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**Pate aide named in MSI caseEx-official tells of threat to cut Public Aid budget**

By Dave McKinney

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SPRINGFIELD-State Senate President James "Pate" Philip's office threatened to slash the Public Aid budget after the agency's former head fired an MSI employee for making a $ 400,000 mistake, the ex-official testified Friday.

Phil Bradley, who headed the state welfare agency between 1991 and 1993, told prosecutors in MSI's federal bribery trial that he was berated and threatened in Philip's Capitol office by the Wood Dale Republican's deputy chief of staff, Jim Owen, in spring, 1992. Philip was not present.

"He was unusually harsh with me," Bradley said of Owen. "At one point, I was told, 'Director, if you want your budget, you'll take care of these guys.' " The MSI employee was on loan to the state.

The government is trying to prove that Management Services of Illinois bought political access through campaign contributions and bribes, enabling the firm to cheat taxpayers out of $ 7.1 million.

MSI's former partners, William Ladd and Michael Martin, are accused of showering key state officials and Public Aid administrators with cash, gifts and trips in exchange for lucrative welfare contracts that netted the firm millions of dollars.

A Philip representative Friday denied knowledge of any meeting between Owen and Bradley and ridiculed the notion that Philip's aides would have intervened for MSI in such a way. Owen could not be reached Friday.

"That's preposterous. How does one staff person threaten a department budget?" Philip spokeswoman Patty Schuh said. "(Welfare) checks would not go out. Bills would not be paid. That's not the way this office operates.

"If (the meeting) took place, I'm certain President Philip was not aware of it."

As part of MSI's dealings with the state between 1990 and 1995, the firm routinely provided employees to state agencies in return for compensation. The MSI workers typically provided computer assistance.

During his testimony, Bradley did not specify the nature of the MSI employee's error at Public Aid, other than to say it was a "serious mistake in calculations they had inputted . . . (that) cost the state $ 400,000."

After the confrontation with Owen, Bradley said, he won backing from Gov. Edgar's office to fire the MSI worker. But a different MSI employee eventually took that person's place at Public Aid, Bradley said.

Meanwhile, the government's star witness, former Public Aid administrator Curtis Fleming, finished four days on the witness stand, saying he had not protested lucrative rates MSI charged the state because of "loyalty" to Edgar.

MSI, which screened Medicaid recipients for private health insurance coverage, was one of Edgar's biggest campaign donors in his two gubernatorial campaigns. Edgar has not been charged.

Fleming, who pleaded guilty to charges of misapplying federal funds and mail fraud, accepted trips and more than $ 16,000 in cash from MSI's owners. Fleming, who oversaw MSI's Public Aid contract, has not been sentenced but could face more than seven years in prison.