

LEGISLATIVE AUDIT COMMISSION

**June 23, 2014
Chicago, Illinois**

SUBCOMMITTEE MEMBERS PRESENT

Senators Barickman and Mulroe
Representatives Reis and Rita

Barickman Good afternoon. I'm... My name's State Senator Jason Barickman. I'm the Co-chairman of the Legislative Audit Commission, and I'd like to call this subcommittee hearing to order. Ms. Stricklin, would you like to call the roll?

Stricklin Senator Barickman.

Barickman Here.

Stricklin Senator Mulroe.

Mulroe Here.

Stricklin Representative Reis.

Reis Here.

Stricklin Representative Rita.

Rita Here.

Barickman Okay. Thank you. Seeing that a quorum is present for purpose of the meeting, the hearing is to consider the issuance of a subpoena to Barbara Shaw. I hereby move that we issue a subpoena to Barbara Shaw and upon a second to this motion, I'm glad to provide arguments in further of the motion. Is there a second?

Reis Mr. Chairman, I move that we issue the subpoena on draft #2 to Barbara Shaw.

Mulroe I second the motion, but I do have some concern that are raised may be, you know, talking about the subpoena, the draft and what changes might be necessary.

Barickman You know, I think we are just operating on that the motion is verbally made. Does anyone want me to read the form of the subpoena?

Rita Well, why don't we explain a little bit where we're going with this and what the motives are and where... what the scope is, what our motives, explain... give me a real explanation.

Barickman I'll speak to your question. And... and I do know that we'll get to the form of the subpoena shortly which I believe has been circulated among the counsels to each of the four caucuses. My understanding is that the four caucuses have agreed to the form of the subpoena and the process for serve it, I did. If there's a question, certainly will consider those. Again...I do want... there's been a lot of lawyers who've been involved in the drafting of the subpoena. I wanted to make specific reference to our understanding of the intent of the language in the subpoena. The draft that has been circulated references... makes reference to interagency and third party communications which we... are of the understanding, means or includes e-mails. Again, we'll get to the form of the subpoena and any questions you may have soon. But to Representative Rita's question, I think we are all aware that last month the Legislative Audit Commission held its first hearing on the NRI program. Jack Cutrone the

executive director of the Illinois Criminal Justice Information Authority attended and provided testimony. Unfortunately, his testimony left us with more questions than answers. Here's a few examples. We asked Mr. Cutrone, how NRI grew from \$20 million to \$50 million in a matter of three months. He didn't know because he wasn't there at the time. We asked Mr. Cutrone, who made the key decisions for disbursing the NRI money. Again, Mr. Cutrone didn't know because he wasn't there. We asked why the administration paid for an evaluation of the NRI program but did not include an analysis of whether this program was actually effective at reducing crime. Again, Mr. Cutrone didn't know because he wasn't there. The Governor has claimed that there was no spending on this program until after the 2010 elections; however, it wasn't like his administration didn't try. The media has reported that there were unsuccessful attempts to distribute NRI money prior to the election, but again, we don't know much about it. Again, Mr. Cutrone certainly wasn't there during this time. We've also seen several media reports suggest that red flags have been raised prior to the selection and funding of certain agencies. We still don't know why certain decisions were made to move forward in spite of these alerts. With all of these unanswered... unanswered questions about a program that cost taxpayers millions of dollars, it's time to call as witnesses the people who are actually involved in both the planning and implementation of the NRI program. I believe we should start with the agency that implemented the program at the time, the Illinois Violence Prevention Authority and its former executive director Ms. Barbara Shaw. The people of Illinois deserve answers to the questions which include What was the extent of the involvement of the Governor's Office in selecting the communities and agencies that received NRI funding? Why were these specific communities and agencies selected? Who decided to increase NRI funding from 20 to 50 million dollars and why? Why was NRI restricted to just Chicago? Why were organizations with red flags included in NRI? What attempts were made to distribute funds prior to the 2010 elections and why? Why weren't proper procedures implemented to ensure that all taxpayer dollars were accounted for? What was IDPA's role in implementing the NRI program within DCEO? In that regard, what was the role of DCEO, its director, Warren Ribley and others in planning and implementing NRI and the components referenced as Training for Tomorrow in the community business fund. Where did the roughly \$10 million come from which was used by DCEO to administer NRI grants and loans? Opponents to any further inquiries by our commission have com... have claimed politics as the motivating factor. Let's set the facts straight. NRI has been troubled since its inception as evidenced throughout the audit report. The initiative has been the subject of criticism since at least 2011. Those concerns let the Illinois House of Representatives to ask for an audit of the program. That request received 100 'yes' votes, an overwhelming show of bipartisan support. The auditors have completed their job and presented their report to us calling the NRI program hastily implemented in finding that NRI had pervasive deficiencies in its planning, implementation and management. Now, our part begins and by law, we are charged with finding out not only what happened, but how it happened. Our recommendations will likely become the basis for legislation that will help make sure a failure of this magnitude doesn't happen again. The Legislative Audit Commission recently authorized the use of subpoena powers to fulfill our responsibilities under the law and that one Legislator voted against the use of subpoena powers generally saying he felt we should invite participants to attend our hearings before we compel any of them. So, we invited Ms. Shaw to our July hearings. She has told us she will not voluntarily appear. Her attorney tells us she'll likely testify if subpoenaed. He says, 'She has a lot of information about how it was done and what was done.' After all this, the only political consideration here is by those contemplating a pass for Ms. Shaw and missing the opportunity to find out what happened. I think the public deserves answers to the questions that we've raised and consider what's at stake. State of Illinois spends millions of dollars on much needed violence prevention initiatives. We must preserve the integrity of the system by learning from past mistakes, not simply shrugging them off. We are asking taxpayers to make significant investments in these initiatives and we need to ensure the public that we are prudent with their dollars by showing that those investments are making meaningful progress at reducing violence. Additionally, we all know that there are many organizations providing important resources to prevent violence in some of our State's most troubled cities and neighborhoods. These organizations take pride in their work, excel at meeting their objectives and should be commended for the impact they make on their communities. However, those gro... however, those groups know that a program like NRI has the potential to severely tarnish their good reputation. So, by rooting out the bad actors and bad decisions through the public process afforded by the Legislative Audit Commission, we have an opportunity to preserve the integrity of the many others who need and reserve more of unlimited taxpayer funds. We have a duty to act here and the public, whether

it's the taxpayer or one of those resourceful organizations doing meaningful work in a community, the public has relied on us to make the right decision. We must hear from Barb Shaw and get to the bottom of this program. Failure to act today will only fuel public... public skepticism that we're unwilling to learn from a failed program, that we prefer to sweep these problems under the rug if the Legislature is playing politics and that we are participants in an effort to cover up this totally botched program. For these reasons, I'd ask for a 'yes' to the motion.

Rita So, to go back to my question, and... and you know, there's no dispute that there were some issues with the NRI. I mean, it was uncovered. The program no longer exists, so what are we trying to accomplish here? There is no NRI program.

Reis Well, technically there is. I mean, it's been rolled into the Department of Labor this year. Well, I know...So, it's the same basic...

Rita ...the NRI program has been eliminated, it's my understanding. My understanding.

Reis The NRI, yes, but then it went into the Illinois Criminal Justice Information Authority and now it's being rolled into the Department of Labor. So, I mean, these activities, in a roundabout way, still will be going on.

Rita But when the audit was released, you know, discovered these issues, we took action in, I believe, the mission of what this Audit Commission's about. Now, unless we have a different mission in terms of investigative role. I mean that, it's... we got two different agencies investigating this that have investigative experience. The federal prosecutor is involved in this and the Cook County State's Attorney's Office. So, are we changing our roll or our mission? Are... is this an investigative... What's the end here? What are we... what are we going to accomplish if the program has been eliminated?

Barickman Sure. Remember, Representative Rita, the criminal investigations of which we're aware that there's a federal and a state investigation into criminal wrongdoing. We are not a part of those investigations. We are not an arm of law enforcement. Our job, and we went through this at length when we discussed whether or not to empower ourselves with subpoena powers, our job comes from statute and is clearly... it charges us with a review of state operations and putting forth recommendations to make state operations operate fair.

Mulroe If there's no dispute that there wasn't... this wasn't discovered through the audit, correct? I mean, I'm not disputing that. There wasn't ... when we did the audit.

Barickman I think the audit has raised significant questions about what is happened and how. And our duty, again, is to find out how to make sure those problems don't happen again.

Rita And with any other audit that we hear, we find issues or problems. We either fix it legislatively or we allow the agencies to come back and give them recommendations. Whether they accept them or not accept them or we change through legislation... change different parts, you know, depending on what agencies we're doing. We... we identify, make recommendations. If a program has been eliminated, what is the endgame here? What are we...what is ultimately ... what are we trying to accomplish at the end?

Barickman Sure. Again, let's say that...

Rita It's just that what we already know.

Barickman No, the State of Illinois will... will spend millions of dollars in the future on violence prevention activities. I think the public has a right to know that we will spend those dollars prudently and that they will accomplish their intended objectives of fighting of combatting violence.

Rita But we... there was a bill that was passed... the grant... the Accountability Act. I believe it was House Bill 2747, correct, which is looking at future grants... future grant programs and the accountability behind them, correct? So...

Barickman What does that legislation say in regards to whether an alderman would have input to the communities or agencies selected through a grant program?

Rita So, are you referring to every grant program we're going to do? It's going forward.

Barickman And that's what the legislation was about.

Rita No, I'm saying what... what's the endgame here. I'm prepared to vote to issue a subpoena. I don't want you to think I'm going in the But what I'd like to do is if... figure out what we're going to do at the end and is it just Barbara Shaw or do we need to start looking at other individuals or other players per se or however you would want to say that, that are involved or potentially could be involved and what we should do is have them all then be subpoenaed rather than piecemealing this and playing politics. In going down the road as we're... let's... if we're going to look at this, then why don't we look all the... a number of individuals whether it's Jack Lavin, whether it's that Warren Bigley or... what did you say?

Barickman Ribley.

Rita Ribley. We should look at that today and talk about that today.

Barickman Well, today's hearing came about as a result of the dialogue between the caucuses. Like the Co-chairman, Representative Mautino, has been very deliberate in suggesting that the process that would... that we would move through would include first, a voluntary request for those individuals to appear, and only in the absence of a voluntary appearance or a suggestion that someone would not voluntarily appear, that a subpoena be considered. So, the purpose of today is very specific to whether or not we want to issue a subpoena to Barb Shaw. I'm glad that...

Rita And it doesn't mean we can't expand our scope here and discuss this and see if there's other subpoenas we should issue now. We have two dates set, the 16th and 17th already set to hear testimony and we should discuss that now if there's other individuals on it. And I would be prepared to... to vote in favor of bringing other individuals so that we could put this to rest and move forward.

Barickman Who do you want to subpoena...

Rita Well, this is, you know, your motion, your committee.

Barickman Our motion. Let's discuss it.

Rita If there's others here that you...

Barickman If there's other people that you... we can refocus. I mean, there's other people here.

Rita ...that we should be discussing. We should be prepared to do that today.

Reis Well, I think for me, Bob, and I'm relatively new at Commission, but I want to bring closure and completeness to the audit. And I think, if... I can't really recall how many minutes of the several hours we sat with Jack Cutrone, you were in on that, but there was question after question after question. He couldn't answer and by all fairness, he wasn't there. So, to me...

Rita And that's why I'm suggesting let's talk about other individuals so that on the 16th and 17th... 16th and/or 17th that we could put this audit to rest, is what you said, is what... rather than having a hearing on the 16th and then coming back saying, well, now we need to hear from, you know, A or B or C.

Reis And I think a lot depends on...

Rita That's what I said. We should discuss here in terms if there's other people we'd like to issue these subpoenas to, so that we can put this to rest.

Reis And that's a fair statement... a fair request. I think a lot will depend on the testimony that Barbara Shaw gives. And if she comes back and says, well, I don't know. This was done by so and so. I don't know about that, but...

Rita We could look at all these individuals here. Whether we needed it or not to execute it, the subpoenas would be there. They'd be prepared there to testify if needed and then we could move forward in foreclosure to this as... as you said. It doesn't necessarily mean we have to call them up if Barb Shaw answered all the questions. Or if it leaves some undo question, we'd be prepared then on the 16th and/or both days to hear everything pertaining to the NRI program. And if that's what the true motive, you know, the end result, the endgame here's, to put this to rest, we could actually do that in the hearings that are set.

Mulroe Okay. I'd... May I make a few comments? You know the Legislative Audit Commission, we've got to define what's our role and what's our scope and that's what I think Representative Rita's talking about. The Auditor General gathered information and rendered an opinion, an audit opinion... decided to render an opinion based on the facts that he uncovered. He had the authority, Mr. Holland had the authority to subpoena... make further subpoenas of people or documents and chose not to, and he's the expert. We're not auditors; we're lawmakers. We're not prosecutors; we're lawmakers. He made a decision... could have asked for, subpoenaed documents or put people but chose not to. Now, we're exceeding our... in my opinion, our scope and going further in... on our own as a legislative commission that aren't professionals in auditing, and we're going to use our discretion rather than his. I think maybe the appropriate thing to do if... one of the remedies to this, if we wanted to go further, was to put it back to him. He's the expert. He's the auditor that should be doing this not us. The one thing, now having rendered his opinion and we've got to trust his judgment. He's been the Auditor General for over 30 years, relied on standards that are in the accounting and auditing professions. After he made that opinion based on the evidence that he felt confident making his opinion based on what he... he had gathered, it's then our job... it's our job as a legislative body to provide legislative remedies to deficiencies. There was a host of deficiencies, no one's going to dispute them. What's our remedy to that? So, at least what we've done so far is eliminate that agency because it was poorly run, basically, and I agree with every single audit opinion that the Auditor General specified in his report. What else could we do? Then we went ahead and did another bill, House Bill 2747 that provided some accountability and measures to safeguard taxpayer money. You know, Chairman Barickman, you asked what does it provide regarding, you know, aldermen having an opinion or requesting certain amount of money based on that grant. I don't know exactly, but if you have a suggestion that we should provide or put in there, we can do it now. I... you know, that's where, you know, our role as the Legislative Audit Commission is to act as legislators not invade the province of the prosecutors. We already have ongoing criminal investigations from bo... at the state level and the federal level. We don't want to interfere with their investigation; that's their job. We're not prosecutors today; we're lawmakers. The part... our role as the Legislative Audit Commission is provide remedies when we find deficiencies, not be the auditor, provide remedies. The only... you know, so that... those are my concerns right now. And as much as we say that, you know, this may not be political and God knows we're all in it for the right reason, I hope, to protect taxpayer dollars and make sure they're used efficiently. It seems a little untimely that we would be starting this process, and I voted for the subpoena to give us the authority if necessary. I'm not sure it's necessary, but I hadn't... At the end of the day, to close this process out and to not just let it stretch on for another four months, for whatever the reason,

let's get it done. So, I'm... I'm with... Representative Rita, tell us who you want. Let's have them here on the 16th and get this thing over.

Barickman Well, and again, to bring this hearing back to its purpose, which was driven by Representative Mautino, we have gone through a deliberative process to invite Barb Shaw, a person who was there at the time this was created, who was there at the time that it was mismanaged. She has alluded through her attorney that she has information that she'd like to share with us, but is unwilling to do so voluntarily. The purpose for us here is to consider the motion, Representative Reis' motion on Barb Shaw. Go ahead Senator.

Mulroe I just got a follow-up. So, we had control there. It was... I don't know how long that... our last meeting occurred. We're asking this guy who's not part of that back three years ago all these different questions. Who are you with, you know, at the time to prepare for this meeting like that was unusual the he would meet with people prior to coming to a commission that he's probably never come to and asking him specific questions. What was that all designed to do? I mean, why didn't he ask him what color underwear he was wearing that day to see if he could remember that specific fact totally unrelated, irrelevant to this actual agency at the time? So, I'm against a fishing expeditions for political purposes, for political gain to somehow embarrass the, you know, the current administration. If we want to try to solve or provide remedies for something that was done poorly in the past, let's do it. But that agency has already been eliminated as a result of our intervention. So, let's... and so, I'm with Representative Rita. What are the remedies that we're seeking today and if we don't know or we're hoping to find them through asking some of these questions and hopefully a remedy comes up because they did a poor job. I think we're going on a fishing expedition.

Reis Senator, I mean, I would have much sooner had Barbara Shaw at the last meeting. I mean, I don't know why the Governor's Office sent Jack Cutrone. I mean, he's testified as to what he didn't know, which was a lot because he wasn't there. I think he did a very fair job that day of trying to do the best he could. Why didn't the Governor send Barbara Shaw? I mean, we would much sooner had her there that day and then maybe if we had a follow-up we could do that one in July so, if anything the Governor's prolonged this himself by not sending Barbara Shaw there that day, and we're... even the Auditor General has...

Mulroe Barbara Shaw's not part of the government anymore so, Governor Quinn doesn't really have any authority over her. She chooses, she's a citizen, you know, of Illinois and the United States and we asked her to come, I believe, and she chose not to come...

Reis Could we ask her to come...

Mulroe ...to the Audit Commission....

Reis ...after the 28th?

Mulroe But I think there were attempts to contact her or I don't know exactly how... what attempts we made to actually have her and, obviously, she was the director at the time, not now so, I don't know her reasons.

Rita I don't think there's a dispute on Barb Shaw and I'm going back to my original question here in discussion. The agenda says subpoenas. It doesn't say Barb Shaw's subpoena, and I think we need to look at others to put closure to this if that's what we're ultimately going to do. And so, who would you like additional subpoenas to be sent out to? And, you know, this is... did something... it doesn't say just Barb Shaw here so, that's why I'd like to discuss these other subpoenas.

Barickman So, again Representative, the process which has led us to this subcommittee hearing has been driven by one of the co-chairmen, not present here today. I think if you're not satisfied with the motion that's in front of us, certainly you can offer your own motions and certainly

Representative Mautino and I, I'm sure, are glad to consider the process moving forward but, I don't think it would be fair to change the process in the middle of this hearing...

Rita Why don't they change the process?

Barickman ...especially when it was driven... well...

Rita We're talking about the NRI program and we're not disputing those issues, and what I'm saying is if we're going to truly put an end to this audit and finally either accept it, not accept it because we haven't done that yet. I'm putting out there for, you know, this was your initiative to move forward. You know, there's two other investigative bodies that are already investigating this, the program has ended. I don't dispute that... everything in that audit I agree with and that there was issues in this program, but if we're going to put an end to what we're going to do and finally accept the audit, who else would you like to invite to come before us. Or we could issue the subpoenas and have them ready if need be so that on the 16th and 17th we could then finally put this to rest?

Reis For a question for legal counsel. How far in advance do those subpoenas have to be issued?

Freiheit I don't know. We'd have to look into it.

Reis I'm assuming it's a certain amount of hours or days or...

Rita I mean, I'm not legal but, if we voted out of the subcommittee to issue other subpoenas as we're issuing Barb Shaw's, I would think we're in the time frame then. If we're able to issue Barb Shaw's subpoena, why wouldn't we be able to issue anybody else? I'm mean, I'm not an attorney.

Reis Okay, I guess we can get an answer on that. The other this is, shouldn't we follow the same process with those people that we did with Barbara and invite them to appear voluntarily.

Rita We could have the subpoenas ready for the 16th. If they choose not to come on their own we would then be able to execute our subpoenas. They have them before us.

Reis I mean, would that be next week? I mean, could you issue the subpoenas and have them there the next day?

Rita I would say if we're going to... who you would like or Senator Barickman would like to invite. I would say we should look at and discuss them and then maybe incorporate that into your motion or do a second motion, however the process you'd like to go.

Barickman Jane, do you have any thoughts on the amount of time that has been set aside and the agenda that's before us for the July 16th and 17th hearings and whether additional individuals could be invited, whether there would be time in those days to hear from them?

Stricklin I think there would be some time. I mean, I don't know how many you're thinking of inviting. I don't... I think there would be some time to cover others.

Barickman So, we met for three and a half hours at our last hearing which moved us through the auditor's opening remarks and some amount of testimony from Mr. Cutrone. What's scheduled for the 16th and 17th is further remarks from Mr. Cutrone and the auditors plus Ms. Shaw.

Stricklin The auditor's remarks will be brief. You have told me that you may have some questions for the auditors, and there are some more questions for Cutrone.

Rita I guess, is there a time limit on the 16th how much time we're limited to—to have our Commission? Normally, we have... we have session so, we start in the morning and then session's in the... I mean, is there anything that's prohibiting us from continuing a hearing... number of hours on the 16th and many hours on the 17th to do this? And then, secondly, I'd like to say that, I guess, this is a public invite today asking them as for a public... you know, to come on their own. If not, we would then have the subpoenas ready since we already have the meeting going on for these others to go back on to that.

Mulroe Why... we went through how many hours with Cutrone, a guy who had no relation, didn't know probably of the agency and we're asking him to come back to ask what questions specifically?

Barickman Well, I'll give you an example. You know, there's been a lot of suggestions that everything's been fixed because the agency was shut down, which my opinion is that that's not true. And as an example, we heard very briefly from Mr. Cutrone, but as an example, in year three of the NRI program, Mr. Cutrone was approached by Ms. Irving on behalf of the Governor's Office to add the community known as Hermosa to the NRI program. Hermosa being, I believe, the 48th most violent community in the city of Chicago. And by adding Hermosa to the mix, the ICJIA or the Governor's Office bypassed a number of communities who were certainly more violent and arguably more deserving of those dollars than Hermosa. And a question that I continue to have today is why that decision was made. ICJIA was heralded as having very tight grant making procedures and it is not yet clear to me today why that decision was made then. Mr. Cutrone, I believe, needs to provide assurances to our Commission that either that was a mistake or that something needs to change so that those types of mistake aren't made in the future.

Mulroe Okay, here's, you know, I... he didn't have an answer to the question that day and I guess this gets back to our role. He didn't have an answer. We're worried about somebody getting money, Hermosa, or whatever the neighborhood was instead of somebody that might be more deserving of that. What's our remedy? What would you suggest as a remedy and that's, I believe, our role is to provide a remedy and do legislation that protects taxpayer dollars and the most needy, the people that need the most in terms of combating violence because there are places in the city that I can't even think of what goes on there and the violence that occurs and what people are subjected to. So, what's... our job is to provide remedies in that process. Somebody's given money, it goes through an agency, it goes through some other sub-agencies or whatever you want to call them. We have to develop a process to make sure it's efficiently used and the people that deserve it most get it. So, what is your... what would you suggest in terms of a remedy for that.

Barickman Well, it's why we have an open audit. I mean, look, we don't know how that decision was made then, so I don't know how we're going to correct that bad failure without first knowing how that failure occurred, And I understand that some may want to jump past a discussion of how those decisions were made, but we're left today with nothing more than a suggestion that these decisions then were made in a totally arbitrary way.

Mulroe Let's assume that. Let's assume the worst and that they were... this was the worst agency that was ever created. It was eliminated. How do we prevent that from happening in the future?

Barickman Well, I think...

Mulroe And, you know, they might've had really... who cares. I mean, at some point you have to say whatever they had in place was terrible. It was terrible. We now have to jump in and say we don't ever want that to happen again. What are the remedies that we suggest rather than relying on some bad policy of the past to correct, you know, the problems in the future? So, we don't want these problems to occur again and that's...

Barickman But we don't want to know how those problems were created in the first place?

Rita But isn't that a poli... through policy? That's not through what we're going to do. Yeah, I don't understand. You're talking about a policy... What are we going to do to...for that?

Mulroe And they didn't have factors in place. You know, the aldermen asked for money out of this fund and somehow they got it. Obviously, I don't know. You know, maybe it was good, maybe it was bad, but we need to develop policy in place that says you're going to ask for money you have to prove these certain things, statistics or whatever. I don't want to... it's a failed policy, the past. That agency... maybe it should've never been created, but it was. But it's eliminated. What could we have done better not with (inaudible) but, what they had in place at that time? And one of the things, you know, that jumps out—lump sum grants. Maybe we need to get a better hand on that, how we administer those. Just set some factors or something, some requirements in place in order to use the public money for its intended purpose to help prevent violence which no one will dispute. You know so, it was a noble cause but, poorly run agency... eliminated. Let's do right. I don't know... see, right now I just see all... we're going to... we're just bringing a lot of people in and tell us what did or didn't know and it was a long, long time ago. Our audits are, you know, this audit... what period of time does this cover, like three years ago? Yeah, so that's a long time ago and maybe they'll be helpful, maybe they're not, but all I know is there's an auditor. The guy who's in charge of this that we, you know, give authority to go investigate and provide an opinion and he did. He gave us deficiencies. We have to take his deficiencies and make sure they don't happen again. Whatever agencies we create in the future or are currently existing. I... and with... what remedies are we seeking? Are we trying to aid the prosecution right now of the federal and the state? Are we trying to do that or give them benefit from the evidence we gather? Are we trying to do that?

Barickman We are not a criminal investigating commission.

Mulroe But are we trying to aid them somehow with the information we get? Or what... what's our purpose? You know, obviously it's a stated purpose, but what specifics are we trying to implement to prevent this from happening again? I mean, if we... and if you have them let's put them in the bill.

Barickman Well, again, I understand why there may be some who would prefer to jump forward without understanding how things went so badly wrong in the past, but we have an obligation by law to find out how those bad decisions were made. I understand that some want to blame the agency entirely and maybe that's true. That's why it would make sense to have Barb Shaw come before us, and for the purpose of this hearing, we need to come back to the question before us about whether or not we move on the subpoena of Barb Shaw, but remember, IVPA was an agency that existed long before NRI was given to it. Why would we not want to ask the former director of the agency how this program came about, so that the Governor, whoever the Governor is in the future, does not come an agency and create such a bad situation as was created here? Why not learn from this? I mean, what is that you... why would we not want to hear from Barb Shaw?

Rita Well, I don't think nobody's disputing that.

Barickman Well then let's get back to the, look...

Rita And we'll go back to my question...

Barickman ...let's go back to the motion.

Rita ...are there others that we need to subpoena? Not just... we're just going to focus on Barb Shaw. And nobody's disputing the fact that the NRI program wasn't run to satisfaction or there wasn't issues. Otherwise a federal prosecutor wouldn't be involved in this. And that's how I would view the Audit Commission, and we've got to be careful in what our role is. Our role is to have the auditor go in, find deficiencies, and come up with remedies.

Barickman You know, this...

Rita And if it is to the point where there could possibly be criminal activity, you turn it over to the inspector general, you turn it over to prosecutors to do the investigative work. We're at that point so, what else can we find out and then from what needs to be done but, other... let's call whoever else you would like to invite and... or subpoena whoever else you would like to invite before us for the 16th.

Barickman You know, this is what's unique about the Legislative Audit Commission, a bipartisan, bicameral Commission, created by law. Unlike, I'm a Republican in Springfield. And you know, time and time again, as Republicans, we're reminded by the Chairman of the body of the need to maintain the scope of the conversation to the issue that's before us. So I feel, although this is unique for us as Republicans. I think, with all due respect, Representative Rita, there is a motion on the table to consider the subpoena of Barb Shaw. And I think we need to...

Rita So you just want to just stay at Barb Shaw? You don't want to look at other individuals? Is that what you're saying? Or is the endgame to end any programs for anti... you know, antiviolence in the City of Chicago? I mean what... what are we...

Reis We couldn't do that with this Commission. That's not relevant. I mean as legislature, you voted to issue the money to go to the Department of Labor. So, it's not about ending the programs because we don't have that... we're not tasked with that authority.

Rita A little confused on our scope of what this Commission does.

Reis To investigate the wrong-doing.

Rita So it is to investigate wrong-doing?

Reis To look into and follow-up and bring closure to the audit. And you know even...the auditor himself had questions...

Rita If you want to do that, are there other individuals we'd like to consider and talk about subpoenaing?

Reis Just as we can't offer a proposed remedy because we don't know what the real problem is...

Rita We got to wait to hear what Barb Shaw says to say, 'okay we need to bring in somebody else?

Reis Barbara Shaw was compelled to be asked to come and testify because of the testimony that Jack Cutrone couldn't give. So how do we know that we won't have another one come up?

Rita But wouldn't it be in our best interest that we have dates set to have these others available if need be, the days that are ready set. The days that are ready set for this hearing, the 16th and 17th. Wouldn't that be in the best interest of putting closure to this if that is our true intentions of putting closure to this. We... nobody wants to talk about any other individuals. We just want to talk about...

Reis I think...

Rita Barb. Is that going to end it? So once Barb Shaw, we did do issue the subpoena, we bring her before the Commission. It's going to be the end of this?

Barickman There's a motion on Barb Shaw.

Rita Well I'm asking a... would this be the ending of it?

Barickman Representative, again with all due respect...

Rita Because what I would like to do is...

Barickman Last... last... at the last hearing. And I have had lengthy discussions with Representative Mautino, a Democrat who is the co-chairman of this Com... this Commission...

Rita But he's not part of the sub... he's not part of the subcommittee that's hearing the subpoenas.

Barickman The subpoena to issue Barb Shaw, which is a motion before us. And I understand that you may want to throw it. You know, if you can't limit one, throw everyone at 'em.

Rita No. I'm looking at our agenda. Our agenda says subpoenas. It doesn't say Barb Shaw.

Barickman There's a motion on the table.

Rita And so what I'd like to continue to discuss...

Barickman Do you want to make a motion?

Rita Are there other individuals.

Barickman Do you want to make a motion?

Rita I'm not the one that... you called this.

Barickman Okay. Let's... let's move on this motion.

Mulroe Well, I...

Barickman And then let's...

Mulroe ...how about I'd like to make a motion to amend the subpoena to include anyone and everyone that could be helpful in resolving this matter expeditiously. Counselors?

Barickman Your counsels have provided extremely deliberative input to the form of the subpoena from Ms. Barb Shaw that is before us today. We have an opportunity to vote up or down on it. And I understand that opportunity is frustrating to some. However, there's a motion on the table and...

Rita And I'll second... I'll second Senator Mulroe's amendment to the motion.

Barickman Do you have a (inaudible).

Rita What I'd like to do is get to the end game here. What's the end game?

Barickman Fix our State Government, so these problems don't happen again.

Rita Okay. So... so we're going to try to fix state government. You're saying we don't need to subpoena any other individuals that played part. That possibly played parts into this?

Barickman As... as...

Rita It's just the one, one individual will... will fix state government?

Barickman As Representative Mautino has suggested, anyone should be voluntarily requested to appear prior to...

Rita And we could publicly... publicly invite whoever you would like to invite here. And Representative Mautino is not part of the subcommittee hearing that was established for the subpoenas. So what does Mautino have to do with what we're discussing here?

Barickman Which is a motion on Barb Shaw.

Mulroe You know, and I... I just... this gets back to the whole, our role. When have we... the last time that we've issued subpoenas from the Legislative Audit Commission? And what were the circumstances around that? And if we, in the past, and I suspect that's probably 40 or 50 years ago, maybe. In the past if there were problems, we dealt with the deficiencies, asked that the agencies correct their behavior, referred things to the Attorney General, if we thought something was suspicious going on. So I just... you know, this is very unusual, highly unusual. And I guess, the timing of it just leads some people to believe it's suspicious. You know... so going forward, this going to affect the Legislative Audit Commission in the future too. We've never done... we haven't done this, in I don't know, 40, 50 years. So now are we just going to do this regularly when, I don't know, the equipment goes missing? Computers go missing. There... did someone take them? Should we subpoena everybody, all the employees within certain departments? Or we rely on our function as a Legislative Audit Commission. Say auditor, do the job. You're the expert in doing the job, figure out, you know, the internal controls. How to make it better to make sure that the agencies acting properly in who's accounting for what and going forward. And then rely on his opinion. And if he can't form an opinion, he shouldn't have given one. If he thought that this was so important, he should have never concluded his audit. Maybe we reject the audit and send it back to him and say, go out, do more investigations. We don't find it satisfactory because you missed these things. But this guy's been doing this for over 30 years. So, you got to... you got to rely on his judgment and he's raised efficiencies and in the past, never done this. And I'm... or at least for a long, long time, the way we've dealt with it on the Legislative Audit Commission is take his deficiencies and we address them. I mean that's truly out of... out of the Legislative Audit Commission Act. You know the commit... it says the Commission shall receive the reports of the auditors general and other financial statements and shall determine what real... remedial measures, if any, are needed. And if we find that some investigations are necessary, we may direct the Auditor General to undertake those studies or investigations. Not us. We're not experts in it.

Reis Senator, I wonder on the timing. I think we have moved very, very quickly and expeditiously on this. I mean we had our hearing to do this subpoena power the first part of May. We had a hearing the end of part of May. We're having a meeting now three weeks later. We've already got our next meeting scheduled. I don't see... I can't help the timing of the audit. I mean, the fact that it took 18 months to do this audit instead of 12, I think the auditor general explained himself on that. There was just so much material to go through and lack of cooperation. So, we can't help it that the... that the audit wasn't issued until the end of February. So, from a timing standpoint, I think we're moving along just fine. But, all of us as members of this regardless of our party should take this process very seriously and the Auditor General still had questions. He's still unaware of where the unspent money went. So we have to get to those. We didn't get the answers from Mr. Cutrone. We're going to see if we can get them from Ms. Shaw. I think we've set a precedent in asking people to appear voluntarily, first. I think whoever we decide to ask for again, that should be the course of action. And then we would proceed forward accordingly based on the answers we got or didn't get from Ms. Shaw.

Mulroe You know, I get... where is it on end though? That's what we're talking about—I'm just... Who, do you have any specific names that you would like to see in addition to Barbara Shaw be subpoenaed or requested to appear on the 16th or 17th that are any way connected to this? Besides Cutrone, who was not even there at the time? We want Cutrone there and he wasn't even there. To address an issue that occurred years before. I mean, obviously want to make sure that they're being

addressed currently. But do you have any specific names of people that you'd like to attend? And what...

Rita Warren Ribley. Do you want him subpoenaed? If you make the motion, include him in the motion. I will approve today... today I'm willing to... what's... if we're going to put this to end today, I would be willing to subpoena whoever you would like to invite. Is Warren one of them? You mentioned his name.

Barickman I think there are a number of individuals whom we have questions about. Again, to your question, the proper... look...

Rita The question is who are they?

Barickman If... if you want to...

Rita Is it... is it Malcolm?

Barickman Representative are you...

Rita Is it Jack Lavin? Is it... is it Warren? I mean, who would you like to invite?

Barickman I think the...

Rita I'm telling you, I'm going to support voting for the subpoenas. Who you would like to invite.

Barickman And I... and I went...

Rita I'm not going to play games...

Barickman Representative, and I'm with you. And I'm with you.

Rita I'm not going to get into a political campaign game that we're going to play all summer long, and say well now we need to hear from this one, now we need to hear from that one. If we're going to truly put this to rest, I'm prepared today to vote for these subpoenas that... who you would like. As the Chairman of this... moving forward, I'm prepared to vote for who you would like to invite. So, Warren's one of them, correct?

Barickman Do... do you think... do you think that there's a benefit to asking...

Rita Yes, because in a time manner, we could put this to end... to an end.

Barickman Is there a benefit to asking Barb Shaw to appear so that we can find out what happened from the person who was there? My opportunity here... to hear from the person who was there, and make, what would appear to be, the proper decisions based on what we find out from her?

Rita I think, in the best interest of the State, we should look at these other individuals and subpoena them in also. So that we can put this to an end.

Barickman Let's take five. Sure.

Rita Would you like to take a five minute recess or... oh, is that what you said?

RECESS

Barickman I'll start... maybe... I think... we're concerned about attempts being made to rush into several others when we haven't even yet heard from Barb Shaw. However, we certainly would like to cooperate and we would like to move this process forward as quickly as possible. Additionally, we are very mindful of the process, which I have referred to several times. That is important for two primary reasons, one of which is that Representative Mautino is one of the individuals who must sign any subpoena that is issued. He and I have worked at length to outline the process that has got us here, and I want to continually be mindful of that because at the end of the day, if we are to issue a subpoena, it's going to need to receive his signature and I... I want to make sure he feels that we have followed the process that he and I outlined together. Also, I think we're all aware, there's a lot of attorneys involved. It's for good reason. Any subpoenas that would be issue... issued have constitutional concerns and questions that any of the lawyers here can verse any of us on. Those constitutional issues suggest that we be very cautious in how we move about this. I have expressed concerns about some open-ended, let's subpoena anyone and everyone, and I think those constitutional concerns along with the concerns of putting Representative Mautino's signature on it warrant the cautious approach that I'm trying to take. That said, I think we would be comfortable with proceeding in a two prong approach here, this afternoon. One is that we consider the subpoena of Barb Shaw, which is the motion that's on the table. And the other is that we look at others, and we are willing to have that conversation, we're willing to move forward on that. We would invite you to present your ideas on whom you think should be called as well. What do you think of that... those suggestions?

Rita Well in terms of... with the signatures and Frank, and absolutely that's... you know, the process. And if there was issue, Frank and you could work that out. But, having both your signature and Representative Mautino's signature on the subpoenas is completely fine with... I would start with, if there's certain individuals or other individuals that you guys would like to talk about besides Barb Shaw, I think we've all agreed on Barb Shaw, at this point without formally taking a vote. That we... we move forward if there's any others that you guys would like to go with.

Reis And that's fine. I guess, are you comfortable with moving forward with the motion that includes Barbara Shaw that went through the process that Chairman Mautino and Barickman outlined, in that we issued them a letter to appear voluntarily, they declined. Now, we're going forward. Just so that we have that one done and Frank's already agreed to sign off on that one, we're understanding. So that if we move forward with another group of them, maybe there's one in that group, that for some reason, he doesn't want to sign off on. Then we wouldn't have Barbara moving forward in... in the July meeting.

Rita And I would say, okay so, Representative Mautino (unintelligible), it's almost... if we take an official vote, that would be issued, correct? I mean, bearing Representative Mautino's signature. For the expanded or additional individuals, I would say in the process—that it would take the same process both Representative Mautino and Representative... or Senator Barickman's signature to go forward also, which would in... put the two Co-chairs together in agreement in that process. I'm...

Reis No. Let me understand. Did you say, that's okay to have two motions or... I really didn't get why you...

Rita Okay. Or we can amend the... you know, put a whole new motion with everyone, or however, either way. If you wanted two separate motions, we can.

Barickman Well, I think we should do two separate motions. I think many people have worked hard on the form of subpoena and the motion that's in front of us regarding Barb Shaw. Although we may replicate much of that for the other list.

Rita And what I'd like to do, you know, what I think is in the best interest of all of us on this expanded list, or second motion, with the goal and focus at the 16th and 17th, putting closure to this. And... and so we can move forward. That would be my goal.

Reis Okay. And we want to make sure though, that we're working with you on this. I mean this is totally off base from what staff worked on last week and over the weekend. I mean it's... it's different. And we're willing to work with you on that. We're going to work with you on that. But, you know, there might be somebody else to come up. You guys might think of somebody else that comes up. We don't want to draw a hard line in the sand and say this is absolutely it. But it's our goal to try to get it done as well. You know, some are saying that we're being political here. It's just as political saying, we don't want to get all the answers. And we're not going to sweep this under the rug. I mean, this is almost Blagojevichesk. And we're going to work with you. We're going to offer names in a second motion with the goal of trying to do it. But, there maybe somebody else that comes up and just that everyone understands that.

Rita And ultimately, we should look at trying to look at every individual that would possibly have testimony so that you could hear. But, seeing as that there's other investigations and other process going forward, looking at just the audit and finalizing our audit, with the findings that come through that and accepting it would be... I don't know how much far, extend we would like to go, in terms... But, I mean if we get a number of these individuals that all played a... maybe had a part or didn't have a part, I believe we'd have enough testimony on the 16th to either accept it or not accept the audit that was presented to us over these other ones.

Mulroe I just want to restate, you know, just try to keep the scope of our Legislative Audit Commission, what we're here to do. It's to provide remedies for deficiencies that were brought up by the Auditor General. This is highly, highly unusual. I mean, 40, 50 years since a subpoena has been issued.

Reis 30... 30.

Mulroe 30? When was the last one?

Reis 1981.

Mulroe '81. All right. So, 30 years. That's a long time. So I think it's incumbent on us to actually make sure we abide by some process and stay within the scope of our... our authority. And in 30 years we have nev... not issued one of these. And there's been many, many audits. You know, within that period of time. So I... I think by trying to resolve it sooner, I'm... I tell you, I'm a little uncomfortable. I'm going to vote for it, but I'm not sure it's necessary. We had an Auditor General, I can't say this enough, do an audit, give an opinion based on standards that he... he considered and would not have... I would think not have issued an opinion if there was significant amount of information missing, or he should not have. So, he's given an opinion, laid out deficiencies, it's our job to act and provide remedies to those deficiencies. Now, you know, I... we have Barbara Shaw, we're all, okay, get her here. Let her talk. But... and who else is out there, without going... cast the net as far and wide as you want. But who else do you think is necessary? I mean 'cause right now, I'm not sure that it's even necessary. We know the deficiencies. It was a bad agency. We eliminated it. And have provided certain safeguards going forward. Let's provide additional safeguards, if you can tell me what they are. Or what are these people. Who are these people that you... you want here. You know, I just... let us know. We want the same thing you want. We want to make sure that our state dollars are used wisely and efficiently, for programs that are good, not bad. So...

Reis And I also want to point out, Senator, that you know... look, it's been said a couple times that this program ended. The Chicago Area Project is still getting money from this. They should have never been given money four years ago. They should have never been given money, three, two, one year ago. But they continue to get money. So, I mean, there are things going on out there.

Mulroe Do you have an issue with Chicago getting money to fight violence? Is that... is that your issue?

Reis No. I'm talking about Chicago Area Project that had... should have never qualified under the original grant agreements to get a grant. So, I mean I think there's some... and that's neither here nor there.

Mulroe So, here. So, going forward, if we have an existing... if we have an existing agency that is issuing money to people that they should not be issuing to, then we need to take action. And we need to take action. What... what action do we need to take? Tell me. What's the remedy right now?

Reis Well, I think... I think the testimony would help us determine it.

Mulroe Were they audited? You just... you identified the... the problem. Did you identify... tell me. What's the problem right now? Tell me what the problem is that exists right now that, you know, we're giving money to some Chicago agency that may be inappropriately using it. Let's identify it and take action on it.

Reis We'll do that during these meetings.

Mulroe What's the problem? Can you identify the problem?

Barickman Sure, Senator. I gave you an example of a problem that came about as... through the testimony of Mr. Cutrone. It's a problem that we became aware of during his testimony and one that quite frankly is in the list of things that I would like to see moved on. Mr. Cutrone told us that there was an agency for whom owed the State of Illinois money, that we had not reclaimed dollars that they were... that were due to the State from the agency and that in the same regard, we were continuing to make certain grants to that agency. That is an error in process that requires a remedy. We found out about that error through the questioning of Mr. Cutrone. And this is just one example of why it is important to have the people that were involved at the time come before us and answer certain questions.

Mulroe Okay. With what you're just talking about right now, Senator, is that an existing policy under the control of Mr. Cutrone? That he's... they're issuing money to people who owe us money?

Barickman What we learned in that hearing is that that may be a pattern that exists that is not limited to ICJIA. But again, you asked for an example of why we need to hear from these people.

Mulroe No, but here. See...

Barickman We can... we can have the... we can have the discussion of, you know, who we need to hear from once we get there, but...

Mulroe I'm sorry, but... but my concern is we're talking about something that currently exists that's unrelated to the audit that is before us too. So...

Barickman The audit was very clear that there were millions of unclaimed dollars existing. That audit raised, to me, a question about what was occurring, a question which I presented to Mr. Cutrone.

Mulroe Right.

Barickman I think we all have questions of Ms. Shaw, once we get there.

Mulroe But I guess back to my point, the deficiency has been pointed out in the audit. We need to take steps to address that. So, we know it exists. What are... and we're expanding, bringing more people in. And I'm okay with that. Let's get it resolved. Let's make sure this doesn't happen again. But we, based on the audit, we know there's a deficiency of somebody unclaimed money or... or that owes us money or whatever you said.

Barickman Yeah.

Mulroe And so we should be doing something about that now. Not wait for Barbara Shaw to get here.

Barickman Well, maybe we'll have a Special Session... Session where we consider that legislation.

Mulroe We'll work on a bill together and make sure. Yeah.

Barickman I would enjoy that.

Mulroe I'm all for that.

Barickman But let's... and I appreciate. I mean, let's... I mean... yeah.

Mulroe I'm told that next...

Barickman Let's get through. I think we're... I think we're close here, so let's get through Ms. Shaw and then get to our others.

Mulroe If I can... if I can make one other statement. I'm told that that money you're talking about, people owing us money and we're still giving them money, we're in the process of collecting that money or demanding that money, I hope, without paying them a dime until they pay us what we're owed. We offset what we owe them from what they owe us. It makes sense.

Rita So, before we officially vote on Ms. Shaw, we had discussion or what... who... these others that...

Barickman Well, look. And no one's trying to pull anything.

Rita Talk about it.

Barickman Right. But...

Rita And so we don't have a vote and say we're talking about others and...

Barickman Why not move on Barb Shaw and then we'll... we'll move on the others. I don't think anyone's trying to play games here. It's simply, I mean, procedurally, we're way out of what might be termed to be routine here. So, why not... let's take up Barb Shaw and then take up the others? And look, I've got a list of people. We can talk about them once we get there.

Rita We could just talk, you know, say the names and we could talk about them after.

Barickman Who's on your list?

Rita I don't have a list.

Barickman Okay. Well, we put a motion... we put forward a motion that includes Barb Shaw.

Rita Okay.

Barickman And look, no one's... again, no one's trying to play games here. Glad to present our names to you. They include people like Malcolm Weems.

Rita That's what I was trying to say. I said sure, Malcolm.

Barickman Is there a reason want to vote on Barb Shaw first?

Rita I just would like to know what these other names are. That's all. We could discuss it after. That's... I'm just trying to figure out what... Is Malcolm one of them?.

Mulroe I could give you a reason. Procedurally, we'll vote on Shaw and then we don't get enough votes to vote on the others. I mean, that... I mean...

Barickman I'll vote for the others.

Mulroe All right.

Reis You guys. You do that every day.

Barickman You asked for a reason that... and you've got my commitment.

Mulroe And we, instead of taking one...

Reis It was your idea... your guys' idea to do an additional list.

Mulroe Let's do it.

Reis We're willing to work with you, so...

Mulroe And then you took that and said let's separate it into two.

Reis Well, because there was a policy that was agreed to today by the other chair... cochairman. And that was to send the letter first, inviting them. Ms. Shaw declined. Now, we're doing the subpoena. That was the orders of today. So, we are deferring from what's been done in the past. And if for some reason, Co-chairman Mautino doesn't like one of the people we subpoena, then we've lost Barbara Shaw as well.

Mulroe Well, no. He's got to sign... I mean he was...

Rita He's got to sign all of them.

Mulroe The Senator and Representative Mautino have to sign this subpoena. And Mautino may say I'm... one of the people that we recommend to subpoena, we don't like him or her or whoever it is. So, he might do it with Barbara Shaw. I mean, I'm sure he's not, but he... that's a possibility. So, we're just giving them the subpoenas and say hey, sign them. We think these people would be appropriate to come in and ask... or for us to ask questions and...

Barickman Any other discussion on Barb Shaw?

Reis We have one point of clarification, or not clarification but legislative intent, for lack of a better phrase on the... on the draft. That we include the emails.

Barickman Right. Okay.

Reis Thank you.

Mulroe One other point, and this is more for the... our legal counsel, is there's maybe certain information that's in the subpoenaed material, documents that could be considered privileged. How are we going to, you know, deal with that to redact that information?

Barickman I'd think, you know, there are number of documents that exist today in the Auditor General's files, some of which have been turned over by individuals and marked as privileged. In other words, there's nothing that's been turned over. They simply said there was an email that is a privileged email, and so we do not... we have a record that there's a privileged document out there that we have not reviewed. And I suspect that would continue. If individuals claim privilege, then they'll raise that.

Mulroe Okay. So, all right. Then they'll assert the privilege and where is the subpoenaed information going to be returned? I would suggest it be returned to Jane.

Barickman Yeah. Oh, we have that bringing it to the meeting.

Mulroe Okay. They can bring it to the meeting and, I don't know.

Barickman Turned over to the... I think we could agree. Turned over to the custody of the Audit Commission at the meeting. Any other questions? Jane, would you like to call the roll? Yeah. The... the question is the issuance of the subpoena of Barbara Shaw.

Stricklin Senator Barickman.

Barickman Yes.

Stricklin Senator Mulroe.

Mulroe Yes.

Stricklin Representative Reis.

Reis Yes.

Stricklin Representative Rita.

Rita Yes.

Barickman Okay. On a vote of 4 to 0, the motion passes. Ms. Stricklin is or will be in possession of an original copy of this... this is the signature ready subpoena for Ms. Shaw. I will affix my signature to this document in a few moments; thereafter, I hereby direct Ms. Stricklin to immediately provide all copies to Mr. Mautino, the Co-chairmen of the Legislative Audit Commission for his signatures. Once his signatures have been affixed to the subpoena, Ms. Stricklin may retain a copy of the document which shall be entered into the meeting minutes. The original shall be delivered to Ms. Shaw. We are aware that Ms. Shaw is represented by counsel, an attorney named Mr. Theis. As such, I would prefer that Ms. Stricklin communicate with Mr. Theis about his preferred method of service of subpoena to his client. In fact, I believe he has already asked or communicated how he would like that to be handled through Ms. Stricklin. We certainly would like to minimize any disruptions or inconveniences to Ms. Shaw through the delivery of this subpoena. However, if we... if Ms. Stricklin is unable to deliver the subpoena through Mr. Theis, we would simply direct her to issue it as otherwise provided by law. And I will affix my signature to the subpoena. Okay. The next order of business.

Rita I guess it would be this expanded list now. That you said you had some names that you would like to additionally issue subpoenas for?

Barickman Sure. And... and remember, the... the names that we are providing here, first of all, would say a request to review certain emails has been made through the Governor's Office. I'm of the understanding that there is a dispute on the... the method in which that request has been made. I hope that the the coun... the attorneys can work together to... to facilitate that as quickly as possible. Many of the emails of Barb Shaw that have been reviewed have helped us identify those whom we believe were involved in the implementation, the creation and the implementation of this program.

That's what leads to this list. I think when Mr. Cutrone appeared, his testimony brought our attention to others who we believe deserve, you know, warrant further discussion. Some of this might be handled through a review of emails. Some of it might be handled through questions afforded in open testimony. However, we don't know what Barb Shaw will say, and so we are concerned about this list and any notions that this is a conclusive list. It's the list of people as we know it at this moment.

Rita In terms of what you would be requesting, do you know what you would like? Or what you have to request?

Barickman Regarding emails?

Rita Yes.

Barickman Yes. Ms. Stricklin has a letter that she has in her possession a letter from her that I think identifies that information, of at least four...

Rita In there a summary, is there some...

Barickman Yeah. I mean, it's emails of some of the same people we're going to bring forward here. You want me to read my list?

Rita Sure.

Barickman Malcolm Weems, Jack Lavin, Toni Irving, Bill Ocasio, Warren Ribley, Andy Ross.

Mulroe Can I, just for clarification and... can you identify each of these people, what their role is and why are we asking, inviting them to come?

Barickman Sure. I mean, Mr... Mr. Weems, Lavin, Ocasio, and Ms. Irving appear repeatedly in the emails that we've reviewed from Ms. Shaw. They appear to be directing Ms. Shaw to... in regards to the funding that the program will receive, to the communities that the funds would be targeted to, to the aldermen who would be invited to participate in the program and beyond. We've reviewed a large number of emails of Barb Shaw and these names, although it's not limited to these names, I think, an objective view of the Barb Shaw emails would suggest that those four individuals were heavily involved in the creation and implementation of... of the NRI program. Okay?

Mulroe I just... I keep reminding myself of the last meeting where we had Cutrone there too. And I really think it'd be beneficial to limit the scope of questioning, though, to what's important. And, you know, this is a bipartisan Commission and not a deposition, not a cross examination. It's, you know, we want to know what happened without, you know, subjecting somebody... something to what I saw Mr. Cutrone be subjected to. That... that's not beneficial to the process.

Barickman Well, I think we can remind all of our members at or before the hearing of the... the need to stay within scope. But that said, I mean, for those of us... you know, I certainly asked some questions that I thought were pertinent to the audit. And I think we... we deserve, the public deserves a full and thorough review of this audit. So, I want to be cautious. Again, I agree with you that we need to remain within the scope of the audit, but I think the public has an interest in finding out how this all occurred.

Mulroe Okay. And then, the other... there were two.

Barickman Sure. Mr. Ribley and Ross. The NRI program was, you might say formally created through a press release and a... an announcement of the Governor's back in October of 2010. In that... in that release, the Governor identified NRI as consisting of three different programs. While I don't have that release in front of me, at least one, if not two, of those programs are related to grants and loans that appear to... to the sum of 10... roughly \$10 million that appear to have been administered by

DCEO. And these individuals, Mr. Ribley and Ross, were presumably in their... and I don't have their titles in front of me, but presumably at the time, they were in a position at DCEO where they were, like Ms. Shaw, involved in the implementation of NRI within DCEO program. There are numerous notes and documents within the Auditor's files that talk about DCEO's involvement in NRI. But to date, I think, again, we have more questions than answers. And I think those two individuals could certainly help us bring some closure to this.

Rita While we were talking here, our counsel gave your counsel copies of the subpoenas with the same scope and area as the Barb Shaw. I believe that... each individual that was named. Correct?

Reis I have a question on that, if I might. When we first sat down, you said you didn't have a list.

Rita I don't have a list.

Reis But yet... but you have all three subpoenas here before we even listed these off.

Rita Yes. For a list. You didn't ask about the subpoenas.

Reis So, really, these are your three?

Rita You named that list.

Barickman I want to be clear. These are just (inaudible). So, the draft subpoena to Ms. Irving, Mr. Lavin, and Mr. Weems come from your file today? Counsel's file?

Rita No. Per your request, we prepared them.

Barickman Are there others in your file for which you've prepared?

Rita The other three will be, so we'll have a total of seven.

Barickman But are there others in your files?

Rita No. They're being prepared.

Rita So, by expanding this here, from Barb Shaw, what we, you know, initially started, to a total of seven, I believe we should hear enough testimony that we should probably have this concluded by the 16th.

Reis Wait a minute. Is it 16th or 17th?

Rita 16th and 17th.

Reis Okay. You know...

Rita I mean, we've expanded this to we're going to get a whole lot more testimony and a whole lot more people to answer questions to if need be than you originally intended. And I'm not... I'm just saying we've now expanded it pretty... pretty wide.

Reis And for that same reason, it took us all day just to do one person and we're not finished with that person. And I know we could be here for 12 hours a day for 2 days, but perhaps we don't get done. Perhaps someone faints. I mean, there's lots of reasons, there could be...

Rita If we stay right on target and we work together as we move through this, it could, you know, not saying we're going to have some long days, but I believe we could all work together as we move through this and keep our scope together.

Reis Well, my question to attorney is what if we don't get done on the 17th? Do we have to issue a new subpoena? Or can we expand those dates?

Rita I would say at that point, we'd deal with it at that point in time.

Barickman Well, I mean, look. We spent three and a half hours with Mr. Cutrone and we didn't finish. Democrats had questions just like Republicans. I think Mr. Crespo had a series of questions that were cut short. Representative Brady and Representative Brauer were on the list of people who had questions that were not attended to regarding Mr. Cutrone. Myself, I did not get through my questions with Mr. Cutrone. While, again, we would like to move expeditiously through this process, I think the notion that we're going to have an opportunity to hear thoroughly from these additional individuals, you know, is, I mean, it's just... it's unlikely that it will occur, certainly on the 16th, let alone conclude on the 17th.

Rita Well, we may not hear from all of them. We may hear from all of them, but we may hear from some of them. And if you put 4 hours on each person, that's 28 hours in 2 days, which I don't think every person's going to have 4 hours of questions. Would they? Or did you want to outline the questions prior?

Barickman Is your proposal to have a hearing for 28 straight hours?

Rita No. You have two days. You could break them up. I'm say... using a 4 hour increment of 7 people...that you may not... we may not need to hear from that many.

Barickman I mean, I...

Rita We may or may not, is what I guess I'm trying to say.

Barickman Right.

Rita And at that point, we could, you know, we'll entertain how we would deal with it if it needs to go forward.

Barickman The process in which we arrived on meeting on the 16th and the 17th was by using Ms. Stricklin through a poll of the members. I would simply suggest that we, if we're going to move forward on issuing the subpoena, that we work through Ms. Stricklin to find dates that are available to the... the bulk of the members of the Commission and that we proceed accord... accordingly with the... with the witnesses.

Mulroe But we... we do have the 16th and 17th as well. It's already laid out with the members.

Barickman And we want to make sure that at the 16th and the 17th, we're not presented with this scenario, where Representative Mautino, who we often let conduct the meetings, says that because of time concerns, members are limited to only a handful of questions, one or two, or that there's a clock running to questions. We want to avoid up front any type of chicanery that could exist in a hearing like this.

Rita You stated earlier you're going to work with the other Co-Chair on this and work through that. Representative Mautino, I can't speak for him, but I'm sure he will work with you as he has to this point on how to proceed.

Barickman So to clarify though from our perspective, to issue a subpoena on dates certain that we know will be—that we will be unable to meet. I mean look---

Rita The 16th and the 17th. No I don't think I'm understanding your question.

Barickman I think it's highly unlikely that on the 16th and the 17th we should expect to complete a hearing from Mr. Cutrone, Mr. Holland, Ms. Shaw plus six others.

Mulroe I hate to interrupt but Mr. Cutrone was not part of the subpoenas. Why are we calling a guy who has no relationship to this audit? That we've heard from ...

Reis I think that was established even before we heard back from Barbara Shaw on the invite to speak. I think we were going to allow him to wrap up.

Mulroe So we spent three and half hours on a guy who wasn't part of the audit wasn't part of the agency and now we're going to spend more time and

Reis There were at least three members that never got to ask questions because the Senate was going into session.

Mulroe We can't get through one guy who's not part of the audit sat for five hours and now we are going to bring people in this is—

Reis Senator, what are we hiding?

Mulroe I'm not hiding anything but just listening to---what are we trying to do?

Reis We want to get the truth out by everybody---

Mulroe There are deficiencies that have been listed in the audit and our role is too address them and provide remedies so this doesn't happen again.

Reis We are willing to work with you.

Mulroe We're going to sit 30 to 40 hours talking to people and listen to ourselves talk doesn't do anybody any good.

Reis Don't we owe that to the taxpayers?

Mulroe No. It's a waste of everyone's time to just sit here and listen to us talk. We are just going to sit around and talk about nothing.

Reis Every major newspaper is going to continue to work it all summer long.

Mulroe That's the point.

Rita That's the point. I asked, is this going to be all summer long?

Reis We will work with you as quickly and expeditiously as possible. We worked with you on expanding the list when that was not on the agenda today. All we're asking is that we are not going to set a time specific thing when we are done. There may be additional people or we may get cut off and not get our questions asked I think that's only fair.

Mulroe I think someone needs to take control of the Commission, that hearing, and not let it go on into nauseam so that everybody in the room is about as comfortable as being at a dentist getting their teeth pulled without Novocain.

Barickman I think we're over thinking here. We've been here a long time. I think that's what we are acknowledging that these things take time. We're glad to move forward, and if we can handle the interviews on the 16th and the 17th, we are certainly glad to do so. Here is where my discomfort comes from. I do not understand why we would agree to specific dates that I believe are unlikely to be met, in the context of these additional parties.

Rita Who's unable to meet? The subpoenas or the members?

Barickman Look, you are suggesting that we subpoena six individuals, on top of Barb Shaw, and hear testimony from everyone throughout the course of a two-day period. What I'm telling you is that if that is possible, I will certainly work to make that happen. But what I don't want to us to do is to reconvene ourselves in the event that we don't get to one or more of the persons on this list.

Rita At the end of the day, at the end of the hearings, what is the purpose? If the program has been abolished where are we going? Are we going where Representative Reis said, all summer long. That's where we started at in beginning, where are we going?

Reis We wouldn't do that.

Rita We've expanded the list and we have two days that I believe we will have enough testimony to conclude this audit and move forward.

Barickman I simply think that every Audit Commission hearing that I've been a part of has been a hearing that has been scheduled through the cooperation of both Co-Chairman through Ms. Stricklin. I would simply would suggest that if we are going to proceed on this that is how we approach these just like we've approached every other hearing whether it's related to NRI or not.

Rita It's a different than any other hearing that you are doing and you have the two dates set up.

Barickman Right they were set up for Mr. Cutrone to complete the hearing, from the Auditor General's staff, for our members to continue their questions of Mr. Cutrone and to hear from Ms. Shaw

Rita So what you are saying is you don't want to go forward with this.

Barickman No, I would absolutely love to.

Rita Then what are we—let's move forward and put this to a vote.

Barickman Yes, I think all we're saying that in regards to the form of the subpoena I think there will be a change to the date, time and location based on input from Mr. Mautino, myself and we will certainly consult the other members through Ms. Stricklin.

Rita It should stay in the context as Barb Shaw.

Barickman Absolutely everything except the day, time and location.

Rita No, exactly for the 16th and the 17th where we're going.....and how we are going forward is what we talked about.

Barickman So ...

Rita Now you want to make a change to it. That's what you're saying ultimately.

Mulroe I think we are all saying the same thing...let's try and get it done on the 16th and the 17th—all the people—it shouldn't take—it should not take three hours per person or two hours per person. That should be our goal to limit it, two hours per person is excessive in my opinion. We should be able to get it all done on the 16th and the 17th

Barickman But to be clear, no limitations. I agree and I am glad to say it now and then that there should be no unnecessary questioning, we should stay within the scope of the audit. That we should move expeditiously as possible with the questions that are being asked of those who are participating. It's a huge inconvenience to those who are going to have to come and appear. It's doubly so and burdensome for those who are going to appear and sit in the audience for hours while we go through questions of say, Barb Shaw. However, because it's your prerogative is to invite them all on the 16th and the 17th we will do so. But what I'm saying is, there cannot be limitations on the time that individuals spend there, and to the extent we do not complete the questions of these individuals at that hearing, we would simply continue to have the authority without convening the sub-committee to subpoena those individuals to another hearing at a date and time chosen by Representative Mautino and myself through consultation with the members.

Rita What you're asking is giving you open-ended authority to subpoena.

Barickman No, it's working with Representative Mautino and myself who again, the two co-chairs, two different political parties, working together.

Rita What was the purpose then that initially set up the sub-committee on subpoenas?

Barickman You were the one that said we need to move on these additional individuals.

Rita No, I was asking how this was set up and why, the structure of this subcommittee. Why was this sub-committee set up?

Barickman That was a decision made by the attorneys who were involved.

Rita For what purpose?

Barickman What purpose is the subcommittee?

Rita Open ended where you could just say okay we can just issue a later date subpoenas and to me it's pretty clear. We'll just handle it like we did with dates, times and place, be spelled out the 16th and the 17th.

Barickman Representative, what is your intent?. To the degree that we don't have a reasonable opportunity to question those individuals subpoenaed on the 17th is your intent for them not to be questioned or to be questioned at a later date.

Rita I think we have enough time in two days.

Barickman And if we don't?

Rita Well we could go ahead with—you could make up any kind of scenario. I think there's enough time between two days.

Barickman I don't.

Rita To hear testimony from seven people.

Barickman And if there's not, that's my question.

Rita If we stay within the scope of the question—where we're at within the questioning—I believe two days for seven people is enough time to get the information that would be asked.

Mulroe I just want to make a point, I think everyone agrees two days should be enough time and if it's not we take it up and consider whether we extend the subpoenas to another date. But hopefully two days is enough and then we will consider it on that day.

Barickman Why consider a subpoena that seems unreasonably to be satisfied here today? I mean is the intent to throw everyone into the room, close the door, to have a rushed hearing for an audit. One of the members of your own party....

(SIDE B)

Mulroe I don't think anyone would have objection to extending the subpoena if we can't-- unless it's a circus, if it's a circus, then I would say, I would reconsider.

Barickman So I think what I'm hearing and looking at Representative Reis who's nodding in agreement but the commitment here among all of us is we're not going to put forward a circus. To the extent that we don't reasonably don't get through the list of individuals who have been subpoenaed to attend we will convene ourselves quickly thereafter and reissue those for another date. If this works for the members of the Commission.

Rita Till we have the hearing and see where we are exactly I'm not going to make a commitment that we're going to automatically just re-convene and issue subpoenas. I think what we put forward in a two day span of seven people... I believe we will have enough time to get through this. On the 17th if we're not, I would re-consider and look at it on the 17th --where we're at and exactly what we heard. It's hard to pre-determine what is going to transpire for a two day hearing, a two day testimony with seven people. Let's get to that point then we can discuss at that point. We'll know on those days where we are at and what we will need if needed. But I believe there is enough time in each day because it's not limited to—we don't have session as you were referring to in other audits where you start at nine and session is at noon. We will have time for testimony to conclude with this. Do you see how---

Barickman I understand and you've made clear you think it's reasonable that we would get through the entire list in that two days.

Rita I think it's reasonable.

Barickman Senator Mulroe to come back to your point earlier, that's not what I heard from you. What I heard from you was so long as we don't put forward a political circus you will be reasonable in whether or not you would re-issue the subpoenas to the same individuals that we are talking about today. Our intentions here publicly and privately—we are not looking to drag this out any longer than it certainly takes. We would like to move as quickly as possible. I think conveyed to Ms. Stricklin that I would have preferred having the July 16 & 17 even earlier than we have it. So we could move quickly through this. What is your commitment if we again don't put forward any political circuses on the 16th & 17th? And there are individuals today being subpoenaed whom don't get to? Are you prepared to continue that subpoena to re-issue a new one? At a new date that would be presumably as soon as possible after that hearing.

Mulroe Yes I think that's the same thing as Representative Rita was saying, as long as it's reasonable and we just don't go off and---

Rita Let's get to the point first, let's see where we are at. We can't pre-determine.

Mulroe Yes.

Reis A point of clarification we had the three subpoenas that were drafted by the Democrat staff and then we came back in and now we have a fourth one. I'm assuming we'll have the other two, will there be any more coming from you guys?

Mulroe These are names that we anticipated that you would be requesting. It's the same format as the subpoena for Barbara Shaw and

Reis Okay we got four.

Mulroe Three others that we did not anticipate we'll draft and make ready today, right

Reis You don't have someone in the back drafting it so we can sign it?

Rita We can do it right now.

Mulroe It's the same format, it's a Word document. You change the name and put a different address on there.

Reis I understand that Senator, I'm just saying why can't we get copies now so Chairman---

Mulroe We promise we will produce the subpoena of the names that you wanted as soon as possible.

Reis I thought there were six and now you're saying there's seven,

Rita Including Barbara Shaw.

Reis So we have, just for clarification. Mr. Ribley, Ms. Irving, Mr. Lavin and Mr. Weems. Who's the other two?

Barickman Malcolm Weems, Jack Lavin, Billy Ocasio, Tony Irving, Warren Ribley, Andrew Ross.

Reis Andy Ross, and that's the six that we will be voting on.

Barickman Yes that's the six we will be voting on. Any other discussion? Are there hours set for those meetings Jane, on the 16th and 17th?

Stricklin We are set to start at 10:00 on Wednesday, which is the 16th. There is no closing hour and there's no opening hour for the next day. You want all seven people, eight including Mr. Cutrone here at 10:00 a.m. on Wednesday the 16th? Or is there any thought that we might actually divide this up a little?

Reis One question, Jane it says 10:00 a.m. on the 17th as well. Do we want to change that to be earlier?

Stricklin I think we could start at 9:00.

Reis At 10:00 a.m. on the 16th and 9:00 a.m. on the 17th?

Stricklin Is that okay with you guys? Okay. If people could provide questions in advance, I think that diminishes the probability of people saying, this happened four years ago. I have no idea, I don't remember that.

Barickman Okay

Stricklin I don't think that submitting questions in advance in any way diminishes the quality of the hearing because there will always be other questions that come to mind while you're asking one question. Especially if the person knows the answer.

Barickman Okay let's a—question for the attorneys. Is there any requirement—we have six individuals here. Is there any concern that we need to break these into six separate motions. Or does any of the attorneys have that—do you think that matters? Okay. the motion on that is to subpoena the six individuals, Malcolm Weems, Jack Lavin, Billy Ocasio, Tony Irving, Warren Ribley, Andy Ross. Jane do you want to call the role?

Stricklin Senator Barickman.

Barickman Yes.

Stricklin Senator Mulroe.

Mulroe Yes.

Stricklin Representative Reis

Reis Yes

Stricklin Representative Rita

Rita Yes.

Barickman Okay on a vote of four to zero the motion passes. Again we will provide the agreed upon forms from the caucuses' counsels to Ms. Stricklin. Ms. Stricklin can provide that to me, which I will then sign, and return to Ms. Stricklin and she will immediately retain Mr. Mautino's signature. We did not discuss the delivery of these subpoenas. But I would urge Ms. Stricklin to follow the same procedure which would be to call the individuals being subpoenaed, ask them how and if they are willing to accept service of the subpoena. If so, how and if not then I would simply direct her to issue the subpoena in accordance with the law.

Off-Mike

Barickman I think Representative Rita made his invitation public today. Is there any other business before the sub-committee? Seeing none, the next hearing of the Legislative Audit Commission will be July 16, 2014, 10:00 a.m. Seeing no further business before us this hearing is adjourned.

Adjournment