

SUMMARY OF PROPOSED REPORT OF SPECIAL INVESTIGATIVE COMMITTEE

I. Introduction

II. Committee Rules, Procedures and Policies

III. Overview of Process

Framers of Constitution did not define grounds for impeachment, but left that determination to the discretion of House members;

Burden of proof is that which is necessary to satisfy members that cause exists for impeachment;

Impeachable offenses not limited to criminal violations;

Purpose of impeachment is to protect the public from officer who has abused his position of trust;

It is appropriate to impeach an officer for a pattern of abuse that combines disparate acts of abuse within a single article;

Procedural safeguards to be afforded to impeached officer are not equivalent to process due a criminal defendant

IV. Evidence Considered

A. Scheme to Obtain Personal Benefit for Sale of Senate Appointment

Criminal complaint filed by U.S. Attorney contains transcripts of recorded conversations capturing the Governor plotting to obtain campaign contributions and/or lucrative jobs for himself and his wife in exchange for making an appointment to vacant U.S. Senate seat, and indicating that he will not appoint anyone to the seat without obtaining something of value in return.

B. State Assistance to Tribune Co. Made Conditional on Firing of Editors

Recorded conversations of the Governor included in the criminal complaint affidavit establish an effort by the Governor to condition State financial assistance to the Tribune Company on the firing of editorial staff who have been critical of the Governor.

C. Official Acts in Exchange for Political Contributions

1. Horse Racing Impact Fee Legislation

Conversations recorded by FBI demonstrate Governor's attempt to condition his signing of a HB 4758 (which would have directed a percentage of casino gambling revenue to the horse racing industry) on receiving a campaign contribution from a supporter of that legislation.

2. Grant of Tollway Expansion Contract

Conversations recorded by the FBI demonstrate Governor's attempt to condition commitment of State money to a Tollway expansion project upon the amount of campaign contributions he received from a highway contractor who would benefit from the project.

3. Pediatric Care Reimbursement for Children's Memorial Hospital

Conversations recorded by the FBI demonstrate the Governor threatening to rescind commitment of State funds for pediatric care reimbursements for specialty care pediatricians in order to "shake down" a hospital executive for a \$50,000 campaign contribution.

4. Ali Ata Plea & Testimony at Rezko trial

Ata stated in his trial testimony and plea agreement that he was appointed by Gov. Blagojevich to the Illinois Finance Authority on the basis of large contributions he made to the Governor.

5. Joseph Cari Plea & Testimony at Rezko Trial

Joseph Cari stated in his trial testimony and plea agreement that Gov. Blagojevich offered him inducements in the form of State legal, consulting work, etc. to raise money for Blagojevich, and that the Governor, with Stuart Levine and others, was attempting to control State boards by inserting hand-picked consultants for companies that wished to do business with the State into State transactions and then soliciting them for political contributions.

6. Healthcare Facilities Planning Board

Testimony at the Rezko trial demonstrated a scheme by the Governor to condition the granting of a permit to build a hospital by a State board controlled by the Governor through his co-conspirators Rezko, Levine and others, upon the group seeking to build the hospital contributing to the Governor's campaign committee.

D. Expansion of FamilyCare

The avoidance shows that the Governor circumvented the General Assembly, and violated the Illinois Administrative Procedures Act through his unilateral expansion of the "FamilyCare" program administered by HFS. Absent statutory authority (and an appropriation in the FY 08 budget to accomplish an expansion of the program), HFS filed an emergency rule to implement expansion of the program by providing to services to a new population (185-400% of FPL). JCAR suspended the rule, and HFS continued enrollment, acceptance of premiums and payment of claims, despite the fact that Illinois law prohibits the implementation of a program under a suspended rule.

E. Governor's Attempted Purchase of Flu Vaccine

The evidence shows that the Governor violated federal law through it initiative to obtain flu vaccines from foreign countries due to an anticipated shortage of the vaccine. The evidence shows that the Governor's office was aware that it needed approval from the FDA to import the vaccines, and that such approval was not forthcoming, but proceeded to order as over 600,000 doses of the vaccine. The Governor's office did this after receiving notification from the federal government that it had identified sources of the vaccine to provide doses necessary to cover Illinois' priority population of between 160,000-200,000 doses. The Governor's office ordered the vaccines from a manufacturer prior to entering into a contract with the vendor and obligated the state to \$2.6 million for the vaccine, and because it was aware that it could not legally accept delivery of the vaccines, deliberately structure the contract as a services contract, in order to try to compensate the vendor for its efforts in "locating" foreign supplies of the vaccine.

F. Governor's I-SaveRx Program

The evidence shows that the Governor implemented an initiative to allow Illinois citizens to obtain prescription drugs from pharmacies in foreign countries, in order to obtain a cheaper price. The Governor proceeded with the program with the knowledge that it violated federal law. The Governor placed the participants in the program at risk due to the failure to adequately inspect foreign pharmacies, ensure that foreign pharmacies were filling the prescriptions in compliance with applicable safety/quality standards, and never tested any of the imported drugs for safety.

G. Governor's Agency Efficiency Initiatives

The Department of Central Management Services (CMS), an agency under the Governor, made and implemented recommendations to reduce costs

associated with routine agency operations by consolidating their resources. Under the initiatives, CMS was to bill each agency for its pro rata share of a particular function (for example, management of facilities and vehicle fleets). However, CMS, under the Governor's leadership, in many cases failed to inform agencies what functions they were being billed from, and instructed agencies to pay the invoices out of any line item, without regard to the amounts appropriated to various line items by the General Assembly.

In addition to violating the Constitutional separation of powers, the administration of the Efficiency Initiatives was marked by irregularities, including the selection of a vendor which did not exist prior to being awarded the contract. The initiatives have been characterized as "an elaborate money-laundering scheme where the Governor would take State money from agencies, claim efficiencies that couldn't be proven, not using line-items so the money was untraceable, and then transfer those funds to a line-item that the Governor controlled."

H. Procurement Policy Board

The Procurement Policy Board (PPB) is authorized to review and make recommendations on rules and practices governing lease renewals and proposed contracts procured by the State through the Illinois Procurement Code. The Committee heard testimony from the Executive Director and a Board member and reviewed numerous documents pertaining several areas of concern to the PPB; namely, (1) the significant increase in the number of holdover leases in the current administration, (2) PPB rejection of specific leases based on anomalies with the lease that was not beneficial to the State, and (3) the administration's failure to update operational rules and policies.

I. Abuse of FOIA

The Committee heard testimony and reviewed numerous documents pertaining to the Governor's refusal to comply with the requirements of the Freedom of Information Act (FOIA). Witnesses representing the Better Government Association and Judicial Watch testified to their repeated FOIA submissions for federal grand jury subpoenas and subsequent litigation, which involved the hiring of outside counsel by the Governor's office (instead of Attorney General representation). Additional FOIA requests that were rejected by the Governor's office included requests for records relating to the FamilyCare program, an energy efficiency study on the State's motor vehicle fleet, and records relating to pardons and commutations.

J. Executive Ethics Commission Report

A September 2004 Office of the Executive Inspector General report (“Z Scott Report” detailed the results of an investigation into alleged improprieties within the Department of Employment Security (IDES). The report concluded that, *at the direction of the Governor’s Office of Intergovernmental Affairs*, IDES bypassed State hiring protocols and intentionally and illegally ignored the Rutan hiring mandate as well as veteran preference laws.

The report was confidential in accordance with provisions of the State Officials and Employees Ethics Act but released to the Special Investigative Committee pursuant to a Committee subpoena and consultation with the Attorney General.

K. Summary of the Evidence

V. Governor’s Refusal to Testify Before Committee

Can be held against him, unlike in a criminal proceeding.

VI. Injury to the People of the State of Illinois