

**IN THE HONORABLE SENATE OF THE STATE OF ILLINOIS
FOR THE NINETY-SIXTH GENERAL ASSEMBLY
SITTING AS AN IMPEACHMENT TRIBUNAL**

In re)
Impeachment of)
Governor ROD R. BLAGOJEVICH)

**HOUSE PROSECUTOR'S
MODIFIED MOTION FOR ADDITIONAL DOCUMENTS OR MATERIALS**

House Prosecutor David W. Ellis, pursuant to Senate Impeachment Rule 15(b)(2), moves for the admission of additional documents into evidence and, in support thereof, states as follows:

1. In the event that the Honorable Senate grants the House Prosecutor's requests to call Special Agent Daniel Cain and the modified list of witnesses, the House Prosecutor will be withdrawing all motions for additional documents filed on January 21, 2009. Instead, the House Prosecutor will seek to admit this modified motion for additional documents or materials.

2. The House Prosecutor seeks to admit a flowchart detailing the process of obtaining authority to intercept oral and wire communications at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the process for obtaining court authorization to intercept oral and wire communications. The Affidavit of Special Agent Daniel Cain (Exhibit 3) includes content contained in four court-authorized intercepts, which provide grounds for multiple paragraphs of the Article of Impeachment. This document will be used for demonstrative purposes during live testimony and is not redundant because it is not in the House Impeachment Record.

3. The House Prosecutor seeks to admit an excerpt of Exhibit 44, namely, the remarks of Chief Judge James F. Holderman regarding the legality of the federal government's interception of oral and wire communications regarding the Governor at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material

because it demonstrates the lawfulness of the wiretaps that were used by the federal government as referenced in the Affidavit of Special Agent Daniel Cain (Exhibit 3). This document will be used for demonstrative purposes during live testimony and is not redundant because it does not exist in the proposed form.

4. The House Prosecutor seeks to admit excerpts from Exhibit 3, the Affidavit of Special Agent Daniel Cain for demonstrative purposes at the Impeachment Trial. Copies of these documents are attached to this Motion. These excerpts are relevant and material because they provide evidence of the Governor's abuse of power. These excerpts will be used for demonstrative purposes during live testimony and are not redundant because they do not exist in the proposed forms.

5. The House Prosecutor seeks to admit a document detailing the purpose and function of an organization known as "Change to Win" at the Impeachment Trial to illustrate the Governor's interest in trading a Senate appointment for a position that with organization. A copy of this document is attached to this Motion. This document is not redundant because it is not in the House Impeachment Record.

6. The House Prosecutor seeks to admit the December 5, 2008 front page of the *Chicago Tribune* at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates Governor Blagojevich's discovery that the federal government was listening to his conversations regarding his plot to obtain a personal benefit in exchange for his appointment to fill the vacant seat in the United States Senate and reversed his actions upon that discovery. This document is not redundant because it is not in the House Impeachment Record.

7. The House Prosecutor seeks to admit *Chicago Tribune* editorials critical of Governor Rod Blagojevich from July 2, 2007, to December 5, 2008, and a list of all such articles at the Impeachment Trial. A copy of these documents is attached to this Motion. These documents are relevant and material because they display the *Chicago Tribune* editorials that led to the Governor's plot to condition the awarding of State financial assistance to the Tribune

Company on the firing of members of the *Chicago Tribune* editorial board. These documents are not redundant because they are not in the House Impeachment Record.

8. The House Prosecutor seeks to admit an excerpt of Exhibit 7, pages 41-42, at the Impeachment Trial. A copy of this document is attached to this Motion. This document will be used for demonstrative purposes during live testimony and is not redundant because it does not exist in the proposed form.

9. The House Prosecutor seeks to admit a timeline detailing Ali Ata's appointment to the position of Executive Director of the Illinois Finance Authority and contributions Ali Ata made to Governor Rod Blagojevich's campaign at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's plot to trade official acts in exchange for campaign contributions. This document is not redundant because it is not in the House Impeachment Record.

10. The House Prosecutor seeks to admit an excerpt of Exhibit 8, pages 30-31, at the Impeachment Trial. A copy of this document is attached to this Motion. This document will be used for demonstrative purposes during live testimony and is not redundant because it does not exist in the proposed form.

11. The House Prosecutor seeks to admit the bill status of House Bill 4758 of the 95th General Assembly at the Impeachment Trial. A copy of this document is attached to this Motion. This document is a public record. This document is not redundant because it is not in the House Impeachment Record.

12. The House Prosecutor seeks to admit a letter from Governor Rod Blagojevich to Tommy Thompson, Secretary of Health and Human Services at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's action with regard to, and responsibility for, the I-SaveRx Program. This document is not redundant because it is not in the House Impeachment Record.

13. The House Prosecutor seeks to admit a letter from Lester Crawford, Acting Commissioner of the Food and Drug Administration, to Governor Rod Blagojevich at the

Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's action with regard to, and responsibility for, the I-SaveRx Program. This document is not redundant because it is not in the House Impeachment Record.

14. The House Prosecutor seeks to admit various newspaper articles and a press release dated September 16, 2006, relating to the creation and expansion of the I-SaveRx Program at the Impeachment Trial. Copies of these documents are attached to this Motion. These documents are relevant and material because they demonstrate the Governor's actions with regard to, and responsibility for, the I-SaveRx Program. These documents are not redundant because it is not in the House Impeachment Record.

15. The House Prosecutor seeks to admit a copy of a document included in Exhibit 6, namely the timeline detailing the events that transpired during the procurement of the flu vaccine, at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's action with regard to, and responsibility for, the procurement of the flu vaccines. This document will be used for demonstrative purposes during live testimony and is not redundant because it does not exist in the proposed form.

16. The House Prosecutor seeks to admit a copy of a document included in Exhibit 6, namely the timeline detailing the events that transpired before and after the Governor launched the I-SaveRx Program at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's action with regard to, and responsibility for, the I-SaveRx Program. This document will be used for demonstrative purposes during live testimony and is not redundant because it does not exist in the proposed form.

17. The House Prosecutor seeks to admit the Joint Committee on Administrative Rules' Statement of Objection to and Suspension of Peremptory Rule issued on November 19, 2008 at the Impeachment Trial. A copy of this document is attached to this Motion. This

document is relevant and material because it demonstrates the Governor's refusal to recognize the authority of the Joint Committee on Administrative Rules to suspend or prohibit rules and his violation of the Illinois Administrative Procedure Act by unilaterally expanding a state program. This document is not redundant because it is not in the House Impeachment Record.

18. The House Prosecutor seeks to admit the Joint Committee on Administrative Rules' Statement of Objection to and Suspension of Peremptory Rule issued May 20, 2008 at the Impeachment Trial. A copy of this document is attached to this Motion. This document is relevant and material because it demonstrates the Governor's refusal to recognize the authority of the Joint committee on Administrative Rules to suspend or prohibit rules and his violation of the Illinois Administrative Procedure Act by unilaterally expanding a state program as provided. This document is not redundant because it is not in the House Impeachment Record.

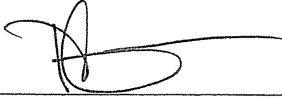
19. The House Prosecutor seeks to admit a letter from Representative Barbara Flynn Currie, Chairperson, House of Representatives Special Investigative Committee, informing the House Prosecutor of the Committee's intention to allow public use of intercepted communications ordered disclosed to the Committee by the United States District Court for the Northern District of Illinois. This document is relevant and material because it demonstrates that the House Prosecutor has authority to disclose the tapes received by the U.S. Attorney. This document is not redundant because it is not in the House Impeachment Record.

20. Moreover, although some evidence related to this issue is contained in the House impeachment record, under Senate Impeachment Rule 15(g), the evidence is not deemed redundant simply because it relates to material already in the record.

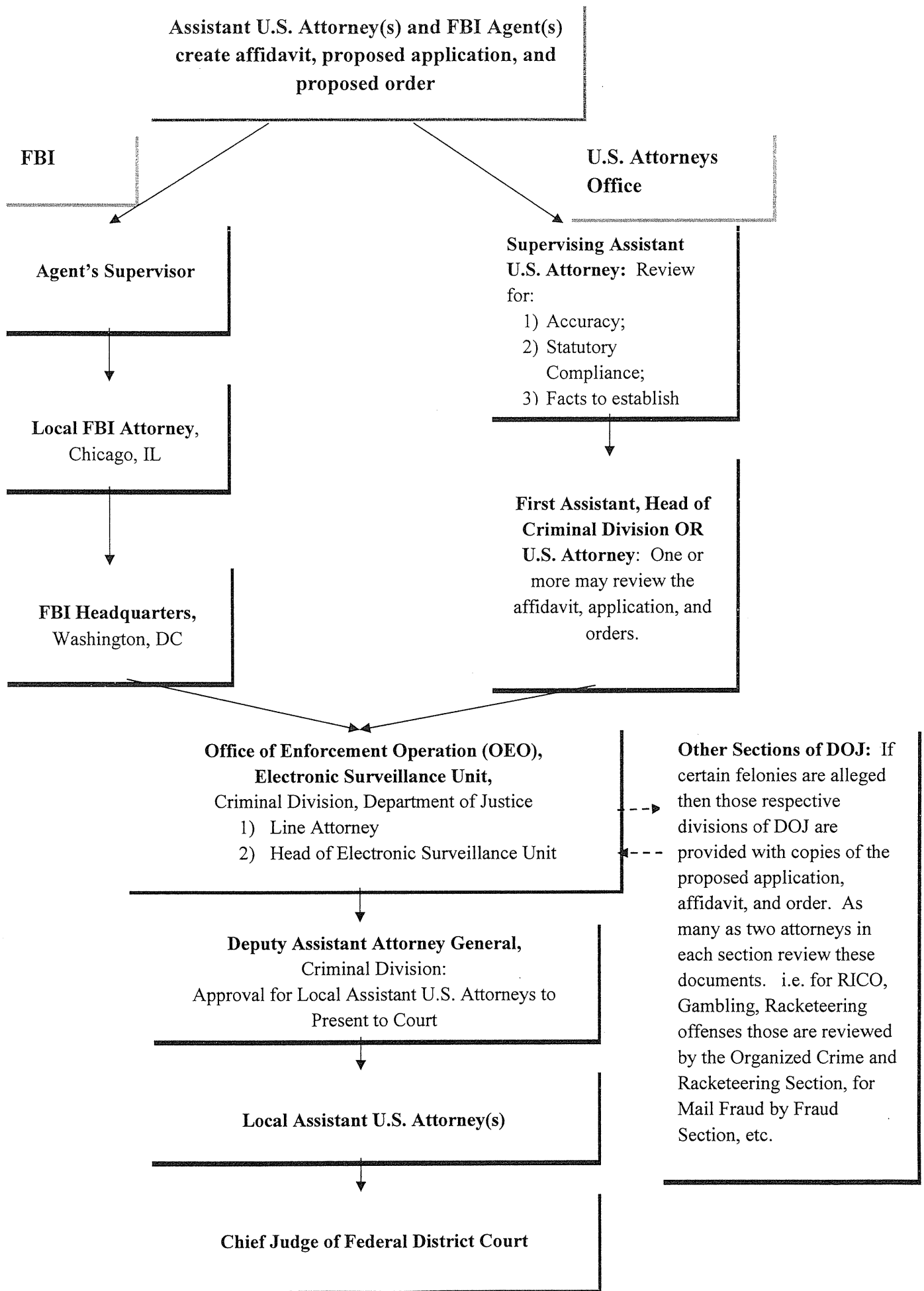
WHEREFORE, the House Prosecutor respectfully moves for the admission of the aforementioned documents into evidence at the Impeachment Trial.

Respectfully submitted,

**DAVID W. ELLIS,
HOUSE PROSECUTOR**

A handwritten signature in black ink, consisting of a stylized 'D' and 'E' followed by a horizontal line extending to the right.

David W. Ellis
House Prosecutor
Illinois House of Representatives
412 State House
Springfield, IL 62706



Chief Judge James F. Holderman

“But I can assure you that I have scrutinized the procedure that has been followed in connection with each of these wiretaps as they were presented to me, and I can assure you that I have done everything in my power to make sure that the government has complied with the law.”

Source: Transcript of proceedings before the Honorable James F. Holderman, January 5, 2009, in the matter of United States v. Rod R. Blagojevich (Ex. 44, pp. 10-11)

**BLAGOJEVICH told
Fundraiser A to tell
Individual D if there is
“tangible political support
(campaign contributions)
like you’ve said, start
showing us now.”**

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(b) (Conversation on December 4, 2008)

“some of this stuffs gotta start happening now . . .right now. . . and we gotta see it. You understand?”

❖ *ROD BLAGOJEVICH told Fundraiser A to tell Individual D that ROD BLAGOJEVICH had a problem with Senate Candidate 5 just promising to help ROD BLAGOJEVICH because ROD BLAGOJEVICH had a prior bad experience with Senate Candidate 5 not keeping his word.*

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(b) (Conversation on December 4, 2008)

BLAGOJEVICH said that “one thing I’d be interested in” is a 501(c)(4) organization.

BLAGOJEVICH explained the 501(c)(4) idea to **SEIU Official** and said that the 501(c)(4) could help “our new Senator [Senate Candidate 1].”

SEIU Official agreed to “put that flag up and see where it goes.”

Approximately a week before this call, BLAGOJEVICH met with SEIU Official to discuss the vacant Senate seat, and BLAGOJEVICH understood that SEIU Official was an emissary to discuss Senate Candidate 1’s interest in the Senate seat.

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 109 (Conversations on November 12, 2008)

“I said go back to [Senate Candidate 1], and, and say hey, look, if you still want to be a Senator don’t rule this out and then broach the idea of this 501(c)(4) with her.”

BLAGOJEVICH told Advisor B this is what he said to SEIU Official.

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 109-110 (Conversations on November 12, 2008)

ROD BLAGOJEVICH asked Advisor A to call Individual A and have Individual A pitch the idea of the 501(c)(4) to “[President-elect Advisor].”

Advisor A said that, “while it’s not said this is a play to put in play other things.”

ROD BLAGOJEVICH responded, “correct.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 114 (Conversations on November 13, 2008)

ROD BLAGOJEVICH and Advisor A discussed who might be close to Senate Candidate 6 to talk with him about the issue, because BLAGOJEVICH did not “want to be the one to ask something like that.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 105 (Conversations on November 11, 2008)

BLAGOJEVICH told HARRIS that he should do “homework” on private foundations “right away.”

BLAGOJEVICH told HARRIS to “look into all of those.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 94 (Conversations on November 5, 2008)

“I could have made a larger announcement but wanted to see how they perform by the end of the year. If they don’t perform, f--- ‘em.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 63

“I’m going to do \$8 million for them. I want to get [Hospital Executive 1] for 50.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 65

ROD BLAGOJEVICH: The pediatric doctors – the reimbursement. Has that gone out yet, or is that still on hold?”

DEPUTY GOVERNOR A: The rate increase?

ROD BLAGOJEVICH: Yeah.

DEPUTY GOVERNOR A: It's January 1.

ROD BLAGOJEVICH: And we have total discretion over it?

DEPUTY GOVERNOR A: Yep.

ROD BLAGOJEVICH: We could pull it back if we needed to – budgetary concerns – right?

DEPUTY GOVERNOR A: We sure could. Yep.

ROD BLAGOJEVICH: Ok. That's good to know.

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 68(b) (Conversation recorded November 12, 2008 at approx. 2:14p.m.)

Lobbyist 1 had a private conversation with Contributor 1 about the contribution (“commitment”) Contributor 1 had not yet made and advised Contributor 1 “look, there is a concern that there is going to be some skittishness if your bill gets signed because of the timeliness of the commitment” and made clear that the contribution “got to be in now.” ROD BLAGOJEVICH commented to Lobbyist 1 “good” and “good job.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 68(e) (Conversation on December 3, 2008)

Lobbyist 1 suggested that it is better for ROD
BLAGOJEVICH to make the call personally
“from a pressure point of view.”

BLAGOJEVICH stated that he would call
Contributor 1 and indicate that
BLAGOJEVICH wanted to do an event
(fundraiser) downstate
“so we can get together and start picking some
dates to do a bill signing.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 68(e)

ROD BLAGOJEVICH stated that his decision about the open Senate seat will be based on three criteria in the following order of importance: “our legal situation, our personal situation, my political situation. This decision, like every other one, needs to be based upon on that.

Legal. Personal. Political.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 111 (Conversation on November 12, 2008)

BLAGOJEVICH said that the consultants are telling him that he has to “suck it up” for two years and do nothing and give this “motherf---er [the President-elect] his senator. F--- him. For nothing? F--- him.”

BLAGOJEVICH states that he will put “[Senate Candidate 4]” in the Senate “before I just give f---ing [Senate Candidate 1] a f---ing Senate seat and I don’t get anything.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 101(c) (Conversation on November 10, 2008)

“the immediate challenge [is] how do we take some of the financial pressure off of our family.”

BLAGOJEVICH stated that absent getting something back, BLAGOJEVICH will not pick Senate Candidate 1.

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 101(c) (Conversation on November 10, 2008)

ROD BLAGOJEVICH

states that he will appoint
“[Senate Candidate 1] . . . but
if they feel like they can do this
and not f---ing give me
anything . . . then I’ll f---ing go
[Senate Candidate 5].”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 102 (Conversation on November 10, 2008)

BLAGOJEVICH said he knows that the President-elect wants Senate Candidate 1 for the Senate seat but “they’re not willing to give me anything except appreciation. F--- them.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 104 (Conversation on November 11, 2008)

“if . . . they’re not going to offer anything of any value, then I might just take it.”

“unless I get something real good for [Senate Candidate 1], s---, I’ll just send myself, you know what I’m saying.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 89-90 (Conversations on November 3, 2008)

“I’m going to keep this Senate option for me a real possibility, you know, and therefore I can drive a hard bargain. You hear what I’m saying. And if I don’t get what I want and I’m not satisfied with it, then I’ll just take the Senate seat myself.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 89-90 (Conversations on November 3, 2008)

**The Senate seat
“is a f---ing valuable
thing, you just don’t
give it away for
nothing.”**

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 90 (Conversation on November 3, 2008)

BLAGOJEVICH stated that he will make a decision on the Senate seat “in good faith . . . but it is not coming for free. . . .It’s got to be good stuff for the people of Illinois and good for me.”



BLAGOJEVICH states “[President-elect], you want it? Fine. But, its got to be good or I could always take [the Senate seat].”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 92 (Conversation on November 4, 2008)

“I’ve got this thing and it’s f---ing golden, and, uh, uh, I’m just not giving it up for f---in’ nothing. I’m not gonna do it. And, and I can always use it. I can parachute me there.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 96 (Conversation on November 5, 2008)

**“some of this stuffs
gotta start happening
now . . . right now . . .
and we gotta see it.
You understand?”**

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(b) (Conversation on December 4, 2008)

**“you gotta be careful
how you express that
and assume everybody’s
listening, the whole
world is listening. You
hear me?”**

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(b) (Conversation on December 4, 2008)

“I would do it in person. I would not do it on the phone.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(b) (Conversation on December 4, 2008)

On the morning of December 5, 2008, the *Chicago Tribune* ran a front page news story stating that BLAGOJEVICH had recently been surreptitiously recorded in relation to an ongoing criminal investigation. BLAGOJEVICH and Fundraiser A discussed certain information contained in the story.

“undo your [Individual D] thing.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(c) (Conversation on December 5, 2008)

“We were approached ‘pay to play.’ That, you know, he’d raise me 500 grand. An emissary came. Then the other guy would raise a million, if I made him (Senate Candidate 5) a Senator.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 115(a) (Conversation on October 31, 2008)

BLAGOJEVICH stated that the “trick . . . is how do you conduct indirectly . . . a negotiation” for the Senate seat.



BLAGOJEVICH analogized his situation to that of a sports agent shopping a potential free agent to various teams, stating “how much are you offering, [President-elect]? What are you offering, [Senate Candidate 2]? . . . Can always go to . . . [Senate Candidate 3].”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 92 (Conversations on November 4, 2008)

With respect to the Senate seat, Deputy Governor A suggested putting together a list of things that BLAGOJEVICH would accept in exchange for the Senate seat.

BLAGOJEVICH responded that the list “can’t be in writing.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 91 (Conversation on November 4, 2008)

ROD BLAGOJEVICH indicated that if he was appointed as Secretary of Health and Human Services by the President-elect, then **BLAGOJEVICH** would appoint Senate Candidate 1 to the open Senate seat.

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 99 (Conversation on November 7, 2008)

HARRIS stated “we wanted our ask to be reasonable and rather than. . .make it look like some sort of selfish grab for a quid pro quo.”

HARRIS suggested a “three-way deal,” and explained that a three-way deal like the one discussed would give the President-elect a “buffer so there is no obvious quid pro quo for [Senate Candidate 1].”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 99 (Conversation on November 7, 2008)

Advisor B stated that he likes the idea, but liked the Change to Win option better because, according to Advisor B, from the President-elect's perspective, there would be fewer "fingerprints" on the President-elect's involvement with Change to Win because Change to Win already has an existing stream of revenue and, therefore,

“you won't have stories in four years that they bought you off.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 107 (Conversation on November 12, 2008)

Governor General Counsel asked,

**“can [the President-elect] help
in the private sector. . . where
it wouldn’t be tied to him? . . .
I mean, so it wouldn’t
necessarily look like one for
the other.”**

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 101(b) (Conversation on November 10, 2008)

BLAGOJEVICH said that he thinks that they should put this all together and then have **HARRIS** or somebody go talk to the Tribune owners and say, “Look, we’ve got decisions to make now. . . moving this stuff forward (believed to be a reference to the IFA helping with the Cubs sale) . . . someone’s gotta go to [Tribune Owner], we want to see him. . it’s a political f---in’ operation in there.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 73 (Conversation on November 3, 2008)

BLAGOJEVICH stated that because of the impeachment articles, “we don’t know if we can take a chance and do this IFA deal now. I don’t want to give them a grounds to impeach me.”

BLAGOJEVICH stated that “our recommendation is fire all those f---ing people, get ‘em the f--- out of there and get us some editorial support.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 76

BLAGOJEVICH instructed HARRIS to call someone at the Tribune and “lay a foundation with them.”

BLAGOJEVICH told HARRIS to tell Tribune Financial Advisor that “everything is lined up, but before we go to the next level we need to have a discussion about what you guys are going to do about that newspaper.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 77

HARRIS said he told Tribune Financial Advisor that things “look like they could move ahead fine but, you know, there is a risk that all of this is going to get derailed by your own editorial page.”

HARRIS said that he told Tribune Financial Advisor that they need to have a discussion on how they might tone things down and change the focus of “that page.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 78

ROD BLAGOJEVICH stated that **HARRIS's** suggestion will be to “get rid of these people” and that “the other point you want to make is in fact, we, we sure would like to get some editorial support from your paper. Okay?”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 78

- ❖ **BLAGOJEVICH** stated that “the Tribune thing is important, if we can get that.”
- ❖ **HARRIS** replied, “delicate, very delicate.”
- ❖ **BLAGOJEVICH** said, “I know, I know. Use your judgment, don’t push too hard. But you know what you got to do, right.”
- ❖ **HARRIS** responded, “Alright, sir.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 82

“I could have made a larger announcement but wanted to see how they perform by the end of the year. If they don’t perform, f--- ‘em.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 63

“I’m going to do \$8 million for them. I want to get [Hospital Executive 1] for 50.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 65

ROD BLAGOJEVICH: The pediatric doctors – the reimbursement. Has that gone out yet, or is that still on hold?”

DEPUTY GOVERNOR A: The rate increase?

ROD BLAGOJEVICH: Yeah.

DEPUTY GOVERNOR A: It's January 1.

ROD BLAGOJEVICH: And we have total discretion over it?

DEPUTY GOVERNOR A: Yep.

ROD BLAGOJEVICH: We could pull it back if we needed to – budgetary concerns – right?

DEPUTY GOVERNOR A: We sure could. Yep.

ROD BLAGOJEVICH: Ok. That's good to know.

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Lobbyist 1 had a private conversation with Contributor 1 about the contribution (“commitment”) Contributor 1 had not yet made and advised Contributor 1 “look, there is a concern that there is going to be some skittishness if your bill gets signed because of the timeliness of the commitment” and made clear that the contribution “got to be in now.” ROD BLAGOJEVICH commented to Lobbyist 1 “good” and “good job.”

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Lobbyist 1 suggested that it is better for ROD
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“from a pressure point of view.”

BLAGOJEVICH stated that he would call
Contributor 1 and indicate that
BLAGOJEVICH wanted to do an event
(fundraiser) downstate

“so we can get together and start picking some
dates to do a bill signing.”

Source: Exhibit 3, Daniel Cain Affidavit, paragraph 68(e)

Who We Are

Leadership Council

Anna Burger
Chair
Change to Win
International
Secretary-Treasurer
Service Employees
International Union (SEIU)

Edgar Romney
Secretary-Treasurer
Change to Win
Executive Vice President
UNITE HERE

Joseph Hansen
International President
United Food and
Commercial Workers
International Union (UFCW)

James P. Hoffa
General President
International Brotherhood
of Teamsters (IBT)

Cerale Luty
International Vice President
United Food and
Commercial Workers
International Union (UFCW)

Douglas J. McCarron
General President
United Brotherhood
of Carpenters
and Joiners
of America (UBC)

Terence M. O'Sullivan
General President
Laborers' International Union
of North America (LIUNA)

Bruce Raynor
General President
UNITE HERE

Arturo S. Rodríguez
President
United Farm Workers
of America (UFW)

Andrew L. Stein
International President
Service Employees
International Union (SEIU)

Change to Win was founded in September 2005 by seven unions and six million workers devoted to building a movement of working people with the power to provide workers a paycheck that supports a family, universal, affordable health care, a secure retirement and dignity on the job.

Change to Win's primary focus is to unite the 50 million workers in Change to Win affiliate industries whose jobs cannot be outsourced and who are vital to the global economy — but who are not given a chance to reach the middle class. We are uniting workers in industries such as hospitality, construction, retail, food processing, healthcare, trucking and transportation among others.

The seven affiliated unions are: *International Brotherhood of Teamsters, Laborers' International Union of North America, Service Employees International Union, UNITE HERE, United Brotherhood of Carpenters and Joiners of America, United Farm Workers of America, and United Food and Commercial Workers International Union.*

Restoring The American Dream

The six million members of the Change to Win labor federation have united to renew hope, opportunity and prosperity for American workers and their families. By uniting millions more workers in a strong and innovative union movement, we can ensure that work is valued and rewarded in America and create hope for a better future for our children and grandchildren. We are building a movement with the power to provide workers:

Universal Health Care

Universal health care is the central jobs and economic security issue of our era. Winning access to affordable, quality care for everyone in America will have the biggest positive impact on the economic security of the American people of any campaign in generations and places the labor movement at the forefront of progressive change. Change to Win unions have taken the lead in a campaign to unify the broadest number of working people, capture the imagination of the nation and build a broad coalition to win affordable, quality health care for all.

Retirement Security

Change to Win is devoted to building a nationwide campaign to win real retirement security for American workers. We are simultaneously focused on defending defined benefit pension plans that guarantee retirees a monthly pension as we also develop new ideas and strategies that will enable us to extend genuine retirement security to the millions of Americans who don't have defined benefit plans. We believe that we need to build a system that is adapted to a world of rapid change.

Immigrant Rights

Change to Win continues to play a leading role in the movement to defend the rights of immigrant workers to join a union and be protected on the job. The fight for fair treatment and legal protection for immigrant workers in this country is inextricably linked to the fight for better wages, benefits and working conditions for all workers. We will not allow workers to be pitted one against the other because of their national origin. Everything labor has ever won came by building a grassroots movement and strong community alliances. Our unions have been organizing and fighting for the rights of immigrant workers, and we will continue to do so.

■ It's Time To *Make Work Pay!*

For too many people, 40 hours of hard work does not provide the basics of the American Dream. CEO pay is skyrocketing and corporate profits go up and up. But most workers are being left behind — the gap between the rich and everyone else is gaping and growing. The only way to preserve the middle class and the American way of life — the only way working people in America will obtain a decent standard of living — is to help millions unite in the union movement.

Change to Win unions are sharing resources, supporting each other's organizing drives, and exerting pressure on corporations to not interfere with their workers' democratic right to join a union. We are partnering with other unions, community groups, elected public officials, responsible employers, and other allies around the world.

■ Innovative Strategies

The Strategic Organizing Center

- Coordinates the work of affiliates in organizing campaigns
- Provides a hub for Change to Win unions to come together to integrate their organizing programs and launch large-scale organizing campaigns
- Assists in joint campaigns by two or more unions
- Works with affiliates to develop and implement plans to generate large-scale growth
- Leverages the collective resources of the affiliates for growth
- Provides cutting edge research for campaign strategies
- Develops and leverages global alliances for growth

The Sector Coordinating Committees

Our goals can only be accomplished through increased cooperation and coordination of our organizing and collective bargaining activities. The SCC will coordinate the organizing and bargaining activities of affiliated unions, develop strategic organizing plans and set bargaining goals and contract standards in major industries. The SCC will:

- Raise pay and benefit standards in each industry
- Stop employers from playing off one against another
- Avoid duplication and waste of resources

Global Initiatives

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movies

Music rules
in Beyonce's
Chicago story



Chicago Tribune



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Feds taped Blagojevich

TRIBUNE EXCLUSIVE: Adviser cooperated with corruption probe, sources say



By Jeff Coen, John Chase
and David Kidwell
TRIBUNE REPORTERS

Federal investigators recently made covert tape recordings of Gov. Rod Blagojevich in the most dramatic step yet in their corruption investigation of him and his administration, the Tribune has learned.

As part of this undercover effort, one of the governor's closest confidants and former aides cooperated with investigators, and that assistance helped lead to recordings of the governor and others, sources said.

The cooperation of John Wyma, 42, one of the state's most influential

lobbyists, is the most stunning evidence yet that Blagojevich's once-tight inner circle appears to be collapsing under the pressure of myriad pay-to-play inquiries.

Wyma, Blagojevich's chief of staff when he was in Congress, has long been one of the few advisers trusted by Blagojevich and kept in the loop on matters of policy and politics. As the federal probe intensified, Wyma met privately with the governor and his former chief of staff at the governor's campaign headquarters on the North Side for 90 minutes on Oct. 22.

Confronted outside that meeting, Wyma declined to talk to Tribune reporters about what the meeting was

about before jumping into his car. The next day, the Tribune was the first to report that Wyma's name appeared in a federal subpoena delivered to Provena Health, a former client of his.

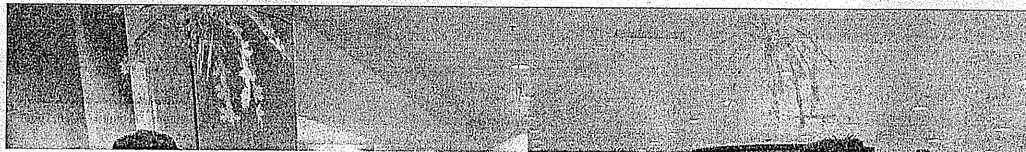
The subpoena sought records about Provena's lobbying relationship with Wyma, the hospital's efforts to win state approval of a new heart program and a \$25,000 donation the company's for-profit affiliate gave to Blagojevich's campaign fund.

On Thursday, Wyma did not return phone messages and e-mails

Who is John Wyma?

Wyma (above left) is among Gov. Rod Blagojevich's closest confidants, fundraisers and friends. Before becoming a top state lobbyist, he was Blagojevich's chief of staff when Blagojevich was in Congress and played key roles in the governor's campaigns.

Obama's \$1 billion



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Governor, let's talk

Published Dec. 7, 2008

"The governor owes to the people of Illinois a full and complete explanation. ... He should immediately find a forum and stand there for however long it takes and fully and completely answer all questions raised."

-- Lt. Gov. Pat Quinn, Dec. 5, 2008

Gov. Rod Blagojevich, we invite you to accept the advice of your lieutenant governor and meet with the Tribune editorial board to "answer all questions raised." Our offer is sincere, as is our hope to understand your own actions as well as your views on the federal investigation of corruption in our state's government.

We offered the same forum last March to then-candidate Barack Obama at a critical moment in his presidential campaign. He accepted the invitation and, during 92 minutes of questioning, answered literally every question put to him about his relationship with Tony Rezko, the businessman and fundraiser who then was under indictment but hadn't yet been convicted on corruption charges. With that interview session and a meeting at the Sun-Times, Obama largely put the Rezko issue behind him.

Friday morning, Governor, Lt. Gov. Quinn said that you need to explain yourself to the citizens of Illinois following the Tribune's disclosure that you have been covertly taped by federal authorities in the course of their probe. Quinn also said you need to explain your relationships to convicted political insiders like Stuart Levine, whom you kept on state boards where corruption flourished, and to Rezko, whose federal conviction followed a trial in which you repeatedly were linked to allegations of pay-to-play politics.

Governor, the lawyers in that trial uttered your name 41 times in their closing arguments alone. You have been charged with no crime. But as we said after Rezko's conviction: Fairly or not, testimony in that trial left you -- the governor who vowed to clean up state government -- accused of scandal. Time and again you essentially were described as the prize doll in marathon games of pay-to-play: People who made big contributions to your political coffers won your favor.

You've said many times that this suggestion was false. You also said, often, that you weren't free to discuss any such allegations in detail because the Rezko case was unresolved. Well, it's quite resolved now. And with the people of Illinois aware that the feds have covertly taped your conversations, you're liberated to speak with candor. Your lieutenant governor says you're obligated. Why would you not do so?

You used to be a regular at our editorial board. But you haven't been here since March 8, 2007. We remember your pledge that day to return and to speak with us about the federal investigation. After that meeting concluded, you sidestepped a question about whether you had been interviewed by federal authorities since 2005, saying you weren't at the meeting to discuss those matters but would set up a time to do so later.

"I'm happy to make an appointment, talk to you guys about that," you said that day. "But I feel real good about all the different things that we do because we follow the rules and we do things right and at the end of the day, as they say in the Bible, the truth shall set you free. The truth is what it is. And the truth is we do things right."

Governor, let's make that appointment. Your press staffers can contact us, and we'll certainly be reaching out to them.

Had you been present for our Q-and-A meeting with Obama on March 14, you'd have seen a political leader taking questions in a session as mutually respectful as it was thorough. Obama agreed that no topic was off limits. We had criticized him over 16 months for not answering questions about his Rezko

connection. In the eyes of many Americans, his willingness to do so in a venue he didn't control added to his credibility.

If you keep your pledge of 21 months ago to discuss the federal investigation with us, we would hope for a similar engagement and a similar tone. Mostly we would hope to help explain to the people of Illinois your thoughts on the cloud of scandal that, fairly or not, envelops your administration.

Governor Blagojevich, let's talk.

Nobody trusts the gov ...

Published Nov. 21, 2008

Illinois isn't yet halfway through its 2008-09 fiscal year, and the full effects of the nation's economic doldrums haven't yet descended on the bean counters in Springfield. But the trajectory is obvious: The office of the governor projects a budget shortfall of some \$2 billion and says revenues from income and sales taxes are short of earlier projections.

What an opportunity this is for an emergency posse of state government leaders to shave spending and otherwise adjust to tougher times. Imagine a state with a governor who evokes trust, a chief executive who can broker agreements among legislators and other state officials. You can imagine that as long as you want, though, and you won't be imagining Illinois. The current governor, Rod Blagojevich, engaged in his customary governance-by-press-release this week, surprising lawmakers with a plan most notable for giving him added authority to cut expenditures. He also wants to borrow money to pay expenses that Comptroller Dan Hynes pegs at \$4 billion and climbing.

But because this state's governor has earned so much distrust, his great schemes get no more attention from legislators than the last rustle of dry leaves under foot. Time and again he has bent the budget process to serve his whimsy or to preen for the cameras. Lawmakers are as likely to give him more authority over taxpayer money as those dead leaves are to jump back onto trees.

No one person, not even an accomplished and popular governor, could navigate these financial shoals alone, without help from legislative leaders and state officials. A governor who has alienated almost everyone in Springfield, and whose approval rating wallows at 13 percent, might as well propose annexing Ft. Knox for its gold. He and his plans are irrelevant. White noise.

Before you crawl into glum hibernation, though, consider two developments that could make Springfield something other than the place this state's unsolved challenges go to grow mold:

* Senate Democrats' choice of Chicagoan John Cullerton as their chamber's president-in-waiting to replace the departing Emil Jones doesn't merely deprive the governor of his most notorious ally. Cullerton is smart and creative. He now can demonstrate, by working with other legislative leaders and by leading overrides of gubernatorial vetoes, that he won't be adding his name to the roll of Statehouse do-littles.

* Another good omen: Senate Republicans' choice of Lemont's Christine Radogno as the first woman to lead a party caucus in the Capitol. She replaces Minority Leader Frank Watson of Greenville, a good legislator who decided to surrender his leadership role after he suffered a stroke. Radogno is one of the most principled lawmakers in Springfield and a source of hope for her party's renewal in Illinois.

First, though, legislative leaders and other state officials have to confront and somehow mitigate that expected budget shortfall. If there is to be any leadership exerted, it'll have to come from within their midst. No one trusts the governor who cannot govern.

Gambling with health care

Published Nov. 14, 2008

What happens when you're playing a losing poker hand? Do you wisely fold and cut your losses? Or do you keep throwing chips in the pot and hope to prevail by bluffing your opponents?

No, this editorial isn't about poker strategy. It's about health care in Illinois. It's about people who trusted Gov. Rod Blagojevich when he said he was expanding health coverage in the FamilyCare program for parents and other caretakers who earn up to \$83,000 a year. Many thousands of people signed up -- we can't divine the exact number -- even though Blagojevich hadn't persuaded the legislature to fund this. Even though a legislative rules panel had twice rejected his gambit.

And now those people are watching a legal battle unfold over this reckless gamble by the governor. They're wondering if their health coverage will hold, after Circuit Court and Appellate Court decisions that oblige the governor to shut down his illicit expansion. If their coverage doesn't hold -- the courts are saying it won't -- they're wondering if they can find affordable coverage elsewhere.

They're not the only ones left in the lurch, pawns of the governor's grandiose ambitions. The doctors and other health-care providers who treat these patients are eager to know whether they'll ever get paid in a state already woefully behind in paying Medicaid bills. They're thinking about patient loads, pondering whether to cut back on -- or stop -- treating Medicaid patients.

Meanwhile, Blagojevich refuses to do the smart thing and fold. Maybe he thinks that if he hangs on long enough, if he creates enough confusion and doubt about what's really going on in the FamilyCare program, the legislature and the courts will finally yield to his whims. Here's one recent ploy: His administration shut off all payments to the providers for almost a month, after Circuit Judge James Epstein ordered the state to stop spending money on Blagojevich's unilateral expansion of the program.

No, the judge didn't say the state should stop paying for all 536,000 individuals in the program. He said the state couldn't pay for treating those patients to whom Blagojevich wrongly extended coverage. Those people "do not have a right to continue to receive insurance benefits under this improperly promulgated program," Epstein ruled.

The administration, however, chose to interpret this to mean that the judge said to halt payment for all FamilyCare patients. Thomas Hecht, a lawyer for plaintiffs trying to shut down the expansion in court, called that "a fear tactic" and "not what the courts have ordered." Hecht is right. Blagojevich has been playing an ugly game of politics with people's health care.

The administration was supposed to tell Epstein on Wednesday how it planned to end the illegal expansion, tell those who were enrolled that they're out of luck and unwind the program. But the Illinois Supreme Court intervened, giving the administration a couple of weeks to file an appeal.

So the governor's gamble can continue. He can keep throwing chips on the pile, hoping the Supreme Court will see things his way.

But it's probably a losing bet.

Fold 'em, Governor.

Who succeeds Obama?

Published Nov. 6, 2008

We know that urging Rod Blagojevich to do the thing right, an act devoid of self-interest, is asking a lot.

But the state of Illinois is about to lose its junior U.S. senator. He's resigning to accept another opportunity. The governor will appoint a replacement to do the senator's job for the next two years.

It's a good gig -- no lifting, plenty of vacation -- and many Democrats see themselves as the perfect choice. We're never privy to the governor's thought process. But we hope that someone sidles up to him to offer some helpful advice: The first temptation for any governor would be to send to Washington a close ally or ambitious flunky. The second temptation -- OK, maybe this is the first temptation -- would be to eliminate a political rival by giving him or her a job far, far away.

If the governor uses this pick to reward an ally or a flunky, that miserable unfortunate will spend two years riding alongside Blagojevich on the down escalator of public opinion. There's no political future in being marked as Li'l Rod.

More important, naming some lightweight would be yet another of Blagojevich's memorable disservices to the people of this state. Every American deserves to be represented in the Senate by two leaders of exceptional capability. The governor still has a 13 percent job approval rating, and he'd risk squandering even that if he named a new senator who doesn't have the skill set.

Of course, Blagojevich could reward one in his dwindling number of loyalists and try to limit the damage by appointing a two-year place holder, some over-the-hill Democrat who promises not to run for the seat in two years. That would give the people of Illinois an incumbent-free election of a new senator in 2010. But the charms of Senate life are legendary, and any promise to step down would be impossible to enforce. This, too, would be a bad route for the governor to take.

So how about appointing a proven and independent leader? Several Democrats have enough stature to be chosen by the governor in 2008 and survive to stand on their own merits for a Senate race in 2010. Here's our handicapping:

- * Valerie Jarrett, a lawyer, civic leader and housing expert who could land in Obama's Cabinet.
- * U.S. Rep. Jesse Jackson Jr., who has established himself admirably in the House.
- * Atty. Gen. Lisa Madigan, whose popularity and job performance make her a lethal threat to Blagojevich in 2010.
- * State Comptroller Dan Hynes, a sure hand who wants to be Illinois' next governor.
- * Paul Vallas, whose background in public finance, education and other policy realms qualifies him for a Senate seat.

One option we haven't addressed: Under Illinois law, Blagojevich can fill the soon-to-be-vacant seat by appointing ... himself. It was a relief to hear him say on Wednesday that he was not interested in that.

Governor, we're losing a senator and we need a distinguished replacement. You have many fine options.

Do this thing right.

Indicting Illinois. Again

Published Oct. 31, 2008

"The citizens of this state deserve honest government. ... We'll just keep rolling out indictments where they're warranted."

-- U.S. Atty. Patrick Fitzgerald, Dec. 17, 2003

Five years ago, when Fitzgerald disclosed the indictment of former Gov. George Ryan, the Illinois culture of political sleaze still had a few indignant defenders. The feds were trying to criminalize ordinary politics, they murmured. Ryan was just old school, a favors-for-favors guy who got things done. No way would a jury of his peers deliver him to the U.S. Bureau of Prisons.

Today the former governor, now known as inmate 16627-424, awaits his release, scheduled for the 4th of July, 2013. And Fitzgerald's team of prosecutors and FBI agents are shredding the culture of sleaze under yet another Illinois governor, Rod Blagojevich. On Thursday the U.S. attorney disclosed the indictment of Springfield insider William Cellini Sr. on charges of illegally hustling political contributions to benefit Blagojevich.

Thanks to the blockbuster trial of former Blagojevich fundraiser Antoin "Tony" Rezko, citizens of this sorry state know plenty about scamsters and thieves who've taken advantage of them. Will the U.S. Department of Justice prove to a court's satisfaction that Cellini -- Mr. Springfield Power Broker to Republican and Democratic administrations alike -- also broke the law? We'll see. He's not guilty until someone proves otherwise.

But by indicting Cellini at this busy juncture, with investigators crawling all over Blagojevich and his government, the feds evidently are accelerating Operation Board Games. Cellini is the 13th defendant charged in that probe of public corruption of insider deals, influence-peddling and kickbacks involving state government boards.

The essence of the four counts against Cellini -- conspiracy to commit mail fraud, extortion conspiracy, attempted extortion and soliciting a bribe -- isn't late-breaking news. Looking back may help you look forward:

Two years ago, in October 2006, political insider Stuart Levine pleaded guilty to scheming to extract millions of dollars from firms seeking state business. In Levine's 58-page plea agreement, federal authorities alleged that Blagojevich's two top fundraisers schemed almost from the beginning of the governor's administration to use their newfound influence for corrupt purposes. The agreement alleged that Cellini was in cahoots with Levine and those fundraisers, Rezko and Christopher Kelly, who has not been charged.

But, two years later, Cellini has. Why now? Maybe simply because alleged lawbreakers should be prosecuted and found guilty or innocent. Or maybe Fitzgerald envisions Cellini testifying, along with the demonstrably cooperative Levine and the rumored-to-be-cooperative Rezko, at trials of defendants not yet charged.

And who might those defendants be? Beats us. Fitzgerald doesn't telegraph his prosecutorial strategy. He does, though, have at his command numerous incentives to help people who know about crimes share those insights with federal agents. He has the power to charge and the power to bargain.

Cellini attorney Dan Webb responded to Thursday's 19-page indictment by saying his client "is completely innocent of these charges, and he will fight this case because he has done absolutely nothing wrong."

Webb in the past also has denied Cellini's involvement in an alleged plot that made a wry reappearance Wednesday. It's the very last accusation in the Cellini indictment -- a few dry lines of type back on page 19:

"It was further part of the conspiracy that in or around the summer and fall of 2004, in an effort to conceal the conspiracy, Cellini, Rezko and others discussed the possibility of removing the U.S. attorney for the Northern District of Illinois in an effort to stop any investigation into the con-conspirators and others."

Hmm. Remove the U.S. attorney. Who's that again?

Why of course, that's Patrick Fitzgerald. The man who told the much-victimized people of Illinois that he'd keep rolling out indictments where they're warranted.

Exploiting the Rod curse

Published Oct. 28, 2008

So what do you do if you're the Democratic Party and you foist Rod Blagojevich on Illinois and he turns out to be one of the most unpopular governors in the state's history?

You know what you do. You use your Democratic governor to smear a Republican! The Democratic Congressional Campaign Committee is running television ads that tell voters they can't trust Marty Ozinga, a Republican businessman running for Congress, because he gave campaign contributions to ... the Democratic governor of Illinois.

One ad shows Ozinga, candidate in the 11th Congressional District. Blagojevich's face appears next to him. And a pile of cash appears behind both of them. "Republican Ozinga and his companies gave 23 grand to Rod Blagojevich," the voiceover says in an ominous tone.

Oooh. Bad guy, Ozinga.

And who benefits from this smear ad? That would be Democrat Debbie Halvorson, the state senator who is running against Ozinga.

That would be Debbie Halvorson, majority leader of the Illinois Senate, which has worked overtime to prop up Blagojevich as citizens turned on him and the U.S. Department of Justice fixed him in its sights.

The Senate Democratic leadership denied citizens the opportunity to decide if they wanted the opportunity to recall Rod Blagojevich.

The Senate Democratic leadership stalled ethics legislation for a full year -- in large part because it was targeted at Rod Blagojevich's fundraising tactics.

A Tribune poll this month found that just 13 percent of Illinois residents approve of Blagojevich and 71 percent disapprove. That's the lowest rating a politician has received in nearly three decades of Tribune polling.

So it's no surprise that Halvorson and other Democrats would run away from their tainted governor. But isn't it amazing that they actually would use him to taint the Republican opposition? The DCCC has poured more than \$300,000 into this race on behalf of Halvorson. For the DCCC to boost Halvorson by linking her opponent to Blagojevich just plays voters for stupid.

Give it up, Governor

Published Oct. 17, 2008

Last spring, Gov. Rod Blagojevich tried an end-around on the legislature after it overwhelmingly had repulsed his move to expand health care. He said the lawmakers didn't matter, and that he could still expand the state health insurance FamilyCare plan to reach 147,000 parents and other caretakers who earn up to \$82,000 a year.

Then he tried an end-around on a legislative panel that twice -- twice -- rejected the governor's gambit. He said the panel was "merely advisory." Next he tried an end-around on Cook County Circuit Judge James

Epstein, who last spring issued a temporary injunction against the governor's expansion of the FamilyCare program. The Blagojevich administration argued that Epstein's injunction wasn't broad enough to stop expansion of the program.

Wednesday, Epstein rejected the governor's claim point-blank. His ruling does apply, he wrote. What's more, Epstein ordered the state to stop spending money on the program expansion. "Now it's time in my view to get on with complying with the order," he told attorneys.

So now what?

In two weeks, the administration must go to court and explain to Epstein how the state will do what he has ordered. As part of that, state officials may be forced to disclose information on the program, including how many people have signed up for it, how their premiums have been spent, and how the administration proposes to unravel this whole mess.

Or not. The administration does have some legal avenues to delay its day of reckoning. The governor could appeal to the Illinois Supreme Court. (He already lost in a state appellate court late last month.)

The governor can keep reversing field, trying to find a crack of daylight for his next end-run. But that only prolongs this debacle.

Give it up, Governor.

You were reckless and wrong from the beginning.

You have little to no chance of prevailing in court.

And if that's not convincing enough, think about all those people who've signed up for FamilyCare on your administration's assurances that they would have health care.

We don't know how many there are -- because you haven't said -- but it certainly runs into thousands. As you lose in court, they are likely to lose their coverage. They initially may have switched from other insurance -- and now may not be able to switch back. Another risk: They may not be able to find affordable coverage.

In his ruling Wednesday, Epstein sympathized with "the plight of the uninsured." But, he said, the Illinois citizens to whom Blagojevich wrongly extended coverage "do not have a right to continue to receive insurance benefits under this improperly promulgated program."

End it now, Governor. You've done quite enough. Don't put more people at risk of losing -- and not being able to regain -- health-care coverage.

Indict or impeach?

Published Sept. 29, 2008

After what has happened in the last few days, it's more likely that Gov. Rod Blagojevich will be indicted or impeached or both.

* The Tribune reported on Sunday that convicted political fixer Tony Rezko has talked to federal prosecutors and may cooperate in their investigation of the governor's administration. At closing arguments in Rezko's trial, a federal prosecutor told jurors that his crimes involved "the highest levels of power in Illinois." Rezko has refused to help investigators -- until, apparently, now.* The Illinois appellate

court on Friday issued a ruling that could provide reason for the legislature to remove Blagojevich. He decided to spend tens of millions of dollars to expand a state health care insurance program even though the legislature wouldn't approve it. The court told Blagojevich to stop the program -- and said his administration can't even identify how many people have enrolled in it.

Federal prosecutors will pursue their investigation of the Blagojevich administration's notorious pay-to-play politics. Having the cooperation of Rezko, once one of Blagojevich's closest confidants, would greatly help to determine if the governor was involved in criminal wrongdoing. All the rest of us -- lawmakers, political leaders, citizens -- can do is wait for the prosecutors to complete their investigation.

But Blagojevich's attempt to go around lawmakers and spend money they didn't approve for a vast health care program may be just as insidious as his pay-to-play politics. His effort to expand health care through the program known as FamilyCare was soundly rejected by the Illinois legislature. But he did it anyway, spending millions of dollars to broaden eligibility for state-funded health care to people with higher family incomes.

The Illinois secretary of state said the governor had no authority to do that. A legislative rule-making body said he had no authority to do that. But he did it anyway.

In April, Cook County Circuit Judge James Epstein issued an injunction to block the governor's program. The appellate court on Friday upheld that injunction. The reviewing court's ruling lends credence to the belief of many critics, including this page, that Blagojevich has been completely reckless in this effort. As a result, thousands of people may have paid premiums for health coverage that now will evaporate.

Earlier this year, this page strongly supported a movement to give voters the chance, through a constitutional amendment, to recall public officials. We said at the time that impeachment of the governor shouldn't be pursued. But this court ruling on his health care gamble gives reason to revisit that.

Democratic Rep. Jack Franks has encouraged House Speaker Michael Madigan to convene a committee to investigate if articles of impeachment are warranted. That seems like a sound idea.

That's not a call for impeachment. That's a call for the House to investigate. The governor should be deeply concerned about such an inquiry. He might once have been able to count on the Illinois Senate to block his removal if the House voted to impeach him. But his ally and chief enabler, Senate President Emil Jones, retires in January.

There are several Democratic candidates to succeed Jones as leader of the Senate. Let's hear what they have to say about allowing another vote on recall and whether they would promise an honest hearing if the House were to approve articles of impeachment.

Every member of the Senate should be on record answering those questions. Heads-up, Sen. Debbie Halvorson. You're scheduled to visit the Tribune editorial board on Monday with Republican Marty Ozinga to talk about your race for Congress. These will be the first questions we ask.

Illinois will have to put up with another two years of Blagojevich as governor if he serves his full term. That won't be pretty. He gets more reckless and isolated by the day as he tries to assert influence over a legislature that ignores him as much as it can.

Do we really have to put up with this for another two years? It's starting to look like the answer will be: No.

Ethics? Illinois? Keep going

Published Sept. 26, 2008

Someone pinch us. We must be dreaming. And we're not talking about the Chicago Cubs.

The Illinois General Assembly has passed an ethics reform law. Twice, in fact, if you count the vote needed to override Gov. Rod Blagojevich's amendatory veto. Beginning Jan. 1, it will be illegal for businesses seeking state contracts of \$50,000 or more to make campaign contributions to the officeholder who would award them that contract, or to any candidate for that office. (To put it another way, Blagojevich has a little more than three months left to rake in the bucks.)

So a round of applause, please, for lawmakers who kept the bill alive for more than a year while the governor and his friend, Senate President Emil Jones, tried to kill it. And a big hand to State Comptroller Dan Hynes, who got the ball rolling, and to Cindi Canary and the folks at the Illinois Campaign for Political Reform, who kept forcing the issue. And to several legislators who patiently saw this through. The good guys won. Well done.

Or rather, well begun.

The law just passed is aimed squarely at Blagojevich, a prodigious fundraiser who managed to scare up more than a quarter of a million dollars from contractors while the ethics bill was sitting on his desk. It's no wonder there was so much smirking going on when he announced that the bill needed "improving" and that he was just the guy to do it.

But he's right about one thing: The job isn't anywhere near finished.

The new ethics law won't stop contractors from giving money to state lawmakers, though legislative leaders have lots of influence over who gets state business. And though it takes a good first stab at pay-to-play politics, it doesn't address other ethical pitfalls, such as disclosure of lobbying activities or enforcement of campaign finance disclosure laws.

Blagojevich actually addressed some of those issues when he tried to rewrite the legislation. But he also loaded the bill with booby traps and poorly crafted wording. Lawmakers ignored Blagojevich and passed the original bill without his changes.

Suddenly, it seems, ethics legislation has momentum. The Senate resurrected the governor's amendments in a separate bill and voted 50-1 (with five voting "present") to send that bill to the House. So the Senate is the conscience of Illinois? Not really. Canary testified against the bill, saying it was poorly drafted and constitutionally flawed. Senate leadership wanted to help a spurned governor save face.

There's no harm in letting that flawed bill die. House Speaker Michael Madigan isn't likely to call it for a vote. We're fine with that.

But Madigan is wrong if he thinks the job is done. It has just begun.

Guilt by association

Published Sept. 23, 2008

The Chicago evoked in John McCain's latest campaign ad is shrouded in ethical clouds and federal investigations and peopled by shady characters with labels like patron, lobbyist, felon, godfather and (shudder) mayor's brother. In less than 30 seconds, the spot -- titled "Chicago Machine" -- paints the image of a city that runs on nepotism, cronyism and corruption.

Chicago is guilty as charged. Fair enough. What isn't fair is that McCain, the Republican nominee for president, is trying to apply all of the above to his Democratic rival, Barack Obama.

"Born of the corrupt Chicago political machine," the ad begins. In a lame attempt at guilt by association, it then ticks off a list of Chicago pols whose ties to Obama supposedly bring into question his qualifications

for president.

There's his "money man," Tony Rezko, convicted of federal corruption charges in June.

His political mentor, Illinois Senate President Emil Jones, who has stacked the state payroll with relatives and served as a one-man roadblock on ethics legislation for more than a year.

His economic adviser, William Daley, brother of Chicago Mayor Richard Daley.

And Gov. Rod Blagojevich ("a legacy of state and federal investigations").

"With friends like that, Obama is not ready to lead," the ad concludes.

Aside from an ill-advised relationship with Rezko, there's little here that reflects negatively on Obama. As a former U.S. commerce secretary, William Daley is an excellent go-to guy on economic matters, though the McCain ad conveniently omits that qualification in favor of the label "lobbyist." And if Jones or Blagojevich were capable of pulling Obama's strings, you wouldn't have known it last week, when Obama publicly pressed Jones to stop standing in the way of an ethics reform bill that Blagojevich was trying to kill.

Jones obeyed Obama -- and on Monday the Illinois Senate voted 55-0 to turn that ethics bill into law.

Obama deserved the heat for dealing with Rezko, a friend and fundraiser who was convicted of money laundering, aiding and abetting bribery and mail and wire fraud. Obama has acknowledged that the relationship was fraught with potential conflicts of interest, and that lapse in judgment has dogged his campaign.

But the suggestion that Obama is a politician in the classic Chicago mold is way off base. He wasn't a machine candidate in his bid for the Illinois Senate in 1996, and he won the 2004 nomination for the U.S. Senate seat in a heavily contested primary without Daley's support. Though he now enjoys the support of establishment Democrats, Obama is a man governed by his conscience, not by his associations.

Obama wasn't "born of the corrupt Chicago political machine," and that makes his rise all the more remarkable. But the McCain camp is betting voters know less about Obama than they think they know about Chicago, which can usually be summed up in three words: Dead people vote.

Chicago, regrettably, deserves that rap. Obama does not.

The ethics show returns

Published Sept. 19, 2008

Yielding to pressure from "my friend, Barack Obama," Senate President Emil Jones finally agreed to put the interests of Illinois voters above those of his other friend, Gov. Rod Blagojevich.

At the urging of his former protege, now the Democratic nominee for U.S. president, Jones said Thursday that he would call the Senate back to Springfield next week to vote on the ethics bill he's been stalling for more than a year. All that's needed is for the Senate to override the governor's amendments -- a matter of about five minutes, judging from how long it took the House to do the same last week. But hold your applause. Within minutes of Jones' announcement, the governor said he was calling a special session for Monday to deal with "true" ethics reform. There's no telling what mischief he has up his sleeve this time, but you can bet it won't be pretty.

We thought Jones' latest dodge, an original reinterpretation of the state constitution, was an inspired last stab at killing the ethics bill, emphasis on last. By delaying an override vote until November, long past the 15 days prescribed by the constitution, Jones was inviting a legal challenge that could delay the measure for years or kill it outright. "The law is in jeopardy," Atty. Gen. Lisa Madigan said, "and we know why."

Yes, we do. The bill would prohibit businesses seeking state contracts of \$50,000 or more from making campaign contributions to the state officeholder who awards the contract, or to any candidate for that office. It might as well be named the Rod Blagojevich Act. For more than a year, Jones and Blagojevich have proclaimed their support for ethics reform while doing everything they could to kill the bill.

When Jones put it on ice yet again, Cindi Canary, head of the Illinois Campaign for Political Reform, publicly turned to Obama. He's running for president as a reformer; he pushed ethics reforms during his days in the Illinois Senate; and Jones has said he always listens to Obama. Others joined the call and after several days of nudging, Obama picked up the phone and urged Jones to pass the ethics bill "at the earliest opportunity," according to a campaign statement.

The initial non-response from Jones left us wondering if Obama had actually spoken with his mentor or if maybe he'd left a voice mail.

We wondered how Obama would fare in negotiations with, say, Vladimir Putin, if he couldn't persuade Emil Jones to call a simple up-or-down vote on a no-brainer bill.

But it turns out Jones was listening. Though he still thinks he's right about the constitution, he's decided to get out of the way. If only the governor would do the same.

Vote yes on recall

Published Sept. 15, 2008

Illinoisans fed up with the self-dealing, self-serving, self-protecting political class in this state need to vote the bums out. More about that in coming weeks as the Tribune rolls out its general election endorsements.

But we want to start talking now about a referendum question that will be on the ballot in Cook County: "Shall the State of Illinois Constitution be amended to establish a recall process for the office of governor and other statewide elected officials?" Why this referendum? Lt. Gov. Pat Quinn pulled a fast one on the political establishment. He and other mischief-makers collected 900 signatures and delivered them to County Clerk David Orr. That's far fewer than the number usually required to put such a proposal on the ballot, but nobody challenged the submissions.

This referendum is causing some mirth among Illinois pols. Most figure it won't change their lives -- and, in the short run, they're right. The referendum is only advisory, it's only in Cook, and it only addresses Illinois' few statewide offices.

Which is unfortunate. Every Illinoisan should have an opportunity to support or oppose adding a recall amendment. We hope voters answer yes on Nov. 4, if only so this state's incumbents sense the disdain in which so many of them are held. If you live in Cook and are mulling how to vote on this referendum, think of Gov. Rod Blagojevich.

And think how nice it would be if a recall amendment extended to other key offices.

Think of County Board President Todd Stroger, father of the much-loathed increase in the sales tax. Think of the 10 County Board members who on July 22 refused to kill that tax hike: William Beavers, Jerry "Iceman" Butler, Earlean Collins, John Daley, Roberto Maldonado, Joseph Mario Moreno, Joan Patricia Murphy, Deborah Sims, Robert Steele and Larry Suffredin.

Think of the Senate Democrats who, last spring, denied citizens the right to decide whether to add a recall provision to their constitution. The House approved moving that amendment to the Nov. 4 ballot. But it fell three votes short in the Senate when 21 Democrats voted no or present (the effect was the same): Senate President Emil Jones Jr., who has bequeathed his seat to his son Emil Jones III, plus Michael Bond, James F. Clayborne Jr., Jacqueline Y. Collins, John J. Cullerton, James A. DeLeo, Deanna Demuzio, William R. Haine, Don Harmon, Mike Jacobs, Kimberly A. Lightford, Terry Link, Iris Y.

Martinez, James T. Meeks, Antonio Munoz, Michael Noland, Kwame Raoul, Heather Steans, John M. Sullivan, Donne E. Trotter and A.J. Wilhelmi.

Think of the four Democratic senators recorded as not even voting: Gary Forby, Mattie Hunter, Martin A. Sandoval and Louis S. Viverito. Think, too, of the one Senate Republican who didn't show up and vote to put the recall amendment on the ballot: Chris Lauzen.

And after you do all this thinking, we hope you'll vote yes on the recall referendum.

A reminder to Emil Jones

Published Sept. 12, 2008

Two weeks after Gov. Rod Blagojevich made good on his promise to "improve" the long-stalled ethics bill, the Illinois House of Representatives made good on its own pledge to override those improvements. All that's needed now is for the Senate to keep its promise to do the same.

Given that the Senate vote on the bill was 56-0, that shouldn't be a problem. But Senate President Emil Jones isn't helping matters. His members had to remind him -- loudly -- that both legislative chambers had vowed in June to override any and all amendments to the bill they'd just sent Blagojevich. When the bill came back rewritten, Jones couldn't recall any such pact. Now Jones says he won't call his troops back to Springfield until November, which is long past the 15-day window during which the Senate can second the House override. If the Senate doesn't act, the ethics bill is dead. Jones' spokeswoman says not to worry: The clock doesn't start ticking until the Senate reads the measure into its record. That's not a universally held interpretation, but if it's wrong, it's no skin off Jones. Like the governor, he'd be happy if the bill just went away.

The House passed an ethics bill in March 2007, aimed squarely at Blagojevich. It would restrict most businesses that seek state contracts from making campaign contributions to the officeholder who awards the contract.

Jones sat on it for nearly a year, but the federal corruption trial of Blagojevich pal Antoin "Tony" Rezko finally shook it loose. The Senate couldn't afford to be seen as protecting the pay-to-play culture; it tweaked the bill and passed it unanimously. Both chambers pledged to override any veto, and it was clear they had the votes to do so.

Blagojevich spent the next several weeks hustling up campaign cash at fundraisers that would be illegal under the bill gathering dust on his desk. Then he loaded it up with amendments, sent it back to lawmakers to squabble over and crossed his fingers that it would die. The House answered with a resounding 110-3 vote to override.

It's back to you now, President Jones. The people of Illinois haven't forgotten.

Just veto the thing

Published June 25, 2008

The writing has been on the wall ever since the General Assembly passed a state budget that Gov. Rod Blagojevich says is \$2 billion out of whack. There are two things he can do about it: He can veto the entire budget and tell lawmakers to start over. Or he can use his amendatory veto to cut the budget down to size himself.

On Tuesday, Blagojevich made it clear he's still holding out hope for option 3: House Democrats suddenly realize they forgot to fund all that spending and hustle back to Springfield to pass some new revenue measures. House Speaker Michael Madigan has shrugged off that suggestion for weeks, so the governor called a news conference Tuesday to announce a July 9 or else deadline. What's he waiting for? By July 9, we'll be more than a week into the 2009 fiscal year and two days into the Cubs' last home stand before the All-Star break. Might as well get busy.

Blagojevich doesn't want to cut \$2 billion, of course. He wants the legislature to pass some Band-Aid revenue measures to pay for most of the \$29.7 billion in spending they approved without fully funding. A \$16 billion pension bond issue would shore up state retirement funds and let them divert \$400 million to help balance the budget. A \$33 billion public works bill would cut loose \$600 million. He also wants to skim about \$530 million from several restricted funds.

In other words, a lot more gimmickry to get through another year.

Blagojevich's alternatives have loads of problems. He wants the legislature to pass a massive gambling bill -- read: three more casinos -- that he's hardly made an effort to explain to voters. He wants to borrow billions for pensions -- but won't do anything to curb pension costs.

Take a look at the chart here, prepared by the Civic Federation. It shows a whopping increase in per capita debt under the governor's original budget plan. The Civic Federation said no dice to that: The legislature has to "reduce the operating cost of Illinois' extraordinarily generous benefit plans before asking taxpayers to bail out state pensions by borrowing more money."

The Senate did what the governor wanted in May and got out of Dodge.

The House passed the same spending bills as the Senate, but never got around to voting on the new revenue measures. Madigan doesn't like the pension bond deal or the fund skimming deal. And the public works package relies on a sketchy plan to lease the Illinois lottery and the gambling expansion. Madigan has said paying for new schools, roads and bridges might involve "some pain," by which he means increased fees or taxes. Imagine that.

So don't look for a July 9 breakthrough.

That leaves the governor with one real option: make the cuts himself.

On Tuesday, Blagojevich solemnly outlined the cuts he says he'd be forced to make to trim next year's spending plan to \$28.2 billion, which would still be 2.6 percent more than this year's budget. State agencies would lose staff positions. Education, social services, health care, mass transit and services to seniors and veterans would all take big hits. If that happens, he said, blame the Illinois House.

Blagojevich is betting Madigan will find those cuts unacceptable. We're betting Madigan won't. The best way to find out is to stop playing blame games and use the veto pen to cut the budget.

If it turns out lawmakers are serious about living within their means, so be it. If they don't like the cuts, they can figure out how to restore them. But they can't get started if everything's on hold till July 9. No more news conferences, Governor. Do your job.

Impeach Blagojevich?

Published June 15, 2008

In a better world, Illinoisans would be deciding on Nov. 4 whether to add a recall provision to their state constitution. There are many reasons to give people the power to fire the public officials they employ. The most urgent reason, of course, is that voters shouldn't have to wait until 2011 to be rid of an inept governor. But the Illinois Senate this year refused to allow citizens the right to enact or reject a recall provision.

So conversation has turned to impeachment, with some lawmakers plotting the ouster of Gov. Rod Blagojevich -- something voters have told pollsters they desire. Last week, news of a memo circulated to Democratic legislative candidates by House Speaker Michael Madigan shoved the notion of impeaching their fellow Democrat squarely into the limelight. Madigan's memo is more about hardball politics than good governance. Madigan voted against putting a recall provision on the ballot. To his credit, he did allow a free and fair debate and vote, and the House approved the measure. Senate President Emil Jones and his allies cynically maneuvered to quash it.

The memo does not reflect nearly as well on Madigan. He dishes up sample questions about impeachment, and the talking points his candidates should use in response, including these howlers:

Q: Are you doing this at Mike Madigan's behest?

A: This has nothing to do with Mike Madigan. ... As far as I [know], the Speaker has been resistant to the idea of impeachment.

Q: So, neither Madigan nor his staff has had any involvement with you or preparing you to make this announcement?

A: I am calling for the House to begin impeachment proceedings because I believe that it's the right thing to do. I've researched the issue on my own and after careful consideration believed that now is the right time to do it.

* * *

Recall is a political tool, an expression of the people's wish to rescind their own, previous decision. By contrast, legislative impeachment and trial of an official -- at the federal level and in many states -- usually are devices for weighing accusations of crime.

Not so in Illinois. Our constitution says nothing about what behavior justifies an official's impeachment and conviction at trial.

That's left for legislators to decide. Some unknown number of them, attuned to voters' anger at Blagojevich, want to impeach and try the governor.

Much of the momentum for this hangs on suspicions of criminal conduct by Blagojevich. Quoth Madigan's memo: "The ongoing federal criminal investigations of his administration, including his role as Public Official A, have significantly impaired his ability to do his job as governor."

This page has strongly supported adding a recall provision to the state constitution. If voters had agreed, we then would have urged them to recall Blagojevich.

We do not, though, advocate his impeachment and trial at this time. Why so?

Federal investigators and prosecutors are aggressively exploring whether anyone at the highest level of state government broke corruption laws. We trust that this scrutiny will unearth which crimes, if any, demand consequences in the courts and the Federal Bureau of Prisons -- as it already has for Blagojevich fundraiser Antoin "Tony" Rezko.

We use the word "trust" after much thought. Thinking that a public official is a crook isn't sufficient reason to impeach and try him or her -- provided a truly independent arm of law enforcement is on the case.

That is the situation here. U.S. Atty. Patrick Fitzgerald of Chicago has proven his determination to honestly and relentlessly combat the Illinois culture of political sleaze.

* * *

Illinois legislators are free to disagree with that and launch impeachment proceedings. As that absence of designated reasons for impeachment and trial in our state's constitution attests, lawmakers can remove a governor for any act or omission on his part.

Whether they oust Blagojevich or continue his reign, legislators ultimately can be held accountable by their constituents.

That -- rather than with political machines or other organized groups -- is where the power to shape government in Illinois ought to reside. With the people.

And it will, if enough voters start demanding the removal of their failed officials from lucrative public sinecures.

What the Constitution says

Here is the language from Article IV of the Illinois Constitution: "The House of Representatives has the sole power to conduct legislative investigations to determine the existence of cause for impeachment and, by the vote of a majority of the members elected, to impeach Executive and Judicial officers. Impeachments shall be tried by the Senate. When sitting for that purpose, Senators shall be upon oath, or affirmation, to do justice according to law. If the Governor is tried, the Chief Justice of the Supreme Court shall preside. No person shall be convicted without the concurrence of two-thirds of the Senators elected. Judgment shall not extend beyond removal from office and disqualification to hold any public office of this State. An impeached officer, whether convicted or acquitted, shall be liable to prosecution, trial, judgment and punishment according to law."

Rezko's guilty. Who's next?

Published June 5, 2008

The Justice Department's prosecution of Antoin "Tony" Rezko was always about prelude, never about climax. The jury's conviction of Rezko Wednesday on 16 criminal counts is one more point on a long investigative arc -- an arc now pointed directly at Gov. Rod Blagojevich and other of his associates.

That arc reaches beyond the horizon to points none of us can see. But prosecutor Christopher Niewoehner unequivocally -- and forcefully -- told the Rezko jurors during closing arguments where federal authorities now are concentrating: "This is a crime that involves the highest levels of power in Illinois. All of us have seen before how the office of U.S. Atty. Patrick Fitzgerald follows these investigative arcs in pursuit of official corruption (among others, see Ryan, George, and Sorich, Robert, both in extended engagements with the U.S. Bureau of Prisons). The feds now can exploit Rezko's conviction to learn whatever he or other political players will divulge about the Illinois culture of political sleaze.

As Rezko abruptly transitions from newly christened convict to object of speculation -- Will he seek to cut his prison time by cooperating with the FBI? -- there is much for the 12 million people of Illinois to ponder:

- The fact that lawyers in Rezko's trial mentioned the governor of Illinois 41 times during closing arguments alone doesn't mean he knew anything of Rezko's crimes. The feds have accused Blagojevich

of no illegality whatsoever, and he consistently has maintained his innocence. But the governor's excuse for not answering questions about Rezko trial testimony -- There's a pending court case! -- is now moot. The governor is free to speak and should do so.

- Fairly or not, that testimony has left a governor who vowed to clean up state government himself accused of scandal. Time and again he essentially was described as the prize doll in marathon games of pay-to-play: Fork over enough money to Blagojevich's political coffers, and you win his favor.

- Three convicted political insiders have testified to Blagojevich's alleged role in private meetings about the purchase of state jobs and state business with campaign contributions. Each said the governor made it clear that people who raised money for his campaign would profit from his influence.

- Rezko's defense counsel tried valiantly to discredit witnesses who offered damning testimony. But jurors concluded that the testimony and the feds' corroborating evidence was enough to establish Rezko's guilt beyond a reasonable doubt. To the extent that this was a rehearsal for any future corruption trials, prosecutors now know that the case they have constructed is convincing. They can deploy these arguments against subsequent defendants. That's mighty strong incentive for anyone who committed official wrongdoing to dial 312-353-5300 and offer to tell the U.S. attorney's office all that he or she knows.

- Well before the Rezko trial, scrutiny of Blagojevich was intense. Over the last two years, the Tribune has revealed that federal agents have examined the Blagojevich family's bank accounts, interviewed real estate agents involved in his wife's business deals, and subpoenaed records from his campaign fund and his administration.

- That said, aggressive scrutiny alone doesn't and shouldn't imply guilt. As jurors in Rezko's case began deliberations, a half-dozen former federal prosecutors in Chicago told Tribune reporters that the evidence made public to date doesn't establish that the governor has committed a crime. "As troubling as some of this testimony has been," said former prosecutor and University of Chicago law professor Tom Scorza, "there has been none where someone hears the governor say out loud, 'Here, give me the money, it's a deal.' It really isn't enough that someone believes that's what happened."

- Of course, those former feds have seen what the rest of us have seen: only as much evidence of crimes in state government as prosecutors in the Rezko case divulged in order to convict him. Their case employed convincing evidence that didn't have to testify and couldn't be cross-examined: wiretapped conversations or official documents or records of transactions that flesh out the testimony of trial witnesses. But what else, if anything, did FBI agents learn from those wiretaps or documents or records? What don't we yet know about the conduct of Blagojevich's administration and those who sought to influence it?

One final point for the 12 million people of Illinois to ponder:

- It's not clear how high in this governor's domain the criminal behavior around him reached. What is clear is that federal agents and prosecutors are bound -- and determined -- to find out.

Contempt for voters

Published May 2, 2008

Who can know: On some diabolical level, maybe Emil Jones wanted to imperil several of his fellow Illinois Senate Democrats and simultaneously invite more talk of an impeachment campaign against the sitting governor. If those were the Senate president's motives, we congratulate him on two jobs well done.

The Senate, largely because of Democratic opposition, denied Illinois citizens the right to decide whether to add a recall amendment to their constitution. The tally was 33 senators willing to give citizens that

choice, three short of the 36 votes needed. Jones and 18 other Democrats voted no; two more Democrats voted present. Jones acolyte Rickey Hendon opened the vote, then instantly gaveled it to a close. Five senators didn't vote at all. The ploy couldn't have been more obvious: End this vote before it has time to pass.

Hendon then engineered a rapid adjournment, arrogantly denying a vote on a second version of the recall amendment, which the Illinois House had passed and sent to the Senate.

So the matter is dead. No recall amendment can clear the legislature by Sunday's deadline to put proposed amendments on the November ballot.

This stiff-arm by Jones & Co. to Illinois citizens not only protects his pal Gov. Rod Blagojevich from a post-November recall effort, but also insulates Cook County Board President Todd Stroger.

Even the Senate debate was rushed. But some of it was telling. Sen. John Cullerton voted to deny citizens the right to recall the people they put in office. Cullerton was aghast at the notion of "turning over to an outside entity" the question of whether to recall inept judges.

Yes, you, Illinois voters, are that much-feared "outside entity."

So be it. All of us in the outside entity now need to ask every Democratic senator we encounter why he or she didn't do more to advance the recall amendment. If you make to-do lists, here are the 21 Democrats whose votes of no or present (the effect is the same) denied you a voice on that amendment:

- Emil Jones, Jr., President
- Michael Bond
- James F. Clayborne, Jr.
- Jacqueline Y. Collins
- John J. Cullerton
- James A. DeLeo
- Deanna Demuzio
- William R. Haine
- Don Harmon
- Mike Jacobs
- Kimberly A. Lightford
- Terry Link
- Iris Y. Martinez
- James T. Meeks
- Antonio Munoz
- Michael Noland
- Kwame Raoul
- Heather Steans
- John M. Sullivan
- Donne E. Trotter
- A.J. Wilhelmi

Four Democratic senators were recorded as not voting: Gary Forby, Mattie Hunter, Martin A. Sandoval and Louis S. Viverito.

Every Republican senator except one voted in favor of this measure. Republican Chris Lauzen thought it more important to attend a pension conference in Philadelphia than to show up and vote.

So Emil Jones & Co. blocked the recall amendment. They didn't just show distrust for voters. They showed contempt.

Let voters decide on recall

Published May 1, 2008

Whatever it takes.

We urge the members of the Illinois House to do whatever it takes by Sunday's deadline to put a recall amendment on the Nov. 4 ballot. If they have to work the weekend, blame the defenders of Gov. Rod Blagojevich in the Illinois Senate. But if they do whatever it takes, they will give voters a chance to fire inept public officials who can't, or won't, earn their fat pay. First, of course, the Senate needs to pass its new proposal for a recall amendment and send it to the House. If the Senate fails, or if it doesn't do that soon enough to let the House vote, then Democratic senators will spend a very long time explaining how their inaction killed the recall.

Public demands for a vote on a recall amendment aren't occurring in a vacuum. There's rising talk of moving to impeach the current governor if a recall mechanism isn't created. But that's a discussion for another week. This week, discussion has to focus on getting House and Senate approval on the recall amendment by May 4. That's the deadline to place it on the Nov. 4 ballot, when voters would have the final say.

There's reason to be suspicious of the maneuvering by Senate Democratic leaders.

The House approved a recall amendment three weeks ago, but the Senate leaders refused to call it for a vote. Then on Tuesday, they grabbed a straightforward, bipartisan Senate proposal and gummed it up with changes that were designed to make it more difficult for the House to accept.

But we can live with that proposal. We suspect the House can too.

So, senators, send it to the House.

Senate Democrats know that, if given the chance, voters will approve this amendment. Our guess is that the first pol to face a recall vote would be Blagojevich. In that sense, you could think of him as Public Official A.

It also now includes what Sen. Dan Cronin (R-Elmhurst) calls the "Todd Stroger Amendment." That is, it would allow recall of local officials -- such as the president of the Cook County Board.

There may well be last-minute pressure from nervous local public officials across Illinois who fear that provision of the recall proposal. But the bar to remove them would be high. There are particular safeguards for judges. They would not be subject to removal unless a complaint had been filed against them by the Judicial Inquiry Board.

Illinois citizens have told pollsters in overwhelming numbers that they want the right to dismiss officials whose actions, or chronic inaction, keep Illinois from solving its serious problems.

This recall amendment has come further than many people anticipated. To now deny citizens the right to decide whether the amendment does, or doesn't, belong in their constitution would confirm to the cynics that Springfield only protects its own.

That denial also would add to the pressure for House members to begin impeachment proceedings against Blagojevich.

So, as the deadline for giving citizens the right to vote on the recall amendment approaches, we reiterate:

Whatever it takes.

Recall? Talk to the Senate

Published Apr. 28, 2008

Two Chicago Democrats in the Illinois Senate paid a call on the Tribune editorial board last week. When prompted, Kwame Raoul and Heather Steans told us they don't want a recall amendment added to the state constitution. They do, however, want an amendment to kill the mandate of a flat-rate state income tax, now 3 percent for individuals. They telegraphed urgency: Any potential amendment has to clear the General Assembly by May 4 to make November's ballot.

When Raoul and Steans finished, we asked: So you want the people of Illinois to be able to vote in November on your income tax amendment -- but you oppose giving them a vote on the recall amendment? Pause for reflection on that irony.

"That's right," said Raoul, looking down.

"Yes," added Steans, looking down.

* * *

Yes, indeed. This is the week Democrats in the Illinois Senate can eagerly renew their very public membership in the Rod Blagojevich Protection Society, Emil Jones Chapter. They can block the proposed recall amendment that would immediately imperil the current Democratic governor.

Or Senate Democrats can do what House members have voted to do: give citizens the right to vote a recall amendment up or down. Plenty of Senate Republicans are ready to give voters that choice in November.

Some Democrats don't care about the overwhelming popularity of the recall proposal. They have secure seats for life. They can take bullets for Blagojevich and Jones.

But some Democrats aren't so fortunate. Last week we explained the stakes for two of the allegedly more influential, Debbie Halvorson of Crete and Ira Silverstein of Chicago.

Halvorson and Silverstein lead committees that are crucial to getting this amendment to a vote of the full Senate. Both say they support that move. But, gosh, the Senate has all these rules and traditions and, well, you know how difficult life is.

The truth is that Halvorson and Silverstein haven't yet persuaded Senate President Jones to hold a Senate vote on this amendment. Without more delays. Without any so-called "improvements" intended to sabotage its passage.

They need to do that now.

Debbie, Ira, this is your life! This is the biggest test of your careers, and you're flunking. You haven't shown that you have the influence to force to a Senate vote a measure you say you support.

* * *

Halvorson and Silverstein are just two of 37 Senate Democrats who need to be held accountable by voters for what does, or doesn't, happen this week.

Every member of their caucus needs to decide whether to demand that Illinois citizens get a vote on a recall amendment -- or to stand instead with Blagojevich and Jones.

We hope you'll help the Senate Democrats make that decision. Call one or call them all -- sooner rather than later. This is the week. Here are their Springfield numbers, starting with the Senate president:

Emil Jones, 217-782-2728
Michael Bond, 217-782-7353
James Clayborne, 217-782-5399
Jacqueline Collins, 217-782-1607
Maggie Crotty, 217-782-9595
John Cullerton, 217-782-7260
James DeLeo, 217-782-1035
William Delgado, 217-782-5652
Deanna Demuzio, 217-782-8206
Gary Forby, 217-782-5509
Michael Frerichs, 217-782-2507
Susan Garrett, 217-782-3650
William Haine, 217-782-5247
Debbie Halvorson, 217-782-7419
Don Harmon, 217-782-8176
Rickey Hendon, 217-782-6252
Linda Holmes, 217-782-0422
Mattie Hunter, 217-782-5966
Mike Jacobs, 217-782-5957
David Koehler, 217-782-8250
Dan Kotowski, 217-782-3875
Kimberly Lightford, 217-782-8505
Terry Link, 217-782-8181
Edward Maloney, 217-782-5145
Iris Martinez, 217-782-8191
James Meeks, 217-782-8066
Antonio Munoz, 217-782-9415
Michael Noland, 217-782-7746
Kwame Raoul, 217-782-5338
Martin Sandoval, 217-782-5304
Jeffrey Schoenberg, 217-782-2119
Ira Silverstein, 217-782-5500
Heather Steans, 217-782-8492
John Sullivan, 217-782-2479
Donne Trotter, 217-782-3201
Louis Viverito, 217-782-0054
A.J. Wilhelmi, 217-782-8800

Monday: Shielding the gov

Published Apr. 27, 2008

Democrats in the state Senate have to decide this week whether they serve the people of Illinois or the two men who until now have been their puppeteers. That is:

- Will those Senate Democrats vote to let citizens decide in November's general election whether to add a recall amendment to the Illinois Constitution? - Or will the Democrats deny voters that choice and renew their platinum-level memberships in The Rod Blagojevich Protection Society, Emil Jones Chapter?

Blagojevich ostensibly supports adding a recall provision. But if he's been lobbying for this amendment, we didn't get the news release. Jones no doubt fears that a recall would endanger his pal Blagojevich.

So it's up to the 37 Senate Dems -- every one of whom needs to be held responsible.

Monday's editorial page will list the Senate Democrats and their telephone numbers. Help the senators decide whether they work for you or for Blagojevich and Jones. It's now or not-for-a-very-long-time. The amendment needs to clear the legislature this week to be on the ballot in November.

Monday's editorial page also will explore why two senators -- Debbie Halvorson of Crete and Ira Silverstein of Chicago -- have the most to lose if Democrats deny people a chance to enact a recall.

Emil Jones and a recall vote

Published Apr. 4, 2008

A constitutional amendment to let voters fire inept state officeholders is almost halfway to the Nov. 4 general election ballot. There appears to be strong support in the Illinois House. Whether such an amendment is approved for a ballot slot by the May 4 deadline rests primarily with Senate President Emil Jones and his fellow Senate Democrats.

For too long those Democratic senators have been inexplicably willing to let Jones, their leader, enable the frantic antics of Gov. Rod Blagojevich. Will Jones' timid followers in the Senate keep letting him further the governor's bizarre behavior without challenge? Or will Senate Democrats inform Jones that citizens deserve the right to vote a recall amendment up or down?

Three days ago, this page urged legislators to put that amendment on the ballot. Little did we know that, on Wednesday, responsive members of the Illinois House would indicate their agreement 80-25 during a test vote. A formal vote could come as early as next week.

That's right. Eighty House members signaled that they'd give citizens the right to recall state officials and legislators who can't or won't do their jobs. True, 80 is shy of the 107 House members who voted last year to reject Blagojevich's proposal for the biggest tax increase in Illinois history. But our guess is that most voters are grateful for the 80.

Senate President Jones, this recall legislation is rapidly coming your way. If both chambers give it the necessary approval by May 4, it needs no signature from the governor to appear on the Nov. 4 ballot. Citizens then can decide whether Illinois joins the 18 states that now have recall provisions.

You can bring the legislation to a vote in the Senate knowing that it surely will be approved. Blagojevich has professed that he supports a recall amendment, so you'd be giving him what he says he wants.

Or you could decide to unilaterally insulate him and any other grossly underperforming officeholder from recall by the citizens who pay his or her wages.

It's your call, Senate President Jones.

If you stifle this legislation, we'll be eager to hear explanations from members of your Democratic caucus. Many of them keep whispering how fed up they are with you, the governor and the ties that bind.

But if they let you kill a recall amendment and deny citizens a vote to approve or reject it, they'll be just as

complicit as you are. This is a case in which whispering is for cowards.

The Democrats in your caucus already have to answer for the dysfunction in Springfield. You're their leader and the governor's chief patron. There's one way, though, for your senators to take full ownership of that dysfunction: They can stand by like slack-jawed gawkers at a train wreck while you thwart the ability of their constituents to enact a recall amendment.

Many of those constituents are closely following the trial of Antoin "Tony" Rezko. They're reading remarkable testimony about their state government. At some point they may want to do something about that. Should they first be able to adopt a recall amendment, Senate President Jones?

Give the governor his recall

Published Apr. 1, 2008

Back in the comparatively open-government days of 2007, when the governor of Illinois occasionally deigned to answer questions instead of running away from them, Rod Blagojevich said he favored adding a recall provision to the state constitution.

Blagojevich was correct in acknowledging that citizens of this state don't have adequate means to terminate an officeholder who can't, or won't, do his job. He was correct in his opinion that Illinois should join the 18 states that give frustrated voters -- as opposed to lawmakers acting in impeachment proceedings -- the power to remove inept politicians from office. Now it's time for legislators to heed the governor's stated wish by creating a recall provision for Illinois. By our calculation, both houses of the General Assembly have barely a month in which to pass the legislation that would qualify a recall amendment for the Nov. 4 general election ballot. Depending on how that amendment is worded, it could permit a recall election to remove Blagojevich himself as early as 2009.

Legislation enabling that public vote this fall has been introduced in both chambers. Early in March, a House committee approved a recall measure without a single vote in opposition.

There'll be much handicapping of this effort in coming weeks, with plenty of commentary on who in which chamber is supporting or opposing the notion of a recall.

The problem: That risks inextricably linking the recall proposal to the question of who supports or opposes Blagojevich.

Surely, he is the inspiration for the recall movement, as this page stated in an Oct. 28 editorial titled "Removing a governor." We cited Blagojevich's reckless financial stewardship, his dictatorial antics and his penchant for creating political enemies. We invoked his legacy of federal and state investigations of his administration's alleged cronyism, corruption in the steering of pension fund investments, subversion of hiring laws, and illicit awarding of contracts.

But the need for a recall provision goes beyond any one officeholder.

Blagojevich's reign follows the certifiably corrupt term of George Ryan. Whenever such failed leaders don't have the personal dignity to stop pocketing a paycheck from citizens, those citizens shouldn't have to wait for the next election to declare, "You are serving your interests, not ours. You are dismissed."

Blagojevich has earned that distinction. Last fall, as bickering lengthened the seemingly interminable 2007 legislative session, the governor who cannot govern insulted the citizens of this state by suggesting that, "If you measure success on whether or not you are doing things for people, this is the most successful session in years."

Never mind that the governor's inability to forge legislative coalitions last year left Illinois with inadequate accountability in public schools, no new tax formula for funding those schools, no meaningful attack on the state's pension indebtedness. Instead, the governor unilaterally redirected taxpayers' dollars to pet

programs that he couldn't persuade legislators to support.

Last November an independent Chicago research firm, Glengariff Group, reported that its survey of 600 registered voters found support for a recall amendment swamping opposition, 65 percent to 25 percent.

Legislators need to give Illinois voters the option of adding to the constitution a way to recall officials in the executive, judicial and legislative branches.

Citizens, too, need to tell legislators that this recall provision is a priority -- and that they don't want to hear lame excuses about why-we-didn't-get-around-to-that.

We've all seen how little now happens in dysfunctional Springfield. There's time in the next month to pass a hundred pieces of recall legislation. Illinois only needs one.

Busy days on the Blago beat

Published March 7, 2008

This tirade has been hanging around the middle of our to-do list all week, ever since we learned that the \$1 million Gov. Rod Blagojevich had promised to help Pilgrim Baptist Church after a devastating fire in 2006 had gone instead to a private school that departed for the Loop.

There's plenty in that deal to rant about: Two years after the fire destroyed the school's rented quarters in an administrative building next to the South Side church, the school hasn't reopened. The Loop office building that houses its new space is in receivership. The owner of that building was a business associate of the ubiquitous Blagojevich pal Tony Rezko -- see above -- and the head of the state agency that awarded the grant used to work for Rezko.

While the application was pending, the governor granted a pardon to one of the school's officers and ordered her criminal record expunged. Chandra Gill noted in her pardon petition that she had applied for the grant but was worried she couldn't run the school with a felony record. Still, the governor insists he didn't know about her connection to the school when he granted the pardon.

Oh, and the \$1 million that was supposed to help rebuild the church's administrative building? The school got it through a "bureaucratic mistake," Blagojevich says, but not to worry. He'll find another million for Pilgrim Baptist.

It's all so outrageous that the editorial practically writes itself, so we apologize for taking so long. When you write about the governor's various bumbling ways, things tend to back up.

That's why we thought twice about state Rep. Lou Lang's bill to strip the governor of control over the Illinois State Board of Education. Though it sailed through a House committee this week, it will never get past Senate President Emil Jones, a Blagojevich ally. It also feels a little retaliatory: Lang admits he's mad that the governor tried to torpedo a \$1.2 million state education grant that Lang wanted to bus kids to private Jewish schools around Chicago -- just another example of what Lang calls "the long arm of the governor" overreaching its authority. Blagojevich's office says he did no such thing.

Normally we'd dismiss this bill as an impudent poke in Blagojevich's eye. But we haven't forgotten all the mischief caused by the long arm of the governor in last year's triple-overtime legislative session. He played fast and loose with state finances, neglected urgent state needs while campaigning for his own prohibitively expensive causes and blocked critical initiatives without offering viable alternatives. We have to sympathize with lawmakers, whose job is a lot harder than it needs to be because they have to dodge around a guy who can't get out of his own way.

So they might be tempted to think the antidote to Blagojevich is to strip him of his power, department by department, agency by agency, board by board, starting with the State Board of Education.

Our own frustration with Blagojevich's meddling led us last year to wish aloud -- to great public applause, we might add -- that Illinois had a mechanism to recall the governor. It doesn't, but there are bills in the legislature that would start to create that process. They would let voters decide in November if they want to add a recall provision to the Illinois Constitution.

So a note to House Speaker Michael Madigan and Senate President Emil Jones: Let the recall legislation come to a vote. Give the people of Illinois a chance to decide if this is what they want.

If you don't, you're enabling this governor and disabling your constituents.

The governor nobody trusts

Published Feb. 21, 2008

The most powerful figure in Illinois government spoke Wednesday about preparing for the fiscal year that begins July 1. House Speaker Michael Madigan shared the most telling of his thoughts -- volumes of truth, really -- in just two sentences.

Oh, and in other news, Gov. Rod Blagojevich delivered his annual budget address. Not that what Blagojevich says matters much to legislators, many of whom dislike and distrust him. Hence those two sentences from Madigan: "We can always count on Gov. Blagojevich to give a fine speech. However, we have learned from hard-won experience that the devil is always in the details when dealing with his fiscal plans."

True enough. Blagojevich and his budgeteers have a history of seeking to pay for today's good deeds by committing tomorrow's revenues. So it was no surprise to hear him propose a public works package funded primarily by surrendering 80 percent of future state lottery revenues -- in return for an upfront payment from someone in the private sector for a windfall north of \$10 billion.

These Blagojevich budget addresses ring annoyingly familiar from one year to the next. It's always about snaring a positive first-day headline. Last year, health-coverage galore. This year, take your pick: that pricey public works program or his proposal for a \$300-per-child tax credit.

The governor was long on homey platitudes -- he invoked versions of the word "family" 28 times in a 22-minute speech -- but short on admitting that his state is so overspent it can't pay its bills on time. What's always missing from his budget speeches is the difficult but candid passage that would resonate with every hard-pressed household in this state. Something like:

We lawmakers, myself included, are the sloppy stewards of a government that refuses to pay in a timely fashion for Medicaid and social services care that has already been given to our sickest, poorest and most disabled citizens. So before we spend one new penny on anything at all, we're going to pay our creditors what we owe them. Doing less than that is shameful -- and no longer excusable.

No, that sort of message never makes its way into a Blagojevich speech. Paying the bills already incurred by Deadbeat Illinois would be responsible and boring and not much to boast about on the stump so, well, what's the point of that? As a Blagojevich aide once whined to us in a private conversation: "We won the election -- we ought to get to spend some money on stuff we want."

If only Blagojevich, before he delivered Wednesday's speech, had paid closer attention to state Comptroller Dan Hynes' new report, "Illinois' Fiscal Condition."

The Reader's Digest version:

We've had good revenue growth -- roughly 5.5 percent a year -- since the last recession in 2001. Except we spent most of that. Didn't build reserves. Still running huge deficits every year -- biggest in the nation. Revenues for the rest of fiscal 2008? Iffy. Fiscal 2009? You don't want to go there. Only gets worse.

We'll all learn more in coming weeks as legislators decipher Blagojevich budget documents measured in hundreds of pages. When you're the governor nobody trusts, you give your speech, then you wait.

Speaker Madigan wasn't the only truth-telling legislator Wednesday. His Republican counterpart, Rep. Tom Cross, told a TV interviewer what Illinois can't afford in its fiscal 2009 budget: "More spending, more borrowing, more indebtedness."

Yes, as the most powerful figure in Illinois government put it Wednesday, the governor gave a fine speech. Now, lawmakers, please pay your bills for services already rendered.

"My fellow deadbeats..."

Published Feb. 17, 2008

On Wednesday, Gov. Rod Blagojevich will propose a state budget for the fiscal year that begins July 1. As our gift to a government that can't pay its bills on time, we offer the budget address Blagojevich should deliver:

Last year I caused quite a ruckus in Springfield. I suggested a big expansion of health coverage. And, to pay for it, I proposed the largest tax increase in our state's history.

Today I propose what ought to be a less-controversial agenda. Here's why I do so:

Governors enjoy nothing more than voicing pride in their states. We like to brag. But today I'm ashamed of Illinois. Just as every member of the General Assembly should be ashamed. We aren't paying long-overdue bills for the most sacred trusts we hold. We are delaying -- sometimes with terrible effects -- our payments to those who have, at our request, already provided survival care for our neediest, most helpless citizens.

We are failed leaders of Deadbeat Illinois.

Maybe that doesn't keep you up at night. Maybe you think we spend too much on Medicaid recipients. Maybe you resent a doctor who drives a car nicer than yours. Maybe you have a beef with some whiny social services agency in your district.

Doesn't matter. Doesn't matter at all.

Because we long ago told these providers...

No. Lousy word, "providers." It's clinical, like "associates" or "interest groups."

We told these people in our midst, these medical professionals and employees at caregiver organizations, that we want them to do work that isn't always pretty, for patients and clients who aren't always lovable.

We asked the doctors and hospitals and nursing homes who'll serve our Medicaid folks to treat bladders that leak, and wounds that bleed, and lungs that cough up mucus.

We said we wanted the agency employees to teach young folks with dreadful disabilities -- body and mind -- how to feed themselves. How to find genuine dignity in menial jobs that would bore any one of us

luckier citizens to tears. How to get as close as they can to independent living -- something that, sadly, many of them can't fully achieve.

We also requested -- demanded, really -- that we get these services at steep discounts from what the market otherwise bears.

Good deal, right? Somebody else tends to our state's impoverished and disabled citizens -- in the name of us, the more fortunate people of Illinois. Aren't we ... noble?

Except, we delay payment for those services -- often for months. If the people who do our scut work can't meet their payrolls or pay their bills, tough. They can borrow.

Sure, we eventually pay them. But only after we've jerked them around -- for month upon month upon month.

We're a disgrace. We have no right to spend taxpayers' money on our golly-whiz new ideas until we pay for the care and services people already have delivered to the sick and disabled citizens we're sworn to protect.

The law doesn't give us many ways to skirt the Illinois Constitution's command that we balance our budget. We can, though, delay payments to the social services folks (and to other creditors as well) until two months past the end of the fiscal year. Better yet, we can stall Medicaid payouts -- indefinitely! -- into the next fiscal year. That is, we're required by law to pay most of the state's bills by Aug. 31, but whatever Medicaid bills we don't pay one year, we just kick into the next.

And we never catch up. By the time we finally pay off last year's Medicaid bills, this year's are already piling up. Unpaid.

I propose today that we end this humiliating payment scam, and the sorry reputation, of Deadbeat Illinois. Right now. As we prepare for fiscal 2009.

I'd love to propose a dozen -- a hundred -- new ways to spend taxpayers' money and make us look great in an election year.

But we can't live the good life, preening for the cameras, when we don't pay our bills. When we stiff medical and social services people who did what we asked them to do.

Why should they keep caring for our patients and disabled citizens? Good question. Why do we treat them this way? Because we can.

Dan Hynes, our state comptroller and my fellow Democrat, says we had a backlog of \$2.7 billion in unpaid bills on Jan. 1. He says we owed 61 percent of that for Medicaid and other social services care. My people think Dan's \$2.7 billion is a misleading number.

What's the correct amount? As I said earlier. Doesn't matter. Doesn't matter at all.

We owe a tremendous amount of money for the care given to our poor and disabled citizens. Dan says we finished fiscal 2007 with a \$3.6 billion deficit -- the worst of any state in the nation. Our holdover Medicaid bills accounted for most of that. Our budget for this year, fiscal 2008, will swim deep in red ink.

We've been scrapping over resources and it's only going to get worse. Dan waves a lot of graphics with frightening trend lines -- where our revenues and our fixed expenses are headed. No good news there.

But before we start squabbling about fiscal 2009, let's make a solemn pact. Let's agree that in '09 we won't spend one extra dollar -- on existing programs, on schools, on new ideas, on adding a single state trooper -- until we zero out our debts.

That pact will hold only if we make an unequivocal, rigid commitment and stick to it. We have to. How can we look taxpayers in the eye if we won't even do what every Illinois household this side of Bankruptcy Court has to do? If we won't pay our bills on time?

Many of us weren't in Springfield when the state began this shabby mistreatment of the people who care for our most vulnerable citizens. But we have to stop this.

The voters who elected us, trusted us, can continue to think of us as squabbling do-littles. Or they can see that, in 2008 and 2009, we fulfilled our obligations. Their obligations, really. They can see that when people serve the sick and disabled citizens of Illinois, this governor, and this legislature, won't creep around looking for reasons not to pay.

We're the stewards of Deadbeat Illinois. And our disgraceful record stops right here.

The Fate State

Published Dec. 30, 2007

Last spring, Illinois Democratic leaders in the heady grip of Obama Drama set Feb. 5 as the date of this state's 2008 primary. Anything to help a favorite son -- and feel like you're part of the game.

"Illinois is the fifth-largest state in the country," Gov. Rod Blagojevich proclaimed in June. "The people who live here deserve to play a bigger role in deciding who the presidential candidates will be." Nice idea. We editorialized in favor.

But a lot of states had the same idea. Jealous of Iowa's primacy in the nominating process, they advanced the dates of their own primaries and caucuses. By the night of Feb. 5, Democrats in Illinois and 27 other states will have spoken on who their presidential candidate should be. In fact, the 2008 campaign calendar is now so frontloaded that Democrats in the first half-dozen states -- Iowa, New Hampshire, Michigan, Nevada, South Carolina, Florida -- could have the whole thing settled before Feb. 5. (Republicans have a slightly different schedule.)

Yet Thursday's caucuses in Iowa's 1,784 precincts are as important as ever. So candidates of both parties have spent many months jetting past Illinois. They stop in Chicago for the occasional fundraiser. But for them, Iowa is still the Fate State.

Feeling ignored? Scorned? Don't blame Iowa for this monkey business. Blame Gary Hart.

Prior to 1972, Iowa's precinct caucuses took place in March or April, obscurely deep in primary season. For 1972, though, the Iowa Democratic Party set its caucuses for Jan. 24. (Republicans stuck to April, but caught up in 1976.)

Wry footnote to history:

The Democrats' motive wasn't to upstage New Hampshire's primary. They just wanted more time for processing paperwork before their subsequent county, congressional district and state conventions. In a 1998 history of the caucuses, Hugh Winebrenner, a professor of public administration at Drake University, wrote that Democratic leaders "confess that they were unaware that the Iowa Democratic caucuses would

be the nation's first as a result of the move. It did not take Iowa Democrats long, however, to realize what they had done, and although surprised by the media attention, they set out to capitalize on their new position of prominence."

Sen. Ed Muskie of Maine was the Democratic front-runner for the right to challenge President Richard Nixon in '72. But Hart, campaign manager for Sen. George McGovern, grasped the rich potential for Iowa's caucuses to embarrass Muskie. He started grass-roots organizing across Iowa in mid-1971, dispatching "border-runners" from South Dakota to recruit Iowa liberals for their senator. Hart's staff also lured a clutch of the nation's top political reporters to Des Moines with the prospect of a McGovern upset in a contest few of them even knew existed.

McGovern finished third, behind Uncommitted and Muskie. But Hart's bonanza payoff came when The New York Times' R.W. Apple wrote that Muskie's victory was "clouded" by McGovern's "unexpected strong showing." Or as ABC's Bill Lawrence put it, "The Muskie bandwagon slid off an icy road in Iowa last night."

Iowa has been rewriting once-promising candidates' plans ever since: John Glenn, Pete du Pont, Bob Kerrey, Jack Kemp. ... they and many others unable to sell themselves to voters eye-to-eye -- and not just as the unblemished creations of their TV ad-meisters -- have met their Waterloo. Their Oskaloosa. Their Dubuque.

As Wall Street Journal columnist Peggy Noonan recently wrote of another all-but-coronated candidate: Hillary Clinton and her handlers mistakenly thought Iowa "was a queenly procession, not a brawl. Now they're reduced to spinning the idea that expectations are on Mr. Obama, that he'd better win big or it's a loss."

The most frequent knock on Iowa voters as the nation's first is that, unlike the people of many other states, most of them are white. That arguably skews the caucus-night results.

This fall, The Washington Post's Dan Balz argued a countervailing view: "The reality is that voters in Iowa and New Hampshire have earned their privileged position by their seriousness and diligence in screening the candidates. In no other state is this tradition so richly embedded. Leaders elsewhere argue that the same would happen in their states if they were given status at the front of the line, but this doesn't happen overnight. It requires an engaged electorate, media outlets willing to devote serious resources to campaign coverage, and political leaders who nurture the climate of participation."

The Tribune's oft-stated preference is for perhaps four regional primaries, with the order rotating for each quadrennial cycle. That's fair.

But we'll acknowledge that Iowa and New Hampshire, with 3 million and 1.3 million citizens respectively, have done much of the nation's scut work this year. The rest of us have confirmed from this granular politicking that Hillary Clinton truly does feel entitled, that John Edwards is so chronically late as to appear undisciplined -- and that white voters are willing to evaluate Barack Obama the way Martin Luther King could only dream: not by the color of his skin, but by the content of his character.

Come Thursday's caucuses -- they demand hourslong commitments from voters -- our Iowa neighbors surely will relish their moment. There is, though, quiet bittersweetness to these final days. As Newsweek once put it:

Iowa's "native sons and daughters are taught from birth that of life's many cardinal sins, the most repugnant is grabbiness. They have never quite reconciled that with the fact that the whole crazy caucus circus -- the scheming campaign organizers, the boastful candidates, the anxious press -- is as grabby as can be, fickle suitors angling as a group toward a one-night stand and a plane ticket out."

That's a dilemma for Iowans to ponder on Friday. Thursday is game day. Too soon we'll all have Democratic and Republican presidential nominees -- followed by a nine-month general election campaign.

And right after Nov. 4? Count on the earliest birds flocking back to Iowa and New Hampshire.

Merry Christmas, Governor

Published Dec. 14, 2007

A governor already under siege took another pounding Thursday. Grab a tall eggnog:

Bad enough that Rod Blagojevich can't fashion a compromise among leaders of his Democratic Party in Springfield. Worse yet that Tony Rezko, his one-time top fundraiser, goes on trial in February. He's accused of using his ties to Blagojevich to extort businesses. On Thursday a second close Blagojevich associate, fundraiser and adviser Christopher Kelly, was charged with tax fraud. A federal indictment accuses him of filing false returns and illegally structuring monetary transactions. Kelly's attorney says he is innocent. Rezko, too, was on the griddle yet again Thursday, charged in a separate indictment with an expanded role in a previously alleged loan fraud. That case is apart from charges alleging Rezko's involvement in a pay-to-play scheme to bribe investment firms that wanted business from the state's teacher retirement system.

Also: P. Nicholas Hurtgen, a former executive at Bear Stearns & Co. in Chicago, was reindicted Thursday; a judge had dropped earlier charges against him. He's accused of participating in a kickback scheme to secure state permissions for hospital expansion projects.

Whew. What does this December blizzard of charges mean? Let's shovel the snow slowly:

Federal prosecutors previously alleged that Rezko and another fundraiser schemed, almost from the beginning of Blagojevich's administration, to use their clout for corrupt purposes. The Tribune has reported that the other fundraiser is Kelly. The feds said Thursday the new indictment against Rezko is part of that probe, nicknamed Operation Board Games.

Remember, these are charges against people associated with Blagojevich, not against Blagojevich. No one accuses him or his administration of breaking the law. And U.S. Atty. Patrick Fitzgerald said Thursday, "We are not linking the indictments returned on the same day."

Maybe not in any formal sense. But Rezko, Kelly and Hurtgen, all in one day? What coincidence. Another point worth noting: Fitzgerald and Rob Grant, the FBI's top G-man in Chicago, took time to announce these indictments.

That has no significance in federal court. In the court of public opinion, though, this flurry (sorry) of indictments sends one unmistakable message from the feds:

If Kelly and Rezko by chance have any information about public corruption involving anyone, anywhere, the Department of Justice is all ears. And talking into those ears might help shorten any prison sentences that Kelly or Rezko might face if convicted.

And Blagojevich? Governors don't burnish their legacies when people they trusted get indicted. Kelly was Blagojevich's liaison to the Illinois Gaming Board during tense deliberations over where to locate a 10th casino.

So none of this helps Blagojevich. He and his friends Rezko and Kelly can spend the holidays ruminating about the old days, and pondering the pile of presents Patrick Fitzgerald has delivered.

Legislators, learn your lesson

Published Nov. 28, 2007

If you had to stake the house on it, you'd probably bet the odds are better in Annapolis than in Springfield. These days, the Israelis and the Palestinians look more likely to find peace than the Illinois Democrats and ... the Illinois Democrats.

But Gov. Rod Blagojevich is going to haul them all to the capital anyway on Wednesday, for a special session called to resolve the impasse over mass transit funding in the Chicago region. We'll take it as a good sign that House Speaker Michael Madigan has offered a compromise, support for a transit funding plan that has been touted by Blagojevich. That involves shifting gasoline taxes to transit, rather than imposing a higher regional sales tax. House Democrats, to their credit, have been leading the effort for months to get the transit issue resolved.

But we're not kidding ourselves here. It probably won't be resolved without executing a three-cushion shot. That's going to mean money for Downstate roads and bridges as well as for Chicago area transit. And the most likely place the lawmakers are going to find that money is through an increase in gambling in the state.

That brings us to a unanimous ruling this week by a state appellate court panel.

The legal issues are arcane, the chronology tortuous. But the court's ruling ought to caution Illinois lawmakers as they try to fund mass transit and capital improvement projects: Legislators can't allow gambling legislation to be used to line the pockets of political cronies. To do so would risk costing the state a whole lot of money.

The court ruling slapped down yet another legal attempt by Emerald Casino to challenge the Illinois Gaming Board's revocation of its license in late 2005. Emerald is on a long losing streak in federal and state courts -- which is just what a company that repeatedly broke state gambling regulations richly deserves. But there would be no Emerald case if legislators hadn't made a grievous error: They tried to dictate that politically connected Emerald could relocate one of Illinois' 10 casinos to politically connected Rosemont.

That 1999 intrusion into the business of the independent Illinois Gaming Board created a mess of regulatory fights and court litigation that likely won't end until sometime in 2008.

Illinois' beleaguered taxpayers have paid a terrible price for the legislators' clumsy effort to do favors for Emerald and Rosemont. With the 10th license still dormant, the state has forfeited perhaps \$1 billion in gambling revenue. A 10th casino should be sending many millions of tax dollars to Springfield every month -- and creating hundreds of Illinois jobs.

The General Assembly would be foolish to again make any casino a plum for favored communities or investors. Illinois doesn't need more Emerald fiascoes, more stalling from casino company lawyers, more politically connected investors whining that they deserve reimbursement from taxpayers if their casino project doesn't make them rich.

How should legislators proceed?

Last week we listed crucial ingredients to assure the honesty and fairness of any gambling expansion: no clouting of legislators' favored groups into casino ownership; designated funds for enlarging the Gaming Board's investigative, auditing and legal staffs; tight state oversight of all vendors who do business with casinos (the better to exclude mob influence) -- and total insulation of Gaming Board members from meddlesome Statehouse politicians.

These have to be non-negotiable components of any gambling expansion in Illinois. If official Springfield learns just one thing from the needless and costly Emerald debacle, let it be this:

When lawmakers use casino legislation to do favors for their friends, everybody loses.

If Illinois expands gambling ...

Published Nov. 18, 2007

Think what you like about turning Illinois into the Land of Baccarat: A big increase in state-sanctioned gambling stands as the likely answer to the question, "How will lawmakers raise money for capital spending and mass transit?" We aren't sure whether that expansion would further coarsen the culture of Illinois. We do, though, know it would create rich new opportunities for corruption, fraud and mob influence.

Which means that before gambling industry lobbyists walk off with the Illinois statehouse, legislators need to clarify and tighten the regulation of gambling here. Among other things, that means forbidding politicians to exert their muscle on the Illinois Gaming Board, as Gov. Rod Blagojevich and Senate President Emil Jones at times have attempted to do. Any expansion of gambling has to be accompanied by intensified integrity in these four realms -- and failure to do so should be a deal-breaker for Democrats and Republicans alike:

- Springfield negotiations on a gambling deal reportedly stalled Wednesday in part over state Sen. Rickey Hendon's insistence that minorities be guaranteed an ownership interest in casino licenses. One lesson of the ongoing Emerald Casino debacle is that lawmakers wreak havoc when they start dictating who will own what. Testimony in lawsuits stemming from that case should disclose whether any Illinois politicians forced Emerald to accept certain clout-heavy investors. The far safer path is for legislators to instruct the Gaming Board, when it selects new license-holders, to give special consideration to casino companies that include significant minority ownership.

- The Emerald fiasco also is an example of the need for state (and in that case, federal) investigators to aggressively exclude unsavory characters from casino ownership. Gaming Board documentation on who owns the nine existing casinos runs 674 pages. Policing that list is an endless task: Earlier this year, a Chicago developer agreed to sell his roughly 3 percent interest in the Casino Queen riverboat in East St. Louis after the Gaming Board raised questions about his past ties to a known associate of organized crime. Adding more Illinois casinos, or introducing gambling positions at horse tracks, could exponentially expand the board's monitoring of ownership interests. That would require greatly increasing the state's regulatory staff -- money for which should be included in any gambling expansion.

- Another reason Illinois would need many more investigators: The Gaming Board does background checks on the almost 9,000 employees of existing casinos -- everyone from valet parkers to general managers. Much more elaborate scrutiny focuses on 136 "key persons," formally defined as individuals or business entities that are in a position to influence a casino license holder. More casinos means more key persons -- and the mandated Gaming Board scrutiny of their tax forms, their sources of money, their legal histories -- and their business, personal, family and political associates.

- Illinois monitors vendors who supply casinos with gambling equipment or supplies -- but currently lacks enough staff to police vendors who provide everything from refrigerators and napkins to garbage hauling and shrimp. Because casinos throw off oodles of cash, an operator could steer those contracts to mob-influenced companies and pay them exorbitant fees for services not directly tied to gambling.

That concern led to a \$3.2 million fine against the Grand Victoria Casino in Elgin. In 2001, the Gaming Board alleged that the Grand Victoria had entered into a \$292,000 air filtration contract with an inexperienced company that was part-owned by an alleged organized crime associate whose father ran illegal gambling machines in the northwest suburbs. (The casino's general manager admitted that the company had been hired improperly; he has been banned from the Illinois casino industry for life.)

Illinois regulators have statutory authority to monitor every vendor that does business with a casino. With or without expanded gambling, the state can't afford to leave unguarded this potential gateway for criminal influence.

Three weeks ago, House Speaker Michael Madigan declared that if Illinois is to have more casinos, it needs a more sophisticated investigative and regulatory structure that is also more independent from state politics. Madigan's plan would involve former federal judges and prosecutors in nominating members of the Gaming Board. His proposal also would much better insulate board members from arm-twisting by a governor or by legislators.

We reiterate our approval of Madigan's insistence that the integrity of Illinois gambling needs to be protected more aggressively. That's a demand rarely voiced by most of a Springfield crowd that primarily sees gambling as a way for the state to print dollars by the bazillions.

The pluses or minuses of Madigan's specific agenda will emerge in the final wording. But Illinois gambling thus far has avoided an industry-killing scandal only because of excellent vigilance by understaffed state regulators -- and because of some very lucky breaks in uncovering the scandals that already are part of the public record.

Any expansion of Illinois gambling has to mean much more stringent oversight -- and much less influence from this state's pols.

If not, no deal.

Another vote, another 'No.'

Published Nov. 14, 2007

Earlier this year, an Illinois House vote on Rod Blagojevich's bid to raise taxes for a massive health-care expansion handed the governor a humiliating 107-0 defeat. Still, the governor soldiered on with his overly ambitious health-care plans. He did so without benefit of legislative support or public mandate.

Last week, he quietly tried to push through another breathtaking expansion of state-funded health coverage. And on Tuesday, a bipartisan panel of Illinois lawmakers delivered the same resounding answer: No. By a 9-2 vote, the legislative panel blocked Blagojevich's plan to extend state-subsidized health insurance to reach 147,000 parents and other caretakers who earn up to \$82,000 a year. The pols noted the administration's estimate that the expansion would have cost the state \$225 million a year. They noted that others had figured the cost much higher. And they surely noted that the legislature never approved such spending.

So they did the smart thing with Blagojevich's big plan. They put a brick on it.

And they sent the governor another message, in case he's missed all the others from legislators and the majority of citizens they represent: Most Illinoisans don't appreciate the governor's attempts to execute an end-run and spend hundreds of millions on benefits for middle-income families while all taxpayers struggle to meet the state's existing obligations.

In this case, all the governor needed was acquiescence from the normally obscure panel known as Joint Committee on Administrative Rules or JCAR. The panel is empowered to review the legality of rules proposed by state agencies. Blagojevich had tried to earn panel members' fealty by approving money for pork projects in their districts while rejecting similar projects in districts of other legislators.

But the ploy flopped.

One member of the panel, state Rep. John Fritchey (D-Chicago), summed it up: "The stakes are very high. The governor chose to roll the dice in a very big way on a very important issue, and he lost."

Does anyone sense a pattern?

Blagojevich may portray this as another "up" for his agenda. He's evidently trying to convince people that he's a man of compassion who won't let stingy legislators stop him from giving taxpayer-funded health coverage to middle-income families. He says he's "simply doing my job and setting the right priorities."

But the people of Illinois, through their elected representatives, are talking back. They're unequivocally, and repeatedly, saying to Blagojevich: Don't write a blank check and create debts that will come due for generations.

So what now? Well, the governor can attempt another end run. Or he could sue.

Or he could try something new. He could work to build political support for a massive spending plan before he tries to ram it through.

Momentum for a recall vote

Published Nov. 8, 2007

In the two-plus weeks that reporters have been asking Rod Blagojevich and his staff about a proposal to remove him from office, the governor and his mouthpieces have maintained stiff upper lips. All this discontent with Blagojevich will be forgotten, they suggest, when Illinois voters comprehend all that he has done for "the people."

Problem already. "The people" -- including many who helped re-elect Blagojevich a year ago -- apparently want to fire him. The idea of amending the Illinois Constitution to permit a voter recall of Blagojevich is an ascendant theme in the discourse of this politically gridlocked state. On Tuesday, an independent Chicago research firm, Glengariff Group, issued the most extensive survey results we've seen on the governor's standing and prospects:

- 52 percent of the 600 registered voters interviewed would vote to recall Blagojevich if they had the opportunity; 37 percent would not. Democrats, Republicans, whites, African-Americans, residents of Chicago, Cook County, collar counties and Downstate regions -- every subgroup studied by Glengariff concurs. Company President Richard Czuba, who commissioned the research himself (rather than for any client) says: "I was stunned that even a plurality of Democrats -- 46.7 percent to 45.4 percent -- say they'd vote to recall Blagojevich. His own base has walked away from him."

- Nine percent of respondents strongly approve of Blagojevich's performance. Forty-two percent strongly disapprove. Total who approve: 31.5 percent. Total who disapprove: 61.2 percent.

- Support for a constitutional amendment to permit the recall of public officials swamps opposition, 65 percent to 25 percent.

- Most remarkable: Blagojevich's approval is in free fall among groups that overwhelmingly supported him in the 2006 election. From May to November, he has dropped from 75 percent approval to 44 percent approval among Chicago voters. Among Democrats statewide, from 71 percent to 42 percent. Among African-Americans, from 81 percent to 38 percent.

Public opinion surveys, of course, are snapshots in time -- in this case last Thursday through Saturday. They don't measure every citizen's thoughts, and there are always those pesky footnotes, warning that every number in sight has a potential error margin of, in this case, plus or minus 4 percent.

Still, the governor's plummeting trajectory has become as evident as his failure to lead "the people" of Illinois. He cannot bridge political divides. He digs them ever-deeper -- as efficiently as Mike Mulligan and His Steam Shovel excavate basements.

Formal proposals for a recall amendment have been introduced in the Illinois Senate and House. There can be no constitutional amendment, however, until legislators agree to let this state's citizens decide, during next November's general election, whether to add it.

Judging by Glengariff's polling, a strong majority of Illinois voters would like to be asked.

So let's do that.

Quinn, Blagojevich--and voters

Published Nov. 2, 2007

For some 30 years, Lt. Gov. Pat Quinn has urged giving Illinois voters the right to recall government officials who can't, or won't, do their jobs. On Thursday, he went one significant step further, announcing his support for a constitutional amendment that's been advanced by state Rep. Jack Franks (D-Woodstock) and state Sen. Dan Cronin (R-Elmhurst). That amendment would add Illinois to the roster of 18 states in which fed-up voters can initiate recalls.

Quinn didn't describe his endorsement of a recall amendment as a renunciation of his beleaguered Democratic running mate, Gov. Rod Blagojevich, but that's how the 12 million people of Illinois will view this. Franks and Cronin want voters empowered to recall Blagojevich. What's more, given the growing (and highly publicized) public impatience with the governor's combative style of governance, it's easy to read between Quinn's lines: "The people of Illinois employ their elected officials and pay their salaries -- and they should have the right to fire them if those officials don't perform as promised." The proposed amendment would allow voters to dismiss statewide elected officials, legislators and supreme, appellate and circuit judges.

But not without a lot of work. Recalling a constitutional officer (governor, lieutenant governor, secretary of state, attorney general, comptroller, treasurer) first would require petition signatures equivalent to 12 percent of the prior vote for the office in question. Based on 2006 vote totals, for example, that translates into 418,401 signatures before a recall election could be scheduled to remove a governor or lieutenant governor. A majority of voters in a subsequent election then would have to approve a recall of the public official.

That's doable, but not so easy as to leave high-performing officials vulnerable to gadflies fomenting frequent recall campaigns.

A statewide officeholder would have to be a true failure, a chronic non-performer, a pillar of ineptitude, to invite recall by the voters he or she had cheated.

In the past, Blagojevich has voiced his support for recall mechanisms. On that, he and his running-mate Quinn agree.

So we anticipate Blagojevich's earnest work, alongside Quinn, to push the constitutional amendment that will give voters the right to recall divisive and low-achieving office-holders.

The sooner legislators approve the Franks-Cronin amendment and let citizens vote it up or down, the sooner those citizens can dismiss any statewide official who puts himself, and his self-serving interests, first.

Recall? You said 'yes'

Published Oct. 30, 2007

Should Rod Blagojevich remain as governor of Illinois?

This page posed that question in a Sunday editorial, then went on to answer it in a way that probably didn't surprise many people: Blagojevich is Exhibit A in favor of a constitutional amendment that would allow the voters of Illinois to recall an inept governor. He has played fast and loose with the state's finances, neglected Illinois' most urgent needs while crusading for his own prohibitively expensive causes and stubbornly obstructed progress on critical initiatives without offering realistic alternatives.

When the same question was asked of readers, though, the response was harder to predict. After all, the people of Illinois elected and re-elected Blagojevich. Have his actions and inactions in the first year of his second term been so egregious that voters would entertain a proposal to un-elect him?

As one reader wrote: "Let's get started!"

More than 1,200 readers replied, and the overwhelming majority supported the recall of the governor. You can read many of the responses on today's Commentary page, and find more at Chicagotribune.com/opinion.

Many of you spoke in terms that were even more emphatic than the editorial. He can't work with others, even in his own party, they said. He worries more about his cronies and his contributors than about the people who elected him, they said. He hasn't kept his promise to address the state pension crisis because he's too busy fighting a lost battle for universal health care, they said. (And that perfectly blown hair really, really rubs some of you the wrong way.) Though a handful of readers rose to the governor's defense, they were shouted down by hundreds of others -- including many who prefaced responses with "I'm a lifelong Democrat" or "I voted for Blagojevich twice" -- who said he should go.

"YES!! Recall Blagojevich."

"He is an unmitigated disaster."

"GET HIM OUT NOW."

And it turns out they were just warming up.

"How about [Cook County President Todd] Stroger? Can we dump him too?"

Angry readers took their shots at Stroger, Chicago Mayor Richard Daley, House Speaker Mike Madigan, House Republican Leader Tom Cross and Emil Jones, "self-appointed King of the Illinois Senate."

In a remarkable outpouring of exasperation and disgust, readers lashed out against the cascade of new tax increase proposals and the failure of elected officials to cut spending or trim patronage workers from their bloated staffs. You railed about broken campaign promises, gridlock in Springfield, legislative indifference to critical needs such as education or pension reform and the uncertainty over whether we'll have a mass transit system come Monday. Yes, you'd like the opportunity to recall Blagojevich, you said, but why stop there? Good question.

Mr. Mayor, Mr. President, Mr. Speaker, et al.: We hope you're listening. Though it is far easier to vent than to vote, your constituents are fed up, and dangerously receptive to the suggestion that they do something about it for a change.

It's time to put their needs ahead of your political ambitions and your personal connections, not because they might remove you from office but because they put you there in the first place.

Gambling on a Springfield deal

Published Oct. 30, 2007

House Speaker Michael Madigan made one of his trademark chess moves Monday, a smallish gesture with big implications for mass transit, casino expansion and capital spending to refurbish the state's infrastructure. Our hunch is that Madigan has his eye on big prizes: stylish legislative outcomes that would finally -- finally -- break the impasse with Senate President Emil Jones and Gov. Rod Blagojevich. Or make them wear the jacket for failure.

But the chess move -- remember the smallish chess move? -- has intriguing merits of its own. What Madigan proposed is prosaic: a reconstituted Illinois Gaming Board, freer than the current board from the meddling that Blagojevich and his predecessor, George Ryan, at times have exerted. If Illinois is to have more casinos, Madigan says, it needs a more sophisticated investigative and regulatory structure that is also more independent from state politics.

His elaborate plan to involve former federal judges and prosecutors in the nomination of Gaming Board members is one of many improvements that would better isolate the regulation of gambling from political pressure. Members of the new board would oversee all casino contracts (to better thwart mob involvement), would face five-year prohibitions on taking future jobs with companies they have regulated and could communicate with the governor or legislators only in open meetings. Those and other facets of Madigan's plan address areas where Illinois casino gaming has encountered problems in the past.

If this casino reform becomes law, it will be as part of a grand bargain -- a bargain that for months has eluded Madigan, Jones and Blagojevich.

The political intrigue on Monday tended to overshadow Madigan's proposal. With Chicago Transit Authority service cutbacks scheduled for the weekend, is Madigan positioning himself as the lone grown-up, the leader who fashions the grand compromise that Jones and Blagojevich cannot? In this scenario, Madigan cobbles together a veto-proof bloc of urban House members (who get transit funding from a small regional sales tax) and Downstate members (who get capital spending on roads and schools). Broadly expanded gambling (with more muscular state oversight from a new and improved Gaming Board) ostensibly helps pay the bills.

Madigan could hand this mega-package to the Senate and head home, essentially forcing Jones and Blagojevich to capitulate -- or answer to all those citizens who will be infuriated by Springfield's failure to solve the CTA's problems.

Or maybe Madigan is tutoring Illinoisans on the sheer size -- and the criminal risks -- of a Senate-style gambling expansion, with multiple new casinos, more gaming positions at existing riverboats and as many other gambling opportunities as the industry's lobbyists can persuade legislators to include in a final bill.

"I should not be viewed as a proponent of gambling," Madigan said Monday -- stressing that he does not go to casinos or racetracks or bet on sports.

As if to say: Jones and Blagojevich do want more gambling, but to get it, they will have to contend with a Gaming Board immune to the pressures both of them have brought to bear in the past.

If Madigan's proposal for a beefier Gaming Board helps engineer solutions for CTA funding, dilapidated Illinois infrastructure and a modicum of expanded gambling, we are eager to see the grand compromise.

Even if a compromise does not materialize, we like his plan to better insulate casino gambling from the Illinois culture of political sleaze.

Removing a governor

Published Oct. 28, 2007

Should Rod Blagojevich remain as governor of Illinois?

He shows no inclination to resign from office. And while the state constitution does allow for his impeachment by the Illinois House and trial by the Senate, it's doubtful legislators could bring themselves to such drastic action. So the realistic question becomes this: Given the multiple ineptitudes of Rod Blagojevich -- his reckless financial stewardship, his dictatorial antics, his penchant for creating political enemies -- should citizens create a new way to terminate a chief executive who won't, or can't, do his job? That is, should Illinois join the 18 states that give voters -- as opposed to lawmakers -- the ballot power to remove state officials from office?

The Blagojevich experience suggests that the answer is yes, Illinois should write a recall mechanism into its constitution. Having endured the Blagojevich era, we believe voters never should have to endure another one like it. They instead should have the power to recall an inept governor.

The National Conference of State Legislatures offers a succinct summary of how a recall provision would be useful in a predicament such as Illinois: "Proponents of the recall maintain that it provides a way for citizens to retain control over elected officials who are not representing the best interests of their constituents, or who are unresponsive or incompetent. This view holds that an elected representative is an agent, a servant and not a master." (The NCSL takes no position on whether states should have recall provisions.)

This serious mechanism is rarely used. Only two U.S. governors have been recalled. North Dakotans ousted Lynn Frazier in 1921. In 2003, Californians voted to remove Gray Davis and, in a separate ballot measure, selected Arnold Schwarzenegger to replace him.

The odds are not great that a process for removing inept governors can be initiated in time to remove this inept governor. But that effort, which must begin in the Illinois General Assembly, would be worth the burden it creates, possibly including a special election to replace Blagojevich with a new governor.

In practical terms: The earliest that voters could be asked to add a recall amendment to the state constitution is the November 2008 general election. If the amendment is worded properly, there would be time to recall Blagojevich before voters get a chance to dump him the old-fashioned way: in a 2010 primary or general election, should he seek a third term.

The bill of particulars against Rod Blagojevich is numbingly familiar. His is a legacy of federal and state investigations of alleged cronyism and corruption in the steering of pension fund investments to political donors, in the subversion of state hiring laws, in the awarding of state contracts, in matters as personal as that mysterious \$1,500 check made out to the governor's then-7-year-old daughter by a friend whose wife had been awarded a state job.

Presented this year with an extraordinary opportunity -- his Democratic Party controlling both houses of the Illinois General Assembly -- Blagojevich has squandered what should have been a leadership moment: He is governor of a state in desperate need of more accountability in its public schools, of a new tax formula for funding those schools, of a meaningful attack on its swelling pension indebtedness. Today Illinois has ... solutions to none of the above.

Instead, taxpayers are bankrolling an endless game of chicken between legislative leaders and a governor known to boast about his self-diagnosed "testicular virility." Blagojevich has clumsily tried to recast himself as a prairie populist, bashing his state's employers. He has borrowed from the future to cover costs of state government today. And in a fiasco that may have its own constitutional implications, he has redirected millions of taxpayers' dollars to personal priorities that he can't convince lawmakers to support.

Blagojevich is an intentionally divisive governor and a profoundly unhelpful influence. He is unwilling or unable to see the chaos all around him. This year, lawmakers failed to make progress on schools, on state pension reform, on any number of critical matters. Mass transit in the Chicago region is about to implode, largely because of the state government's failure.

Yet Blagojevich said 10 days ago that "If you measure success on whether or not you are doing things for people, this is the most successful session in years."

Do you see that success? Do you see Blagojevich forging compromises and solving problems? Or do you see the same distracted governor who, after House members crushed his 2007 tax scheme by a vote of 107-0, said: "Today, I think, was basically an up. ... I feel good about it."

He is the governor who cannot govern.

The public disappointment in Rod Blagojevich, whose tenure follows the corrupt regime of George Ryan, should launch a public debate: Do the people of this state want a way to say to their politicians, "You are serving your interests, not ours. You are dismissed."

Paradox of paradoxes: Blagojevich has joined his Democratic lieutenant governor, Pat Quinn, and state Sen. Dan Cronin, an Elmhurst Republican, in supporting a recall provision for Illinois. Blagojevich said in August that he also backs term limits for legislators.

As awareness builds that the governor's obstructionism has kept Illinois from meaningful action on education reform, school funding, government ethics, public pension indebtedness and other challenges, more voters may warm to the notion of firing their inept governor.

This page and many other voices repeatedly have proposed far-reaching solutions for each of those challenges. But our experience with the current governor suggests that those solutions can't flourish while he remains in place.

Illinois citizens have little for which they can thank Rod Blagojevich. They can, though, thank him for demonstrating why this state's legislature and voters should add a recall provision to the Illinois Constitution. And use it.

Protecting Illinois sleaze

Published Oct. 24, 2007

Last spring, Illinois legislators finally appeared ready and eager to raise ethics standards in state government. House members in April overwhelmingly supported an ethics reform measure.

It whizzed out of the House on a 116-0 vote. More than three-quarters of the members of the Senate signed on as co-sponsors. The measure would restrict most businesses that contract with the state from making campaign contributions to the officeholder who awards the contract. It would be a reasonable condition of doing business with the state -- and a reasonable stab at weaning Illinois from its astonishingly sleazy pay-to-play politics.

The bill would also require contract bidders to disclose how much they have given in campaign contributions in the last two years to the officeholder who awards a contract. The House voted six months ago. Here it is October and Senate President Emil Jones still hasn't allowed that bill to come to a vote in his chamber.

You might think Jones would be desperate for the opportunity to prove he's not protecting the pay-to-play culture in Illinois. After all, he has spent the year in one ethics bramble bush after another. He had to

explain how his stepson won a utility company contract, and how his wife and son obtained lucrative state jobs. He undermined some of his fellow Democrats by burying a majority vote in favor of a statewide freeze in electric rates.

So what's going on in the Senate now? Jones argues it's all about noble intentions. So does Gov. Rod Blagojevich.

They say they don't want to settle for the House bill because they are cooking up a much better ethics bill.

Just wait and see.

We're waiting. The House voted in April. And what have we seen from the Senate? Nothing but the same excuses the Senate leaders were mouthing in August, the last time this page wrote about their failure to call a vote on the House ethics bill.

That's what they said in August. Wait! We have a better idea!

Many Democratic senators at this moment are doubtless printing up campaign fliers that boast they have sponsored ethics legislation. And those campaign fliers will be a crock.

Every Democratic senator should be asked two questions:

Why haven't you screamed for your leaders to call a vote on the ethics bills that passed the House 116-0?

Why are you protecting the Illinois culture of corruption?

Stick to 'irrelevant,' Governor

Published Aug. 3, 2007

Political commentary in Illinois has focused of late on how splendidly a sputtering Rod Blagojevich has made himself irrelevant in the quest for a state budget. Which is fine by us: To date, the governor's silly stunts have done no worse than make him look fragile and untethered. On Thursday, though, a fellow Democrat, state Comptroller Dan Hynes, warned that the government shutdown Blagojevich has threatened could cause utterly needless problems.

Our guess is that someone around Blagojevich is too savvy to let the scenario Hynes envisions play out. Because if it does, Blagojevich could try and try to fire the blame gun at others -- only to shoot himself squarely in the foot. For the governor, and for Illinois, sticking with "irrelevant" is much safer.

You're forgiven if you long ago quit waiting for some action in the long-running passion play "Drama Queens of Springfield." This page has consumed barrels of ink this year urging lawmakers to parlay budget talks into educational reforms and spending increases for public schools. But with the controlling Democrats more interested in challenging one another's testicular virility, to borrow the governor's distinctive 2005 phrase, we hadn't seen much reason to dignify this tragicomedy since we offered a June 25 editorial, "Wake us when it's over."

The state's fiscal year began July 1 with only a one-month budget. The governor now wants another one-month budget for August. Legislative leaders say no way; they're negotiating a 12-month budget.

But at the stroke of midnight Tuesday, the last day of July, Illinois had no budget. Not to worry, state workers figured: Earlier in the day, Blagojevich asked them to report for work Wednesday. Everything's cool, don't fret.

On Wednesday, though, the governor fed a fat morsel to critics who think he's come unhinged. He sent legislative leaders a letter that said in part: "[A] 'take it or leave it' approach on a 12-month budget, sent to me as government shutdown looms, will do nothing more than simply precipitate such a shutdown."

Hynes notes that if a governor doesn't like a budget legislators write, he can veto it for any reason. Just as legislators are free to override his veto. But at that point, Illinois has a budget. A governor then essentially has three options (we're discounting a few odder imaginings):

He can admit that, given how democracy works, the game is over and the legislators won. Or he can go to court, arguing that the budget passed over his veto is unbalanced and thus unconstitutional. Hynes says judges, if they concur, can order legislators to fix the budget by adjusting spending or revenue. Fair enough.

Option three, Hynes observes, is for the governor to order a shutdown of the state agencies under his control -- which is most of them. That sort of exercise in chest-pounding would let a governor proclaim his heroism ("I'm Gov. Robin Hood, feared by the bad, loved by the good!") in demanding a budget rewrite that is Just So.

Maybe Hynes is over-reading Blagojevich's threat. Maybe the governor doesn't entertain goofy notions of closing state offices (ooh, the theatrics ...) or pulling Illinois Gaming Board agents off the boats they monitor (wowzer, imagine the public hubbub if the casinos close -- which they'd have to do, at a loss of \$2 million-plus in state and local tax revenues each day!).

We hope Hynes is mistaken. Because every effort the governor has made to demonize his opponents this year -- some, such as employers and legislators who questioned his priorities didn't even know they were headed for his enemies list -- has flopped. Illinois citizens, like their lawmakers, aren't drinking his Kool-Aid.

The individual now taking public scorn for the budget impasse, and the individual who'll wear the jacket if the state does shut down, is the governor who can't govern. That leaves him irrelevant, but as Hynes says, there's worse.

Governor, here's how to lead

Published July 2, 2007

Surely it's painful to be Rod Blagojevich. You accomplish next to nothing for half a year while those FBI busybodies investigate your administration. You float an unprecedented taxing-and-spending plan only to have the Illinois House reject it -- by a less than ambiguous 107-0. You so spectacularly fail to broker a state budget with leaders of your own party that editorial writers -- testy when appalled -- start calling you the governor who can't govern.

Your solution? Cast yourself in the role of bold hero! Call a special session of your General Assembly! Having wasted your legislature's time and your taxpayers' money for six months, demand that Springfield...waste more time and money!

How much? House Republican staffers calculate "the cost of Democratic infighting" at \$22,125 a day -- that's a \$125 per diem for each of 177 legislators -- plus \$29,718 per week for their travel costs. (Need we note, Governor, that doesn't include the cost of your personal plane. Wheels up!)

Maybe that's small change to a politician accustomed to thinking in terms of Rezk Bucks. Still, it's state money that could go to unpaid Medicaid providers and other crying needs.

Sadly for you, Governor, we taxpayers have a ready comparison: all that Atty. Gen. Lisa Madigan has accomplished while you've been...hey, Governor, don't those John Deere tractors down there look like little green ants?...Anyway, while you've serially floundered, Madigan has:

*Negotiated with utility officials on behalf of consumers for prospective new electrical rates and customer refunds. We sometimes disagree with her, but she's trying to figure out how we'll obtain ample electricity at a reasonable price.

*Helped write, and nudged through the legislature, one of the best cable TV competition bills in the country. Good for consumers, eh?

*Won a court decision denying convicted racketeer George Ryan a state pension.

*Won an appellate decision denying Emerald Casino's attempt to overturn revocation of its state license -- another victory in her lengthy campaign to protect taxpayers as well as the threatened integrity of Illinois gambling.

*Won legislative approval for a post-Virginia Tech bill that lets federal authorities know which Illinois residents have mental issues that prohibit them from possessing firearms.

*Confirmed identities of 741 sex offenders who had built MySpace profiles. As a result of subsequent investigating, 10 parolees are now back in prison for violating terms of their paroles because of their MySpace activities.

*Exposed serious flaws in a federal recall of Thomas & Friends toys -- a recall intended to protect children from lead poisoning.

Yes, Governor, we know, this is the same Lisa Madigan whom your handlers jealously view as Satan incarnate. Too bad your special session creates such a study in contrasts, but...down there, Governor, is that bus as big as the one you rode around the state back in...when was that?

www.chicagotribune.com/news/opinion/chi-1025edit1oct25,0,2682341.story

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For the Illinois House

October 25, 2008

This story contains corrected material

The Tribune begins endorsements today in contested races for the Illinois House.

2nd District (Southwest Side): Democratic Rep. Edward Acevedo, a police officer, revels in his political clout. Green Party candidate **Ante "Tony" Marijan** of Chicago would push for more transparency in government. Marijan, a tax consultant and paralegal, is preferred.

11th District (North Side): Democratic Rep. **John Fritchey** will break with party leadership when warranted. He patiently worked on ethics reform until it passed. He also supports a constitutional convention, though most politicians prefer the status quo. He is endorsed over Republican Susan Radzinowicz of Chicago.

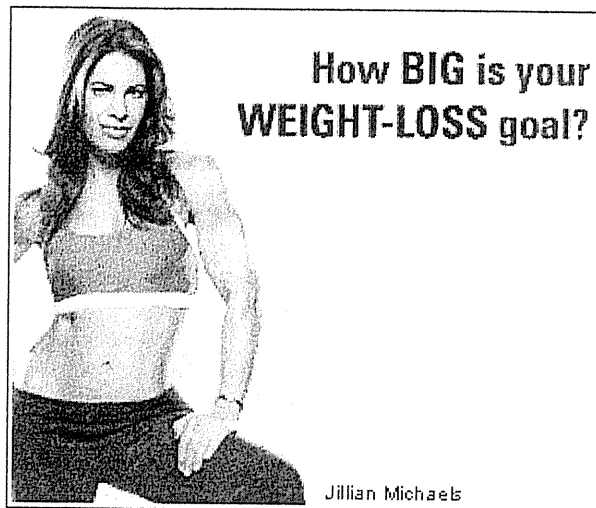
12th District (North Side): Democratic Rep. **Sara Feigenholtz** is one of the strongest advocates for social services in the legislature. These are complicated issues and she takes the time to thoroughly verse herself in them. She does a terrific job all around. She is endorsed over Green Party candidate Tim Quirk of Chicago.

14th District (Far North Side): Gun control is not in favor in Springfield, but Democratic Rep. **Harry Osterman** fought hard for an ultimately unsuccessful measure to require background checks for private firearms sales. He is endorsed over Green Party candidate John Beacham of Chicago.

17th District (north suburbs): Democrats have targeted Republican Rep. **Elizabeth Coulson**, but she is a truly independent, highly ethical lawmaker. She brings insight on health-care issues. If there were more lawmakers like her, people might have more faith in government. She is endorsed over Democrat Daniel Biss, a University of Chicago assistant math professor and political organizer from Evanston.

20th District (Northwest Side, northwest suburbs): Republican Rep. **Michael McAuliffe** is the only Republican House member from Chicago. He has focused on crime issues and protecting homeowners. He is endorsed over Democrat Michael Marzullo of Chicago.

21st District (Southwest Side, southwest suburbs): This is an all-too-familiar Chicago tale: Democratic Rep. Bob Molaro waited until well after the primary to announce he would retire. So Democrats who aren't in the 23rd Ward political family didn't get a chance to compete for this seat. Who was anointed? Michael Zalewski, son of 23rd Ward Ald. Michael Zalewski. The kid will win, but we



won't endorse the way he got here. Republican Charles Johnson of Chicago and Green Party candidate Rita Maniotis of Berwyn are on the ballot but don't make a case for support. **No endorsement.**

22nd District (Southwest Side): House Speaker **Michael Madigan** resists Gov. Rod Blagojevich's worst impulses. Actually, he resists all of Blagojevich's impulses. Now's the time for Madigan to create a House committee to study if there are valid grounds to impeach the governor. Robert P. Famiglietti of Chicago is listed as the Republican candidate here, but it looks like he was put up by the Democrats. They pulled the same trick with Famiglietti in 2006. Madigan is endorsed—but we wish the Democrats would stop the ballot tricks.

26th District (South Side): **William "Will" Burns**, a former staff assistant to Emil Jones and political aide to Barack Obama, won a five-person Democratic primary that ousted Rep. Elga Jefferies. (She finished fourth. Ouch.) Burns is going to be a very conscientious legislator, someone to watch. He's endorsed over Republican Sylvester "Junebug" Hendricks of Chicago.

29th District (South Side, south suburbs): Democratic Rep. **David Miller** is a quality legislator, well-versed in education, health care and human services issues. (He's also the only dentist in the legislature. Can he extract a governor?) He's endorsed over Republican James Buiter.

39th District (Near Northwest Side): Democratic Rep. **Maria Antonia "Toni" Berrios** has been active on community health care issues and is endorsed over Green Party candidate Jeremy Karpen.

40th District (Northwest Side): Rep. Rich Bradley knew he was doomed when **Deborah Mell**, daughter of Ald. Richard Mell, decided to run against him in the Democratic primary. Bradley opted to take on an incumbent senator, but lost. Deb Mell has been active on gay rights and community issues and brings a lot of enthusiasm to this campaign. She may be the most sensible politician in the whole Mell-Blagojevich family. She is endorsed over Republican Christine Nere-Foss and Green Party candidate Heather Benno.

41st District (west suburbs): Republican Rep. Robert "Bob" Biggins has not had a big impact in the legislature. He can thank a police officer for saving him from having a big impact in the streets of Springfield: He pleaded guilty earlier this year to driving under the influence of alcohol after the cop spotted him driving on the wrong side of the road. Biggins admits he made a big mistake. **No endorsement** in a race against Green Party candidate Kevin O'Connor of LaGrange Park, who lists among his post-election goals finishing his college degree and finding a new apartment.

43rd District (northwest suburbs): Republican Rep. **Ruth Munson** is very independent. She's a small business owner and co-founder of the Illinois Legislative Manufacturing Caucus. She doesn't just take on the easy issues. She's endorsed over Democrat Keith Farnham of Elgin, who owned a union paint shop and has turned an old dairy in Elgin into lofts, and the Green Party's Dane Willman of Carpentersville.

44th District (northwest suburbs): Democratic Rep. **Fred Crespo** sponsored a House measure to reject a legislative pay hike and led a push to allow Harper College in Palatine to award a four-year degree. He faces a strong challenge from Republican Margaret "Peggy" Brothman of Hoffman Estates, who has served on a Schaumburg school board for seven years, including two years as president. Brothman is a fine candidate committed to lower taxes and education issues, but Crespo has acquitted himself well in his first term. He is endorsed.

45th District (west suburbs): Republican Rep. **Franco Coladipietro** is a hard-working attorney who acquitted himself well in his freshman term. He is endorsed over Democrat Jim Hagerty of Roselle, who

has been a member of the sheet metal workers union for 38 years.

46th District (Elmhurst area): Republican Rep. **Dennis Reboletti** has impressed in his freshman term. The former Will County prosecutor shines on juvenile justice issues. He was a sponsor of the Cindy Bischof law, which requires electronic monitoring of people who violate a domestic order of protection. He is enthusiastically endorsed over Democrat Gary Nowak, a businessman from Elmhurst.

48th District (south-central DuPage): Republican **Michael Connelly**, an attorney and DuPage County Board member, won a tough primary against Douglas Krause and Dave Carlin to succeed retiring Rep. Jim Meyer. Connelly is an impressive guy with a strong résumé of public service. As a trustee in Lisle, he held the line on property taxes. He is endorsed over Democrat Joseph Heneghan of Woodridge, a computer engineer.

49th District (west suburbs): Republican Rep. **Timothy Schmitz**, a firefighter and emergency medical technician, is a hard-working, pragmatic, conservative legislator. He is endorsed over Democrat Rachel Shattuck of West Dundee.

50th District (Aurora area): Republican **Kay Hatcher** of Yorkville, a Kendall County Board member and president of the forest preserve, is bright and has extensive experience on regional issues. She will bring a lot of energy to this job. She is endorsed over Democrat Mary Schneider of Batavia and Green Party candidate Sandra Lezon of Plano for this open seat.

51st District (north, northwest suburbs): Republican Rep. **Ed Sullivan Jr.** is very knowledgeable about property tax and business issues. (He's the Fremont Township assessor.) He is endorsed over Democrat Amanda Howland of Lake Zurich in a rematch from two years ago.

52nd District (northwest suburbs): Republican Rep. **Mark Beaubien Jr.** is a passionate, hard-working legislator and brings an intelligent approach to pension reform issues. He is endorsed over Democrat Rich Garling, an Island Lake trustee.

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ALI ATA'S TESTIMONY

Q: Did Mr. Blagojevich say anything to you about you working in his administration?

...

A: Mr. Rezko stated that I had expressed interest in serving in the administration. Mr. Blagojevich, again, stated that I had been a supporter and friend and asked Mr. Rezko if I had identified business -- or job opportunities; and Mr. Rezko said yes.

Source: Testimony of Ali Ata in United States v. Antoin Rezko (Ex. 7 at 14-16)

A. Mr. Blagojevich thanked me for my continuing support. He indicated that he was aware of myself making another contribution, indicated -- and said that I -- he understood that I was considering a position with the new administration and said that it better be a job where I can make some money.

Q. Did you say anything in response?

A. I did not.

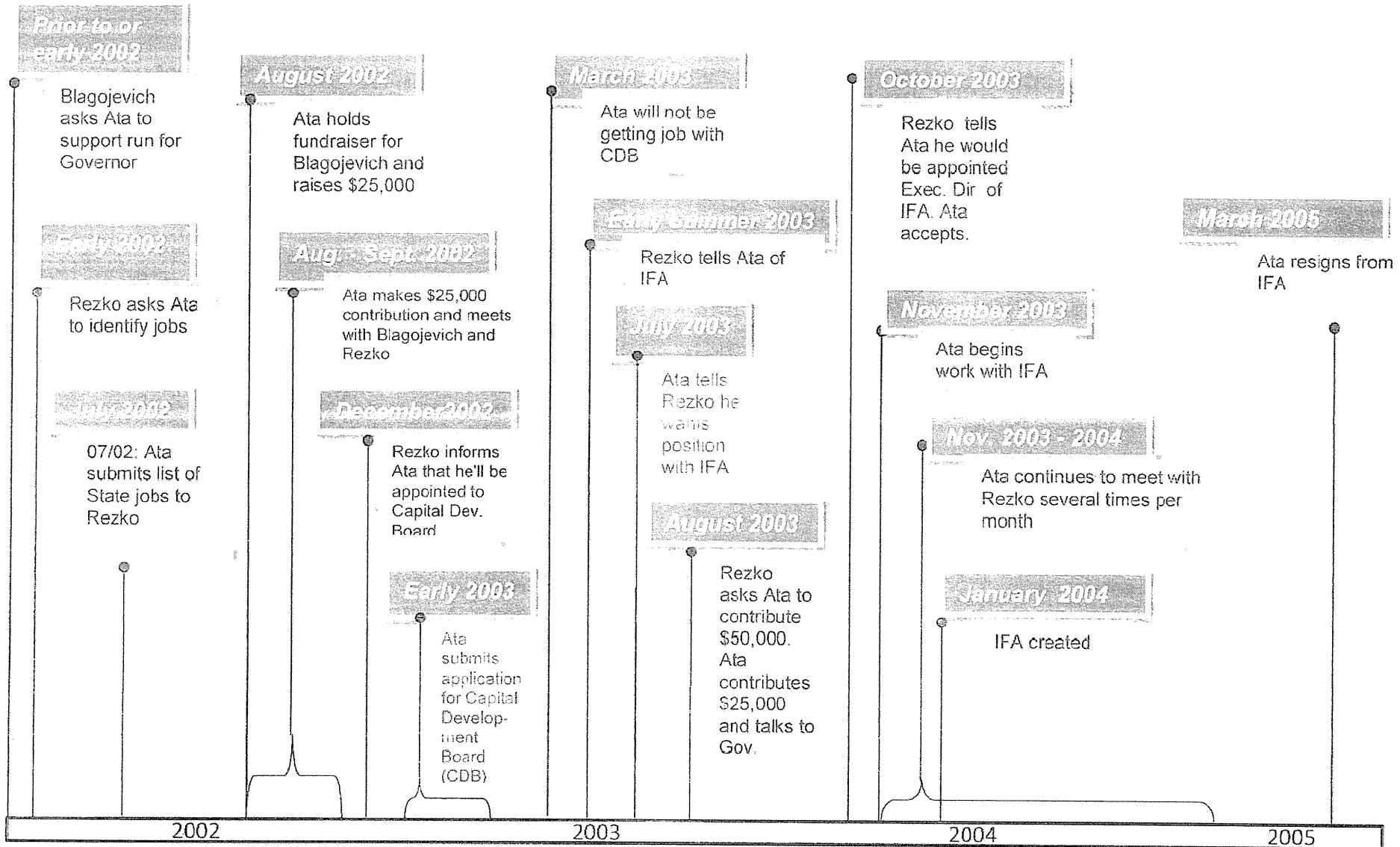
Q. After you had that conversation with Mr. -- or Governor Blagojevich, did you say anything to anybody about what he had said to you?

...

A. I mentioned to Mr. Rezko that the governor stated that it better be a job where I can make some money, and that I was surprised he would make such a statement; and Mr. Rezko said he wasn't surprised.

Source: Testimony of Ali Ata in United States v. Antoin Rezko (Ex. 7 at 41-42)

ALI ATA TIMELINE



JOSEPH CARI'S TESTIMONY

Q. Mr. Cari, what did you and Governor Blagojevich discuss during that time period on the airplane?

...

A. We got into a discussion about President Clinton and his view of why Clinton was successful and my view of why Clinton was successful, coming into this as a sitting governor. And Governor Blagojevich was very attuned that Governor Clinton at the time was able to raise a lot of money because, as a sitting governor, he thought -- and history does show that it's easier to raise money as a sitting governor than as a senator sometimes when you're running for the presidency.

Q. Did he explain why he thought it was easier to raise money as a governor?

A. **Yes, because the governor has the ability, unlike a U.S. senator, to give contracts, legal work, advisory work, investment banking work to a variety of individuals and companies.**

Q. Did he -- what, if anything, did he say about how that related to fund-raising?

A. **That because a governor had the ability to award contracts, that it was much easier to solicit people for contributions.**

...

Q. And what, if anything, did he say in relation to how they might help his friends?

A. **That there were contracts, that there was legal work, that there was investment banking work, consulting work to give to people who helped them.**

Q. And when you say "them," who are you referring to?

A. I took that to mean -- them, meaning Governor Blagojevich and the people around him.

Source: Testimony of Joseph Cari in United States v. Antoin Rezko (Ex. 8 at 30-32)

Bill Status of HB4758 95th General Assembly

Short Description: FAIRGROUNDS RACETRACK AUTHORITY

House Sponsors

Rep. [Robert S. Molaro](#) - [Raymond Poe](#) - [Patrick J Verschoore](#) - [Michael K. Smith](#) - [Dan Reitz](#), [Kenneth Dunkin](#), [Eddie Washington](#) and [Jerry L. Mitchell](#)

Senate Sponsors

(Sen. [John M. Sullivan](#))

Last Action

Date	Chamber	Action
12/15/2008	House	Public Act 95-1008

Statutes Amended In Order of Appearance

New Act

- [20 ILCS 210/10](#) from Ch. 127, par. 1710
- [20 ILCS 210/12](#) from Ch. 127, par. 1712
- [230 ILCS 5/9](#) from Ch. 8, par. 37-9
- [230 ILCS 10/13](#) from Ch. 120, par. 2413

Synopsis As Introduced

Creates the Illinois State Fairgrounds Racetrack Authority Act. Creates the Illinois State Fairgrounds Racetrack Authority to promote, operate, and maintain horse racing operations through a racing contractor in the Illinois State Fairgrounds. Provides the duties and powers of the Authority, including the duty to transition the conduct of horse racing at the Illinois State Fairgrounds from an annual race meeting that is contained within the duration of the Illinois State Fair to an annual standardbred race meeting that lasts from 3 to 9 months, depending on funding and market conditions. Provides that the Authority shall have concurrent jurisdiction with the Department of Agriculture over all of the real estate of the Illinois State Fairgrounds that is used for horse racing; however, when it is necessary to have controlling jurisdiction over this real property to obey a mandate of the Illinois Racing Board, the Authority shall have controlling jurisdiction. Makes corresponding changes in the State Fair Act. Amends the Illinois Horse Racing Act of 1975 to authorize the Illinois Racing Board to issue a license to the Illinois State Fairgrounds Racetrack Authority authorizing the pari-mutuel system of wagering on live harness and Quarter Horse races, inter-track wagering, simulcast wagering, and advanced deposit wagering (if otherwise authorized by law) through a racing contractor for up 9 months of each year at the Illinois State Fairgrounds in Sangamon County. Revenues received by the Board from this license shall be deposited into the General Revenue Fund. Amends the Riverboat Gambling Act to distribute certain proceeds from electronic gaming, if electronic gaming is authorized under the Act. Effective immediately.

House Amendment No. 1

Adds reference to:

- [30 ILCS 105/5.708 new](#)
- [30 ILCS 105/6z-80 new](#)

Replaces everything after the enacting clause. Reinserts the introduced bill with the following changes. Makes changes to the membership requirements for members of the Illinois State Fairgrounds Racetrack Authority and to the terms. Provides that any contract entered into by the Authority with a racing contractor after electronic gaming is authorized at the Illinois State Fairgrounds under the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act (i) may not be for a term of less than 10 or more than 20 years and (ii) shall require the racing contractor to make a payment before the racing contractor may begin conducting electronic gaming at the Illinois State Fairgrounds in an amount of at least 50% of the present value of any total compensation expected to be paid by the racing contractor to the Authority and the amount paid shall be discounted from future payments made by the racing contractor to the Authority. Provides for distribution of this payment. Provides that, when it is

necessary to have controlling jurisdiction over the operation of the property (rather than controlling jurisdiction over this real property) to obey a mandate of the Illinois Racing Board, the Authority shall have controlling jurisdiction. Provides that no substantial changes may be made to the infrastructure of the Illinois State Fairgrounds unless the Director of Agriculture grants affirmative approval for the changes. Amends the State Finance Act to create the State Fairgrounds Infrastructure Improvement Fund as a special fund in the State treasury. Provides that moneys in the Fund may be used by the Department of Agriculture solely for infrastructure improvements to the Illinois State Fairgrounds in Sangamon County. Includes language protecting the funds from sweeps, administrative charge-backs or any other fiscal or budgetary maneuver that would in any way transfer any funds from the Fund into any other fund of the State. In provisions amending the Riverboat Gambling Act, provides that the 10% of the adjusted gross receipts from electronic gaming at the Illinois State Fairgrounds shall be transferred monthly into the State Fairgrounds Infrastructure Improvement Fund (was, paid monthly, subject to appropriation, to the Department of Agriculture for infrastructure maintenance and improvements at the Illinois State Fairgrounds). Makes other changes. Amends the Illinois Horse Racing Act of 1975 to provide that the Illinois Racing Board shall name and appoint Illinois Racing Board (rather than State) veterinarians and representatives to take saliva, blood, urine, and other tests on horses. Amends the Riverboat Gambling Act to provide that if electronic gaming is authorized under the Illinois Horse Racing Act of 1975 and the Act under the supervision of the Illinois State Fairgrounds Racetrack Authority, and should the Authority's share of adjusted gross receipts from this gaming and any associated horse racing exceed the Authority's appropriations for any fiscal year, every July 31 following every fiscal year the surplus, if any, shall be divided into equal halves and paid to specified entities. Provides that there is no rulemaking authority under the new Act or amendatory provisions, but that the Governor may suggest rules by filing them with the General Assembly and requesting that the General Assembly authorize such rulemaking by law, enact the suggested rules into law, or take other appropriate action in the General Assembly's discretion. Effective immediately.

House Amendment No. 2

Deletes reference to:

230 ILCS 10/13

Adds reference to:

230 ILCS 5/9.5 new

Removes references to electronic gaming from the bill. Provides that the certain revenues received by the Authority shall be distributed as follows: 66 2/3% shall be paid to the Department of Agriculture for deposit into the State Fairgrounds Infrastructure Improvement Fund and 33 1/3% shall be paid to the Sangamon County Central Dispatch System (rather than transferred to the General Revenue Fund). Further amends the Illinois Horse Racing Act of 1975 to provide that in no event shall any inter-track wagering location licensee that derives its license from the Authority operate within 30 miles of the Illinois State Fairgrounds in Sangamon County.

House Amendment No. 3

Deletes reference to:

30 ILCS 105/5.708 new

Adds reference to:

30 ILCS 105/5.710 new

30 ILCS 105/5.711 new

30 ILCS 105/6z-81 new

Provides that the portion of the revenues received by the Illinois State Fairgrounds Racetrack Authority shall be paid into the Sangamon County Dispatch Fund rather than to the Sangamon County Central Dispatch System. Creates the Sangamon County Dispatch Fund, a non-appropriated trust fund held in the State treasury, to be used by the Sangamon County Central Dispatch System solely for general operations. In provisions creating the State Fairgrounds Infrastructure Improvement Fund, provides that the Fund is non-appropriated special fund. Provides that the revenues the Illinois Racing Board receives from the license issued to the Illinois State Fairgrounds Racetrack Authority shall be deposited into the Horse Racing Fund rather than into the General Revenue Fund.

Senate Committee Amendment No. 1

Removes language providing that there is no rulemaking authority under the amendatory Act, but that the Governor may suggest rules by filing them with the General Assembly and requesting that the General Assembly

authorize such rulemaking by law, enact the suggested rules into law, or take other appropriate action in the General Assembly's discretion.

Senate Committee Amendment No. 2

Deletes reference to:

New Act

20 ILCS 210/10

20 ILCS 210/12

30 ILCS 105/5.710 new

30 ILCS 105/5.711 new

30 ILCS 105/6z-80

30 ILCS 105/6z-81

230 ILCS 5/9

230 ILCS 5/9.5 new

Adds reference to:

230 ILCS 5/54.75 new

230 ILCS 10/7

from Ch. 120, par. 2407

230 ILCS 10/13

from Ch. 120, par. 2413

Replaces everything after the enacting clause. Amends the Illinois Horse Racing Act of 1975. Reenacts a Section concerning the Horse Racing Equity Trust Fund that was repealed on May 26, 2008. Provides that the Section is repealed on July 1, 2011. Amends the Riverboat Gambling Act. Reinstates the impact fee until (i) 3 years after the effective date of the amendatory Act, (ii) the date any organization licensee begins to operate a slot machine or video game of chance, (iii) the date that certain payments from the State Gaming Fund into the Horse Racing Equity Fund begin, or (iv) the wagering tax is increased by law to reflect a tax rate that is at least as stringent or more stringent than the tax rate contained in specified provisions of the Act, whichever occurs first. Provides that the Illinois Gaming Board is expressly prohibited from making changes to the requirement that licensees make payment into the Horse Racing Equity Trust Fund without the express authority of the Illinois General Assembly and making any other rule to implement or interpret the amendatory Act. Provides that the payment of 15% of the adjusted gross receipts of specified owners licensees from the State Gaming Fund to the Horse Racing Equity Trust Fund shall begin on the effective date of the amendatory Act, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or the Riverboat Gambling Act. Contains legislative intent. Effective immediately.

Actions

Date	Chamber	Action
2/4/2008	House	Filed with the Clerk by Rep. Raymond Poe
2/4/2008	House	First Reading
2/4/2008	House	Referred to <u>Rules Committee</u>
2/25/2008	House	Assigned to <u>Gaming Committee</u>
3/12/2008	House	House Amendment No. 1 Filed with Clerk by <u>Gaming Committee</u>
3/12/2008	House	House Amendment No. 1 Adopted in <u>Gaming Committee</u> ; by Voice Vote
3/12/2008	House	Do Pass as Amended / Short Debate <u>Gaming Committee</u> ; 015-004-001
3/13/2008	House	Placed on Calendar 2nd Reading - Short Debate
4/8/2008	House	House Amendment No. 2 Filed with Clerk by Rep. Raymond Poe
4/8/2008	House	House Amendment No. 2 Referred to <u>Rules Committee</u>
4/18/2008	House	Final Action Deadline Extended-9(b) May 9, 2008
4/30/2008	House	House Amendment No. 3 Filed with Clerk by Rep. Raymond Poe
4/30/2008	House	House Amendment No. 3 Referred to <u>Rules Committee</u>

5/5/2008	House	House Amendment No. 2 Rules Refers to <u>Gaming Committee</u>
5/5/2008	House	House Amendment No. 3 Rules Refers to <u>Gaming Committee</u>
5/7/2008	House	House Amendment No. 2 Recommends Be Adopted <u>Gaming Committee</u> ; 015-001-000
5/7/2008	House	House Amendment No. 3 Recommends Be Adopted <u>Gaming Committee</u> ; 015-001-000
5/8/2008	House	Second Reading - Short Debate
5/8/2008	House	House Amendment No. 2 Adopted by Voice Vote
5/8/2008	House	House Amendment No. 3 Adopted by Voice Vote
5/8/2008	House	Placed on Calendar Order of 3rd Reading - Short Debate
5/9/2008	House	Final Action Deadline Extended-9(b) May 23, 2008
5/15/2008	House	Added Chief Co-Sponsor Rep. <u>Patrick J Verschoore</u>
5/15/2008	House	Added Chief Co-Sponsor Rep. <u>Michael K. Smith</u>
5/15/2008	House	Added Chief Co-Sponsor Rep. <u>Dan Reitz</u>
5/15/2008	House	Added Chief Co-Sponsor Rep. <u>Kenneth Dunkin</u>
5/15/2008	House	Third Reading - Short Debate - Passed 083-028-000
5/20/2008	Senate	Arrive in Senate
5/20/2008	Senate	Placed on Calendar Order of First Reading
5/20/2008	Senate	Chief Senate Sponsor Sen. <u>John M. Sullivan</u>
5/20/2008	Senate	First Reading
5/20/2008	Senate	Referred to <u>Rules</u>
5/22/2008	Senate	Assigned to <u>Executive</u>
5/22/2008	Senate	Rule 2-10 Committee/3rd Reading Deadline Established As May 31, 2008
5/27/2008	Senate	Senate Committee Amendment No. 1 Filed with Secretary by Sen. <u>John M. Sullivan</u>
5/27/2008	Senate	Senate Committee Amendment No. 1 Referred to <u>Rules</u>
5/27/2008	Senate	Senate Committee Amendment No. 1 Rules Refers to <u>Executive</u>
5/28/2008	Senate	Senate Committee Amendment No. 1 Adopted
5/28/2008	Senate	Held in <u>Executive</u>
7/1/2008	Senate	Pursuant to Senate Rule 3-9(b) / Referred to <u>Rules</u>
11/19/2008	Senate	Re-assigned to <u>Executive</u>
11/19/2008	Senate	Waive Posting Notice
11/19/2008	Senate	Senate Committee Amendment No. 2 Filed with Secretary by Sen. <u>John M. Sullivan</u>
11/19/2008	Senate	Senate Committee Amendment No. 2 Referred to <u>Rules</u>
11/19/2008	Senate	Senate Committee Amendment No. 2 Rules Refers to <u>Executive</u>
11/19/2008	Senate	Rule 2-10 Committee Deadline Established As January 13, 2009
11/19/2008	Senate	Rule 2-10 Third Reading Deadline Established As January 13, 2009
11/19/2008	Senate	Senate Committee Amendment No. 2 Adopted
11/19/2008	Senate	Do Pass as Amended <u>Executive</u> ; 012-000-000
11/19/2008	Senate	Placed on Calendar Order of 2nd Reading November 19, 2008
11/19/2008	Senate	Second Reading
11/19/2008	Senate	Placed on Calendar Order of 3rd Reading November 20, 2008
11/20/2008	Senate	Senate Floor Amendment No. 3 Filed with Secretary by Sen. <u>William R.</u>

		Haine
11/20/2008	Senate	Senate Floor Amendment No. 3 Referred to Rules
11/20/2008	Senate	3/5 Vote Required
11/20/2008	Senate	Third Reading - Passed; 037-013-005
11/20/2008	Senate	Senate Floor Amendment No. 3 Tabled Pursuant to Rule 5-4(a)
11/20/2008	House	Arrived in House
11/20/2008	House	Placed on Calendar Order of Concurrence Senate Amendment(s) 1,2
11/20/2008	House	Chief Sponsor Changed to Rep. Robert S. Molaro
11/20/2008	House	Added Chief Co-Sponsor Rep. Raymond Poe
11/20/2008	House	Remove Chief Co-Sponsor Rep. Kenneth Dunkin
11/20/2008	House	Added Co-Sponsor Rep. Kenneth Dunkin
11/20/2008	House	Senate Committee Amendment No. 1 Motion Filed Concur Rep. Robert S. Molaro
11/20/2008	House	Senate Committee Amendment No. 2 Motion Filed Concur Rep. Robert S. Molaro
11/20/2008	House	Senate Committee Amendment No. 1 Motion to Concur Referred to Rules Committee
11/20/2008	House	Senate Committee Amendment No. 2 Motion to Concur Referred to Rules Committee
11/20/2008	House	Senate Committee Amendment No. 1 Motion to Concur Recommends be Adopted Rules Committee; 004-000-000
11/20/2008	House	Senate Committee Amendment No. 2 Motion to Concur Recommends be Adopted Rules Committee; 004-000-000
11/20/2008	House	Senate Committee Amendment No. 1 House Concurs 088-016-001
11/20/2008	House	Senate Committee Amendment No. 2 House Concurs 088-016-001
11/20/2008	House	Passed Both Houses
11/20/2008	House	Added Co-Sponsor Rep. Eddie Washington
11/20/2008	House	Added Co-Sponsor Rep. Jerry L. Mitchell
11/24/2008	House	Sent to the Governor
12/15/2008	House	Governor Approved
12/15/2008	House	Effective Date December 15, 2008
12/15/2008	House	Public Act 95-1008



OFFICE OF THE GOVERNOR
JRTC, 100 WEST RANDOLPH, SUITE 16
CHICAGO, ILLINOIS 60601

ROD BLAGOJEVICH
GOVERNOR

December 22, 2003

The Honorable Tommy Thompson
Secretary
United States Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Thompson:

As you are aware, I have been working for several months to find ways to help the people of Illinois save money on the high cost of prescription drugs. I was encouraged by your recent statements regarding your willingness to approve a small-scale demonstration project around the issue of reimportation of prescription drugs from Canada. We would like to work with you to design an effective pilot program that complies with the law. I am writing today to request your authorization for the State of Illinois to launch the first reimportation demonstration program.

As Justice Brandeis eloquently articulated in 1932, "[i]t is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments." Few know the wisdom of this tenet better than you. As the Governor of Wisconsin, you responded to a crisis of escalating welfare costs by creating an innovative welfare to work program, and effectively lobbied Washington to allow its implementation, despite apparent conflicts with federal law.

All told, under your stewardship, the State of Wisconsin obtained over 75 waivers for purposes of implementing experimental programs in the welfare arena. Your innovation in Wisconsin's approach to welfare reform demonstrates that when given the chance to do so, states can often successfully use their own ideas to meet the major challenges of the day. That kind of innovation is clearly needed when it comes to bringing down the price of prescription drugs.

Last year, Illinois spent over \$340 million on prescription drugs for its 230,000 employees and retirees, and a total of \$1.8 billion on prescription drugs for all of the

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state's health programs combined. With the cost of prescription drugs continuing to soar, this year, we'll spend even more.

Citizens in Illinois, and across the nation, pay 30-80% more for many of the same prescription drugs sold in Canada. In the face of a state fiscal crisis, an economy that continues to falter, and the ever-increasing cost of prescription drugs, as Governor, I have no choice but to explore different options that can help the consumers and taxpayers of Illinois.

Under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("the Act"), Congress has granted you the power, and authorized the necessary appropriations, to permit Illinois' implementation of the first reimportation pilot program. First, you could certify to Congress, under Section 804, subsection (l), of the Act that for the narrow purposes of Illinois' pilot program, reimportation poses no additional risk to the public's health and safety, and would result in a significant reduction in the cost of prescription drugs to consumers. You may then utilize the authority Congress granted you under section (j) of the Act, which authorizes you to grant waivers of the prohibition on reimportation, to grant Illinois a waiver authorizing the reimportation of an agreed list of prescription drugs. Additionally, because Congress authorized the appropriation of such funds as are necessary to oversee any reimportation program, funding concerns should not bar your consideration of our request.

With your approval, we will work with your staff and the FDA to implement a pilot reimportation program. The principle tenets and requisite safeguards of our proposal are as follows:

1. The State of Illinois, Office of Special Advocates for Prescription Drugs, in conjunction with the FDA, will develop a preferred drug list, detailing those drugs that can be safely obtained from Canadian sources.
 - a. The list will be comprised of predominately brand-name drugs for long-term usage.
 - b. Only drugs that can be obtained more cost-effectively from Canada than from the United States will be included.
 - c. The list will be periodically updated to ensure continued cost-savings.
 - d. Only FDA-approved drugs in FDA-approved dosages will be eligible for inclusion on the list.
2. The State will implement the following additional protections to ensure patient safety.
 - a. No first-fill. Plan participants must first have an eligible prescription filled by an Illinois pharmacy with a 30-day supply before obtaining a refill for that drug through the importation program.
 - b. Illinois will implement a Primary Care Pharmacist model, whereby every participant in the program would have the opportunity to choose an Illinois pharmacist to coordinate and monitor his or her drug therapy.

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- c. In collaboration with the University of Illinois College of Pharmacy, Illinois will implement a monitoring program to evaluate the safety/efficacy of drugs received by plan participants from all sources.
 - d. All drugs distributed through the program will be dispensed in manufacturer-sealed containers with child-resistant caps or an equivalent safeguard.
 - e. Illinois will contract with a private entity to maintain a toll-free number with a pharmacist available 24 hours a day, 7 days a week, to answer any medication-related questions by plan participants.
 - f. In addition to oversight by the State of Illinois, all wholesalers and pharmacies involved in filling prescriptions under the program will be licensed and regulated either by authorities in Canada or by authorities in the United States.
 - g. Prescriptions will be dispensed only pursuant to a valid prescription.
3. Reporting
- a. Illinois will periodically report to the United States Department of Health and Human Services regarding the effectiveness and cost-savings of the program.

This program, subject to your approval, could be implemented through one of two plan designs. As described in our recently-released study on this issue, Illinois could contract with a Canadian Pharmacy Benefit Manager ("PBM") to administer the program by mail-order, distributing prescriptions to patients directly from the Canadian PBM. Or, Illinois could work with Canadian sources to obtain eligible prescription drugs in bulk. The drugs would then be sent to a mail-order facility in Illinois for distribution. In both of the scenarios described, the State would stipulate performance and safety standards for facilities in Canada and in Illinois and would regularly inspect all facilities for adherence to those standards.

Finally, the program proposed by Illinois would be instituted as a pilot program, involving only a small population of participants at the outset. As described in our study, we would begin by instituting a program, on a voluntary basis, for state employees and retirees. The scope of the study would be further narrowed in its initial stages by limiting the number of eligible drugs to those agreed to by the State and the FDA. If successful, the program could later be expanded to include additional drugs and/or additional populations in Illinois.

I believe that we have a unique opportunity to test the concept of importation with the implementation of a pilot program in Illinois. Our program will allow HHS and the FDA to gauge, on a small-scale, the feasibility of drug importation, while authorizing Illinois to obtain safe, effective, and affordable prescription drugs for its employees and retirees in a controlled setting.

The State of Illinois very much wants to import prescription drugs from Canada in a way that is fully compatible with current regulations, and meets with your approval.

Designating Illinois as a demonstration project would allow us to do just that, and provide a model that other states could follow.

I would appreciate it if you could let us know whether you will authorize Illinois to launch a reimportation demonstration program within thirty days. Thank you for your consideration.

Respectfully,



Rod R. Blagojevich

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cc: Mark B. McClellan
Office of the Commissioner
United States Food and Drug Administration
5600 Fishers Lane
Rockville, Maryland 20857

Hubbard



DEPARTMENT OF HEALTH & HUMAN SERVICES

Food and Drug Administration
Rockville MD 20857

June 3, 2004

Governor Rod R. Blagojevich
Office of the Governor
State Capitol
207 Statehouse
Springfield, Illinois 62706

Dear Governor Blagojevich:

I am writing in response to your letters to Secretary Thompson dated October 27, 2003, and December 22, 2003, regarding your efforts to find ways to help the people of Illinois save money by purchasing prescription drugs from outside the United States. In your letters, you inquire about whether the Department of Health and Human Services may approve a demonstration project for the importation of prescription drugs from Canada. Although at the Food and Drug Administration (FDA) we share your concern and urgency related to the cost and safety of prescription drugs for our citizens, we do not believe that a waiver could be granted to allow a state's pilot project for the safe importation of prescription drugs under the current law. Our rationale is described in more detail below.

Secretary Thompson has made the provision of affordable prescription drugs for seniors one of the Department's highest priorities. With assistance from Congress last year, we achieved successful passage of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA), providing for a prescription drug benefit under Medicare. Pending the effective date of that benefit, the Secretary has published new rules under which immediate savings are available for seniors through a drug discount card program. Meanwhile, at FDA, I have made it a priority for the agency's medical and scientific experts to establish programs that promote access to innovative treatments designed to help Americans live healthier lives and to ensure that Americans have access to medications and treatments that they can afford.

FDA's statutory responsibility is to assure the American public that the drug supply is safe, reliable and secure. For more than 60 years, the Food, Drug, and Cosmetic Act has ensured that Americans can be confident that, when they use an FDA-approved drug, the medicine will be safe and effective and will work as intended in treating their illness. In carrying out this responsibility, FDA works to make medicines accessible and to help doctors and patients use them as effectively as possible through such steps as expanding access to generic medicines, reducing the time and cost of showing that new medicines are safe and effective, and providing up-to-date information for health professionals and patients to obtain the benefits and avoid the risks associated with powerful medicines.

Unfortunately, the drug supply is under unprecedented attack from a variety of increasingly sophisticated threats. In recent years, FDA has seen growing evidence of efforts by increasingly well-organized counterfeiters, backed by sophisticated technologies and criminal operations, intent on profiting from drug counterfeiting at the expense of American patients. The agency is doing its best to use its current authorities and resources to stop the increasing flow of violative drugs into this country, but the task is daunting. Each day, thousands of individual packages containing prescription drugs are imported illegally into the United States. FDA is working to speed the availability of anti-counterfeiting technologies, but these technologies have not yet been proven.

FDA remains concerned about the public health implications of unapproved prescription drugs from entities seeking to profit by getting around U.S. legal standards for drug safety and effectiveness. Many drugs obtained from foreign sources that either purport to be or appear to be the same as U.S.-approved prescription drugs are, in fact, of unknown quality. Consumers are exposed to a number of potential risks when they purchase drugs from foreign sources or from sources that are not operated by pharmacies properly licensed under state pharmacy laws.

The agency's objections to proposals that would create large, legal channels for drugs to enter our drug supply without assurances of safety are based on concerns that they will create substantial drug safety problems without clear, large-scale, long-term benefits. The principal concern is that such proposals would weaken our existing safety protections rather than providing the necessary resources and additional authorities that would be required to enable the agency to ensure drug safety and security.

Some cities and states would like to import cheaper prescription drugs from abroad, as you have requested in your letter. However, our review indicates that such state pilot projects are not authorized under current law and present added safety concerns. First, the MMA authorized the importation of prescription drugs from Canada, but with the restriction that importation may not occur until the Secretary certifies to Congress that allowing drug importation poses no additional risk to consumers and results in significant reductions in the cost of prescription drugs. Both Secretary Thompson and Secretary Shalala prior to him (separately) have concluded in the past that such products were potentially dangerous and should not be imported. Moreover, the agency has documented large amounts of unsafe and unapproved drugs entering this country via mail shipments (the following link provides additional information about the types of unapproved products being imported into the United States: <http://www.fda.gov/bbs/topics/NEWS/2004/NEW01011.html>) and via Internet Web sites that often appear to be providing FDA-approved products but ultimately have been found to be fraudulently peddling unapproved drugs from various unapproved sources.

Second, last year, when Congress enacted the MMA, it directed the Department to conduct a comprehensive study and prepare a report to Congress on whether and how importation could be accomplished in a manner that ensures safety. Given that the MMA

gives the Department 12 months to complete that report, Congress clearly envisioned that the Department could also take a least a year to evaluate the public health risk and cost-saving conditions set forth in the certification standard. The Department is currently working on the comprehensive report and has created an intergovernmental task force to steer this effort to completion by the Congressional deadline this year. Thank you for sending representatives from Illinois to participate in the public meeting of the task force; their input was greatly valued and appreciated.

Third, the MMA does not authorize any specific waivers, state pilot programs, experiments, or other temporary or short-term programs for importing unapproved drugs. In essence, the Secretary must certify that unapproved drugs can or cannot be safely imported for all Americans not just those people in one state or region of the country.

Fourth, FDA senior staff discussed the proposed Illinois pilot program with your representatives and gave them an analysis that detailed a number of safety concerns, legal concerns, unanswered questions, and questions about the program's benefit. We believe it is important for you to continue to try and address these questions.

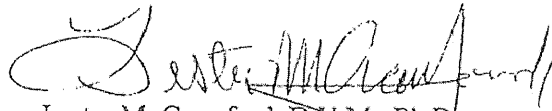
Finally, the agency is already aware of concerns with state programs that are utilizing state-sponsored Web sites to facilitate importation of drugs by state residents. These transactions are very often in contravention of state pharmacy laws and have been found to pose substantial safety concerns. In Wisconsin, where the state operates such a Web site, just recently State health officials were required to warn Canadian pharmacies to cease and desist from supplying unapproved drugs to Wisconsin residents who used the state Web site to facilitate a purchase, but then received unapproved products that they did not request. In Minnesota, representatives from the Minnesota Board of Pharmacy traveled to Canada to identify Canadian pharmacies that the state could commend to Minnesota citizens via a state-sponsored Web site, but upon inspection, found that the vast majority of the Canadian cross-border pharmacies that were visited had significant safety problems and other deficiencies. Also, both Minnesota and Wisconsin have expressly disclaimed any liability or responsibility for these foreign pharmacies and thus have left their consumers with only a "buyer beware" option that is inconsistent with U.S. drug laws.

FDA firmly believes that it can do even more to make safe and innovative drugs more affordable in the United States, but to succeed, we need to find safe and affordable solutions that, when implemented, do not put consumers at risk. FDA appreciates and supports your commitment to making drugs more affordable for seniors and other consumers, and there are several safe and legal approaches that we would be happy to explore further with you. But we must be cautious and deliberate when considering proposals to accomplish this goal to ensure that any changes do not require American

Page 4 - Gov. Blagojevich

citizens to give up the "gold standard" in drug safety that has become a hallmark in this country. I am confident we can work cooperatively towards solutions that will not be a disservice to the American people.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lester M. Crawford".

Lester M. Crawford, D.V.M., Ph.D.
Acting Commissioner of Food and Drugs

Governor to expand drug imports

Despite criticism by auditor, FDA's disapproval

By **DANA HEUPEL**
STATE CAPITOL BUREAU

Thumbing his nose at a state audit that concludes Illinois' program to import prescription drugs violates federal law, Gov. Rod Blagojevich announced Tuesday that he intends to expand it to include state employees and retirees.

The audit released Tuesday by Illinois Auditor General Bill Holland

also found that the governor's office went ahead with an attempt to import flu vaccine in 2004 even after federal officials had found additional supplies and informed the administration they would not allow the imports.

In a letter informing the Food and Drug Administration of his plan to expand the prescription-importation program, Blagojevich wrote, "We will implement as many of (Hol-

land's) recommendations as possible, but we fully intend to continue allowing the people of Illinois to purchase safe, affordable medicines from approved pharmacies in Canada, the United Kingdom, Australia and New Zealand. We will not be bullied or pressured by the FDA."

Expanding the I-SaveRx drug-importation program to state workers will save money for taxpayers, the governor wrote, and reduce or elim-

inate prescription co-payments for employees.

An FDA spokeswoman said the agency would not comment on Blagojevich's plan but pointed to regulations that prohibit the importation of drugs that lack FDA approval.

In his audit, Holland found that

See **DRUGS** on page 1

DRUGS

■ From page 1

3,689 residents of Illinois and 1,265 residents of the other participating states — Wisconsin, Kansas, Missouri and Vermont — had ordered prescriptions during the first 19 months of the I-SaveRx program, which was launched in October 2004.

The audit also said 521 state employees from 28 agencies had spent at least 5,600 hours to promote I-SaveRx and were paid at least \$488,000. It also determined that state personnel had spent more than \$111,000 in travel expenses and \$220,000 in legal fees related to the program.

In a written response, the administration said management employees performed most of the work on top of their regular duties. Spokeswoman Abby Ottenhoff also questioned the accuracy of calculations concerning employee salaries.

Regarding the legality, Ottenhoff said, "The FDA has allowed millions of Americans to buy their medications from abroad ... and since Illinois established the I-SaveRx program, the FDA has never taken steps to stop our program."

The audit also "questions the safety aspect of the I-SaveRx program."

"I don't think that state employees should be used as guinea pigs," said Luke Vander Bleek, who operates a pharmacy in Morrison and

serves as president of the Illinois Pharmacists Association. "I think the auditor's report shows pretty clearly ... that the practice has not guaranteed the type of safety that (the governor) suggests."

He said he doesn't believe many state workers will sign up because they already have prescription drug coverage.

Ottenhoff replied that "I-SaveRx has been proven to be an effective alternative for senior citizens and working families in Illinois who can't afford medication at Illinois pharmacies." She said the imported medicines are regulated in the other countries under standards at least as stringent as those here.

Enrollment in the program would be voluntary, and it would be in operation by spring of 2007, according to the governor's office. Blagojevich, a Democrat, is seeking a second term in the Nov. 7 election.

Holland's audit also found problems with a state program to import flu vaccine that also began in October 2004.

Soon after the FDA announced

that a vaccine manufactured in England and destined for the United States was unsafe, state officials reached agreement with another British company, Ecosse Hospital Products, to locate and acquire about 250,000 doses for Illinois residents, as well as about 520,000 doses for New Mexico, Tennessee, Kansas, New York City and Cleveland.

The FDA, however, prohibited the vaccine from entering America because of its drug-importation regulations. But the state still proceeded with its attempt to purchase flu vaccine through Ecosse, the audit determined, even after the federal Centers for Disease Control and Prevention found additional vaccine for those most at risk in Illinois and then agreed to supply 200,000 additional doses for other residents.

State Comptroller Dan Hynes later refused to pay Erosse's \$2.6 million bill to Illinois, saying the FDA refusal allowed the state to cancel its contract. Ecosse then sued the state in the Illinois Court of Claims. That case is pending.

Ottenhoff said Illinois' attempt to obtain the vaccine occurred during "an unprecedented situation. There were reports of potential widespread devastating sicknesses and deaths."

The newly found CDC vaccine was not going to be available until at least January 2005, the peak of the flu season, Ottenhoff said. In attempting to obtain vaccine in the fall of 2004, she said, state officials hoped it could be delivered "in a

manner of days."

State officials attempted numerous times to seek FDA approval while attempting to obtain the vaccine, the administration's written response to the audit said.

The audit also said the state did not develop legal agreements with the other governments, even though Illinois took the lead in procuring the flu vaccine. That "resulted in Illinois being potentially liable to pay for the entire cache of vaccine, over \$8.2 million."

Ottenhoff said the fact that Ecosse is seeking only \$2.6 million in the Court of Claims "is clear evidence that there was an understanding that each entity was only responsible for the vaccine that was being secured on its behalf."

Illinois donated the expired vaccine to Pakistan last December after a devastating earthquake in that nation.

Dana Heupel can be reached at 788-1518 or dana.heupel@sjr.com

Audit slams state drug plan

But Blagojevich plans expansion

By Crystal Yednak and Rick Pearson
Tribune staff reporters

Gov. Rod Blagojevich's administration spent nearly \$1 million to develop and market a plan to illegally import low-cost

drugs that ended up serving fewer than 3,700 Illinois residents, Auditor General William Holland said Tuesday.

Holland also said top Blagojevich aides pushed a plan to illegally import millions of dollars worth of flu vaccine in 2004 even after they realized the vaccine would never arrive and after state health officials told the governor's office that federal officials had found vaccine for Illinois.

The Democratic governor, now seeking re-election, made health care a top priority in his first term, using the resources of his administration to promote his I-SaveRx prescription drug program for seniors and the uninsured to counter what he said were the failures of the Bush administration. When the nation faced a tainted flu-vaccine supply, Blagojevich said the state would get its own rather than count on the federal gov-

ernment.

But critics of the I-SaveRx and flu-vaccine programs said the audit backed their contention that the administration's efforts were designed more to promote Blagojevich's political health than the public health.

Anticipating Holland's critical audit, Blagojevich earlier Tuesday said he was expanding I-SaveRx to cover state work-

PLEASE SEE AUDIT, PAGE 9

AUDIT: Blagojevich fights back, chides FDA

CONTINUED FROM PAGE 1

as a cost-savings move. Blagojevich also took a defiant shot at the federal Food and Drug Administration for refusing to back the importation of lower-cost prescription medications.

"We will not be bullied or pressured by the FDA into choosing drug company profits ahead of the basic needs of senior citizens and the uninsured," Blagojevich wrote in a letter to Dr. Andrew C. von Eschenbach, the FDA's acting commissioner.

Contending the FDA has "tacitly permitted" more than 1 million Americans annually to import prescription drugs from abroad, Blagojevich wrote: "No governor and no administration

wants to turn audit findings saying that they are operating a program in violation of federal law. But when the choice is helping people afford the medicine they need or incurring audit findings, there's really no choice."

But Holland questioned the governor's rationale for violating federal law.

"The program in the eyes of the federal government is illegal," Holland said. "Under our concept of the rule of law, I don't get to choose which laws I want to follow or not follow."

An FDA spokeswoman said she could not comment on the situation in Illinois and instead referred to the agency's policy that unapproved importation of drugs violates federal law.

State Rep. Rosemary Mulligan (R-Des Plaines) said she had concerns about the Blagojevich administration pushing an illegal program.

"It's also a nationwide 'Look-at-me-aren't-I-wonderful program,'" said Mulligan. "And it's the taxpayers of Illinois paying for that."

Blagojevich started the I-SaveRx program in October 2004 to

allow people to refill prescriptions at a lower cost using foreign pharmacies. The state works with pharmacies in Canada, the United Kingdom, Australia and New Zealand, and the program was expanded to residents in four other states.

But in its first 18 months of operation, the program served only 3,689 Illinois residents—and another 1,265 individuals in four other states—despite a massive promotional campaign by the administration that utilized 521 state workers in 28 state agencies as far removed from health care as the Historic Preservation Agency and the Department of Revenue.

Although the program violated federal laws involving drug importation, at least 26 of the workers who participated in its promotion were paid from federal funds, the audit said.

Holland estimated at least \$488,000 in wages for the promotional effort but acknowledged the cost could be much higher since auditors could not calculate payroll costs for nearly 30 percent of the state workers who participated.

Blagojevich spokeswoman

Abby Ottenhoff said employees working on the program had job responsibilities to connect people with services such as low-cost prescription programs. She also said some of the audit's payroll calculations seemed too high.

Other costs questioned

Besides payroll costs, Holland said the state spent more than \$111,000 on travel for I-SaveRx, mainly for foreign trips, though most travel did not follow state travel regulations. Another \$71,000 was spent on contractual services, \$54,000 on marketing and \$229,000 on legal fees to law firms that got no-bid contracts, according to the audit.

The auditor general also took issue with Blagojevich's ill-fated attempts to import flu vaccine to Illinois in the fall of 2004 after the federal government issued warnings of a possible shortage because of issues with a major supplier of vaccines to the United States.

Holland said Blagojevich's deputy governor, Bradley Tusk, and his special advocate for prescription drugs, Scott McKibbin, moved ahead with a plan to

buy the vaccine from British medical wholesaler Ecosse Hospital Products Ltd. without federal approval and without a contract with the firm.

Holland said the effort to acquire flu vaccine continued even though "Illinois officials appeared to be aware that the vaccine would never be delivered."

The audit cited a Dec. 21, 2004, e-mail from McKibbin to the governor's office in which he wrote, "We probably will never take delivery of these doses so will need to find a way to pay for the 'service' they performed."

The audit also found that the governor's office persisted even though state public-health records from December 2004 showed that the Centers for Disease Control and Prevention had located enough flu vaccine to cover Illinois' priority population.

Unprecedented situation

Ottenhoff said the state was facing an unprecedented situation with the possible shortage of flu vaccine and was worried about a devastating flu outbreak.

"The CDC hadn't notified us that they had additional vaccines until after we had already begun looking for them," she said.

"There was no guidance or support offered by the federal government and time was certainly of the essence," she said. "We did everything we could to pull together the vaccine we would need to protect our population."

State Rep. Jack Franks (D-Woodstock), who sponsored the resolution calling for Holland's audit of the programs, questioned why the contract was signed.

"They knew they didn't need it, they knew that it couldn't come in," he said.

State Comptroller Dan Fynes rejected the administration's request to pay for the shots, and the company now has a suit pending against Illinois for \$2.6 million. The flu vaccine, which could not be imported, was eventually donated to Pakistan.

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Trib
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Sun Times
9/20/06

Gov's drug program illegal, state auditor says

September 20, 2006 by [JIM RITTER](#) Health Reporter

Gov. Blagojevich's highly touted drug-import pharmacy is little used and illegal, the state auditor said in a blistering report Tuesday. Auditor General William Holland also ripped the governor for trying to buy flu shots overseas during a 2004-2005 vaccine shortage. State officials "knew FDA approval was not likely," but went ahead anyway, and now the state is on the hook for as much as \$8.2 million for unused shots.

Few use import pharmacy

"I knew we were going to find some problems," said state Rep. Jack Franks (D-Woodstock), who requested the audit. "But I was stunned to learn how badly our government acted." Nevertheless, Blagojevich announced the import pharmacy, I-SaveRX, now will be offered to state employees and their dependents. I-SaveRX lets patients buy low-cost prescription drugs from Canada, the United Kingdom, Australia and New Zealand. State employees who use I-SaveRX will pay smaller co-pays. Blagojevich launched I-SaveRX in October 2004 to great fanfare. Consumers could save up to 50 percent by importing prescriptions from foreign pharmacies approved by the state, he said. But the auditor's report said importing prescription drugs "is in violation of federal law."

The Food and Drug Administration has yet to crack down on Illinois. In a letter to the FDA, Blagojevich vowed to keep pushing I-SaveRX. He said he would not put "drug company profits ahead of the basic needs of senior citizens and the uninsured." The state has spent nearly \$1 million promoting the I-SaveRX program. But as of April, only 3,689 Illinois residents had ordered prescriptions, the audit found. Blagojevich spokeswoman Abby Ottenhoff said I-SaveRX is just "one piece of a much bigger effort to meet health care needs in Illinois. It's one of the services we offer. It's not for everyone." During a 2004-2005 vaccine shortage, the state contracted to buy flu shots from a British wholesaler for Illinois and several other states. Illinois' share was \$2.6 million, and the total came to \$8.2 million.

Vaccine purchase defended

When the FDA balked, Illinois donated its doses to Pakistan. The audit report found that by the time the state signed a contract to buy the flu shots, the federal government already had procured enough shots to cover the state's high-risk population. Franks said Blagojevich "obligated millions of dollars for something we didn't need and couldn't get." But Ottenhoff said Blagojevich acted in response to "reports of potential influenza outbreaks and widespread sickness and even deaths."

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Herald and Review
9/20/06

Drug program declared illegal: Blagojevich pushes to extend benefits despite audit saying plan violates state, federal laws

By KURT ERICKSON - H&R Springfield Bureau Chief

SPRINGFIELD - Despite an audit that says a state-run prescription drug plan violates state and federal law, Gov. Rod Blagojevich wants to expand the program. The governor, in an announcement Tuesday, said he wants to include state workers and their dependents in the I-SaveRx program, which he created in 2004 to help senior citizens buy cheaper prescription drugs from outside the United States. The announcement came as Illinois Auditor General William Holland issued a report outlining a laundry list of problems with the program. Holland said I-SaveRx not only violates federal law barring the importation of drugs, but the program also appears to violate the Illinois Pharmacy Practice Act based on a lack of oversight. Holland also determined the program has served fewer than 4,000 Illinoisans since it was unveiled two years ago. That number comes despite heavy promotion on the part of the Blagojevich administration. Holland found that the state has spent an estimated \$944,000 to create and publicize the initiative. Holland's report also said there was little coordination between state agencies that were promoting the program. "There was no system in place to track the results of the agency outreach," he wrote.

Blagojevich said the program will go forward. "Please understand that while we will do everything in our power to implement some of the auditor general's recommendations, we will not cease operation of the I-SaveRx program," the governor said. Spokeswoman Abby Ottenhoff said the fact that the federal government hasn't pursued legal action is evidence that I-SaveRx has the government's "tacit approval." Blagojevich said adding state workers to the program could help the state save money on prescription drug costs. Participants in the program can access the program via its Web site at www.i-saverx.net. The site connects users with a Canadian pharmaceutical clearinghouse that handles orders from pharmacies in Canada and the United Kingdom.

Kurt Erickson can be reached at kurt.erickson@lee.net or 782-1249.



OFFICE OF THE GOVERNOR
ROD R. BLAGOJEVICH - GOVERNOR

NEWS

FOR IMMEDIATE RELEASE

September 19, 2006

Governor Blagojevich announces plans to expand I-SaveRx drug importation program to State employees, retirees and others

In letter to the FDA, Governor vows that I-Save Rx will continue and expand operations despite finding by Auditor General that the program violates federal law

CHICAGO – Governor Rod R. Blagojevich today announced that the State of Illinois will expand its innovative I-SaveRx drug importation program to state employees and dependents. Currently, the program is available and intended for senior citizens and the uninsured, and covers the citizens of Illinois, Kansas, Wisconsin, Missouri and Vermont.

The program's expansion will allow the State to reduce its annual prescription drug costs and reduce, and sometimes even eliminate, co-payments for state employees and dependents (currently, co-payments on brand name prescription drugs for those in the state's health insurance range from \$20-80). The expanded program for employees will be voluntary. Illinois was the first state in the nation to make safe, affordable prescription drugs from other countries available to its citizens.

The announcement comes in the wake of a report released today by the Illinois Auditor General that the I-Save Rx program violates federal law. In a letter to FDA Acting Commissioner Andrew von Eschenbach, Blagojevich vowed to continue the importation program that helps senior citizens and the uninsured afford the medications prescribed by their doctors.

Blagojevich wrote, "Please be advised that while we highly respect and very much appreciate our Auditor General's work, and while we will implement as many of his recommendations as possible, we fully intend to continue allowing the people of Illinois to purchase safe, affordable medicine from approved pharmacies in Canada, the United Kingdom, Australia and New Zealand. We will not be bullied or pressured by the FDA into choosing drug company profits ahead of the basic needs of senior citizens and the uninsured.

"In addition, we are also going to move forward and expand the I-SaveRx program by making it available to state employees and dependents. Given that the State's annual costs for providing prescription drugs to employees, dependents, and others (prisoners, patients in state facilities, and others whose care is covered by the State) has increased by an average of 15% per year over the last five years, and given that employees and retirees often face brand name co-payments of \$40-80, broadening the scope of I-SaveRx will help the taxpayers save money by reducing the State's prescription drug costs. It will also help employees save money because they would no longer have to make co-payments when the medication they need is available at far less cost from pharmacies in Canada, United Kingdom, Australia or New Zealand. As we implement as many of the Auditor General's findings as possible for our program, we will keep those recommendations in mind as we expand the program to State employees, dependents and others."

The Governor also called on the FDA to drop its stance opposing importation of prescription drugs, and develop a national program that all states can participate in, rather than forcing states to construct

their own programs – programs that could conflict with local rules and forms that were created long before the concept of importation was envisioned.

Blagojevich wrote, "When states like Illinois take on a responsibility that ought to belong to the federal government, that requires creating a complicated program that will not be in lock step with every local rule and regulation created a time before anyone envisioned the concept of re-importation of prescription drugs.

"No Governor and no administration wants to incur audit findings saying that they are operating a program in violation of federal law. But when the choice is helping people afford the medicine they need or incurring audit findings, there's really no choice. Please understand that while we will do everything in our power to implement some of the Auditor General's recommendations, we will not cease operation of the I-SaveRx program.

"Your decision to make Plan B available over-the-counter indicates that you are willing to look at issues in a way different from your predecessors. Hopefully you will take a look at the FDA's policy opposing re-importation of prescription drugs and recognize that a national policy that helps our citizens access the global marketplace is the better approach."

The Governor launched I-SaveRx in October 2004 to provide Illinoisans a safe and affordable way to purchase many of the most common name-brand prescription drugs from pharmacies in Canada and Europe, where they cost up to 70 percent less.

Under the expanded program, which will be in operation by Spring 2007, employees who choose to fill eligible prescriptions through I-SaveRx will pay a reduced co-payment, or no co-payment at all. Currently, participants in the State's health insurance programs pay anywhere between \$20-80 in co-payments for brand name prescription drugs, depending on whether the drug is on the state's formulary. If the prescription is for a maintenance drug, the patient is allowed only two retail fills, then they are required to use mail-order, or else they must pay \$40 retail for a formulary drug and \$80 retail for non-formulary. The co-pay for mail-order is lower, \$40 for a 3-month supply of a formulary drug and \$80 for a 3-month supply of a non-formulary drug.

Over the last five years, the State has seen its prescription drug costs increase by an average of 15% per year, far outpacing the cost of Medicaid, which increased in Fiscal Year 2006 by just 1.4% -- the sixth lowest increase in the nation. The same prescription drugs that are sold in the United States are available at prices up to 70 percent cheaper outside the United States. For example, Prevacid, a name brand medication used to treat heartburn and acid reflux, costs 64 percent less in Australia than in the U.S., 55 percent less in the United Kingdom, and 44 percent less in Canada.

Employees and taxpayers alike will benefit from the I-SaveRx expansion. State employees can save at least \$160 annually on out-of-pocket costs for co-payments, while the State will be able to save hundreds annually on the cost of common maintenance medications that are filled through the importation program. For example, for each prescription, the State can save:

Save \$890 annually on Advair Diskus (used to treat asthma) when purchased from Australia,

Save \$340 annually on Actos (used to treat diabetes) when purchased from the UK,

Save \$1,017 annually on Casodex (used to treat Prostate Cancer) when purchased from

Canada,

Save \$250 annually on Nexium (used to treat Heartburn and acid reflux disease) when purchased from UK,

Save \$675 annually on Zyprexa (used to treat mental health issues) when purchased from the UK,

Employees who use I-SaveRx will save at least \$160 annually in co-payments

- 30 -

The text of the Governor's letter to FDA Acting Commissioner von Eschenbach is below:

Dear Commissioner von Eschenbach:

Over the last several years, your predecessors and I have disagreed strongly on the issue of re-importation of prescription drugs. I have been a strong advocate for opening the global marketplace to American consumers, while the Food and Drug Administration (FDA) has consistently sided with the drug manufacturers in keeping the marketplace closed and forcing consumers to pay artificially high prices.

Today, the Auditor General of Illinois will release a report about I-SaveRx, our prescription drug re-importation program that cites my administration for facilitating the importation of prescription drugs without FDA approval. His report argues that the I-SaveRx program is in violation of federal law. It reads, "Drugs are approved for use in the United States pursuant to the provisions of federal law as stated in the Food, Drug and Cosmetic Act. Virtually every time an individual or entity imports or causes the importation of a prescription drug, they are in violation of the FD&C Act."

We respectfully disagree with the Auditor General's finding, given that the FDA has tacitly permitted more than one million Americans each year to import prescription drugs from abroad, and given that the FDA has never taken steps to prevent the I-SaveRx program from operating in Illinois, Wisconsin, Kansas, Missouri and Vermont. In fact, you and I both know that the FDA has seized and tested approximately 1% of the prescription drugs imported through I-SaveRx and has never found fault with any of the medications. We also both know that, in recent months, the FDA has increased the number of seizures of medications both for programs like I-Save Rx and other importation programs across the nation.

Please be advised that while we highly respect and very much appreciate our Auditor General's work, and while we will implement as many of his recommendations as possible, we fully intend to continue allowing the people of Illinois to purchase safe, affordable medicine from approved pharmacies in Canada, the United Kingdom, Australia and New Zealand. We will not be bullied or pressured by the FDA into choosing drug company profits ahead of the basic needs of senior citizens and the uninsured.

In addition, we are also going to move forward and expand the I-SaveRx program by making it available to state employees and dependents. Given that the State's annual costs for providing prescription drugs to employees, dependents, and others (prisoners, patients in state facilities, and others whose care is covered by the State) has increased by an average of 15% per year over the last

five years, and given that employees and retirees often face brand name co-payments of \$40-80, broadening the scope of I-SaveRx will help the taxpayers save money by reducing the State's prescription drug costs. It will also help employees save money because they would no longer have to make co-payments when the medication they need is available at far less cost from pharmacies in Canada, United Kingdom, Australia or New Zealand. As we implement as many of the Auditor General's findings as possible for our program, we will keep those recommendations in mind as we expand the program to State employees, dependents and others.

The report also says that because our I-SaveRx program works with foreign pharmacies, their inspection makes it impossible to fully complete the forms used to inspect pharmacies in Illinois. Also, because pharmacies in the United Kingdom, Canada, Australia and New Zealand are governed by their own national standards, that differs from the standards in the Illinois Pharmacy Practice Act.

As you know, the standards for inspections and regulations required in each of those nations exceed those used here in the United States.

It is not surprising that the Auditor General found this, given that the forms used in Illinois include fields that are specific to United States based pharmacies (for example, requiring a Drug Enforcement Agency number). Nor is it surprising that the Illinois Pharmacy Practice Act is not identical in word and verse to the regulations of four different nations. The Auditor General finds that an out-of-state pharmacist can only dispense medication if licensed by the State of Illinois or, as a "mail order" pharmacy, be located within the United States.

Those are reasonable standards if the State of Illinois were only working with domestic pharmacies. But there is no way for a re-importation program operated on a state level to comply in every way, shape and form with rules that were written long before the concept of re-importation was developed. As a result, when one or several states acts in a way that differs from the federal government, each state participating in a non-federal re-importation program runs the risk of its Auditor General finding that the regulation of foreign pharmacies in some way differ from local regulations.

Our Auditor General also issued a finding saying that no State employee paid for with federal funds should be used to advance the I-SaveRx program in any way. If you believe that the I-SaveRx program violates federal law, as the Auditor General does, than this finding makes sense. But because the FDA refuses to publicly embrace a concept that would significantly reduce prescription drug prices for tens of millions of people, we have no choice but to act on our own and operate the program ourselves.

That includes using all of the resources of state government to make the program available to as many people as possible, including employees of the Illinois Department of Employment Security (IDES), who spend their day dealing with the unemployed – people who don't have jobs and therefore don't have health insurance or prescription drug coverage. Yes, IDES employees are federally funded. But they are also the ideal candidates to help people afford the medicine their doctor prescribes.

In addition, because the FDA refuses to permit the re-importation of prescription drugs, our request to import vaccines purchased abroad in the fall of 2004 was also denied. Our Auditor General found that we should have obtained your approval before purchasing the vaccines. When the nation was facing a shortage of 55 million doses of flu vaccine and through our own devices, we were able to procure vaccines for Illinois and put several other states in a position to procure vaccines for themselves as well.

Rather than erecting every conceivable roadblock to stop the importation of the vaccines, the FDA

should have thanked us for addressing the problem ourselves and immediately approved it. Instead, we faced bureaucratic hurdle and delay after bureaucratic hurdle and delay, only to ultimately be denied. Incredibly, the FDA used the excuse of oversupply as one reason to deny our application, even though it purchased vaccines from the same manufacturers as we did after they knew we already had the vaccines available.

Our Auditor General is doing his best, and while we agree with some of his recommendations and disagree with others, he is ultimately trying to audit a program that fundamentally is at odds with the approach taken by the FDA – an approach that denies consumers access to the global marketplace for prescription drugs.

When states like Illinois take on a responsibility that ought to belong to the federal government, that requires creating a complicated program that will not be in lock step with every local rule and regulation created a time before anyone envisioned the concept of re-importation of prescription drugs.

No Governor and no administration wants to incur audit findings saying that they are operating a program in violation of federal law. But when the choice is helping people afford the medicine they need or incurring audit findings, there's really no choice. Please understand that while we will do everything in our power to implement some of the Auditor General's recommendations, we will not cease operation of the I-SaveRx program.

Your decision to make Plan B available over-the-counter indicates that you are willing to look at issues in a way different from your predecessors. Hopefully you will take a look at the FDA's policy opposing re-importation of prescription drugs and recognize that a national policy that helps our citizens access the global marketplace is the better approach.

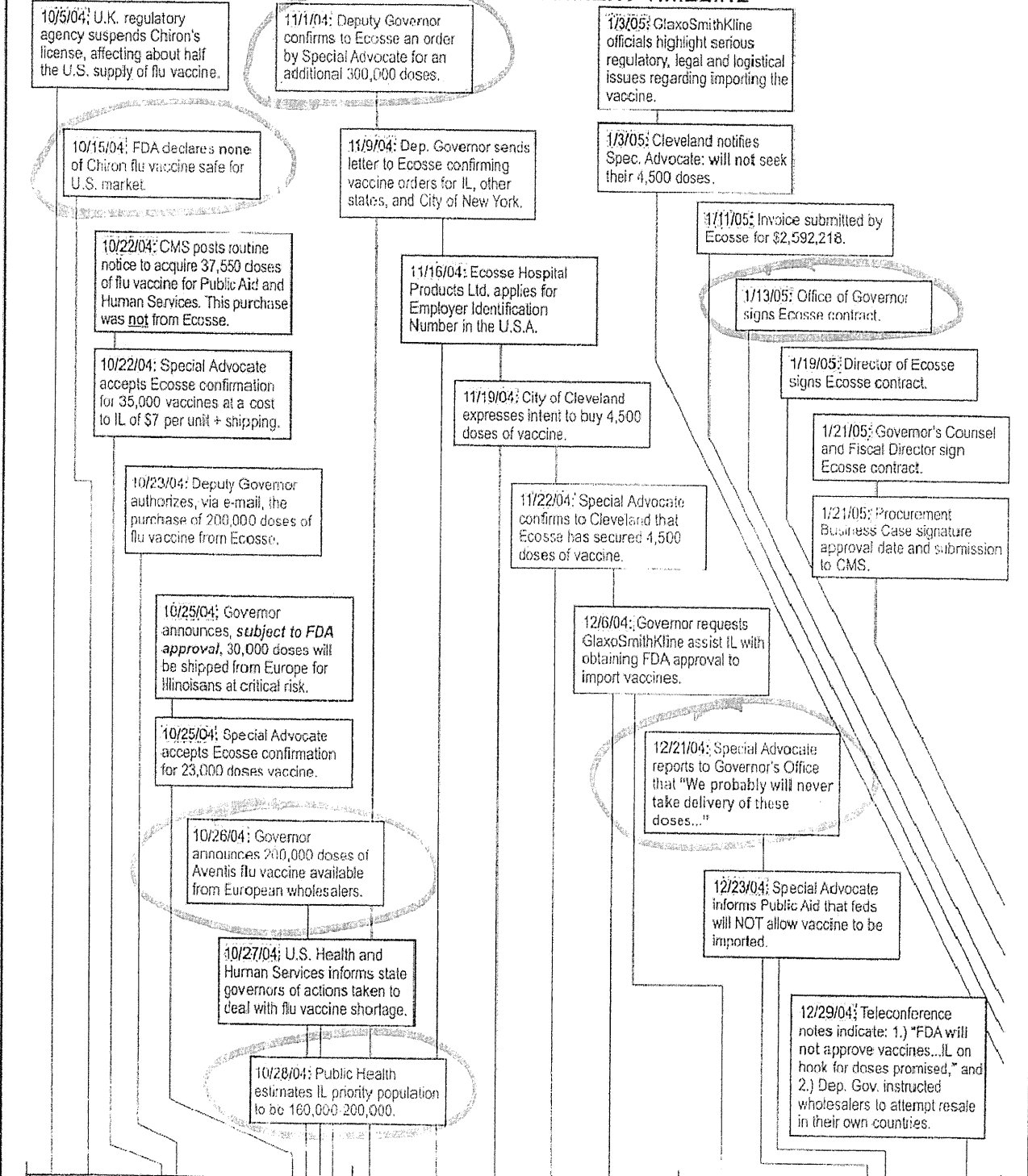
Thank you for your time and consideration.

Sincerely,

Rod Blagojevich

Governor

Exhibit 2-2
FLU VACCINE PROCUREMENT TIMELINE



Source: OAG compilation of Special Advocate and Governor's Office documentation.

Exhibit 2-2
 FLU VACCINE PROCUREMENT TIMELINE
 (continued)

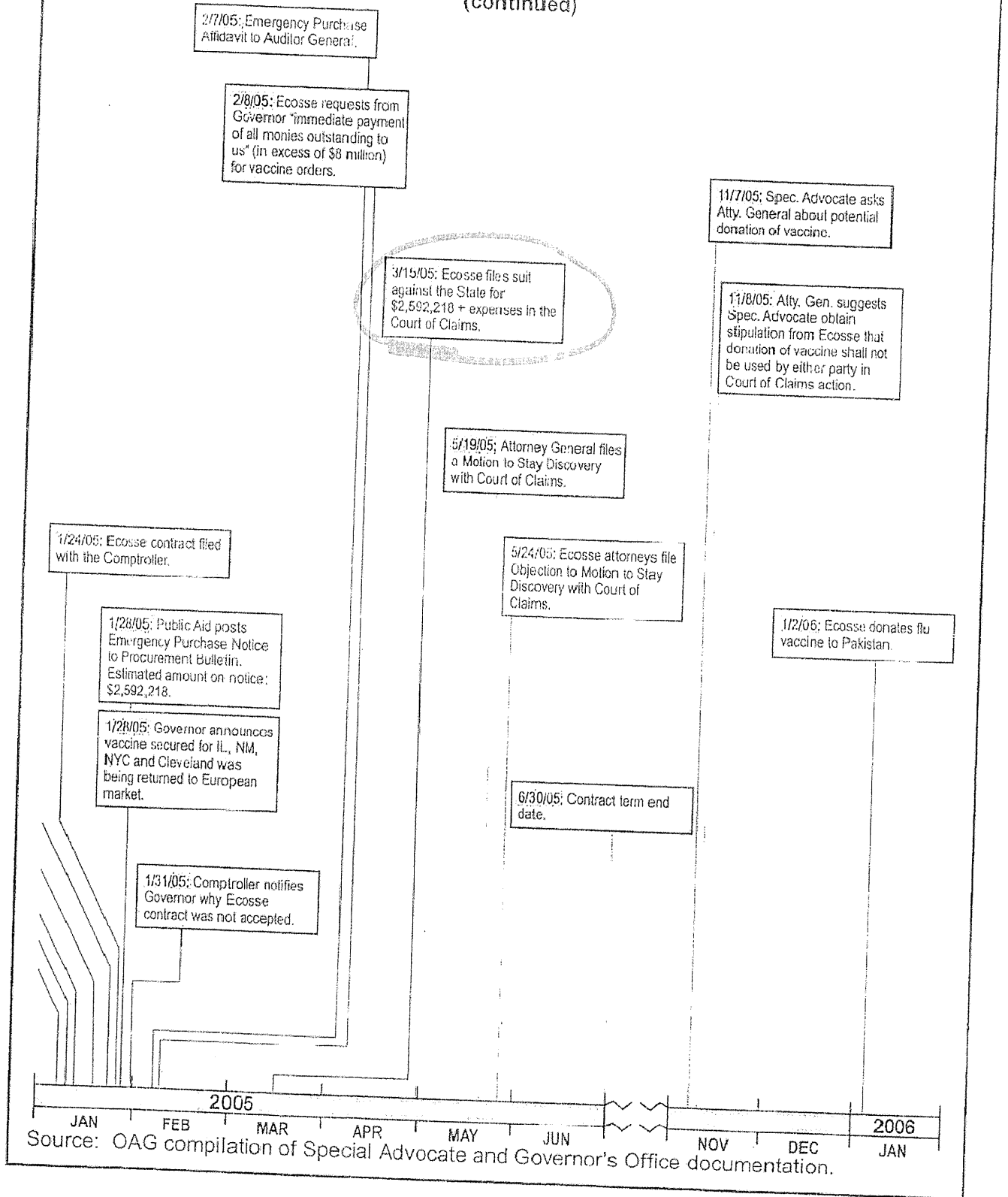
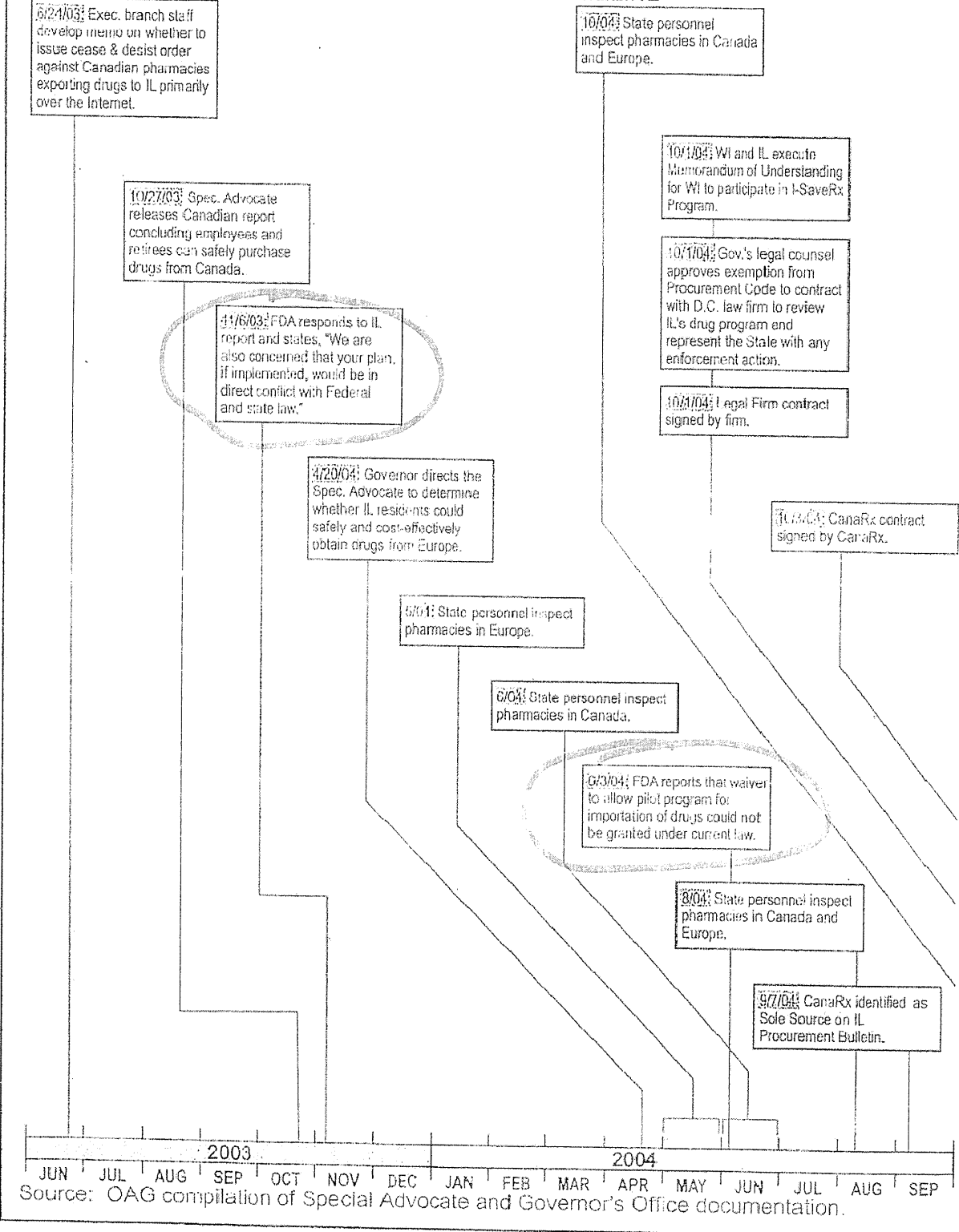
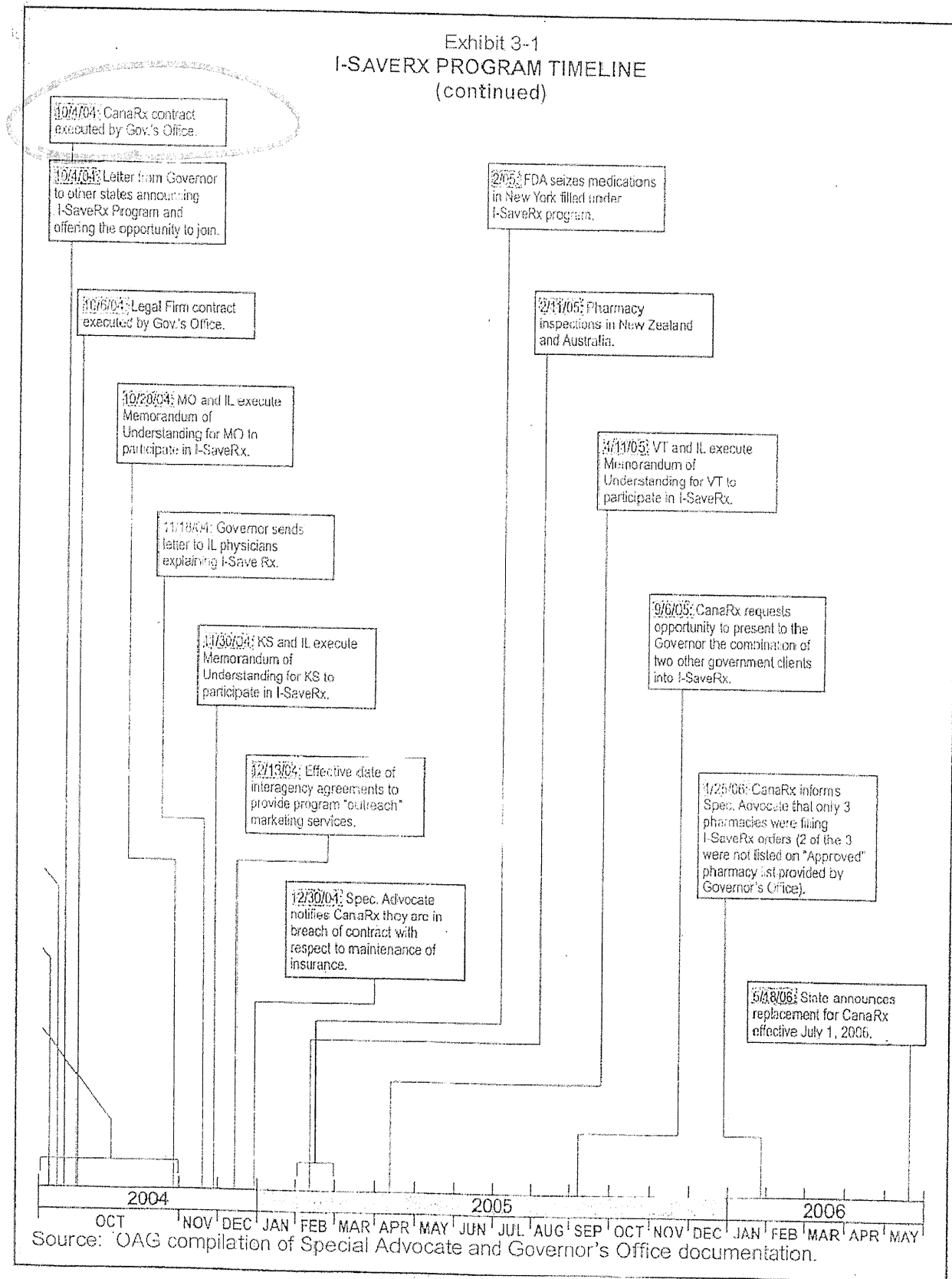


Exhibit 3-1
I-SAVERX PROGRAM TIMELINE



Source: OAG compilation of Special Advocate and Governor's Office documentation.

Exhibit 3-1
I-SAVERX PROGRAM TIMELINE
(continued)



JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLYSTATEMENT OF OBJECTION TO
AND SUSPENSION OF PEREMPTORY RULE

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

Heading of the Part: Medical Assistance Programs

Code Citation: 89 Ill. Adm. Code 120

Section Number: 120.329

Date Peremptory Rule Published in the Illinois Register: 12/5/08

At its meeting on November 19, 2008, the Joint Committee on Administrative Rules voted to object to and suspend the Department of Healthcare and Family Services peremptory rule titled Medical Assistance Programs (89 Ill. Adm. Code 120) and to notify the Secretary of State of the Suspension of the peremptory rulemaking. The reasons for the Objection and Suspension are as follows:

JCAR objected to the Department of Healthcare and Family Services' use of peremptory rulemaking to adopt rules titled Medical Assistance Programs (89 Ill. Adm. Code 120) because that use violates Sections 5-50 and 5-125 of the Illinois Administrative Procedure Act (IAPA). Additionally, because JCAR finds the Department's use of peremptory rule violates statute and, thus, presents a threat to the public interest, JCAR suspends this peremptory rule. Section 5-50 of the IAPA allows peremptory rulemaking to be used only "when rulemaking is required as a result of federal law, federal rules and regulations, an order of a court or a collective bargaining agreement...that precludes compliance with the general rulemaking requirements...and that precludes the exercise of discretion by the agency as to the content of the rule". In adopting this peremptory rule, HFS relied on the Opinion of the Appellate Court Fifth Division affirming the judgment of the trial court in *Caro v Blagojevich*. First, while the Appellate Court discussed the deficiencies in the emergency rule adopted by HFS and suspended by JCAR, it did not issue any order requiring HFS to adopt additional rule text without discretion, nor did the Appellate Court set any deadline for action that precluded the use of general rulemaking procedures. For this reason, the use of peremptory rulemaking does not meet the tests of IAPA Section 5-50. Second, on 5/20/08, JCAR suspended an earlier peremptory rule adopted by HFS in response to circuit court action in *Caro*. On 11/16/08, the 180 day period during which the General Assembly or JCAR could withdraw that suspension expired, making the suspension permanent. Portions of this current peremptory rule are identical to that suspended peremptory rule. Section 5-125 of the IAPA states that "the agency may not enforce, or invoke for any reason, a rule or portion of a

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF OBJECTION TO
AND SUSPENSION OF PEREMPTORY RULE

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

rule that has been suspended". Therefore, adoption of this peremptory rule also violates Section 5-125 of the IAPA.

The suspended peremptory rules may not be enforced by the Department of Healthcare and Family Services for any reason, nor may the Department file with the Secretary of State any rule having substantially the same purpose and effect as these suspended rule.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

STATEMENT OF OBJECTION TO AND
SUSPENSION OF PEREMPTORY RULE

DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES

Heading of the Part: Medical Assistance Programs

Code Citation: 89 Ill. Adm. Code 120

Section Number: 129.328

Date Originally Published in the Illinois Register: 5/2/08
32 Ill. Reg. 7212

At its meeting on May 20, 2008, the Joint Committee on Administrative Rules objected to the Department of Healthcare and Family Services' use of preemptory rulemaking to adopt rules titled Medical Assistance Programs (89 Ill. Adm. Code 120; 32 Ill. Reg. 7212) and suspended the rule because that use of preemptory rulemaking violates Section 5-50 of the Illinois Administrative Procedure Act (IAPA). Section 5-50 of the IAPA allows preemptory rulemaking to be used only when rulemaking is required as a result of federal law, federal rules and regulations, an order of a court or a collective bargaining agreement that precludes the exercise of agency discretion as to the content of the rule and that precludes adoption of rules through regular rulemaking. The analysis portion of the court's Memorandum Opinion and Order entered in *Caro vs Blagojevich* on 4/15/08, which HFS cites as the reason for this preemptory rulemaking, notes that not all TANF requirements are met by the expanded FamilyCare Program emergency rules, specifically the requirement that adults in the household be employed or engaged in a job search. However, the judge's specific order on 4/15/08 preliminarily enjoins HFS from "enforcing the Emergency Rules or expending any public funds related to the FamilyCare Program created by the Emergency Rule". The court order does not direct HFS to amend its rules in any way, including insertion of employment and job search requirements, nor does the court set any deadline for action that precludes the use of regular rulemaking procedures. Therefore, the standards under Section 5-50 of the IAPA for use of preemptory rulemaking are not met, and JCAR finds this violation of the IAPA presents a threat to the public interest.

The suspended preemptory rules may not be enforced by the Department of Healthcare and Family Services for any reason, nor may the Department file with the Secretary of State any rule having substantially the same purpose and effect as these suspended rules for at least 180 days following receipt of this certification and statement by the Secretary of State.

ILLINOIS GENERAL ASSEMBLY



HOUSE OF REPRESENTATIVES
SPECIAL INVESTIGATIVE COMMITTEE OF THE NINETY-SIXTH GENERAL ASSEMBLY

January 26, 2009

VIA FACSIMILE: (217) 557-7599

David W. Ellis
House Prosecutor
412 State House
Springfield, IL 62706

Re: Illinois House of Representatives Special Investigative Committee

Dear Mr. Ellis:


The Special Investigative Committee grants you permission to use the intercepted communications ordered disclosed to the Committee by the United States District Court for the Northern District of Illinois in the Senate Impeachment Tribunal.

Pursuant to House Resolution 4 of the Illinois House of Representatives of the 96th General Assembly, as well as the ruling of Chief Judge James F. Holderman of the Northern District in the matter of *United States of America v. Rod Blagojevich and John Harris* (08 CR 1010), we release the disclosed copies of four redacted recordings of intercepted communications to you for submission and use as evidence before the Senate Impeachment Tribunal.

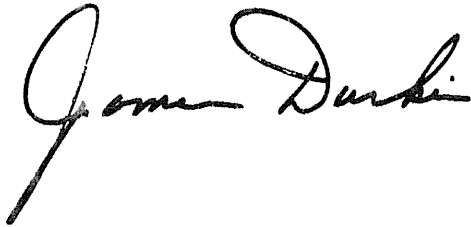
House Resolution 4 provides that the Committee shall "have the authority and duty to refer any further evidence the Committee may acquire to the House Prosecutor who is designated to prosecute in the impeachment trial of Governor Rod R. Blagojevich before the Illinois Senate." H.R. Res. 0004, 96th Gen. Assem., Reg. Sess. (Ill. 2009). Chief Judge Holderman ruled in his opinion on the Motion to Disclose (Dkt. No. 16) that "four redacted recordings and transcripts may be disclosed by the government to the members of the Special Investigation Committee as requested, to be used and, if appropriate, made public in the impeachment trial." Further, Chief

Judge Holderman, in his opinion, cites directly to the pertinent abovementioned portion of House Resolution 4.

Sincerely,

Handwritten signature of Barbara Flynn Currie in cursive script.

Barbara Flynn Currie
Chair of the Special Investigative Committee

Handwritten signature of Jim Durkin in cursive script.

Jim Durkin
Minority Spokesperson of the Special Investigative Committee