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Final Edition

**Firm pressured to donate to gov?: Feds probe if filmmaker was told he'd have to pay to play**

By Dave McKinney, Chris Fusco, Fran Spielman and Natasha Korecki

Staff reporters

A criminal investigation into whether lucrative state pension business was being traded for campaign contributions to Gov. Blagojevich has developed a Hollywood storyline:

Federal authorities want to know if an investment firm then co-owned by the Oscar-winning producer of "Million Dollar Baby" was pushed to donate money to Blagojevich as it vied for a $220 million state deal, the Chicago Sun-Times has learned.

The producer, Tom Rosenberg, and Capri/Capital Advisors were approached in 2004 about contributing to the governor and were told it was a condition for securing investment funds from the state Teachers' Retirement System, sources familiar with the investigation said.

Capri rejected the request, sources said, and -- after a delay -- the firm got the business.

**Campaign rejects claims**

The Blagojevich campaign denied any wrongdoing in the matter.

"Here are the facts: 1) No donations were solicited by the campaign. 2) No donations were received by the campaign. 3) Capri/Capital continues to do business with the state," Blagojevich campaign spokeswoman Sheila Nix said in a prepared statement.

Sources, however, said there was an attempt to squeeze Rosenberg and Capri. The sources identified those involved as former TRS board member Stuart Levine; top Blagojevich fund-raisers Antoin "Tony" Rezko and Christopher G. Kelly, and longtime Springfield insider William Cellini.

**Source: ‘Go-between’ used**

Rezko, Kelly and Cellini have not been charged with any wrongdoing.

Levine is expected to plead guilty next month to corruption charges stemming from his time on the TRS board. He discussed the alleged shakedown during a secretly taped conversation, mentioning Rezko and Cellini but not Kelly, a source said.

Details of the solicitation could not be learned, but the pitch for campaign cash was relayed to Rosenberg and Capri by Rezko and Kelly through a "go-between," another source said. A grand jury continues to hear witnesses in the case.

**2 deny wrongdoing**

Cellini said Tuesday night through a spokesman that he was not involved in the Capri matter and engaged in no wrongdoing. "Mr. Levine may have raised a lot of names, but this absolutely did not happen and has no basis in fact," the spokesman said.

Kelly's attorney, Michael Monico, said his client had no involvement, either.

"Chris Kelly did not solicit Capri/Capital or any of its principals," Monico said. "He did not speak to Capri/Capital about campaign contributions or any other matter."

Rezko could not be reached for comment. A spokesman with the U.S. attorney's office declined to comment.

This is the first time Rezko -- a North Shore businessman who helped Blagojevich pick dozens of appointees to state government posts -- has been linked to a specific pay-to-play allegation involving pensions. The same goes for Kelly, a roofing contractor who has helped the governor fill government posts and raise political cash.

The investigation into the alleged shakedown also suggests the feds' stepped-up interest in Cellini, one of the state GOP's biggest behind-the-scenes powerbrokers.

Despite Cellini's Republican ties, his family's investment firm has been entrusted with investing $340 million in state pension cash since Blagojevich, a Democrat, took office. That firm, Commonwealth Realty Advisors, has provided above-average rates of return, records show.

Cellini-linked interests have donated at least $86,000 to the governor.

**Seems to fit strategy in plea**

The Blagojevich campaign vehemently has denied any quid pro quo regarding campaign contributions and pointed the finger at Levine, a Republican who Blagojevich reappointed to the TRS board in 2004.

"You are talking about a 30-year Republican operative currently under indictment allegedly discussing a scheme that the facts prove not to be true," Nix said. "We refuse to be held accountable for the actions of Stuart Levine."

Still, the alleged solicitation of Capri seems to fit a Blagojevich "fund-raising strategy" outlined in a federal court guilty plea entered by prominent Chicago attorney Joseph Cari last year.

According to Cari's plea, two close associates of the governor allegedly helped "pick law firms, investment banking firms and consultants that would help Public Official A." Sources have identified Blagojevich as "Public Official A," and the associates as Rezko and Kelly.

Last October, after the plea deal, a Sun-Times analysis of campaign contributions found that Blagojevich netted more than $500,000 in donations tied to firms doing business with state pension systems.

Rosenberg and Capri accounted for $16,500 of that money, all of it coming in 2002.

**Funds were held up**

State records show the TRS deal was held up in 2004, around the time sources said Capri was allegedly given the ultimatum to pony up campaign cash to Blagojevich or be cut out.

In fact, Levine helped try to steer TRS business away from Capri, claiming the company was up for sale, sources said. Around this time, it was made known to Rosenberg and Capri that Blagojevich fund-raisers weren't satisfied with the firm's "participation level" in the governor's campaign.

The company denied the sale rumor in a March 3, 2004, letter to TRS.

"We are very aware of TRS' sensitivity to organizational changes," wrote Terry A. McKay, then the company's co-chairman. "If we were to contemplate any significant changes, we would . . . come to Springfield to discuss them with you and get your prior approval."

Capri also refused to donate any more money to Blagojevich, according to sources and state records.

The firm had stood to be entrusted with the $220 million from TRS on Feb. 20, 2004. It finally got those funds on May 25 of that year.

**Pension staff not aware**

Capri's ownership did change slightly months later when Rosenberg and McKay sold their shares in it to existing owners. TRS approved that transaction in October 2004.

Staff at the pension system was unaware of any tie between the delay of Capri's $220 million allotment and the alleged attempt to solicit Blagojevich campaign contributions.

"We held the investment so that the organizational change issue could be thoroughly vetted. And when it was resolved, we moved forward with the investment," according to a statement released Tuesday by TRS.