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**Feds: Firm wooed state with bribes**

By Dave McKinney

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SPRINGFIELD-The federal government portrayed a pattern of fraud and influence-peddling in Gov. Edgar's administration in its opening arguments today in a bribery trial involving a politically connected computer firm.

William Ladd and Michael Martin, former co-owners of Management Services of Illinois, are accused of bribery and a mid-level state official is accused of accepting bribes.

The company, one of the top contributors to Edgar's 1990 and 1994 gubernatorial campaigns, is accused of bilking taxpayers out of at least $ 7.1 million through its dealings with the Illinois Department of Public Aid.

The agency hired the firm to screen Medicaid recipients for private insurance.

In a nearly 90-minute opening statement, Assistant U.S. Attorney Patrick Chesley said Martin and Ladd used gifts and campaign contributions to win friends on the Senate Republican staff and within the highest levels of Gov. Edgar's office.

"The governor is not on trial here. . . . But what is important about campaign contributions and what they say is Martin, Ladd and MSI took advantage of the relationships they obtained as a result of making these campaign contributions," Chesley said.

An attorney representing Martin defended the contract and said its parameters were set by Edgar's office, without campaign contributions or gifts playing any role.

"This wasn't a situation where a bunch of fellows sat in a smoke-filled room, signed off on this contract, stuck it in their pocket and walked away without anyone finding out about it," defense attorney Ron Menaker said.

"There was no fraud. No one was showered with any gifts. No one was given any benefits.

The federal case is expected to focus on a 1993 overhaul of MSI's Public Aid contract, which boosted state payouts to the company from $ 417,080 in the year before the renegotiation to $ 11.2 million the year after.

Public Aid officials also signed off on $ 4.5 million in payments to MSI in 1994 for work the company already had performed and been paid for under its previous contract with the agency.

Chesley described how MSI's Public Aid contract ultimately was steered by GOP Senate President James "Pate" Philip's office and by Edgar's former deputy chief of staff, Michael Belletire. Now the Illinois Gaming Board administrator, Belletire has not been charged.

"Martin (had) an unusual degree of access to Belletire. He was the only state contractor who (could) show up unannounced at Belletire's office in the governor's office and get an audience with him," Chesley said.