

May 25, 2014 Sunday

More problems, more money: Chicago Area Project's troubles - including allegations of mismanagement - were well-documented, but it didn't keep Gov. Quinn's administration from giving it more cash

By Dave McKinney

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Gov. Quinn's administration chose a well-known West Side social-service provider to distribute millions of dollars in anti-violence money across crime-ravaged Chicago neighborhoods in 2010, even though state audits just months before said the group couldn't substantiate more than $200,000 in bills involving a summer-jobs program.

The problems involving the Chicago Area Project were significant enough to draw attention from federal investigators. They opened a criminal probe into the $7.8 million summer-jobs program, started under ex-Gov. Rod Blagojevich.

The problems were also serious enough to spur the state to ask the Chicago Area Project for the money back - $214,214 in all. That still hasn't happened, as the social-service provider disputes the audits' findings.

A series of state documents examined by the Chicago Sun-Times shed new light on how the Chicago Area Project ran into trouble with the state yet still got millions of new dollars more from the governor's Neighborhood Recovery Initiative, which itself is now under state and federal investigation. The Quinn administration is reviewing the state grants sent to the Chicago Area Project and says Quinn had no personal knowledge of the previous problems of the Chicago Area Project until recently.

Quinn launched the $54.5 million anti-violence program during a tough election in 2010, but in recent months it has been rocked by a series of controversies.

In February, Auditor General William Holland blasted the program for failing to get money to some of the highest crime neighborhoods and for relying on recommendations from Chicago alderman and community organizers for who should get the money, rather than more objective criteria. In March, the Sun-Times reported that the Chicago Area Project, one of the biggest recipients of Quinn's antiviolence money, had hired Benton Cook III, the husband of Cook County Circuit Clerk Dorothy Brown.

Cook got the job - which paid him more than $146,000 in state-funded salary and benefits over two years - despite having a felony conviction for writing bad checks in Tennessee. A state agency now accuses Cook of embellishing his professional credentials. He allegedly claimed to the Chicago Area Project that he was a clinical psychologist, but he holds no such license in Illinois. The Sun-Times reported earlier this month that federal investigators have subpoenaed Cook to talk to them about the grant program.

Problems surrounding the Chicago Area Project first surfaced between March and June of 2010. That's when auditors at the state Department of Transportation raised red flags about its performance and that of four other vendors, which played prominent roles in the 2008 Blagojevich summer-jobs program, state records show.

While the jobs being offered to those in their late teens or early 20s under Blagojevich's program were supposed to be transportation-related, auditors reported on June 22, 2010, that time sheets submitted to the state by the Chicago Area Project and its fellow vendors "were typically vague, incomplete and noted activities unrelated to transportation and not in support of IDOT projects. We cannot ensure that even the activities noted were performed as indicated and by whom."

IDOT's audit team concluded that the five vendors could not substantiate $643,583 in billings to the state, with the Chicago Area Project's share of that total coming in at $214,214 - the most of any of them. To date, none of that money has been repaid to the state.

State Executive Inspector General Ricardo Meza opened an investigation and because of concerns that misconduct may have been involved, referred IDOT's audit reports to Attorney General Lisa Madigan's office in October 2010 for further investigation. Her office declined to take action when it learned a federal investigation was underway.

The release of the IDOT audits came just months before another, now-defunct agency in Quinn's administration, the Illinois Violence Prevention Authority, put the Chicago Area Project in charge of $4.15 million in Neighborhood Recovery Initiative funding in the West Garfield Park and Grand Boulevard neighborhoods of the city.

State records show that Quinn's office itself was later given firsthand knowledge of IDOT's allegations against the Chicago Area Project and four other vendors in November 2011, a full year into Quinn's anti-violence program but more than six months before the governor began shutting down the Neighborhood Recovery Initiative.

That's when Meza forwarded a copy of his investigative report on Blagojevich's summer-jobs program to the governor's office. The report alluded to the ongoing federal investigation.

Quinn's general counsel, John Schomberg, responded on Nov. 22, 2011, saying the administration is "currently in the process of seeking to recoup the overpayments that were made to the five fiscal agents," one of which was the Chicago Area Project.

However, a Quinn aide told the Sun-Times that the governor himself was not made aware until recently that IDOT had raised questions about the Chicago Area Project's "oversight" in the Blagojevich summer-jobs program.

"While the Quinn administration was made aware of IDOT's audit findings and problems from the previous administration, the governor himself was not specifically made aware of concerns regarding CAP's oversight until in recent months," Quinn spokeswoman Brooke Anderson said.

Quinn has initiated a review of the Chicago Area Project's 10 contracts with the state, valued at $12.8 million, after the Sun-Times began reporting in March about the organization's hiring of Cook and the direct involvement of his wife, Dorothy Brown, in Cook's nonprofit, Dream Catchers Community Development Corp., which received state anti-violence funding through the Chicago Area Project.

The state has made little progress since 2011 collection efforts involving the Chicago Area Project and the other providers involved in the Blagojevich jobs program because those providers argue they owe nothing to the state.

"As a group, [Chicago Area Project] and the other fiscal agents then and now vigorously dispute the findings of the OEIG audit as regards performance and alleged overpayments," Chicago Area Project Executive Director David Whittaker said in a statement issued by his publicist, Rick Jasculca.

The Chicago Area Project, which has had a relationship with state government for four decades, appealed the IDOT decision to a mediator, who heard the case in May 2012, Whittaker said. The dispute still has not been resolved.

Both Whittaker and Jasculca declined to answer questions about whether the Chicago Area Project had been contacted by federal investigators concerning either Blagojevich's summer-jobs program or Quinn's Neighborhood Recovery Initiative.

They referred those inquiries to Chicago defense lawyer Lori Lightfoot, a former federal prosecutor and a finalist to succeed former U.S. Attorney Patrick Fitzgerald. Lightfoot declined to answer questions.