead of time, and we would be several hours with the final and having made -- having told him or his Clerk what changes had been made as it had gone up the -- gone up the chain past the OEO line attorney.

REPRESENTATIVE DURKIN: And can you tell me
what standard that the -- you must establish to get
authority from the federal judge to proceed with
the --

MR. SCULLY: Well, it's a statutory standard.
It's all covered by federal statute. But you have to
establish probable cause, kind of what I indicated
earlier, that particular individuals are committing a
particular crime, that are -- it's covered by federal
statute, that at least some of them are going to be
intercepted at this location or at the -- on the
telephone, and that you have to establish there are
really no other means that would -- you're going to be
able to use to accomplish that evidentiary evidence --
or, that evidence without this drastic means.

REPRESENTATIVE DURKIN: Okay. Now, let me
just ask you, is this a rubber-stamp process that it
goes through when you make this application, when it
starts at the beginning till the time it gets to the
district court?

MR. SCULLY: No. It's analyzed all the way
along. When you're dealing with the people at OEO, I
mean it gets down to take out -- you know, add a comma
here, you know, take out a word there; your
information is a little bit stale; we need some
indication that they're still using the location; see if they're -- you can have a surveillance to show us that they're still going in there. They have to have that information.

REPRESENTATIVE DURKIN: Have you ever presented a Title III application to Judge Holderman?

MR. SCULLY: Judge Holderman himself was an Assistant. He's --

REPRESENTATIVE DURKIN: Have you ever -- let me ask you this: Have you appeared before Judge Holderman seeking Title III authority before?

MR. SCULLY: Several times.

REPRESENTATIVE DURKIN: Does he rubber-stamp?

MR. SCULLY: No.

REPRESENTATIVE DURKIN: All right. Let me ask just a few more questions.

Once the order is signed, can you describe what the agents and the Assistant United States Attorneys must do, what are they required to do?

MR. SCULLY: Let me kind of describe the order first if I could. It's to the government, it's to the agents, and they're told what they can and can't do.

So initially, if we're talking about a bug going
into an office or into some location, the judge gives authority for what they call surreptitious entry to go install the bug. And then he then says I want to know when this is done. He gives them -- he gives you authority for 30 days in which to monitor.

What monitoring means is you're listening. But you can only listen when you tape-record. You cannot listen and not tape-record. You cannot tape-record and not listen.

The judge also in his order says you have to report to me every ten days about the status of your investigation. And then says, okay, as to non-pertinent conversations, conversations not dealing with what I'm authorizing you to listen to, I want you to -- what they call minimize -- turn it off.

So let's say it's a phone and one of the kids of the target is making a call to a friend and it's clearly not criminal, then it has to be minimized, because that's not an interceptee, it's not a person that's named in the order, it's not a crime that's named in the order.

REPRESENTATIVE DURKIN: So every order has a 30-day period in which you have to accomplish whatever goals you're seeking to accomplish in the affidavit?
MR. SCULLY: That's correct.

REPRESENTATIVE DURKIN: In the application.

30 days lapses, what happens after 30 days and you still are not there, you don't feel you have enough information yet to meet your needs, what happens?

MR. SCULLY: Well, then what happens, you're going through the whole process again. So maybe --

REPRESENTATIVE DURKIN: So you're not just going right back to the district --

MR. SCULLY: No.

REPRESENTATIVE DURKIN: -- the chief judge and just saying I need another 30 days.

MR. SCULLY: No.

REPRESENTATIVE DURKIN: You start the process over again right at the bottom level within the U.S. Attorney's office and also within the FBI you start it all over again; correct?

MR. SCULLY: If you don't feel you have enough, then what you're going to do is maybe 15 days into it, the first interceptions, you're starting the affidavit process again. Maybe you've now learned that they're discussing other crimes, so you'd be adding those. Maybe now you have another person that's been intercepted that you didn't know about
this person, he or she is now added as a proposed interceptee. You're going through the whole process back to D.C., all the way up to the Deputy Assistant Attorney General.

REPRESENTATIVE DURKIN: Okay. Once you feel that you're finished, you've got enough information as you need, what happens after that?

MR. SCULLY: At that point you are basically asking the judge -- well, every 30 days you're asking the judge authority to seal the -- what they call logs.

If I could just take a minute and explain those. When the FBI agents, in my case, when they're listening, they are writing out a log or typing out a log of the conversations that they're obtaining, summarizing them. They're also laying out what minimization they've done and summaries of the pertinent conversations. And if they come across crimes that weren't listed, they're also advising the judge of that.

Okay. The logs, the tape recordings are then sealed at the end of the 30 days.

Once you get to the point -- you've extended and you've gotten to the point where the court and you and
Washington feels there is not -- it's now time to quit, you don't apply any more, and then what you ask the court is to seal that final group. And within 90 days you're going to then come up with they call service of inventory. Now, you can extend that with court authority, but at some point you're going to have to tell the individuals who were named as interceptees, the violators, the people who weren't intercepted but were found to be -- that were named as probably being involved with this type of crime and anyone else who was picked up in criminal conversation, those people are going to be notified under order of court as to the existence of this.

REPRESENTATIVE DURKIN: So in this whole process there's considerable oversight and a number of hoops that must be jumped through to get this information. And there is considerable oversight by the chief judge as well; correct?

MR. SCULLY: That's correct.

REPRESENTATIVE DURKIN: All right.

Mr. Scully, is there anything that we missed that you think would be relevant for this committee?

MR. SCULLY: I think that's most of it.

REPRESENTATIVE DURKIN: Okay. Well, I
appreciate your testimony and spending time with us.

CHAIRWOMAN CURRIE: Thank you very much.

I just have one quick question, and that is, have you ever -- when you were a member of the staff of the United States Attorney's office, did you ever get requests for a tap or a bug rejected?

MR. SCULLY: I personally rejected two, but basically nothing -- I didn't want anything ever leaving my hands that I did not believe met all the requirements of the statute. It's an awful lot of effort to go down to ultimately lose whatever evidence you could obtain. So you're making sure it's correct, and people above you are making sure it's correct, as well as people above the agent.

CHAIRWOMAN CURRIE: Thank you very much.

Just the Clerk should please add to the roll call Representatives Bassi, Howard, and Tracy.

And Representative Fritchey.

REPRESENTATIVE FRITCHEY: Well, let me see if I can just clarify this, Mr. Scully, without being redundant here.

On more than one occasion you had sent something back down for further review because you didn't think it met the qualifications; correct?
MR. SCULLY: Oh, on most -- on many of these. You know, when you're first starting, you're dealing with the agent to say, okay, we need -- I believe here there's not enough. We need to -- we might need to do some surveillances, do you have some confidential informant that says the following. So it's an evolving process.

REPRESENTATIVE FRITCHEY: In a clear majority, by the time they get to the approval process, via Judge Holderman or whoever it may be, obviously, a clear majority of those -- let me not say obviously -- a clear majority of those at those point -- at that point are approved; is that correct?

MR. SCULLY: Once it goes all the way through the Department of Justice, well, obviously, then it is approved.

REPRESENTATIVE FRITCHEY: No, no, I'm not saying all -- they're ultimately -- they're ultimately authorized by the judge?

MR. SCULLY: Yes. Because we're --

REPRESENTATIVE FRITCHEY: And the reason that they are -- would it be safe to say that the reason that they are so more often than not authorized by the judge is because of the vetting process they've gone
through up unto that point; correct?

MR. SCULLY: Yes, that they've complied with the statutes.

REPRESENTATIVE FRITCHEY: Now, it's not uncommon, though, that notwithstanding, that oftentimes in a criminal proceeding the admissibility of tapes will be challenged by defense counsel; correct?

MR. SCULLY: Yes. I had one case with Mr. Genson where he challenged it.

REPRESENTATIVE FRITCHEY: And what happened in that case?

MR. SCULLY: We won.

REPRESENTATIVE FRITCHEY: Okay. How often is it that you see the admissibility be denied at the trial level for a previously authorized intercept?

MR. SCULLY: In the 25 years I was in the office, I did not personally see it.

REPRESENTATIVE FRITCHEY: That's what I wanted. Thank you.

CHAIRWOMAN CURRIE: Thank you very much for your testimony.

Mr. Genson, do you have a comment?

MR. GENSON: Mr. Scully, they asked you to
identify -- we've known each other for --

CHAIRWOMAN CURRIE: Would you speak into the microphone, please, sir?

MR. GENSON: We've known each other for what, about 25 years?

MR. SCULLY: Ever since I came into the office.

MR. GENSON: And so we know that the balancing isn't exactly -- you did win that wiretap, but I did win a case against you; didn't I?

MR. SCULLY: Well, it was my first case. And I wasn't involved in the investigation.

MR. GENSON: I see. Just to show the balance.

The point is, as defense lawyers -- and you've been involved and are aware of other cases where I've had Title III cases, is that correct, other than yours?

MR. SCULLY: You'd have to refresh my recollection.

MR. GENSON: All right. Well, let's just go back a second. One of the things I'd like to point out is that in addition to your -- in addition to your experience, Mr. Scully, you have won, have you not,
awards, national awards for your prosecutorial ability; is that right?

MR. SCULLY: Yes.

MR. GENSON: United States Department of Justice awards, including the John Marshall Award in Washington, D.C.; is that right?

MR. SCULLY: Yes.

MR. GENSON: You received that on October 28, 2005?

MR. SCULLY: No, 2008.

MR. GENSON: I will say it because you'll -- you're too modest to say it, but you have been the top federal prosecutor for -- except for that first case, about almost all -- almost the whole time you were there.

MR. SCULLY: Well, thank you. But that was, if you recollect, Shorty LaMantia was the main defendant and that's the guy who pled several years later.

MR. GENSON: But Caruso was the other defendant and he was found not guilty.

In any event, Mr. Scully, you have been involved in ten of these cases; is that right, sir? Three of them -- three of them with other lawyers and seven by
yourself? That is Title III cases.

MR. SCULLY: Title III cases. But again, several of those were like extensions and spin-offs.

MR. GENSON: And with regard to Title III cases, Title III is a specific statute that statutorily makes up the rules and has the rules as to when you can get -- when you can get this wiretap; is that right?

MR. SCULLY: That's correct.

MR. GENSON: And prior to -- prior to that, the Supreme Court in Berger said that you needed specific rules in order to get a wiretap; is that correct?

MR. SCULLY: That's my understanding, yes.

MR. GENSON: Now, Title III has a number of requirements; is that right?

MR. SCULLY: Yes.

MR. GENSON: And the requirements that Title III has have to be followed. These are pretty strict requirements; is that right?

MR. SCULLY: Yes.

MR. GENSON: Probable cause has to be established; is that right?

MR. SCULLY: Yes.
MR. GENSON: There may be Fourth Amendment challenges, I mean challenges to probable cause based on the reliability of the informants, whether in fact they're telling the truth, staleness; is that right?

MR. SCULLY: Correct.

MR. GENSON: Staleness means, for the panel, that the information is too old; is that right?

MR. SCULLY: Correct.

MR. GENSON: Credibility of informants is whether in fact the informants that are providing the information are in fact legally credible; is that right?

MR. SCULLY: That's correct.

MR. GENSON: And there -- there is a method -- really, they call them the Franks motion, where someone might test -- might test the truth of some of the things in the affidavit; is that correct?

MR. SCULLY: That's possible.

MR. GENSON: Now, wiretapping is not allowed for any offense. It has to be for a specific offense; is that correct, sir?

MR. SCULLY: There are a number of them, but that's correct. It's not all federal felonies.

MR. GENSON: And the target, the
interceptees, they have -- as you said, they have to be named; is that right?

MR. SCULLY: Yes.

MR. GENSON: And if there are any prior wiretaps, that has to be included; is that correct?

MR. SCULLY: That's correct.

MR. GENSON: You talked about minimization. That is whether in fact the people that are taking or taping the different -- the different phones or rooms or whatever, they cannot just record anything. They have to record only things that are relevant; is that right?

MR. SCULLY: They can listen for a period of time, determine if there is going to be that type of conversation. After a period of time, if they've determined that there's not -- we're talking about the named interceptees.

MR. GENSON: Right. They have to shut it off.

MR. SCULLY: Then they have to shut it off. So if they're talking about the Bears are playing Green Bay tonight, well, that's not criminal, so at some point they should turn it off. But then they can go visit the conversation again to see if it's turned
to criminal conversation.

MR. GENSON: And they can and they have to determine that traditional law enforcement techniques have been tried and failed; is that right?

MR. SCULLY: That's correct. That's one of the things in the affidavit and in the application and has to be established to the chief judge.

MR. GENSON: And if any of the -- in addition to that, the tapes must be immediately sealed so that we know they haven't been tampered with; is that right?

MR. SCULLY: That's correct.

MR. GENSON: And failure to seal the tapes in a proper fashion may result in suppression of those tapes; is that correct?

MR. SCULLY: At least as to those tapes there may be any problem with. So let's say you had three different 30-day periods. The first two were sealed within the proper amount of time, but the third 30 days worth of material was delayed. Maybe that last group might be delayed -- might be suppressed.

MR. GENSON: I understand. Now, the only way to determine, or at least for an aggrieved party, whether the wiretapping comports to Title III is to
review the application, supporting affidavits, relevant court orders, the tapes themselves, and all the other relevant materials, the ten-day report, the line sheets, transcripts or summaries.

MR. SCULLY: Exactly. That's -- and that's -- it's all typically provided in discovery to the defense attorney upon indictment sometime within the first probably three weeks.

MR. GENSON: And so those things are provided to the attorney and the attorney has the obligation and responsibility to determine whether those things that are provided them allows them to try to suppress those tapes; is that correct?

MR. SCULLY: At that point in time they'd be in a position to take any attempt that they thought was possible.

MR. GENSON: And it's clear that in this particular case you have had no contact with the application; is that correct? In this case?

MR. SCULLY: I've never seen that, no.

MR. GENSON: You were not responsible for the investigation in this case.

MR. SCULLY: No.

MR. GENSON: You did not draw up the Title
MR. SCULLY: No.

MR. GENSON: Didn't review the application.

MR. SCULLY: No.

MR. GENSON: Never read the application.

MR. SCULLY: No.

MR. GENSON: Never determined whether in your estimation that there was probable cause to have this wiretap.

MR. SCULLY: No.

MR. GENSON: Now, these are findings that are reached before the tapping begins; is that correct?

MR. SCULLY: Could you explain that?

MR. GENSON: Well, the probable cause and the applications that are made following those applications, you listen -- you start your listening; is that correct?

MR. SCULLY: Right.

MR. GENSON: And the -- we -- do you know whether or not the defense has been given the
affidavits and any of this information?

MR. SCULLY: In this case?

MR. GENSON: Yeah. With no indictment yet.

MR. SCULLY: I have no idea.

REPRESENTATIVE DURKIN: Objection. I mean he already said he has no knowledge of it. And I would --

MR. GENSON: He has no knowledge of --

REPRESENTATIVE DURKIN: We can move away from this case. He already said he had no knowledge of the affidavits or anything that was used in this case.

MR. GENSON: And so I asked whether he had any knowledge whether any of those things have been given to me. I wanted to know if he knew.

REPRESENTATIVE DURKIN: How is that relevant?

Is that clarification?

MR. GENSON: It would have been easier to say yes or him to say no. It would have been easier to do that than to have to go through all this, Mr. Durkin.

But in any event. But in any event. You are familiar, are you not, with Title III; is that correct?

MR. SCULLY: Yes.

MR. GENSON: And you're familiar with Title
III 2515, which says that: "Whenever any wire or oral communication has been intercepted, no part of the contents of such communication and no evidence derived therefrom may be received in evidence in any trial, hearing, or other proceeding in or before any court, grand jury, department, officer, agency, regulatory body, legislative committee, or other authority of the United States, a state, or a political subdivision thereof if the disclosure of that information would be in violation of Title III."

You're familiar with that; are you not?

CHAIRWOMAN CURRIE: Yeah, but I thought we talked about this earlier, Mr. Genson, and I thought that the precedent clause was if it were illegally obtained. Is that not accurate? And I'm also not quite sure what the --

MR. GENSON: I actually -- I actually read that. And so I want to go on -- I actually read --

CHAIRWOMAN CURRIE: Although, he is here not to -- not to talk about what's going on in the case involving your defendant about which he has no knowledge. He is explaining from his own experience how these requests are handled by the U.S. Attorney's office, the Department of Justice, and the chief judge
of any individual federal court.

MR. GENSON: Most of --

CHAIRWOMAN CURRIE: So if you could make your
comments relevant to his experience, I think that
would be helpful.

MR. GENSON: Well, most respectfully, I think
it's entirely relevant to talk about the use of those
wiretaps. He's talked about how they're obtained. He
certainly can talk about how they cannot be misused.

CHAIRWOMAN CURRIE: I certainly agree that
they should not be misused and we all agree with that.

But is there anything --

MR. GENSON: I asked -- my questioning as an
offer of proof would be, so, Your Honor, so that you
know, that I'm asking whether in fact there's
prohibition against the use as evidence of intercepted
wire or oral communications. I'll ask him if he's
aware of under Gelbard -- and I'll furnish that to the
panel -- that when they make -- when they make a
determination as to whether in fact say someone can go
or not go in front of the grand jury, they have to
assume that the tape is bad, and that according to the
Supreme Court Justice Brennan, they have to make that
assumption. And I would ask him to read, if he could,
footnote 9 and 10, of that Gelbard case, the United States Supreme Court case, which in fact does state that they cannot be summarized, that people can be named, and all of these things which are under Gelbard, and that would be the end of my examination of this august witness.

And if Your Honor -- and if Your Honor -- I keep on saying that and I'm sorry. Chairman, Madam Chairman, what I'm saying is I am going to at this point ask to submit the Gelbard opinion to the panel so they can read it before my argument. I'm going to at this point ask to point out footnote 9 and 10 and make the suggestion and ask this gentleman, who is an august expert, about these sections. If you rule that that's irrelevant --

CHAIRWOMAN CURRIE: I really don't think that his response is relevant. I think the committee would be willing certainly to take what you offer us and make it an exhibit. But I don't think that Mr. Scully's expertise means that the question that you want to address to him is relevant to this inquiry.

MR. GENSON: I'm --

CHAIRWOMAN CURRIE: Clarification is one
thing, but I think we're moving down a very different line.

MR. GENSON: I will stipulate --

CHAIRWOMAN CURRIE: We'll happily take your information and we'll call it Exhibit 18.

MR. GENSON: All right. And I would suggest to Madam Chairman that the qualifications of this witness are of the highest, and if I would have asked those questions, there would be no doubt that he'd know the proper answer. I have no question about the expertise of this witness.

I do have one or two -- one or two little other questions.

There has -- you talked about the number of times that the intercepts are requested against the time that they're authorized. You talked about that, how they go to Washington and they're intercepted. The Title 18 -- or, Title 18 has a specific section relating to reports concerning intercepted wire, oral, or other electronic communications and the reporting requirements; does it?

MR. SCULLY: Are you speaking to the reporting to the court on the ten-day report?

MR. GENSON: Reporting to the court and
Congress.

MR. SCULLY: And I was going to say there's a congressional requirement.

MR. GENSON: Right. Are you aware of the statistics that are submitted?

MR. SCULLY: Not currently, no.

MR. GENSON: Again I will offer as an additional exhibit the statistics of authorized intercepts granted pursuant to 18 US 29 from 1995 to 2005. They are the latest -- they are the latest statistics available, which stated that there were 15,041 applied to and only six rejected. I think I -- I have that here. I could --

CHAIRWOMAN CURRIE: We would happily accept that.

MR. GENSON: I will submit that as --

CHAIRWOMAN CURRIE: Thank you.

MR. GENSON: I have no further questions.

Thank you.

CHAIRWOMAN CURRIE: Thank you very much, Mr. Scully.

Thank you, Mr. Genson.

We'll move on to the next event, which is going to be testimony from Matt Brown and Ed Bedore. Matt
is the executive director and Matt is the chair of the legislature's Procurement Policy Board.

Gentlemen, if you would raise your right hands.

(Mr. Brown and Mr. Bedore were duly sworn.)

CHAIRWOMAN CURRIE: Thank you much very much.

MR. GENSON: Can I have a minute before we start to get my papers together, please? Just a minute.

CHAIRWOMAN CURRIE: Yes. We'll give a moment to Mr. Genson to get his papers together.

There's a handout which we have just received that will now be distributed and, of course, the pages will make sure that Mr. Genson and his team get a copy of it as well.

CHAIRWOMAN CURRIE: Papers together?

MR. GENSON: Yeah.

CHAIRWOMAN CURRIE: All right now.

MR. GENSON: I need a minute or two to read this. Just a minute or two.

CHAIRWOMAN CURRIE: I thought you were ready.

MR. GENSON: I'm ready.

He keeps on shutting it off.

CHAIRWOMAN CURRIE: I'm sorry. I
misunderstood. We’ve not seen this, either.

MR. GENSON: Okay.

CHAIRWOMAN CURRIE: But you could listen and then you can catch up with the reading later, since I suspect they’re going to pretty much tell us what’s in their written --

MR. GENSON: I have nothing better to do this evening. I’ll go through the whole thing.

CHAIRWOMAN CURRIE: You’ll what?

MR. GENSON: I’ll go through the whole thing this evening.

CHAIRWOMAN CURRIE: Okay. Great. So if you want to start. I’m not sure which is up first.

MR. BROWN: Thank you, Madam Chairman.

My name is Matt Brown. I’m the executive director of the State Procurement Policy Board. I’d like to give just a brief outline of who the Procurement Policy Board is.

CHAIRWOMAN CURRIE: Could you speak directly into the mic?

MR. BROWN: Is that better? Thank you.

The board has the authority and responsibility to review, comment upon and recommend, consistent with the Procurement Code, rules and practices governing
the procurement, management, control, and disposal of supplies, services, professional and artist services, construction and real property and capital improvement leases procured by the state. Specifically, the board has the responsibility to review certain lease renewals and proposed contracts.

The board is comprised of five members, one each by the legislative leaders and one by the Governor. The Governor's appointee serves the chair of the board. The 2008 board members are: Terrance Healy - chairman, Mike Bass, Ed Bedore, Ricardo Morales, and Carmen Triche-Colvin. Appointees to the board receive no compensation for their duties as board members.

As we were requested to appear before this committee, we were given some particular criteria for which this committee would like discussion. I have prepared some statements about each of those points and I'll refer back to that request on each statement.

One of the conditions that the board was interested -- excuse me, the committee was interested in hearing about was data comparing certain behavior of the Blagojevich administration and previous administrations.

What I'd like to say is that in July of 2004, the
Procurement Policy Board received statutory authority allowing the board a 30-day opportunity to look at every contract issued under the Procurement Code. The General Assembly legislated this authority to the board due to the lack of transparency and cooperation offered by state agencies.

Reviews began on January 1, 2005. The board quickly realized that sole source procurements were occurring at a higher than expected frequency. The board determined that more accountability in sole sourcing was warranted and adopted by resolution sole source justification requirements for all agencies to submit with contract awards. The board requested -- requests additional information or justification on hundreds of awards every year. There are several instances where awards have been cancelled during our inquiry.

The board did not have these same concerns with prior administrations. Prior to this administration the board was often involved in significant procurements while in development and received status reports frequently during the course of the board's monthly meetings.

A second subject specifically interested to this
committee is holdover leases. A holdover is generally considered a month-to-month leasing environment occurring when all contracts and options related to tenancy are fully executed; satisfied or expired. Only basic tenant rights exist for the occupant. Small periods of holdover should exist generally to finalize terms or authorizations before establishing new leasehold. The ultimate goal of lease procurement is to provide the highest level of accountability from the lessor while getting the highest level of performance from occupying a facility.

Specifically, being in holdover equates to lessors not making necessary repairs, agencies not being allowed to modify occupancy to maintain a program's function, the state losing any leverage it has to negotiate staying in that facility, and even creating short notice evictions of the state as a tenant. The state frequently receives eviction notices. This puts additional pressure on leased facilities and makes it very difficult to establish terms that are in the best interest of the state.

Prior to this administration the PPB did not have great interest in holdovers because the bulk of leases were renewed or terminated before the existing lease
expired. At the end of fiscal year 2003, as lease expirations were counted, the number of holdover leases rose to 93. This drew the board’s attention. In November 2005, 172 leases were identified as having fallen into holdover. In August 2008, 164 leases were identified as being in holdover. The August 2008 itemization of leases showed more than 50 leases held over for five years or more and ten of those leases being between seven and eleven years in holdover.

Beginning FY09, the State Comptroller’s office identified three holdover leases for which it would no longer pay rent because those leases began to exceed the maximum ten-year duration allowable for any state contract issued under the Procurement Code. The Comptroller identified several more that would be subject to this action in coming months.

This holdover growth occurred as a result of this administration refusing to engage in leasing activity until February of 2007.

A third point of concern for this committee, operational rules and space standards for leasing. Policy and procedure regarding space standards has been directly in question by this board since October of 2003. It has been the subject of 26 separate board
meetings. The board was told repeatedly that implementation of Executive Order 2003-10, essentially consolidating all real estate functions into CMS for both decision-making and administration, would require operational rules to modernize accordingly. Some operational rules were amended with the enactment of the Procurement Code in 1998, but most date to 1984. Other than rules governing demonstrations and displays on state property, no updates have occurred.

In January of 2007, the board asked specifically for rules revisions that specifically identify what improvements to leased facilities are temporary in nature versus permanent in nature. Without clear policy in this area, it is impossible to prevent lessors' efforts to create permanent improvements to their facilities with state dollars that are established for occupancy requirements met through temporary improvements. The PPB fights this on a case-by-case basis to prevent that from happening. No such rules have been proposed.

In February of 2007, CMS enumerated to the board that an average of 300 square feet per person was the metric. However, most leases proposed since then show the ratio to be at least 30 percent and recently as
high as 70 percent above that target. CMS has still not formalized the methodology to account for space utilization.

A subject relating to procurement behavior in this administration versus prior administrations referred to as the rate card. In December of 2005, rules were proposed to prequalify information technology vendors at an established bench rate and then select among them from a pool after all the contractors prequalified for the award. The Procurement Policy Board objected to this on several points. First, the rate comparison was not competitively derived. Second, it created an environment where contractors were evaluated after the procurement process with little objectivity. And lastly, it was proposed under emergency conditions reserved for public health, safety, and welfare. No such emergency existed. The Joint Committee on Administrative Rules even asked that the emergency rules be rescinded for lack of conformity to emergency standards. After months of review on how to accomplish this as a master contract with the appropriate standard of objectivity, equivalency, and accountability, a rule was finally adopted but never
used to procure the service.

Piggyback contracts and cooperative purchasing.

Similar to the environment surrounding the rate card, CMS had developed concepts that would allow the state to enjoin contracts known to exist with municipalities or other local jurisdictions and also allow the state to cooperate on new procurements with other state and local jurisdictions or private consortium procurement groups. The board objected to these measurements not as poor procurement concepts but for lacking the entirety of what exists in the Procurement Code to protect the state's dollars and assign accountability to what we are buying.

And lastly, a specific subject of interest to this committee was a contract with Accenture. In January 2005, the Procurement Policy Board began exploring the consequences to competitive procurement occurring when domestic companies that have expatriated to tax haven countries participate in the bidding process. These are companies that essentially don't pay taxes domestically based on their offshore incorporation. An award to one such company, Accenture, had recently occurred and was also the subject of inquiry by the State Comptroller. This
subject received attention from the United States General Accounting Office six months earlier.

Generally speaking, this is a very complicated federal tax issue, but it was concluded that dramatic shifts to zero tax liability would allow corporations to bid lower than taxpaying corporations.

In May of 2005, the State Comptroller officially requested that a policy be developed by the PPB to prohibit expatriated corporations from bidding on state contracts. The Comptroller also asked the board to recommend that the contract be voided. The board did not vote any recommendation on voiding the contracts. The board did, however, participate in creation of legislation to prohibit expatriated corporations from bidding on state contracts. That legislation, House Bill 4194, did not pass in the 93rd General Assembly. The Comptroller initially refused payment on this transaction. The board is not aware of the Comptroller's actions from that point forward.

That concludes my testimony on the specific subjects of inquiry. I know Member Bedore has some additional information about transactions.

CHAIRWOMAN CURRIE: Thank you, Mr. Brown.

Mr. Bedore.
MR. BEDORE: Good afternoon. I'm Ed Bedore and I'm a member of the Procurement Policy Board since its inception in 1998. I'd like to give you a few examples of leases that the board has many concerns about. One, parking leases; two, temporary improvement and the interest payments; three, a lease at West Fulton in Chicago; and four, a lease in Harvey, Illinois.

The board -- I will talk about the parking. The board is seeing a very large increase in parking spaces being paid for by the state in Chicago around the Thompson Center. We went up to over 500 parking spaces in a very short period of time with the new administration. The result was that the board said, wait, there has to be some standards, who should get this free parking and what should their level of their position and everything else. With the results that CMS finally went out and contracted -- went out with a bid and we have now reduced the number of parking spaces by 215 spaces.

We all know what the Thompson Center is. We know where it's located. We know that it has an el station, a subway, Randolph Street, Clark Street, LaSalle Street, Lake Street. There's no need for
every employee to get a free parking space.

The result was a $500,000 annual savings to the State of Illinois.

Second was the Department of Corrections. This administration recommended that the state pay 10 percent to amortize the improvements at the Western Avenue facility in Chicago. Now, I'm on the record of saying that I thought this was loan sharking. At the meeting where we objected to this 10 percent being charged to the State of Illinois the administration went out and contacted the owner and before our meeting was over the rate was reduced to 7.5 percent. That is a savings of $175,000.

Number three. As you have heard, CMS has recommended 300 square feet per employee and that should be the standard for state office space. Outside in the real world it's 250 square feet. But I realize state offices require more space and the board recognizes that. You must have larger lobbies; you have to have interview rooms; you have to have play rooms for children in DCFS. So we've approved leases of 400 square feet per employee.

So CMS and this administration went out for a bid on a piece of property on West Fulton in Chicago.
They went out on a bid for 32,000 square feet, which would come out to be 432 square feet per employee. The lessor, the owner, said if you want to be in my building, you must take the entire building, 39,000 square feet. Which means each state employee in that building has 527 square feet per employee. Obviously, far beyond the 300 feet recommended by the same administration. And if we would have gone along with this, giving this higher square footage, that would cost to the people -- this would be a cost to the people of the State of Illinois of $1.9 million over the life of this lease. And if we were to reduce this lease down to 400 square feet per employee, the savings would be $2.6 million. The board recommended that CMS either cancel this lease or bring them another state agency to fill up the space and cancel their lease and bring them in. Because we're talking about here $2.6 million.

CMS, realizing that the board was not going to approve this, said we will come back to you in January and February, and we'll try to figure this out.

Number four. There is one lease I would like to describe to this committee, but first I would like to give you some background.
A few months ago we approved a DHS lease at 41st and Wallace, that's in Chicago, for $11.95 a square foot. At our November meeting we approved a lease at 119th and Halsted, which is in Chicago, Illinois, which is a few miles north of Harvey, Illinois. And that lease was $9.02 a square foot.

Now, that brings us to the lease in Harvey, Illinois. The original lease had some build-out to suit DCFS. That build-out added $7.76 per square foot, for a total of $19.48 per square foot. That makes the lease in Harvey at $11.72 per square feet. What did this administration do? They sent us a new lease which term went beyond the expiration of the build-out. So the rate should have been $11.72. It's the 19.48 less the 7.76. But they submitted this lease at $19.48.

The board would not approve this lease in May. CMS said that they would come back to us in June. We are still waiting.

If we would have approved this lease as requested by this administration, we, the people of the State of Illinois, would have paid an additional $2,672,544 more.

On this lease and its owners, there's been many
stories and many articles in the Chicago Tribune.

We've heard about the Governor's $25,000 club. But the owner of this facility is not a member of the $25,000 club. They are members of the $50,000 club. I've given you a few examples of this administration's actions that have cost or would have costs to the people of the State of Illinois approximately $6 million in additional costs. And to quote an attorney by the name of Mr. Sam Adams, Jr., "If the people of Illinois suffer, the Governor will step aside."

The people of Illinois --

MR. GENSON: This is inappropriate. This whole topic is inappropriate and this gentleman's statements are inappropriate.

CHAIRWOMAN CURRIE: I think that that was a bit over the top, Mr. Bedore.

MR. BEDORE: Okay. I will conclude by saying just the few leases in the last few months would have cost the people of the State of Illinois, if we had approved them, over $6 million. That does not even go back many -- a few years back and add up all the additional costs that have been changed after the Procurement Board recommended that the rates were too
Chairwoman Currie: Thank you very much.

We're grateful for your testimony and we're grateful that you're keeping an eye on the store, as it were.

Representative Lang.

Representative Lang: Thank you, Madam Chairman.

And welcome, gentlemen.

I think you would probably understand when I say to you that --

Representative: Is his mic on?

Representative Lang: I'll get a little closer.

I think you would probably understand when I suggest to you that we have to differentiate between what might be called gross incompetence and something else. And so I want to take you back through some of your testimony to try to uncover whether this is simply gross incompetence, for which I'm not sure there is a remedy from this panel, or to determine whether it's something else.

Let me ask you first to describe in greater detail what the Procurement Policy Board does.
MR. BROWN: Thank you, Representative Lang.

The Procurement Policy Board is charged with examination of most state contracts. The limits on those state contracts are only contracts occurring outside the Procurement Code. Anything that goes through a formal competitive selection process, which is designed to be objective and competitive, requires vetting in our office upon award of those contracts, be it contracts for supplies, services, or leases.

REPRESENTATIVE LANG: Now, I see that the board is composed of five members, one from each legislative leader and one appointed by the Governor; is that correct?

MR. BROWN: Yes, it is.

REPRESENTATIVE LANG: And the person appointed by the Governor is the chairman; is that correct?

MR. BROWN: Yes.

REPRESENTATIVE LANG: Have we had the same chairman throughout the entire six years of the Blagojevich administration?

MR. BROWN: We have not.

REPRESENTATIVE LANG: All right. So today's chairman is a Terrance Healy?
MR. BROWN: Yes, sir.

REPRESENTATIVE LANG: And who else has served as chairman?

MR. BROWN: Prior to Mr. Healy's appointment was an interim chairman, Mr. Tom Langfeld. He served on the board for approximately eight months.

REPRESENTATIVE LANG: All right. So these are the only two chairmen during the six years of the Blagojevich administration?

MR. BROWN: That's correct.

REPRESENTATIVE LANG: All right. So since I don't want anyone to think that this question is because I'm accusing anybody. It's just simply a question.

Have you noted any difference in the voting patterns of the people who have served as chairmen on this committee as compared to the other members?

MR. BROWN: No.

REPRESENTATIVE LANG: And so the leases that you've explained that the Procurement Policy Board had rejected were rejected by the Governor's appointees as well?

MR. BROWN: In the rejections that the Procurement Policy Board moves forward on, if you'll
permit, it occurs formally through a board objection. We perform this function very seldom. The agency typically does not want to face down an objection because that will stop the transaction entirely. As our questions ensue, the agencies have a hundred percent track record of withdrawing and not facing down that vote.

REPRESENTATIVE LANG: And so there aren't actual votes; is that correct?

MR. BROWN: No votes to object. The -- I'll term it protest. The protest of the Procurement Policy Board has always resulted in the agencies withdrawing to seek new terms that are favorable to the state's interest.

REPRESENTATIVE LANG: Would it be your testimony that this administration has attempted to sidestep the Procurement Policy Board or ignore it?

MR. BROWN: Yes.

REPRESENTATIVE LANG: And would it be your testimony that the examples you brought here today are examples of that sidestepping or ignoring of the board?

MR. BROWN: Yes.

REPRESENTATIVE LANG: Can you give us some
idea -- how long have you been with the Procurement Policy Board?

MR. BROWN: I've been responsible for board operations for ten years, since 1998 at the board's inception.

REPRESENTATIVE LANG: All right. So you began around the time George Ryan became Governor; is that correct?

MR. BROWN: Yes.

REPRESENTATIVE LANG: And what's your experience -- what was your experience with the Ryan administration relative to these same sorts of issues?

MR. BROWN: We were participating in a firsthand nature with the chief procurement officers, as well as state procurement officers throughout the administration, frequently having conference calls, face-to-face meetings, and transfer of information through draft documents in advance of procurements.

REPRESENTATIVE LANG: And this is not taking place in the last six years?

MR. BROWN: Correct. If it has, it has been very minimal.

REPRESENTATIVE LANG: And has your office requested of the Governor's office that they do things
in a different manner relative to your board?

MR. BROWN: We've requested from the chief procurement officers that modifications be made.

REPRESENTATIVE LANG: Is that on an individual basis or a general -- a general method of working with you?

MR. BROWN: Those are general statements. We apply that to all chief procurement officers rather than try to drive that in one particular direction, so that as we move forward everyone continues to operate on the same basis.

REPRESENTATIVE LANG: Were those requests made in writing?

MR. BROWN: Yes.

REPRESENTATIVE LANG: May we have copies of those letters?

MR. BROWN: We will provide the documentation that represents that, yes.

REPRESENTATIVE LANG: And are there responses in writing to those letters?

MR. BROWN: In some instances. Other instances are verbal in context of our board meetings.

REPRESENTATIVE LANG: Were there -- what would -- would there be a general tenor to the
responses, whether they've been in writing or whether they were orally at a board meeting? Were they accepting of your proposals or rejecting of your proposals generally?

MR. BROWN: Generally, the proposals were accepting, but it's the lack of results that have caused us to continue down this path.

REPRESENTATIVE LANG: And so I understood, I'm not sure which of you to say in your remarks that while they adopted rules to satisfy the concerns of the board, they went ahead and they did some of this procurement outside of their own rules. Would that be correct?

MR. BROWN: Actually, Representative, we have requested rules. It is within the board's statutory authority to request chief procurement officers to effect rules. And in fact, specific to leasing, those rules have not come forward.

REPRESENTATIVE LANG: And when would those rules have been requested?

MR. BROWN: At least -- I can say that it's been the subject of 26 separate board meetings. I can further drill down and find out when we have exactly said put these to paper in your rules. That would be
a reduced number.

REPRESENTATIVE LANG: If it is not too difficult, I would like to see the -- and the committee would, I'm sure, also like to see the board minutes where those were requested.

MR. BROWN: And you do have in your packet of documents there excepts from minutes that we've used to compile this. The full minutes are obviously more lengthy, and, if necessary, we'd be happy to provide them.

REPRESENTATIVE LANG: And how far back do those requests go? Do they go back to the beginning of the Blagojevich administration?


REPRESENTATIVE LANG: All right. Now, just some specific questions.

First, do you have a specific contact in the administration regarding your issues on the board, whether it be the rules or the specific leases or other efforts of procurement?

MR. BROWN: We would deal with a number of individuals. An expanded number throughout CMS and the administration could come to nearly a hundred. We could narrow that to probably ten individuals in a
supervisory capacity that have the decision-making authority.

REPRESENTATIVE LANG: Could you provide those names to us?

MR. BROWN: Yes.

REPRESENTATIVE LANG: Now, what would be the general title of those people?

MR. BROWN: Director, deputy director, bureau chief.

REPRESENTATIVE LANG: Of the various state agencies.

MR. BROWN: Yes.

REPRESENTATIVE LANG: Do you ever have occasion to deal with anybody in the Governor's office directly?

MR. BROWN: No.

REPRESENTATIVE LANG: And was there ever a reason given by any of these folks, these bureau chiefs, directors, and deputy directors, as to why they may not have complied with direct requests of the board?

MR. BROWN: The general response is the matter of lack of resources, lack of personnel, and the incredibly large backlog of documents that we have
asked them to correct.

REPRESENTATIVE LANG: And in your view, those are not sufficient answers, I would take it.

MR. BROWN: That's correct.

REPRESENTATIVE LANG: Relative to your comments in your notes that -- and I'll read it quickly. "The board determined that more accountability in sole sourcing was warranted and adopted by resolution sole source justification requirements for all agencies to submit with contract awards."

What was the response to that request?

MR. BROWN: The response was generally of concern about the length of time it might take to accumulate that amount of information to justify the sole source awards. We worked through a process to develop an appropriate template so that their responses would be uniform as it was implemented. Approximately three months later, the board's resolution was effective and all transactions were accompanied by that justification.

REPRESENTATIVE LANG: So they eventually complied with that request.

MR. BROWN: Yes.
Referring to the other document which I have here that's called one of two. It talks about parking leases, 100 North Western, 2650 West Fulton, and the property in Harvey. Can you give the committee of names of the owners of these properties?

MR. BROWN: I can. I have that information available with me but not readily at hand.

We would certainly like to have that information. It is certainly critical to the work of this committee, particularly since --

I'm now going to direct my comment to Mr. Bedore. Mr. Bedore, you indicated relative to the Harvey property, which you thought was incredibly overpriced, that the owner of the building was not a member of the $25,000 club, he was a member of the $50,000 club. Who would that owner be, sir?

MR. BEDORE: The owner is the Cacciator family.

And are any of these other leases that are on this handout, are they owned by the same party?

MR. BEDORE: No.

Or are these all
different parties?

MR. BEDORE: Different parties.

REPRESENTATIVE LANG: Does that particular family have other leases with the State of Illinois?

MR. BEDORE: Oh, I'd have to check. I don't have that information in front of me.

REPRESENTATIVE LANG: Would it be possible for you to determine for us if it does?

MR. BEDORE: Yes.

REPRESENTATIVE LANG: Thank you.

Relative to the Harvey lease, you had indicated that CMS was going to get back to you in June relative to your concerns about the proposed lease. Obviously, they haven't been back. Did anyone from your board reach out to CMS to say where are you guys, what's going on with this lease?

MR. BEDORE: We've done it every month. They are listed on the agenda every month.

REPRESENTATIVE LANG: Is that a formal letter gone to them or is that not the policy of the board?

How does that work?

MR. BEDORE: Well, there's a notice that's put out notifying of the upcoming meeting, which they're invited to, and they get a copy of our minutes
and a copy of the agenda. And on there is listed the Harvey lease.

REPRESENTATIVE LANG: Among other things.

MR. BEDORE: Among other things.

REPRESENTATIVE LANG: And so they would show up at your meetings regularly and talk about all the other things but continue to skip over this particular lease; is that fair to say?

MR. BEDORE: Yes. They have not responded.

Matt is correcting and saying that it's been on the agenda I think three times since June.

REPRESENTATIVE LANG: And they've never given you any response as to why --

MR. BEDORE: No. In fact, I verbally have asked -- one of the problems we've had here with this particular lease, the person from CMS that was handling this and handling all the other leases had made a statement at our meeting in May that there seemed to be a problem here, that they may have put in -- you know, this rate may be a little high. That person has now been transferred and is not handling leases anymore.

REPRESENTATIVE LANG: Just one or two more questions, Madam Chairman.
Relative to the parking leases, you indicate there are 66 separate parking leases. I assume these are not all owned by one party; would that be correct?

MR. BEDORE: That's correct.

REPRESENTATIVE LANG: Is it possible for us to get a list of all the owners of those parking leases?

MR. BEDORE: Yes.

REPRESENTATIVE LANG: And finally, Mr. Bedore, you indicated as to that one lease again that that one owner was part of the $50,000 club. What about some of these owners of these other examples that you brought here today, are they members of the 25 or $50,000 club?

MR. BEDORE: I'd have to get back to you on that. There has been occasions -- it's our normal policy to look at the Secretary of State's listing to see who represents these people or if they have contributed. It's just as a matter of background.

REPRESENTATIVE LANG: Well, so now you've raised an interesting point. So when you get a lease or other procurement request by the administration, it's your standard practice to check the owners of those properties against donation lists?
MR. BEDORE: Most of the time, I believe you do that, right, Matt?

MR. BROWN: Not with 100 percent regularity.

Depending on the nature of the lease and the desire of individual board members into the relative ownership. Procurement -- Procurement Code requires that a disclosure be accompanied -- that a disclosure accompany each lease as to the ownership of the building. And oftentimes it's challenging because the lease can be held in land trusts, blind trusts, corporate entities, and very seldom are we able to access information to find out who owns those buildings without doing research.

REPRESENTATIVE LANG: But do you do the research?

MR. BROWN: Yes.

REPRESENTATIVE LANG: And do you have any documentation -- I certainly don't expect that it's with you. Is there any documentation as to these cross-references where -- I assume there are thousands of procurements over the last several years. Is there a record of the owners as compared to campaign donations?

MR. BROWN: No. We do not retain that type
of information.

REPRESENTATIVE LANG: So you pull that information together, but then it's discarded?

MR. BROWN: That's correct.

REPRESENTATIVE LANG: And what is the policy behind doing that?

MR. BROWN: The interest of staff in examining -- again, examining these records is relative to requests of individual board members, obtaining information about ownership, and identifying those owners against their corporate registries or trusts and so on. We don't make that a part of our official record, as it has a staff level introduction, bring that forward in our formal concerns of the board. Those are secondary.

REPRESENTATIVE LANG: Having said that, though, there are quite a few where you somehow retained the information, and Mr. Bedore has indicated that in some cases you have that information; is that correct?

MR. BROWN: Known -- it's known information but not retained. It's not something we make part of the file.

REPRESENTATIVE LANG: So we would request
that where you have the information, however you have it, whether it's known in someone's head or known on a piece of paper, that that be supplied to this committee at the earliest possible time.

I thank you gentlemen very much.

Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: Thank you.

I'm surprised -- the Chair just wishes to note she's surprised that after that very thorough discussion, the many, many questions that Mr. Lang has asked, there are actually five members of the committee who have more questions to ask. So the Chair would just remind the members of the committee that brevity is good. Brevity is very good and redundancy is not.

And with that, Representative Bellock.

MR. GENSON: Madam Chairman.

CHAIRWOMAN CURRIE: Mr. Genson.

MR. GENSON: In the event that there are other documents that are submitted, I assume I would get -- I would get access to those.

CHAIRWOMAN CURRIE: You will.

Representative Bellock.

REPRESENTATIVE BELLOCK: Thank you very much,
Madam Chairman.

Mr. Brown, I just -- I'm over here. I just wanted to ask a question. You made a statement regarding emergency rule and JCAR.

MR. BROWN: Yes.

REPRESENTATIVE BELLOCK: Could you clarify that statement?

MR. BROWN: The Procurement Policy Board and the Joint Committee on Administrative Rules have a relationship regarding procurement rules. We are one of, if not the only, agency that has a secondary jurisdiction over a particular set of rules. So not only do procurement rules have to be vetted by JCAR, they also have to be vetted by our board. We work with one another on that function. It's JCAR's call in this instance that the -- that the qualifications for being an emergency rule were not sufficient.

REPRESENTATIVE BELLOCK: Okay. I was wondering if this was one of -- the other day we had testimony from Ms. Thomas from JCAR about 33 going around the rules of JCAR. I wondered if this was one of them that you were --

MR. BROWN: I don't believe that that's related.
REPRESENTATIVE BELLOCK: Okay.

CHAIRWOMAN CURRIE: Representative Eddy.

REPRESENTATIVE EDDY: Thank you, Madam Chair.

My question has to do with the modifications that you mentioned in response to one of Representative Lang's questions. If I'm correct, you mentioned there were multiple times when you requested modifications from -- would it be agency directors or folks in charge of requesting procurements?

MR. BROWN: When we're able to request modifications, we would address those to state purchasing officers who have the authority within each agency to make such a change, as well as driven downward from the chief procurement officer, which in most cases is CMS, and that chief procurement officer has the authority to drive those down into the agencies.

REPRESENTATIVE EDDY: So can you give us a few examples of the types of modifications that were requested?

MR. BROWN: Yes, I can. The most common type of request is a rebid. We have essentially asked on numerous occasions that because of what we perceive to be a lack of objectivity, possible lack of
instructions to the evaluators who issue the award,
lack of criteria telling the vendor how they can best
provide an award, as we identify any of those pieces
of a transaction, the further and further degree we
walk away from accountability, objectivity, and
clarification to all the participants, we find
ourselves recommending that it's no longer a valid
procurement. We want them to redo it, modify it, add
the relevant information that makes it accountable,
objective and equivalent.

REPRESENTATIVE EDDY: So what basically
happened in those cases is they ignored your requests
for modification and simply walked away from the
procurement?

MR. BROWN: No. We do not see that occur.
We have a very high percentage of having them respond
to us favorably. The situation exists, though, that
we're doing this after the fact. We come in at the
time of award. They've made their decisions. It's
our responsibility to check those decisions, and we
find them so far out of line, we ask them to back them
up and start over.

REPRESENTATIVE EDDY: Were there, and if
there are, if you could provide us with some of the
modifications that in your estimation were irregular to the point that you really questioned whether there was something more to the process being evaded purposely.

And also, this -- there's one highly publicized case regarding a move from Springfield to Harrisburg for IDOT. Do you have any specific information regarding that lease or procurement process?

MR. BROWN: Yes, we do. We testified in the COGFA hearing on that subject. One thing that I can tell you about that is the Procurement Policy Board is particularly exempt from that process. The purchase of real estate is one of ten express exemptions from the Procurement Code. While we were able to opine on how we were able to perform in a procurement environment, we clearly had no jurisdiction in that transaction.

REPRESENTATIVE EDDY: Can you summarize your findings regarding that?

MR. BROWN: Yes. There were -- there were two particular points of relevance. Actually, one procedural point and then two points to the transaction itself.

Procedurally what we had recommended to COGFA is
that in our history and as exemplified in Executive Order 10-2003 -- or, excuse me, 2003-10 giving CMS authority over all facilities in the State of Illinois, that that authority was then abdicated to the Department of Transportation. We had not known that that was even being considered, nor asked that that change in administration was occurring.

And then specific to the transaction, there was an appraisal done on the property designated for purchase, but it was a single appraisal. In all documents -- excuse me. In all transactions that the board is party to, if a purchase option is included, it requires three appraisals and reconciliation of all three to determine the market value of the facility.

And lastly, the appraisal was conducted by an out-of-state firm who used comps for arriving at value for I think a number of -- maybe six or seven comparative properties located in the state of Kentucky.

REPRESENTATIVE EDDY: Thank you, Mr. Brown.
CHAIRWOMAN CURRIE: Representative Fritchey.
REPRESENTATIVE FRITCHEY: Thank you.

Let me just focus in on one issue that caught my attention. That's with respect to a policy being
formal or informal that you initiated to check certain leases against contractors or lobbyists, et cetera; correct?

MR. BROWN: Yes, correct.

REPRESENTATIVE FRITCHEY: When did that start?

MR. BROWN: I can't identify a particular date. That has always been something available to us since the State Board of Elections has maintained their database. Again, it was not and has never been made a formal policy of the board. It was done upon specific requests of board members and in order to identify ownership relationships and representative relationships when we're dealing with interested parties.

REPRESENTATIVE FRITCHEY: That information up till now hasn't been required to be disclosed on prospective leases; correct?

MR. BROWN: It has not.

REPRESENTATIVE FRITCHEY: Were you making those checks routinely prior to 2002?

MR. BROWN: No.

REPRESENTATIVE FRITCHEY: Did you make them at all prior to 2002?
MR. BROWN: I can -- I can -- I believe the answer is yes, but I can't -- again, I can't account for any individual requests that we've done because we don't retain those documents.

REPRESENTATIVE FRITCHEY: Do you have specific knowledge as to why any board members would request to see if there were contribution links between respective lessors?

MR. BROWN: No.

REPRESENTATIVE FRITCHEY: All right.

CHAIRWOMAN CURRIE: Are you done?

REPRESENTATIVE FRITCHEY: I'm done. Thank you, Chairman.

CHAIRWOMAN CURRIE: Representative Bassi.

REPRESENTATIVE BASSI: Thank you, Madam Chairman.

Mr. Brown, who appointed you?

MR. BROWN: I'm appointed by the five board members.

REPRESENTATIVE BASSI: By the five board members. Okay. And who do you answer to?

MR. BROWN: Those five board members.

REPRESENTATIVE BASSI: So it would take all five of them to get rid of you?
MR. BROWN: You know, I'm not certain. I would assume that a majority of the board, three of five, would be the required vote.

REPRESENTATIVE BASSI: The required number. Which is probably why you're still here then?

MR. BROWN: I think so.

REPRESENTATIVE BASSI: Thank you very much.

CHAIRWOMAN CURRIE: Representative Davis.

REPRESENTATIVE DAVIS: Thank you, Madam Chairman.

Mr. Bedore, you stated that you had been with the Procurement Board for how long?

MR. BEDORE: Since its inception in 1998.

REPRESENTATIVE DAVIS: In 1998. So how would you characterize your relationship with other administrations as compared with this administration?

MR. BEDORE: Well, I came on towards the end of Governor Edgar's administration and then the George Ryan administration and now the Blagojevich administration. And as we have seen on these reports we have given you about holdovers on leases, when we were under the George Ryan administration, the leases were coming up, sure, there may have been some that were six months old or a year old, but they were on a
normal routine of being approved or being cancelled.

At the time the chairman of that was Mr. Steve Schnorf was our chairman of the Procurement Board. So he was on top of things and things moved along fairly smoothly. And I'd have to say that the spirit of cooperation, sure, there were some times we questioned things that, you know, didn't sit well with the administration, but it all got worked out. I just feel -- this is my own comment, not -- not the entire board's, but certainly my comment, that this board is being ignored.

Giving you an example, we have a new acting director for Central Management Services. Which this board really oversees CMS. We've asked to meet with this new person. We were told, well, come to his office and he'll meet with you. Well, we have a problem with the Open Meetings Act, so we said, no, you come to our meeting. The first month nothing happened. Second month nothing happened. Third month the gentleman showed up and he got a phone call two minutes into our meeting and had to leave. And we have not heard from him since. So I mean there's -- there's no -- they don't seem to be working together with us.
This board is not here to, you know, go after CMS but to cooperate and make things better. And we have. And they have admitted that they've changed many leases and many policies over the years after we'd call it to their attention.

But as you see with the Harvey lease, we're being ignored. They're just letting that go into holdover, into holdover, into holdover. And same way -- well, we'll see what happens to the Fulton. They say they're going to be back to us in January or February. We'll see. But all I can say is they promised to come back to us in June. It's almost the end of the year. We haven't heard one word.

REPRESENTATIVE DAVIS: Thank you very much. I appreciate your candid, honest testimony. Thank you, Mr. Bedore. Thank you, Mr. Brown.

CHAIRWOMAN CURRIE: Representative Black for a question.

REPRESENTATIVE BLACK: Thank you, Madam Chairman.

Mr. Brown, do you have specific knowledge of a procedure that I have heard about but never been able to get anyone to give me any documentation on, that procedure is some kind of a chargeback or a reserve?
For example, in my old legislative district there is a state building constructed by and paid for by the state, and I believe was paid for many years ago, that houses an Illinois Department of Transportation office. And from what members who work in that office have told me, even though the building is paid for, they have to send out of their budget a considerable amount of money to CMS for they call it rent. Do you have any specific knowledge of this process or procedure?

MR. BROWN: Yes, Representative. This is a process that has been disclosed to us more openly in recent months. I would say six to eight months ago. Effectively, when Executive Order 2003-10 created the authority for CMS to manage virtually all of the state's real estate, it also created the facilities -- if I'm not saying this properly -- the facilities revolving fund, which amassed chargebacks to the agencies to pay for CMS's administration of those facilities. Whether they are state owned or leased, if it is what has been termed a consolidated facility, then that chargeback is occurring.

We in our last eight months or so have been requesting that that chargeback be itemized to us. It
can be anywhere between 90 to $1.10 per square foot in that facility.

REPRESENTATIVE BLACK: Could you make available any research you have on this procedure to members of the committee?

MR. BROWN: Yes.

REPRESENTATIVE BLACK: And one last question.

MR. BEDORE: Representative Black.

REPRESENTATIVE BLACK: Yes, sir.

MR. BEDORE: I would also like to comment.

We had it on our agenda -- we were going to talk about it last month at our -- this month at our meeting, and with all the other that we had going on, we never got to it. Because that's a question I would like to have answered. Where does this money go? I'm just looking at this lease on Fulton that I had talked about, and it has CMS indirect costs $.84 a square foot. Well, you times that by the 39,000 square feet, it adds up. And if you go through all the leases, that's a sizable amount. Now, my question is going to be, where does this money go? Is it at the disposal of CMS to spend as it wishes? Does it -- does it go around the budget process that's the State of Illinois? I don't know. All I know is that it's now appearing on their leases.
And where I first found out about it was dealing with the Harrisburg IDOT lease, and that's where I first saw it appear. And I started questioning, where does this money go? Well, nobody's given us an answer. We have not formally asked for that, but we certainly are going to in the January meeting.

REPRESENTATIVE BLACK: That information I think would be very helpful.

MR. BEDORE: Well, it's not only helpful how much it is, but what is it spent on, who has control of it, is it outside the budget process?

REPRESENTATIVE BLACK: Those are the questions I've asked and have not been answered.

CHAIRWOMAN CURRIE: I'm not actually sure that that's his question. You know, that's really a question for us, Representative. We're the ones who are supposed to be sure that the money that is coming in is being appropriately spent. Their issue is to look to see whether a lease arrangement is a sensible one from the perspective of the taxpayers.

Representative Black.

REPRESENTATIVE BLACK: Well, I understand that, Madam Chairman, but it's very difficult to track money when you're not even aware it's being charged to
an agency. None of this information was readily available to anyone.

One last question. Mr. Brown, do you have specific knowledge or is there on the Web site the owners of any property that has a current lease with the State of Illinois?

MR. BROWN: I understand that CMS maintains a database to that effect which should have that information in its entirety. We have a database that will contain a majority of that information. However, our database is compiled internally based on work that we process. So if there are transactions that in our history have never come to us, they will not be a part of our record.

REPRESENTATIVE BLACK: Thank you very much.

Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: Representative Flowers.

REPRESENTATIVE FLOWERS: Thank you, Madam Chairman.

Mr. Bedore, where was the money going previously to this administration when this board was put in place in 1998?

MR. BEDORE: Where was this money going?

REPRESENTATIVE FLOWERS: Yeah. Where was the
CMS money going? Was it GRF or --

MR. BEDORE: Oh, I don't know. I don't believe it was in effect. There was no chargeback then; was there?

MR. BROWN: Representative, that chargeback is a result of the consolidation initiative that occurred in 2003. That chargeback began then. And again, I'm sorry if I don't have the name correctly, but it's the facilities revolving fund is what it's commonly referred to as.

REPRESENTATIVE FLOWERS: So when this Governor merged all the different agencies together, is this when this board was enacted?

MR. BROWN: No. Our board was effective from 1998 on, from the enactment of the Procurement Code. Our jurisdiction to look at the things we're looking at today occurred in 2003 by act of the legislature.

REPRESENTATIVE FLOWERS: Okay. One other question. If you have any objections to the amount of rent that's being paid or the lease agreement, are you -- is it within your authority to try to eliminate that lease or how would you handle that?

MR. BROWN: What I can tell you is leases occur in different formats. The particular lease that
-- leases that I think you're interested in are leases that this board has direct authority to approve. Those leases are incumbent leases. They are scheduled for renewal, meaning that we are not going to be leaving as tenants. Those leases have to be of a certain size and value in order to come before this board. We do have direct authority to object to those leases. Rather than objecting to a lease and risking the nature of needing to exit that facility, we will at first protest and in response to our protest get the appropriate accommodations to rent or term or condition that are in the best interests of the state.

MR. BEDORE: In every case that we have objected or protested a lease the agency and CMS have pulled it out and put in -- and revised it. That has happened in every case except a couple here that were still pending.

REPRESENTATIVE FLOWERS: Thank you.

CHAIRWOMAN CURRIE: Thank you very much. We appreciate your testimony and your --

Oh, Mr. Genson, do you have a question for them?

MR. GENSON: I have a few.

I'm sorry, do you -- do you have a question? Go ahead. Do you have a question?
CHAIRWOMAN CURRIE: Representative Mautino, why don't you go first, and then we'll hear from Mr. Genson.

REPRESENTATIVE MAUTINO: Briefly. Most of them have been asked and answered.

CHAIRWOMAN CURRIE: Okay. Representative, go ahead.

REPRESENTATIVE MAUTINO: One is, did you have any oversight or involvement in the IPAM contract? Did you evaluate that? Did you vet that? That was discussed earlier. What would be the board's role in that contract?

MR. BROWN: The board was involved with the IPAM contract at its inception. It was proposed to this board that outsourcing of these real estate services occur. We were involved with -- that is one particular instance that we were involved in the solicitation to effect an award. The board participated and agreed that the solicitation was appropriate. At the time that the award occurred, however, we became concerned about the constitution of the entity that received the award and from that point forward began to question proposals that had come forward as to the quality and content and cost of the
service we were receiving.

REPRESENTATIVE MAUTINO: And under that -- under that contract -- and this is the $29 million contract which was awarded before the company was formed.

MR. BROWN: That is correct.

REPRESENTATIVE MAUTINO: Okay. And in that that was Mesirow and Frontier were the two companies originally proposing that at the time that you were looking at those contracts; correct?

MR. BROWN: Without having that information, I can't confirm it, but I -- I agree that the names are familiar.

REPRESENTATIVE MAUTINO: And New Frontier would be -- who's the proprietors, owners of New Frontier?

MR. BROWN: I'm not certain today, but I believe at the time it was Bill Cellini.

REPRESENTATIVE MAUTINO: Okay. If you would, would you include your notes, recommendation, and correspondence regarding IPAM to the committee as well?

MR. BROWN: Yes.

REPRESENTATIVE MAUTINO: Okay. Thank you.
CHAIRWOMAN CURRIE: Thank you very much.

Mr. Genson.

MR. GENSON: Yes.

Mr. Bedore, you spoke to us about the parking situation. 500 spaces were originally requested or originally contracted for; is that correct, sir?

MR. BEDORE: 500 and some.

MR. GENSON: And by virtue of your diligence and your suggestions, it was dropped to 215; is that correct?

MR. BEDORE: It was dropped by 215.

MR. GENSON: By 215. Did you ask that it be dropped any further or was that sufficient?

MR. BEDORE: No, we felt that that was a sufficient amount.

MR. GENSON: Then --

MR. BEDORE: We have not totally had all the response that I would like regarding who should be receiving parking spaces.

MR. GENSON: But the -- basically the reduction was due to your diligence, the diligence of your committee, and as a result of that there was savings to the state; is that correct?

MR. BEDORE: Yes. We reduced it by
approximately a half.

MR. GENSON: And that's what the Procurement Board is supposed to do, to monitor these things and make certain that the appropriate actions are taken regarding these contracts; is that correct, sir?

MR. BEDORE: Yes.

MR. GENSON: With regard to the Department of Corrections, now I -- I will admit to you I didn't understand the loansharking attempt to seven and a half percent because I guess I was reading something else. But the point of the matter is, Mr. Bedore, whatever it did, by virtue of your objection, you got -- you got the reduction; is that correct?

MR. BEDORE: It was presented to us this is a -- to pay off the loan for the seven years while the -- to pay off the permanent improvement requested by the Department of Corrections. And the rate of this -- excuse me -- the rate for this improvement, the cost was going to be 10 percent.

MR. GENSON: And so you -- and by virtue or at least following your objection, it was reduced to seven and a half; was it?

MR. BEDORE: After the board raised the objection, the administration went outside, made some
phone calls, and came back and reduced it to seven and a half.

MR. GENSON: Again, this was a savings to the state; was it?

MR. BEDORE: Yes.

MR. GENSON: And this was a suggestion that was followed by whoever -- whatever person from CMS you were dealing with; is that correct?

MR. BEDORE: Well, it wasn't a suggestion, because if CMS didn't follow this, we would have voted no on the lease.

MR. GENSON: But basically, before you vote no on these leases, and I gather, Mr. Brown stated, you voice your opinion, and, for the most part, your -- at least, your opinions are accepted; is that correct?

MR. BEDORE: Yes.

MR. GENSON: Now, again, with regard to a piece of property on Fulton Avenue, you talked about the fact that the building they were -- that was going to be leased had excess space in it or space that you felt was inappropriate relative to the number of people who were going to be there; is that right?

MR. BEDORE: Well, it's not my opinion.
It was also CMS. It's a building of 39,000 square feet. They went out for an RFI of 32,000.

MR. GENSON: So then they --

MR. BEDORE: So they wanted to reduce it also.

MR. GENSON: And so basically, it was either -- there was a suggestion either that they get another tenant or pay less rent; is that correct?

MR. BEDORE: Yes. Because I really believe that the costs of moving and remodeling and everything, it would probably be in the best interest of the State of Illinois, it's my opinion, that they could move in another state agency and occupy the 7 or 10,000 square feet, thereby reducing the cost of that other agency's lease by moving them in.

MR. GENSON: And because of your efficiency, hopefully they'll come back in January or February having done what you -- what you have just suggested; is that correct?

MR. BEDORE: Well, what the board suggested, yes.

MR. GENSON: What the board suggested.

Now, we're talking about next I think a building in Harvey, and I guess that was the last one you
talked about.

MR. BEDORE: Yes.

MR. GENSON: And that building in Harvey, the rent was 19.48, but there was a -- and the reason it was so high is there was a build-out by the owners of the building which was being paid off because of the rent; is that right?

MR. BEDORE: Yes, because DCFS needed some remodeling in the building which amounted to $7.76.

MR. GENSON: This remodeling could have been paid by DCFS and paid for or alternatively, the way it was done, it was included in the rent; is that correct, sir?

MR. BEDORE: That's correct.

MR. GENSON: And by -- now, with regard to that build-out, could you tell us if that -- was the build-out completed at the time of the renewal of the rent or was there some amount that hadn't been paid?

MR. BEDORE: There's some amount that has not been paid. It'll expire in two years, if I'm right.

MR. GENSON: So that theoretically then, the rent should include for at least the next two years that $7 build-out; is that correct?

MR. BEDORE: Absolutely.
Mr. Genson: But in fact, the lease that was suggested was in excess of that two years; is that right?

Mr. Bedore: The lease for the next ten years was at the higher rate.

Mr. Genson: So that the --

Mr. Bedore: So eight years should have been reduced.

Mr. Genson: Eight years should have been reduced.

Mr. Bedore: Yes.

Mr. Genson: And that's -- they haven't come back to you yet --

Mr. Bedore: No.

Mr. Genson: -- with regard to a renewed -- or, with regard to a changed lease; have they?

Mr. Bedore: That's correct.

Mr. Genson: And you're waiting for it; is that right?

Mr. Bedore: That's correct.

Mr. Genson: Now, you pointed out that that building was somehow involved or owned by a name or a leasing company by the name of Cacciato; is that correct?
MR. BEDORE: Correct.

MR. GENSON: And Cacciatore is one of the larger landholders here or at least in Chicago; is that right? You've heard of them?

MR. BEDORE: Well, I've heard of them.

MR. GENSON: Okay. And you've -- you've pointed out for the committee that Cacciatore had donated an amount of money to the Governor, his campaign fund; is that correct?

MR. BEDORE: Yes, there was Tribune articles.

MR. GENSON: And that's where you read it.

MR. BEDORE: I read it and we also checked with the state registry -- the listing and then -- yes.

MR. GENSON: Did you check the other -- whether in fact Cacciatore gave large amounts of money to other officeholders?

MR. BEDORE: No, I didn't.

MR. GENSON: Have you gone through that? Do you know in fact?

MR. BEDORE: No, I have no idea.

MR. GENSON: Would you have the ability to check to see if Mr. Cacciatore gave money to other officeholders, other members of the legislature, other
members of the executive -- you don't know that; do you?

MR. BEDORE: I don't know that and we wouldn't have any reason to check it.

MR. GENSON: Okay. But then the only reason you know this is because you read it in the Tribune; is that right?

MR. BEDORE: Well, I read it. Because it was sort of strange that this lease was coming through with a $2.6 million overcharge. If we would have approved --

MR. GENSON: Except you don't know whether that eight years was a mistake or if that eight years additional was intentional. You don't know that; do you?

MR. BEDORE: Well, I know that when we brought it back to CMS's attention, they said they were going to look into it and inquire about it, and they keep saying, well, we're negotiating -- this is their words -- we're negotiating with the owner.

MR. GENSON: And your job was to catch the mistake and you did catch it; didn't you, sir?

MR. BEDORE: I'm not saying it's a mistake.

I'm saying it was inappropriate having that rate and
that rate should have been reduced months ago.

MR. GENSON: That rate would have been appropriate for two years; wouldn't it, sir?

MR. BEDORE: Yes.

MR. GENSON: And it's the additional time that's giving you the problem; isn't that correct, sir?

MR. BEDORE: That's absolutely correct.

MR. GENSON: And you're doing your best to correct it and that's your job. Is that correct, sir?

MR. BEDORE: Yes.

MR. GENSON: Now, the people that you're dealing with are people from CMS; is that right?

MR. BEDORE: That's correct.

MR. GENSON: On that particular lease. And your contact is with the director, assistant director, as Mr. Brown said, bureau chief, various members of CMS; is that correct?

MR. BEDORE: That's correct.

MR. GENSON: I have no further questions.

Thank you very much.

CHAIRWOMAN CURRIE: Thank you.

Representative Lang for one follow-up.
REPRESENTATIVE LANG: Thank you.

Mr. Bedore referred to one of these leases, the one on Western Avenue, as loan-sharking. And while you're not here as an expert as to whether -- I assume that's just your --

MR. BEDORE: That was my personal --

REPRESENTATIVE LANG: Yeah. I assume that was your personal opinion. But nevertheless, you referred to a 10 percent rate when it should have been seven and a half. I'm just wondering if you could tell us now who the owner of that property is?

MR. BEDORE: I don't know the owner of that property. No, I don't.

CHAIRWOMAN CURRIE: Perhaps you can get back to us.

MR. BEDORE: We'll definitely get back to you. We do know it. I just don't have it.

REPRESENTATIVE LANG: Right. I'm sure you do. That's fine. Whenever you have it, we'll take it.

Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: Just a reminder to Mr. Brown and Mr. Bedore that you have said you would provide other information to this committee, including
that piece of information, and we'd be grateful that
you will remember that you said you would do it and
that you would do it.

Thank you both very much for your testimony.

Now up, the Illinois Campaign for Political
Reform. I think I've said it correctly. Cindy
Canary. And if you would raise your right hand,
please.

(Ms. Canary was duly sworn.)

CHAIRWOMAN CURRIE: Thank you very much.

Please proceed.

MS. CANARY: Good afternoon. I'm Cindy
Canary, director of the Illinois Campaign for
Political Reform, a non-profit, non-partisan public
interest group that conducts research and advocates
reforms to promote public participation, address the
role of money in politics, and encourage integrity,
accountability, and transparency in government.

Ten years ago ICPR was founded by the late
Senator Paul Simon, who throughout his governmental
career, including his service in the Illinois House
and Senate, was dedicated to cleaning up politics and
government in Illinois.

I'm here today at the invitation of this
committee to address the pay-to-play scandal that has enveloped the Blagojevich administration.

I want this committee to be aware that ICPR has publicly called for the Governor's resignation. After reading the complaint lodged by the U.S. Attorney for the Northern District of Illinois, it was clear to us that the allegations have created at the --

MR. GENSON: It was my -- I would object to the relevancy of this. It was --

CHAIRWOMAN CURRIE: Mr. Genson.

MR. GENSON: It was my understanding that this inquiry was going to be related to a certain article relative to I think they called it the $25,000 club. Whatever it is, this isn't related to that, and I would object to its relevance, which I understand I'm allowed to do under the rules.

CHAIRWOMAN CURRIE: Yes. But, Mr. Genson, let me just say I think she's giving us background on the organization that she represents and I think that's legitimate.

MS. CANARY: And I'm simply trying to put this on the record so that -- that we're not holding anything back here.

It was clear to ICPR that the allegations
created, to us at least, a serious appearance of corruption which has impeded the Governor's ability to govern. And the Governor's intention to fight these charges without leaving office has, to our mind, made these impeachment proceedings unavoidable.

I am going to skip -- to satisfy Mr. Genson, I'm going to skip to the heart of my testimony. You've also been sitting here a long time, I do realize.

My testimony today is about pay-to-play, which in the broadest terms is authorizing or asking for an inducement in exchange for an administrative action taken by a public official. The object of pay-to-play is to obtain a government contract, job, or other favor. Pay-to-play is a two-way street. It can be initiated by a corrupt official seeking private benefit -- excuse me, corrupt official seeking private benefit from their public position or by a private citizen seeking to corrupt a public official.

Pay-to-play is not unique to the Blagojevich administration or to Illinois. Pay-to-play is partly the reason that former Governor George Ryan is housed today at a federal prison camp in Terre Haute, Indiana.

ICPR has given the committee staff copies of
numerous newspaper articles, as well as our own research, showing the significant numbers of state contracts that have been awarded by the Blagojevich administration to corporations and individuals who have also made large contributions to Friends of Blagojevich, the Governor's campaign committee.

While it is unnecessary to explain Illinois's campaign finance law to this committee, we should note for the record that Illinois places no limits on the size of campaign contributions and no restrictions on the transfer of money between committees, and, in contrast to federal law, allows corporations and unions to make direct contributions. Instead of limits and restrictions, Illinois requires only disclosure. If a public official wants to leverage governmental authority to generate campaign contributions or if a private party wants to use campaign contributions to influence a public official, Illinois's campaign finance law does nothing to prevent attempts at corruption.

When then-Congressman Rod Blagojevich created the Prairie State Committee, a state political action committee, and raised a large amount of money for a committee not explicitly formed to support any cause
or candidate, ICPR began to keep a close eye on those receipts.

By the time the committee formally changed its name to Blagojevich for Governor in August of 2001, it had already amassed over $2.25 million in receipts. Over the next six years the Governor raised an additional $56 million. We believe that the patterns of Governor Blagojevich's fundraising, when viewed in total, create an appearance of corruption, which has been a significant factor in the deterioration of our citizens' belief in the legitimacy of the Governor's administration.

As Rod Blagojevich ramped up his fundraising for the 2002 primary election, he reported significant five- and six-figure donations from three different construction companies, all of which shared the same address in Markham, Illinois. Research determined that these three companies were affiliated with Chris Kelly, and that a fourth company, CGK Consulting in Frankfort, was also connected. Together, these four firms accounted for over $650,000 in donations and loans to the Blagojevich campaign. Kelly, of course, played a key role within his campaign as finance chairman and later was named a special government
agent representing the Governor with the Illinois Gaming Board. He is currently charged with tax fraud relating to gambling debts.

The pattern of making multiple, large, and apparently coordinated campaign contributions from affiliated entities to the Governor's campaign was established early and became a pattern we looked for, and found, regularly.

From the day the gubernatorial campaign committee was formed, Rod Blagojevich's campaign fund has raised more than $58 million in eight years, an astonishing achievement. We came to see the fund as one of the most aggressive and effective fundraising machines in state history.

I outline this to illustrate that questionable, even alarming, fundraising practices were in evidence from the time that Mr. Blagojevich first set his eye on the governor's office. During Governor Blagojevich's tenure, we have witnessed a sea change in how money and politics intersect.

I call your attention to a Chicago Tribune article from earlier this year, "The Governor's $25,000 club; big campaign donors to Blagojevich benefit from state."
The Tribune investigation found 235 checks written for exactly $25,000 and payable to the Governor's campaign. The Tribune discovered that three-quarters of them came from people or organizations that had gotten something favorable from the administration, such as contracts, board appointments, favorable policy, or regulatory actions.

An examination of records at the State Board of Elections found that Governor Blagojevich's gubernatorial campaign fund has reported over 440 donations of $25,000 or more and that these donations account for more than $21 million in receipts.

These donations raise red flags to outside observers such as ourselves. The disclosure reports say how much donors gave to whom and when, but they do not tell us why the donation was made. In many instances, there's a troubling, apparent correlation between donations and state actions. Media reports have noted on many occasions large donations to the Governor's campaign fund came within weeks or days of the donor benefiting from a positive action by an agency under the Governor's control.

The Chicago Tribune highlighted several of these apparent correlations in their April story on the
Governor's $25,000 club. The Tribune noted:

Attorney and political fundraiser Myron "Mike" Cherry made a $25,000 donation on September the 9th, 2002; his law firm, Myron M. Cherry and Associates, made another $25,000 donation on June 18th, 2004. According to the Tribune, the Department of Financial and Professional Regulation hired Cherry's law firm and the firm billed the state over $900,000 for legal services.

Cordogan, Clark & Associates gave the Blagojevich fund $25,000 on July 25th, 2003. John Clark, a named partner with Cordogan, Clark & Associates, told the Tribune that Wilton Partners, the lead contractor on the Tollway Oasis project, had urged him to make this contribution. John Clark's firm, Cordogan Clark, had a subcontract with Wilton Partners.

Patrick Engineering made a $150 donation on July 19th, 2002. In September of that year the company gave $1,000. By 2007 it had given over $56,000. The company has held state contracts worth an average of 4 million in each of the last six fiscal years, principally with IDOT and the Tollway Authority.

ACS State and Local Solutions gave its first donation to the Blagojevich fund of $25,000 on July
25 th, 2003. It has since given about another 25,000 over three donations. Its contracts with state agencies, mainly the Department of Healthcare and Family Services, have averaged 17 million in each of the last six fiscal years. This contract, while initiated under the Ryan administration, was finalized in 2003, the same month as a $25,000 donation was made to the Blagojevich fund.

Wight & Company gave the Blagojevich campaign fund $500 on March 6th, 2002, $6,000 on May 22nd, 2002, and other donations through June of this year, bringing its total giving to the fund to over $125,000. The company has three no-bid contracts with the Tollway, where most of its state contracts are. Total state contracts have averaged over 2.5 million over the last six years.

System Development Integration gave 2,000 to the Blagojevich fund on June 23rd, 2002. The company made additional donations of $10,000 on June 8th, 2002, $5,000 on March 31st, 2006, and CEO David Gupta wrote a personal check for $25,000 on July 14th, 2003. The Tribune reported that System Development Integration was a subcontractor on a new emergency response headquarters. The firm has a contract with the
Tollway worth over $2 million for fiscal year 2009.

Environmental Design International gave over $57,000 to the Blagojevich campaign fund, including donations of $25,000 each on July 25th, 2003, and June 21st, 2004. The company had contracts worth $560,000 in fiscal year '04.

These, sadly, are just a handful of examples of the troubling nexus between campaign contributions and the operation of state government.

Ten years ago a contribution in excess of $2500 would have raised eyebrows. Those are the ones that groups like ICPR and journalists would look at more closely to see whether there was a connection to a state contractor. Some were from old friends or wealthy relatives, while others were from executives, corporations, and labor unions that had received or sought benefit from state government.

When there is a nexus between a campaign contribution and a state contract or government job, the question that we ask is: Were they just supporting an officeholder who shared their political views or were they using campaign contributions to ensure favorable treatment? Were they responding to shakedowns by making campaign contributions to ensure
that the officeholder would not shut them out from consideration?

In recent years, the Blagojevich years, the size of such contributions has exploded. $2500 doesn't make anyone blink anymore.

ICPR, with assistance from Kent Redfield and the Sunshine Project, examined contributions at the level of $25,000 and above to the campaigns of Governor Blagojevich, former Governor George Ryan, and former Governor Jim Edgar. Here are the numbers that we found:

Former Governor Jim Edgar. We examined his last six years as Governor and found he raised nearly $11.8 million in total. That included just eight contributions of $25,000 or more, a total of $422,000. Those eight really big contributions amounted to about 3.6 percent of the total amount that Jim Edgar raised.

George Ryan. We examined a six-year period that included his four years as Governor and as he geared up for his 2000 campaign. George Ryan raised almost $20 million. That included 35 contributions of $25,000 or more, for a total of $1.6 million. Those 35 really big contributions constituted about 8.2 percent of the total that George Ryan raised.
Governor Rod Blagojevich. We examined eight years that included his time as Governor and the ramp-up to the 2002 election. Rod Blagojevich has raised $58.3 million and that has included 435 contributions of $25,000 or more, a total of 20.6 million. And these 435 really big contributions constitute about 35.3 percent of the total that the Governor has raised. Those large contributions are the ones that have been raising questions since the Governor took office.

In the last two decades, the size of campaign contributions made by state contractors and others to governors has grown tremendously.

In 2005, the Sun-Times -- Chicago Sun-Times analyzed contributions and state contracts, "Donations and deals raise eyebrows." The Sun-Times looked at 20 companies that had given a combined $925,500 to Friends of Blagojevich and discovered the firms had been paid or were under contract to be paid a total of $365 million by state government.

The criminal prosecutions of Tony Rezko, Chris Kelly, Stuart Levine, and others have dramatically increased the public perception that state contracts, jobs, and other benefits in the Blagojevich
administration are handed out to the largest campaign contributors and not to the firms or persons most qualified to receive them.

Most recently, the Chicago Tribune found that state contractors had given 250,000 of the $650,000 in contributions that Governor Blagojevich raised this past June, which happened to be in the first 30 days after the House unanimously passed House Bill 824, the pay-to-play reform legislation.

According to the Tribune analysis, more than 125 state contractors or their employees contributed at least $399,000 to the Governor's campaign in the first six months of the year. Those contractors have been awarded more than 1.1 billion in state business since he was elected Governor.

Utilizing public databases available from the State Board of Elections and the Comptroller's office, ICPR's own research has independently confirmed many of these accounts.

These contributions and the headlines led to the ultimate passage, over Governor Blagojevich's veto, of House Bill 824, the pay-to-play legislation.

Beginning January 1st, 2009, holders of state contracts valued at $50,000 or more will be banned
from contributing to the officeholder who awarded the contract.

Strange and sadly, the enactment of that law is alleged to have caused the Governor to go into overdrive to squeeze more campaign funds from state contractors. The complaint from the federal government explains that the Governor recently attempted to raise as much money as possible from state contractors in advance of the ban.

Because the ban did not take effect immediately, it was a little like handing an arsonist the keys to a gas station and saying you would return in three months. The people of Illinois and, indeed, the world are now viewing the five-alarm fire that has resulted.

I am personally saddened and angered by the devastating impact that the alleged pay-to-play practices of the Blagojevich administration have had on our state and on our public's confidence in government.

I would like to close by applauding this committee for its work in helping the Illinois General Assembly fulfill its responsibility under the Illinois Constitution.

Thank you very much.
CHAIRWOMAN CURRIE: Thank you, Ms. Canary.

Representative Lang.

REPRESENTATIVE LANG: Yes, Madam Chairman,

thank you.

And before I proceed, because it seems to be relevant to this testimony, I would just make a request that we make part of the record of this committee all campaign reports filed by Friends of Blagojevich and all campaign reports filed by the Prairie State Committee.

Additionally, I would request that we make part of the record of this proceeding the names of all those listed in the Tribune report, as there are 40 some odd people who have been appointed to boards and commissions who are directly linked to $25,000 or more donations. I think we should get that list into our committee records. I think it should be cross-referenced by name, by what board they were appointed to, and whether they're making a salary, and additionally, what the donation was.

CHAIRWOMAN CURRIE: The committee can do that. Let me just say that I think instead of just identifying just those two Blagojevich campaign funds, we should say all Blagojevich campaign funds. I think
there may be another one as well.

REPRESENTATIVE LANG: That would be fine, certainly. Thank you very much.

I just have a few questions. And we thank you for being here today.

While I know your organization has not linked each and every campaign donation to each and every action of state government, let me start by just I think stating the obvious, which is you -- or asking the obvious. You wouldn't say here today that simply because Governor Blagojevich is a very good fundraiser, that if he's doing that legally and appropriately, there's anything wrong with that; correct?

MS. CANARY: I would not.

REPRESENTATIVE LANG: So I know your organization for years have been trying to do campaign finance reform, but if he followed the law the way it currently is, the fact that he's a better campaign -- or, a better money raiser than George Ryan or Jim Edgar or anybody else is not particularly relevant; correct?

MS. CANARY: It is not. We are only concerned with the patterns and correlations we see.
REPRESENTATIVE LANG: Now, you indicate in your report that according to the Tribune analysis, more than 125 state contractors or employees contributed at least $399,000 to the Governor's campaign and that those contractors have been awarded more than $1.1 billion in state business. It's an interesting inference. Do you have any suggestions for this committee how we tie that up to make it more than an inference?

MS. CANARY: Yes. Pay-to-play is an extraordinarily difficult thing to prove. You know, you need to find the quid pro quo. And I think that it is far beyond the resources or ability of my office and far beyond what most news organizations can do, but it is something that can be done quite possibly with the subpoena power of this committee. It's certainly something that we have seen the U.S. Attorney pursuing in his efforts.

REPRESENTATIVE LANG: Would you expect that if we found those names and tried to link them together that that would -- those names would be among the list that the U.S. Attorney would not let us talk to?

CHAIRWOMAN CURRIE: We don't know what the
U.S. Attorney is --

MS. CANARY: I don't know. I don't know what the U.S. Attorney will do.

REPRESENTATIVE LANG: The only other thing I want to ask you about is in the last several pages of your handout and I want to zero in specifically on no-bid contracts. Is there -- do you have any information that would bear on the issue of whether those no-bid contracts were properly or improperly let?

MS. CANARY: I do not have specific information.

REPRESENTATIVE LANG: All right, Madam Chairman, I would direct to you and to our attorneys my request that we try to zero in on some of these larger no-bid contracts and ask whatever questions we need to of whatever state agency to determine whether all the rules and regulations were followed in the letting of those no-bid contracts.

CHAIRWOMAN CURRIE: Thank you.

REPRESENTATIVE LANG: And with that, I have completed my questions. Thank you very much.

CHAIRWOMAN CURRIE: Representative Davis.

REPRESENTATIVE DAVIS: Thank you, Madam
Chairman. Thank you very much.

You know, I really appreciate your testimony, but I do have a few questions that I think I want to ask just to clarify some of the things that you stated.

MS. CANARY: Sure.

REPRESENTATIVE DAVIS: Can you characterize your interaction with the Blagojevich administration over the last five years as your organization has worked to strengthen the ethics laws?

MS. CANARY: Yes, certainly. And this is a rather odd, I suppose, book end to these interactions.

In 2002, I served on the Governor's transition team, on his ethics and campaign reform subcommittee. We worked with the Governor's administration in 2003 to try to advance the 2003 Governmental Ethics Act. Sometime after that we -- we stopped having communications. Our phone calls stopped being returned from the Governor's office. More recently we have been talking once again to some members in the staff.

So we have both -- we have been -- certainly, we have been critical, but we have also tried to be encouraging of actions that we believe were correct.

REPRESENTATIVE DAVIS: So you met with some
resistance. But did you always -- I mean it wasn't always there. You were on the transition team.

MS. CANARY: Right.

REPRESENTATIVE DAVIS: So eventually, there was resistance against your effort to have ethics reform; is that correct?

MS. CANARY: That is correct.

REPRESENTATIVE DAVIS: Would you consider the Governor's actions true to his platform? You know, he claimed he was going to be a great reformer and he was going to end pay-to-play in Illinois. Do you see, Cindy Canary, his actions as being, say, with that?

MS. CANARY: In my personal opinion, no, I do not.

REPRESENTATIVE DAVIS: Do you believe that his campaign contributions influenced decisions and the office to award contracts and make appointments to boards and to commissions?

MS. CANARY: Again, I do not have specific knowledge of the quid pro quos, but the patterns that I have seen and the correlations that I have seen between donations, appointments, and contracts concern me very greatly.

REPRESENTATIVE DAVIS: But we have to admit
that correlation does not imply causation.

MS. CANARY: That's correct.

REPRESENTATIVE DAVIS: And does it seem like much more than a coincidence to you that three out of four individuals or interest groups or businesses who gave 25,000 to the Governor they did receive something? Three out of four of those large 25,000 or more contributors, they received something in return.

MS. CANARY: This appears to me to be far beyond coincidental.

REPRESENTATIVE DAVIS: Okay. What about those who contributed less than 25,000? You know, some people gave 10,000, 15, 20. Can we identify anything that those -- that group or those groups received?

MS. CANARY: There are -- certainly there are individuals that have given less than 25,000 who have -- who have received appointments, contracts, and other things. This is extraordinarily difficult, as I tried to explain, to untangle people's motivations in giving, particularly in a state like Illinois where we don't have contribution limits. So we -- we see some patterns, but we also see some certainly smaller donors and non-donors who have been appointed.
REPRESENTATIVE DAVIS: But on January 1st of 2009, we're going to have ethics legislation that will prohibit those who give -- or, it doesn't matter really. If they can't get state contracts if they do what, give more than --

MS. CANARY: If they have a contract in excess of $50,000, they will no longer be allowed to make --

REPRESENTATIVE DAVIS: I think it's 25,000.

REPRESENTATIVE MENDOZA: 50.


MS. CANARY: 50 or more, they can't -- they can no longer make contributions to the executive who ordered that, who oversaw that.

REPRESENTATIVE DAVIS: Do you think that will drive a stake in pay-to-play politics?

MS. CANARY: I certainly hope that it is helpful.

REPRESENTATIVE DAVIS: The effort should do something; wouldn't you agree?

Do you believe that the Governor's actions have cost the taxpayers of Illinois a great deal of money? Considering that some of the contracts awarded to donors were no-bid and some of the people appointed to
boards or commissions were not perhaps the best qualified and, therefore, they didn’t provide the level of service that a person who perhaps might have been better qualified but didn’t have it to give or didn’t give so they didn’t get the job. In other words, do you believe that there’s a correlation in Illinois government that has an estimable cost to the taxpayers of what has happened?

MS. CANARY: I do. Whenever we award contracts that are not based on either the highest level of services or the best cost available, then we are squandering taxpayer dollars. So I think that it is very likely that there is a cost here.

REPRESENTATIVE DAVIS: Let me ask this final question: Have you made any comparisons with other governors in other states and their fundraising ability in reference to what’s going on in Illinois?

MS. CANARY: Yes, Representative Davis. In virtually every other state, I believe 47 of the other states, there are contribution limits. It is very unusual to allow an elected official, a governor, to take contributions of any size. So you do not see my colleagues in other states, if I explain what’s going on here, the idea of a $25,000, let alone a
larger contribution, is stunning to most people, which may be one of the reasons why we, sadly, have gotten such national press on this.

REPRESENTATIVE DAVIS: And some people have made statements that this corruption is throughout the State of Illinois and that all politicians or all elected officials are a part of it. Would you agree with that?

MS. CANARY: I would not. I believe that Illinois is actually fortunate in that we have some very, very fine elected officials. I'm not pandering here.

REPRESENTATIVE DAVIS: You don't have to.

You don't have to.

MS. CANARY: But I do believe that. But I think that whenever something like this happens, it is almost as if a dark cloud comes over all of us. So while we may have some very fine elected officials, we are all hurt from the fallout of this scandal. And it is extraordinarily difficult for the public to disentangle what is going on and distinguish the honest public servant from the one who is facing allegations or having questions raised about them.

REPRESENTATIVE DAVIS: Finally, Ms. Canary,
what do you think the cost is to our taxpayers in Illinois? What is the cost?

MS. CANARY: I think that it's -- it's almost incalculable. What is the cost of these hearings? What is the cost of these proceedings? What is the cost of the bond issuance of that we had to hold back the other day that cost us maybe 20 million extra?

There are all kinds of factors that are adding up over here in this column. And I think that I would, you know, throw out there, maybe someday we can kind of step back and add all that together. The one thing I think we cannot calculate is what is the cost to public confidence of all of this.

REPRESENTATIVE DAVIS: Thank you, Madam Chairman.

And thank you, Ms. Canary.

CHAIRWOMAN CURRIE: Representative Fritchey.

REPRESENTATIVE FRITCHEY: Thank you, Ms. Canary.

I want to just home in on one specific aspect. I'll start by saying something I think a lot of people recognize here. Simply being an abundant fundraiser is not in and of itself an offense, impeachable or otherwise.
MS. CANARY: Correct.

REPRESENTATIVE FRITCHEY: My question goes to motivations. You and I have worked for years on passing the pay-to-play ban; correct?

MS. CANARY: Correct.

REPRESENTATIVE FRITCHEY: Is it an accurate statement that to say throughout the duration of our efforts they were met -- those efforts were met with a consistent resistance by the administration?

MS. CANARY: That is correct.

REPRESENTATIVE FRITCHEY: That resistance manifesting itself ultimately in the Governor's amendatory veto of the legislation.

MS. CANARY: That is correct. It was a consistent and vigorous resistance.

REPRESENTATIVE FRITCHEY: We're not in a capacity to recognize you as an expert witness, but it would be I think a fair assessment to say you've been oft recited to as an authority on the issue of Illinois campaign finance laws and practices; correct?

MS. CANARY: I'm quite familiar with them, yes.

REPRESENTATIVE FRITCHEY: During the work on the pay-to-play legislation, polling was done from the
Illinois public on whether they thought that a pay-to-play ban should be the law of the land in this state; is that correct?

MS. CANARY: That's correct.

REPRESENTATIVE FRITCHEY: Do you remember approximately how many people in Illinois -- the percentage of people that supported this?

MS. CANARY: I don't remember the exact figure, but it was nearly 90 percent.

REPRESENTATIVE FRITCHEY: Correct. It was close to nine out of ten Illinoisans want the pay-to-play ban.

When the bill came out of the General Assembly the first time, it came out I believe unanimously out of the Senate and there were three dissenting votes in the House; correct?

MS. CANARY: That's correct.

REPRESENTATIVE FRITCHEY: So that puts us well over 90 percent of the General Assembly as well.

MS. CANARY: Yes.

REPRESENTATIVE FRITCHEY: Nevertheless, the Governor had a position, which he's entitled to hold, contrary to that of the vast majority of the people of this state and the vast majority of the legislature;
correct?

MS. CANARY: Correct.

REPRESENTATIVE FRITCHEY: In light of those and in light of your experience and in light of the allegations set forth in the criminal complaint that the Governor had stated an intention to ramp up fundraising efforts prior to the January 1 implementation date of the pay-to-play ban, would it be fair to say that your opinion or is -- do you have an opinion that the Governor's efforts to thwart the effort of the legislature was not premised upon policy but rather on the interest of continuing to promulgate his voracious fundraising pattern?

MS. CANARY: That -- that is my opinion. And in fact, the Governor never offered a policy explanation for his objections.

REPRESENTATIVE FRITCHEY: So as you sit here today, the best that you can ascertain is that the Governor's objections were based on personal motivations?

MS. CANARY: As best I can ascertain.

REPRESENTATIVE FRITCHEY: That's all I wanted. Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: Representative Tracy.
REPRESENTATIVE TRACY: Thank you, Madam Chairman.

I was wondering, when you detailed or saw the names of the 440 $25,000 or more contributions and then you happened on the other side to see where these in fact had gotten contracts with the state fairly closely after, were these -- did you find any that had -- I want to understand if these were entities that had done business previously with the state or if you studied any correlation between that they had perhaps worked for the state in some capacity previous to this administration?

MS. CANARY: Some had and some had not.

REPRESENTATIVE TRACY: Were there any outstanding numbers or just --

MS. CANARY: I would have to go back and look at that for you, but we could.

REPRESENTATIVE TRACY: Okay. Thank you.

CHAIRWOMAN CURRIE: And if you do, we would appreciate it if you would give copies to the committee.

MS. CANARY: Certainly.

CHAIRWOMAN CURRIE: Representative Bassi.

REPRESENTATIVE BASSI: Thank you, Madam
Chairman.

Thanks for coming today. A quick question. You had said, Cynthia, that pay-to-play can be difficult to prove. But would it be fair to say that the pattern is something like pornography, that you know it when you see it?

MS. CANARY: Well, that's how I feel about it.

REPRESENTATIVE BASSI: Thank you.

Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: Representative Bradley.

REPRESENTATIVE BRADLEY: You have to hit that red light right.

Hello, Ms. Canary. How are you?

MS. CANARY: Good, thank you.

REPRESENTATIVE BRADLEY: Did you file House Bill 1, the bill for the campaign reform, was that just filed in a vacuum or did you have some concerns when you filed that?

MS. CANARY: Well --

REPRESENTATIVE BRADLEY: Well, I know you didn't file that. Representative Fritchey did.

MS. CANARY: Yes, sir.

REPRESENTATIVE BRADLEY: I'm sorry.
MS. CANARY: That's quite all right.

No. You know, we -- we don't believe in reform for reform's sake. This is not just about tying people's hands and making life difficult down here. Our sense was very much that through the reporting that we saw and through our own database that we were seeing an increasing influx of large contributions from contractors. And it seemed that it might be something if we could bull's-eye in on that we could actually get passed down here. So it was very much a solution that was drawn to fit a problem.

REPRESENTATIVE BRADLEY: And what was your concern specifically with regards to what you were seeing?

MS. CANARY: Our concern was that it was possible that contracts were being awarded to those who made the highest contributions, those who were paying to play, rather than those who perhaps could come in at a lower price or with a higher quality of services.

REPRESENTATIVE BRADLEY: And when did that begin? When did you actually start developing the idea that you needed to have Representative Fritchey, my friend, file House Bill 1?
MS. CANARY: We -- let's see. We worked on House Bill 1 for about three years. So I think it first -- it first -- it first emerged in 2005, I would guess, but we were noticing these patterns really from 2003.

REPRESENTATIVE BRADLEY: 2003. And the administration took office in?


REPRESENTATIVE BRADLEY: So this is not something that occurred earlier this month. This is something that you've been concerned about --

MS. CANARY: Yes.

REPRESENTATIVE BRADLEY: -- for a long period of time.

MS. CANARY: Yes.

REPRESENTATIVE BRADLEY: And your concern here is about the government; right? You're about the people getting their money's worth?

MS. CANARY: Yes. I think that's what all of us are concerned about, people getting their money's worth, people having honest representation, and people feeling their government is accountable to them.

REPRESENTATIVE BRADLEY: And when you see those patterns, as a good government group founded by
my friend, Senator Paul Simon, it makes you concerned when you see those patterns.

MS. CANARY: Absolutely.

REPRESENTATIVE BRADLEY: Because the result of those patterns is the people hurting, and people suffering, and the state suffering and the state hurting. Correct?

MS. CANARY: I think that is absolutely correct.

REPRESENTATIVE BRADLEY: And that is in fact, based upon your own experience in government and also as a layperson, what you see all around you every day is people hurting; correct?

MS. CANARY: Yes.

REPRESENTATIVE BRADLEY: And people suffering; correct?

MS. CANARY: Uh-huh.

REPRESENTATIVE BRADLEY: And the state suffering; correct?

MS. CANARY: Yes, sir.

REPRESENTATIVE BRADLEY: And the state hurting; correct?

MS. CANARY: Yes.
REPRESENTATIVE BRADLEY: Thank you very much, ma'am.

CHAIRWOMAN CURRIE: Thank you.

And thank you for your testimony.

Mr. Genson, you look like you're raising your hand.

MR. GENSON: Yes.

Are you aware that this committee has no subpoena power, ma'am?

CHAIRWOMAN CURRIE: This committee does have subpoena power.

MR. GENSON: Oh, we just can't -- I just can't have -- can I have subpoenas?

CHAIRWOMAN CURRIE: No. The committee has subpoena power. You can make a recommendation to the committee and the committee would take that recommendation under advisement.

MR. GENSON: It was under my -- my understanding, at least initially, that the committee was not going to have subpoena power. But they do. I misunderstood. Right?

So if I give -- so prior to the end of the committee -- the end of the session today, if I give you a list of people whom I want subpoenaed, you would
consider the possibility?

CHAIRWOMAN CURRIE: We would take it under advisement, Mr. Genson. But we're not -- remember, this is not a criminal activity. We are not making a determination of the guilt or innocence of the Governor with respect to charges that have been filed by the federal prosecution.

MR. GENSON: I under --

CHAIRWOMAN CURRIE: So if your intention would be to -- to --

MR. GENSON: I never had that kind of intention.

CHAIRWOMAN CURRIE: -- to give us an early look at what's going to happen in a federal courtroom down the line, we're not interested.

MR. GENSON: The chances of them complying with your or my subpoena is nil. But I do have other people I'd like to subpoena. And so if I'm given that opportunity, I'd like to submit that.

I have a few questions.

CHAIRWOMAN CURRIE: You may ask a few questions, clarification questions, right.

MR. GENSON: The article that you've attached to your submission, the Tribune article, I gather,
does that -- that says that donors were interviewed and it said they gave to show their support for the first Democratic Governor in a quarter century or to get the attention of the new regime. That's in that article; is that correct?

MS. CANARY: That is correct.

MR. GENSON: And did you personally interview any of the donors, you or your organization, with regard to --

MS. CANARY: I have not interviewed those donors.

MR. GENSON: And with regard to the correlation -- I know you did submit some charts. I have them here. But in regards to the correlation between the people who gave campaign contributions and then contracts or appointments or whatever, this was not your correlation. All -- you did a ton of the work, but certainly not all of it; is that right?

MS. CANARY: The work in that article of the $25,000 club was the work of the Chicago Tribune.

MR. GENSON: Okay. But you did give us some charts. I believe that they -- there are some written charts that were not included, Madam Chairman, in the submission but were given to us. Are they being
considered as evidence in this --

CHAIRWOMAN CURRIE: I'm sorry, I haven't seen that. Where did that come from?

MR. GENSON: When we were submitted the name of the witness, we were given the Tribune article together with approximately 15 or 20 pages of charts that I assume were prepared by the witness. Are these to be considered as evidence and have they been offered?

MS. CANARY: I believe those are simply the list of $25,000-plus donors drawn from the State Board of Elections.

REPRESENTATIVE: Madam Chairman, I'm not sure if the members of the committee have that chart.

CHAIRWOMAN CURRIE: Is it in the back -- is it in the back of your testimony, Ms. Canary?

MS. CANARY: I don't know.

MR. GENSON: I was submitted these charts by -- by David Ellis.

REPRESENTATIVE: Well, perhaps -- perhaps we just didn't get it yet, but certainly I would like to see it.

CHAIRWOMAN CURRIE: Yeah. Okay. So these came from --
MS. CANARY: They came from us, yes.

CHAIRWOMAN CURRIE: Okay. Then everybody will get them, and, yes, we'll accept them as part of the record of the proceedings.

MR. GENSON: And the donors -- the donors -- so these donors that we were talking about -- I think one you talked about on direct examination, I think you talked about Myron Cherry. Did you?

MS. CANARY: Yes.

MR. GENSON: Now, Myron Cherry was one of the single biggest donors to President Clinton. You're aware of that?

MS. CANARY: That's correct. Yes, I am.

MR. GENSON: And he is a large donor to Democratic politicians all over the country. You're aware of that?

MS. CANARY: Yes, I am.

MR. GENSON: And he was retained by the state regarding a -- I believe a class action or some sort of litigation; is that correct?

MS. CANARY: I believe so, yes.

MR. GENSON: And he said in that article that he had already solicited several states for that litigation and it would have been bizarre for the
state to choose someone else to pursue it that I
originally came to them on. That was his quote; is
that correct?

MS. CANARY: In the paper, yes, it was.
MR. GENSON: In the paper. And you haven't
talked to Myron Cherry to make certain it was
otherwise; have you?

MS. CANARY: No, I have not.
MR. GENSON: One of the people -- one of the
others that you talked about was a fellow named
Cordogan from Wilton and that's involved as a
subcontractor to Wilton Partners; is that right?

MS. CANARY: That's correct.
MR. GENSON: Wilton Partners' contract
preceded Governor Blagojevich coming into office; is
that correct?

MS. CANARY: I believe that is correct.
MR. GENSON: Now, when I look at the list of
donors with the contributions over 25,000, we look --
we think -- we see a number of unions involved?

MS. CANARY: Yes.
MR. GENSON: We see what appear to be, at
least from my own knowledge, PI lawyers that are
involved?
MS. CANARY: That is correct.
MR. GENSON: Personal injury lawyers. I'm sorry?
MS. CANARY: That is correct.
MR. GENSON: We see race track interests involved; is that right?
MS. CANARY: It certainly is.
MR. GENSON: I'm sorry?
MS. CANARY: Yes.
MR. GENSON: We see all sorts of people that don't appear -- Illinois Laborers' Legislative, Illinois Pipe Trades, these are not people that you understand have jobs with the State of Illinois or appointments to commissions that you know of?
MS. CANARY: I would understand that there are policy actions that people from all different fields and interests may have an interest in.
MR. GENSON: And so in submitting monies to politicians of -- well, among Governor Blagojevich is certainly for reasons other than, as you say, pay-to-play; is that correct?
MS. CANARY: Excuse me, I'm not sure I understood the question.
MR. GENSON: Well, when Anesi Ozmon Rodin and
Novack contribute $25,000 twice, you don't know that they have any contract with the state or any appointment to any commission; do you?

MS. CANARY: No. And I think that when we look at pay-to-play, we look at it in its broadest terms where we look at appointments, jobs, contracts, and policy outcomes as well.

MR. GENSON: And I understand that. But you don't do any coordination. We're limited to what we were given that the Tribune has. You didn't coordinate any of these -- you didn't make -- coordinate any of these contributions with a specific office or a specific contract. You did not do that; did you, ma'am?

MS. CANARY: We -- we did not make calls to these people.

MR. GENSON: Now, with regard to the difference -- with regard to the difference in the different administrations, in your experience it was a -- it was appropriate or at least allowed that workers, state workers and different political workers would donate their time to the given politician come election time. That was a common practice in prior administrations; isn't that right?
MS. CANARY: That is correct. And I felt it was very, very inappropriate, which is why we launched an ethics act in 2003.

MR. GENSON: It was so inappropriate that the federal government convicted one of our -- or, a number of people because of that; is that right?

MS. CANARY: That is correct.

MR. GENSON: And so these -- so that the nature of politics in Illinois was changed by virtue of the inability of a candidate to enlist people who work for the state; isn't that right?

MS. CANARY: Again, I don't believe I understand your question.

MR. GENSON: They needed to raise more money in order to get to the people because they didn't have the volunteers that they had before; isn't that right?

MS. CANARY: I don't think that is a fair characterization. I don't believe that we should ever be looking at our state employees as our political volunteer base.

MR. GENSON: And I agree with that and so did the federal government. But they were used. They were used in the Edgar administration and they were used in the Ryan administration and they were used
until the federal government said that that wasn't good, that wasn't appropriate; isn't that right?

REPRESENTATIVE FRITCHHEY: Madam Chairman, I don't know if she would have personal knowledge of this.

CHAIRWOMAN CURRIE: I'm sure she does not.

So I think this is part of the statement you might want to make to us when it's your turn, Mr. Genson.

MR. GENSEN: I thought she said she did have knowledge of this and disagreed with it, but I'll go on.

The fact of the matter is campaigns cost a lot more money; is that right?

MS. CANARY: Campaigns are very expensive. Like all things in life, the cost goes up.

MR. GENSEN: And certain -- and you said that Mr. Blagojevich, and at least the numbers show, is a very prolific fundraiser; is that correct?

MS. CANARY: That is correct.

MR. GENSEN: The fact of the matter is that people who donate to politicians for the most part are people who have interests that they want to put forth to those politicians. Would you say that's correct?
REPRESENTATIVE: Madam Chairman, he's asking the witness to get into the head of the donors, into their mind-set.

CHAIRWOMAN CURRIE: Yeah, this is not supposed to be a cross-examination. It's not a criminal trial.

MR. GENSON: It's not a cross-examination. I thought I was trying to clarify what she said.

CHAIRWOMAN CURRIE: She may answer if she feels she can competently do so.

MS. CANARY: I think people donate for all different kinds of reasons.

MR. GENSON: Okay. And one of those reasons and the reasons that seem to be expressed by the nature of the people that are on that list is they have an interest that they want to be heard on, isn't that right?

MS. CANARY: That is what the appearance is.

MR. GENSON: I have no further questions.

CHAIRWOMAN CURRIE: Thank you.

Thank you very much for your testimony, Ms. Canary. And you'll make sure we have copies of the material that Mr. Genson talked about.

Next up is Representative Lou Lang, who I think
is going to tell us about some of the responses we got to questions posed to the Department of Healthcare and Family Services.

I think there's another issue as well, and that is to make it clear that people whose names came up in our letter to the United States Attorney's office, that we are not suggesting that by virtue of naming them that they've done anything wrong.

So just before you start, Lou, I want to just for the record say that our Exhibit 17 will be materials from the Policy Procurement Board.

18 will be the filing from Mr. Genson in respect to wiretapping.

And Number 19 will be a letter received today, December 22nd, from Healthcare and Family Services.

Mr. Lang.

REPRESENTATIVE LANG: Thank you, Madam Chairman.

As you'll recall, at our last meeting members of the Department of Healthcare and Family Services, Director Maram, his chief of staff, Tamara Hoffman, appeared before us, and we asked a lot of questions, of course. Many of those questions dealt with the production of documents and other information, also
included a request in many areas where Ms. Hoffman particularly said I don't know, I don't remember, I'll check my records, I'll check my e-mail, I'll check my notes, that those records and notes and e-mails were to be produced as well.

Through the end of the day Friday some documents had been produced, although none were complete, to my knowledge. The e-mails and notes and other commentary that were supposed to be forthcoming from the department had not come forth.

I understand that today there's been an additional production of documents by the department. We have yet to review all of it to determine if the -- at least the documents are now complete. But a cursory look at that stack that was provided to us today does not seem to indicate any response to many of the questions that were asked where Ms. Hoffman over and over and over again said I'll get back to you, I don't know, I'll look at my e-mail, look at my notes. We don't even have a statement from her or from the department saying, well, sorry, there are no notes, there are no e-mails. So far we have no Information. And I just think we want to make that part of the record.
We will review, of course, the documentation and information that's been provided to us, but it appears as if the department is not interested in providing us further information.

Additionally, Madam Chairman and ladies and gentlemen of the committee, we had asked Mr. Maram and Ms. Hoffman to appear before us again today in an effort to clarify some issues, to find out where missing documentation might be. They both declined to appear, indicating they had apparently better things to do. So I don't know if they have better things to do because we were too tough on them, or if they have better things to do because they were ordered not to be here by someone above them, or if they have better things to do simply because they think whatever they have to do is more important than the work of this committee.

But I just thought I would report to this committee my view that in a proceeding that's as serious, as important, as grave, and as necessary to the future of the State of Illinois as this proceeding, to have a director of a state agency and his chief of staff tell us that they cannot appear when we need them to appear and that something else is
more important I find to be appalling. And I just wanted to make my comment part of the record. Thank you very much.

Additionally, I wanted to comment that the letter we sent to the U.S. Attorney with specific names in some areas has caused some measure of consternation amongst some people. Particularly the area where we talk about some names of lobbyists and others in the horse racing area, I think our letter may have made some people uncomfortable for no reason. I've been contacted by some people who said, why was I not part of that letter; I lobby for the horse racing industry. And I was contacted by other people who indicated, you know, I -- all I am is a lobbyist; I haven't been involved in anything.

The bottom line is, Madam Chairman and ladies and gentlemen, I think in our effort to get a letter to the U.S. Attorney, we may have left some names out and we may have put a few names in. I just think it's important to let people know that we're casting no aspersions against anybody who is in that section of the letter, certainly. We don't call them out.

The purpose of the letter is not to let people of Illinois think that any of these folks have done
anything wrong, but merely that these were names that came up in conversation that had been involved in this industry in some way that might have some information for us.

So to those of you on that list who feel like you've been accused of something, I don't think anyone in this committee would disagree when I say no, you've been accused of nothing. These are just names we came up with. And I hope this explanation to those who are on that list who are listening will understand and respect that the committee is not after you.

Thank you very much, Madam Chairman.

CHAIRWOMAN CURRIE: Thank you for the statement, Representative. I'm sure that the members of the committee are unanimous in their support for your words.

Representative Fritchey.

REPRESENTATIVE FRITCHEY: Madam Chairman, I'm in support of the vast majority of the Representative's words, especially with respect to the last point.

CHAIRWOMAN CURRIE: I'm sorry, that was the point that I meant, right.

REPRESENTATIVE FRITCHEY: With respect to the
previous point, let me just make a statement, if I
may, just briefly with respect to Director Maram.

On a personal level, let me say that I've known
Barry Maram for a long time and I've known Barry Maram
to be a good and honorable man. I don't think any of
us were comfortable on either side with the testimony
that was elicited last week. And I'm not going to
speak for any other committee member other than to
say, though, that any aspersions as to Mr.
Maram's character in my opinion, in the many, many
years that I've known him, I don't think are
warranted.

I had held those thoughts all weekend, but I
wanted to bring them out right now just with respect
to one particular point. Please keep in mind, members
of the committee and general public, Barry Maram, as
well as his chief of staff, were here voluntarily last
week. They were not here under subpoena. Mr. Maram
to the best of my knowledge may be the only major
agency director that agreed to appear voluntarily.

With respect to his not being here today, it is
not my place to overstate personal information of the
director, but I will tell you that the director does
have a family member who is very ill and she is on the
West Coast, and Mr. Maram will be going to meet his wife who is already on the West Coast with her. And that is the crux of the reason for him not being here today.

Mr. Lang, I share fully with you your desire to get at any and all information relevant to these proceedings, but not to the extent that I am going to want to condemn somebody for placing the well-being of a family member -- and, Lou, I know you well, too, and I know had you known that, you likely would not have made the statements that you made. But I don't want us to be in the position of condemning anybody for prioritizing the well-being of their family over this or any proceeding.

Thank you, Chairman.

CHAIRWOMAN CURRIE: Thank you.

Representative Lang.

REPRESENTATIVE LANG: Thank you.

Well, certainly, Representative Fritchey, I did not know that. But I -- and I've known Mr. Maram as well. I think he's an honorable person.

My comments were only meant to say that people have to take this seriously. Once submitting themselves to the jurisdiction of this committee, once
agreeing to answer our questions, they should at least answer them. And it would have been possible for both Mr. Maram and Ms. Hoffman to answer our questions in writing, if necessary, and say we decline to appear further but here's the answers to your questions.

So I certainly hope that Mr. Maram's family member is well. I myself would be at the side of a family member if needed. So I have great respect for that. I certainly don't blame him for doing that. But I do think the department is under an obligation to answer the questions they promised to answer. If they had said, no, we're not going to answer those, then, no, they wouldn't have answered those. But once having sat at that table and promised to answer the questions, they're I think duty-bound to answer them, not just to us, but to the people we represent.

REPRESENTATIVE FRITCHEY: Mr. Lang, I fully agree, and we want to differentiate Barry Maram in his official capacity as opposed to Barry Maram in his personal capacity.

REPRESENTATIVE LANG: Agreed.

CHAIRWOMAN CURRIE: Representative Bost.

REPRESENTATIVE BOST: Thank you, Madam Chairman.
And upon that same note, and by no means --

Director Maram, if he has family that is ill and he needs to go, then that should be the case. However, his chief of staff could have been here, as well as simply bringing the information that they made very clear promises that they would bring.

Also, Madam Chairman, I -- we do have subpoena power and I would not want to be forced -- or, I guess we could request for to have them be subpoenaed, but the reality is there were some unanswered questions. We asked for them to come back. We could have had this. But this does fly in the face of what we've been hearing from many others while giving testimony that anytime someone from the administration -- we're wanting answers and then we are basically given half answers. And because of that, it makes it very difficult to move forward with our business, the same as it has been the case with many people who have testified before us.

CHAIRWOMAN CURRIE: Representative Rose.

REPRESENTATIVE ROSE: Madam Chair, I just --

a number of witnesses have referenced the interest rate change that occurred with the bond sale last week versus two weeks prior. Not just Cindy Canary a few
moments ago, but over the course of our hearings, too, people on the record have said I've read the article. I think it would be helpful to get a letter from the Treasurer stating what the difference in the interest rate was and also what the real dollar value amounted to was, and I believe it would be the Treasurer that -- or, I'm not really sure if it would be the Comptroller. But I think it would be helpful to see. I don't think we need testimony but just a letter stating what the proposed interest rate was three weeks ago versus the proposed interest rate today and the real dollar difference on that.

CHAIRWOMAN CURRIE: And do you want an explanation from the Treasurer as to the Treasurer's view about why the difference?

REPRESENTATIVE ROSE: Sure. That would be fine.

CHAIRWOMAN CURRIE: If the committee is comfortable with that, then we will -- the Minority Spokesman and I will write a letter to the Treasurer asking exactly that.

I think we've come to the point where perhaps, Mr. Genson, Mr. Adam, your colleague, might wish to speak to us.
MR. ADAM: Madam Chair, if I could just say, the letter that Representative Lang was discussing regarding coming from the -- the additional information, we received the letter, but we did not get a copy of any of the exhibits, at least that --

CHAIRWOMAN CURRIE: That letter just came today.

MR. GENSON: The letter we received, I -- I have this practice of working in my office alone. But Mr. Ellis, I assume, sent me a quantity of documents I believe Saturday, which I assume are the exhibits, but I don't know. I've read them.

CHAIRWOMAN CURRIE: Mr. Ellis is nodding that I think the answer is yes. If there is something missing, we can certainly make sure that the committee makes it available to you.

MR. GENSON: Well, what we'll do is we'll compare what we have to what they have now. If there's anything additional, we'd like to have it.

CHAIRWOMAN CURRIE: Yes.

MR. ADAM: Thank you, Madam Chairman.

CHAIRWOMAN CURRIE: So as we said earlier in the day, if you have some things that you would like to tell us, Mr. Genson, at this point, we'd be happy
to listen.

MR. GENSON: I would like there to be an adjournment of approximately one week so I can put together the witnesses that I need to have available. The fact of the matter is --

CHAIRWOMAN CURRIE: So you'd like a delay of a week?

MR. GENSON: One week in order to put together the list of witnesses and contact the witnesses. I did not have subpoena power. I've contacted a number of people and asked them to come. I haven't gotten response yet.

If you recall, we adjourned Thursday. I had Friday, and I don't have Saturday and Sunday to work because people don't answer the phones.

But I'd like one week in order to determine whether in fact these people are available so that I can present them to the committee.

CHAIRWOMAN CURRIE: I'd like to -- first of all, the committee would want to know in advance what witnesses you would plan to ask to present because there are some witnesses you may want that probably are not relevant to our inquiry.

MR. GENSON: I --
CHAIRWOMAN CURRIE: So we would like to know --

MR. GENSON: I am not going to subpoena people who I know won't come. I'm not doing that.

CHAIRWOMAN CURRIE: I appreciate that. No, my question is, we would want to look at your list, because you may be wanting to call people that are relevant to some inquiry in another forum and not relevant to what we are about.

MR. GENSON: I have no problem to showing it to you.

CHAIRWOMAN CURRIE: And when would you be willing to show us that list?

MR. GENSON: I could bring -- I would talk to you and give it to you tomorrow morning.

CHAIRWOMAN CURRIE: Tomorrow morning.

MR. GENSON: Yes.

CHAIRWOMAN CURRIE: Okay. And when you say you'd be ready to come back in a week, can you give us a sense as to how long you think your presentation -- assuming you got your witnesses, assuming we agreed with you that they were relevant to our inquiry, how long do you think your presentation would take?

MR. GENSON: Approximately one day.
CHAIRWOMAN CURRIE: So you would think a Monday hearing would be adequate to your purposes?

MR. GENSON: Yes.

CHAIRWOMAN CURRIE: Representative Black.

REPRESENTATIVE BLACK: Madam Chairperson, in light of Representative Lang's statement, Representative Fritchey's statement, and in light of the fact that the minority party does not have subpoena power, I would like the record to reflect that I'm asking the chairperson of this committee the next time we are in session that Tammy Hoffman -- Tamara Hoffman, chief of staff of the Department of Healthcare and Family Services, be subpoenaed and to ask specifically to produce the memos and the e-mails and other material that she was asked to produce and evidently has not.

CHAIRWOMAN CURRIE: Representative Davis.

REPRESENTATIVE DAVIS: No.

CHAIRWOMAN CURRIE: Yeah. I -- you know, let me just say off the top, I have not had a chance to read the letter that just came in from the department in response to our questions. We have some material that came in, as I understand it, on Friday, and then
today there was another letter. And I guess I would just like, Representative Black, to have a chance to see what is missing that we think that they could supply were we to either ask her voluntarily to return or decide to go ahead with a subpoena. So I would take your request under advisement and I certainly don't think it's beyond the scope of our interest or our responsibility.

MR. GENSON: Excuse me, Madam Chairman.

CHAIRWOMAN CURRIE: Mr. Genson.

MR. GENSON: With regard to the list, would it be possible when I submit the list to have your rulings as to the propriety or relevance of those witnesses? Before Monday. I don't want to bring in a number of people --

CHAIRWOMAN CURRIE: Right. I can appreciate that.

MR. GENSON: -- and then determine it's for no reason at all.

CHAIRWOMAN CURRIE: Yeah. Right. Yes, we will certainly be happy to do that. And I think what we probably want to do is that the Minority Spokesman and I should have a look at your list. And I hope that not only is it a list but you'll tell us what the
relevance of these individual witnesses would be.

MR. GENSON: That's my plan.

CHAIRWOMAN CURRIE: Yeah, good. That sounds fine.

Is that all right with you, Representative?

REPRESENTATIVE DURKIN: Yes.

CHAIRWOMAN CURRIE: Representative Bellock.

REPRESENTATIVE BELLOCK: Thank you very much, Madam Chairman.

Two things that I think are extremely important to this committee either to be given to us by Barry Maram and Tamara Hoffman or by the Comptroller's office is to quantify the cost of the expansion of the FamilyCare program and the number of clients involved in that program during the expansion.

CHAIRWOMAN CURRIE: That's a question you would like the committee to address to Barry Maram and Tamara Hoffman?

REPRESENTATIVE BELLOCK: And to the Comptroller's office.

CHAIRWOMAN CURRIE: Okay. The committee -- Representative Durkin and I can write that letter.

REPRESENTATIVE BELLOCK: Thank you.

CHAIRWOMAN CURRIE: Representative Rose.
REPRESENTATIVE ROSE: Madam Chair, thank you. I think one of the things that, just briefly looking through the response and communication from today, it's the notes and e-mails that are missing. I think at least some of the witnesses' testimony was they couldn't remember but it would be in their notes about who were parties to certain conversations. I think that would be helpful in addition to what Representative Bellock just asked.

CHAIRWOMAN CURRIE: I think her question was a factual question, what was the cost of the expanded healthcare program. Is that right? She was not asking I think about process.

REPRESENTATIVE ROSE: No, I know. And I'm saying as far -- when you're asking them, some of the documents that they had agreed to produce were notes, e-mails, et cetera, that included what parties there were to certain conversations.

CHAIRWOMAN CURRIE: I don't think they were promising to give us their notes and their e-mails. They were promising to tell us from their notes and their e-mails who was involved in making decisions about --

REPRESENTATIVE ROSE: That's fair. But I
don't see that in what's been produced today.

CHAIRWOMAN CURRIE: Okay. All right.

Re-request.

REPRESENTATIVE ROSE: Thank you.

CHAIRWOMAN CURRIE: So the point is there should be a re-request for the information that did not come to us in response to Thursday's questioning. Is that right? Is that a fair statement?

REPRESENTATIVE ROSE: Yes.

CHAIRWOMAN CURRIE: Okay. Thank you.

Representative Mautino.

REPRESENTATIVE MAUTINO: Also, there was a direct request -- and I've looked through the packet at the information that she gave us already. There was a request for the sign-off sheets on the form changes and the instruction for those at the staff level or the front-line level to go ahead and do the expansion. And I noticed in the documents there that was not included. So, make sure we have the actual sign-offs.

CHAIRWOMAN CURRIE: Thank you.

Representative Eddy.

REPRESENTATIVE EDDY: Thank you, Madam Chair.

Maybe I misunderstood. Maybe it was a different
list. But have we heard from the U.S. Attorney regarding our request at this time?

CHAIRWOMAN CURRIE: We have not. We anticipated we would hear today. Today isn't over. But as of 3:15 on Monday afternoon, December 22nd, we do not yet have an answer.

REPRESENTATIVE EDDY: Thank you.

CHAIRWOMAN CURRIE: We will definitely notify the members of the committee when we do, and the answer may have some impact on the remaining schedule of this committee.

Representative Flowers.

REPRESENTATIVE FLOWERS: Madam Chairman, in reading the letter that we got from the Department of Family -- of Healthcare and Family Services, it states here that sample invoices and statements sent by the department to FamilyCare participants for premiums due, and I don't see the samples. What I see are samples of bills for advice and counsel for legal representation. But I don't see any bills --

CHAIRWOMAN CURRIE: Yeah. Okay. So what we'll do, Representative, is we'll ask staff to go through and find out exactly what questions were answered by the department either when they gave
material to the staff on Thursday and Friday or in response to -- or in this letter that we received today. And that will guide us when we're writing the letter asking the information Representative Bellock requested as well as everybody else.

Representative Lang.

REPRESENTATIVE LANG: Thank you.

I definitely want to hear from Mr. Genson's witnesses, but let me ask if the Chair believes it might be premature to set a date for Mr. Genson's witnesses because we have not heard from the U.S. Attorney as of today. I think we all expect we're not going to get a lot of names from him or directions we can go, and then maybe we might be ready for Mr. Genson. But just speculating, what if the U.S. Attorney says okay, here's ten people on your list you can subpoena?

CHAIRWOMAN CURRIE: Representative, we can certainly change the schedule. But this is not a criminal trial. So it's not like the prosecution gets its turn and then the defense gets its turn. And Mr. Genson asked for a one-week delay, not to present today but a week from today. And why don't we at this moment, at least for purposes of our schedules,
consider that we will back in this room a week from today, Monday, December 29th, and we anticipate at that time we will hear whatever information Mr. Genson wishes to present us as long as we decide that it's relevant to our mission, our charge from the Illinois House of Representatives. Subject, as always, to change. That is to say, there could be more hearings scheduled; there could be a change. If so, we will be in touch with everybody with new information if new information becomes available.

REPRESENTATIVE LANG: I think that's fair.

Thank you.

CHAIRWOMAN CURRIE: All right.

Representative Mendoza.

REPRESENTATIVE MENDOZA: Thank you, Madam Chairwoman.

Mr. Genson, I would just request that -- I'm surely looking forward to hearing from your invitees in the event that we're able to do that. But certainly, my top priority would be to hear from your client, Governor Rod Blagojevich. So hopefully -- I'll ask you to include that as the first and foremost name on that list. I know we've requested it in a few instances, but I just think it's worth repeating.
Thank you.

CHAIRWOMAN CURRIE: Representative Fritchey.

REPRESENTATIVE FRITCHEY: Thank you, Madam Chairman.

As it appears that we're going to be wrapping up for the week, I just want to try to look at the big picture for just a second. These are very trying times, not just for this committee and state government, but for all of Illinois. I would like just to step back and wish everybody a happy and healthy holiday season and hope that we take time to remember those things that are truly important to all of us. And that's all. Thank you.

CHAIRWOMAN CURRIE: And the Chair wishes to associate herself with the comments of Representative Fritchey. Happy holidays, one and all.

And we will back in this room -- the plan at the moment is the committee should convene a week from today at 11 a.m. in this room.

And with that, Representative Durkin moves that the committee stands adjourned.

And, yeah, people should prepare -- Representative Black, this is particularly directed to you.
People should prepare to be here overnight.

So Representative Durkin moves that the committee stands adjourned.

All in favor say aye.

All opposed.

The ayes have it. The committee stands adjourned until Monday December 29 at the hour of 11 a.m.
CERTIFICATE

I, Dorothy J. Hart, affiliated with Capitol Reporting Service, Inc., do hereby certify that I reported in shorthand the foregoing proceedings; that the witness was duly sworn by me; and that the foregoing is a true and correct transcript of the shorthand notes so taken as aforesaid.

I further certify that I am in no way associated with or related to any of the parties or attorneys involved herein, nor am I financially interested in the action.

/s/ Dorothy J. Hart
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Dated this 23rd day of December, A.D., 2008, at Springfield, Illinois