



U. S. Department of Justice

*United States Attorney
Northern District of Illinois
Federal Building*

*Patrick J. Fitzgerald
United States Attorney*

*219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

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PRESS CONTACT:
AUSA/PIO Randall Samborn (312)353-5318

U.S. CHARGES TWO CITY OF CHICAGO OFFICIALS WITH FRAUDULENTLY RIGGING HIRING AND PROMOTIONS

CHICAGO – Two City of Chicago officials are facing federal fraud charges for allegedly engaging in widespread corrupt hiring and promotion practices that involved the rigging of jobs by conducting sham employment interviews, falsifying interview scores, and violating federal court orders, state laws and city codes, federal authorities announced today. **Robert A. Sorich**, a top official in the Mayor's Office of Intergovernmental Affairs (IGA), and **Patrick R. Slattery**, an official in the city's Department of Streets and Sanitation, were taken into custody this morning. The defendants allegedly rigged hiring and promotions in city departments, and were each charged with mail fraud in separate criminal complaints that were obtained yesterday and unsealed today. The charges are an outgrowth of the ongoing federal investigation of alleged corruption in the city's Hired Truck Program and represent a new arena of alleged corruption involving city personnel practices for more than a decade.

Sorich, 42, and Slattery, also 42, both of Chicago, were released on their own recognizance after appearing before U.S. Magistrate Judge Jeffrey Cole. Sorich has a preliminary hearing scheduled for 2 p.m. on July 27 and Slattery has a preliminary hearing set for 2 p.m. on July 26.

Sorich allegedly directed a system in which Slattery and other co-schemers routinely manipulated the interview and selection process for certain city jobs, including skilled and unskilled positions, by conducting sham interviews, falsely inflating interview scores, and otherwise guaranteeing that certain pre-selected candidates who were favored by high-ranking city officials – whether because of their connection to particular political organizations, unions, or other influence – would win employment, often to the exclusion of equally or more qualified candidates. The charges against Sorich rely upon evidence gathered from more than 30 current and former city officials in various departments who are cooperating in the investigation, including five former commissioners, four former and two current personnel directors and many other high-ranking and supervisory officials.

According to one former personnel director, IGA officials were more influential than department commissioners in the city's hiring and promotion process. In many instances, cooperating witnesses described regular meetings with Sorich and other IGA officials in which they would be given lists of pre-selected applicants for whom IGA wanted to obtain available non-policymaking positions in various departments, and, at times, were told to conceal IGA's role.

Sorich is identified as an IGA official who exercised authority over certain employment decisions at the city for at least the last 12 years through early 2005. Slattery is identified as having been a full-time city employee since 1988. After working for about 12 years as an electrical mechanic, Slattery was chosen in early 2000 to become the Director of Staff Services in Streets & Sanitation, in which capacity he supervised the interview process for positions that were both covered by and exempt from federal court hiring orders. In approximately mid-2004, Slattery briefly

functioned as acting Assistant Commissioner, and then again served as Director of Staff Services from July 2004 to about June 2005.

Under two federal court orders in 1972 and 1983 – known collectively as the *Shakman* decree – the city is prohibited from basing hiring and promotion decisions on political considerations for roughly 37,000 non-policymaking jobs, which are referred to as *Shakman*-covered positions. Employment decisions for approximately 1,000 of the city’s remaining positions, which are managerial or policy-making, are exempt from the *Shakman* decree.

According to the complaint affidavits, the investigation has revealed that IGA routinely and consistently influenced hiring and promotions for *Shakman*-covered positions, and used its authority over individual departmental personnel officers to maintain a hiring process for those positions that was not based on merit or non-political factors, but was instead manipulated with artificial scores and false certifications to ensure jobs for applicants who worked on behalf of, or were associated with, groups affiliated with campaign organizations, aldermen, and union officials. Sorich and others pre-selected applicants to receive jobs or promotions. After receiving instructions from Sorich and others identifying those applicants who should win (instructions that both defendants sought to conceal), their co-schemers, including Slattery and others, manipulated and falsified the ostensibly merit-based ratings given to prospective employees in order to favor IGA’s selections.

Both affidavits rely upon information from the various cooperating witnesses who have described the city’s hiring and promotion practices, particularly as to *Shakman*-covered positions. The cooperators include former commissioners of city departments who participated in political activity, approved the results of interviews, and/or consulted with IGA concerning *Shakman*-covered positions; current or former high-ranking department employees who coordinated organizations of

city employees in campaign work and/or implemented scoring decisions on job or promotion candidates; former and current department personnel directors who received instructions from IGA concerning hiring and promotion decisions and implemented IGA's decisions through their supervision of the interview and rating process; current or former supervisory employees in departments who conducted interviews and/or scored applicants based on instructions to favor campaign workers; and other current or former city employees who joined political organizations and obtained jobs or promotions in exchange for their work on behalf of political campaigns.

“Every resident of Chicago has the right to compete fairly for a job if he or she is qualified, without regard to political affiliation or whether they do campaign work. Every applicant who sits for an interview is entitled to an honest evaluation. And the residents of Chicago are entitled to the best qualified laborers, plumbers, foremen and inspectors. And when a federal court order requires that people be hired or promoted without regard to political affiliation, the court order must be followed. Yet, for a decade, certifications by city officials that the law has been complied with have often been fraudulent. Qualified persons sat for interviews for jobs that had already been doled out as a reward for political work,” said Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

“The defendants are charged with a pervasive fraud scheme that included fixing applicant interviews and ratings, guaranteeing that preferred job candidates would be chosen over other equally or better-suited individuals and then falsifying personnel documents to conceal their wrongdoing,” Mr. Fitzgerald said. “The diversion of public resources to benefit political organizations, by using fraudulently-obtained jobs and promotions as currency to compensate political workers, cheats the City and its employees, and improperly advantages those political organizations with influential government sponsors,” he added.

Mr. Fitzgerald announced the charges with Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; Kenneth T. Laag, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago; James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor, Office of Inspector General in Chicago; and Byram Tichenor, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago. The investigation is continuing, they said.

Among the details contained in the charges are that:

- ▶ the winners of competitions for jobs and promotions were routinely determined by IGA before interviews had been conducted and applicants had been evaluated on the merits;
- ▶ an official in another city department said he received a list of names referred to as “the blessed list,” which he understood to be people that the Mayor’s Office wanted hired for the position;
- ▶ on April 29, during a search of Individual B’s office at City Hall, agents seized a color-coded document reflecting the winners’ names at the end of a hiring sequence, as well as the political organization or union sponsor associated with the particular winners;
- ▶ when a city department official complained to Sorich that a particular pre-selected candidate was “a drunk,” Sorich replied, “Do the best you can with him;” and
- ▶ another official in that same department complained that some of the winning candidates were “goofballs” who should not have been awarded positions.

In one alleged example of fraud, agents recovered a hand-written list of five names corresponding to the pre-selected winners for an equipment dispatcher position in Department 3 during the summer of 2004. One of the people on the list, Individual J, a political worker in CW-14's organization, died before the interviews were conducted.

Another instance of alleged fraud involved the awarding of a coveted career service truck driving job to a seasonal driver after the applicant, CW-19, worked on a gubernatorial and U.S. Congressional campaign as part of CW-14's political organization. CW-19 was on active military

duty in Iraq in 2003 and 2004, and submitted his application after returning, approximately a month or so after the bidding period for the job had closed. Agents recovered an allegedly falsified rating form indicating that CW-19 was interviewed on March 27, 2004, and received the highest possible 5.0 rating, when, in fact, he was still in Iraq, according to the complaints.

As part of the fraud scheme, cooperating witnesses described the process by which coordinators of political organizations, composed mostly of city employees, sought and in many instances obtained jobs or promotions – sometimes referred to as “getting made” – as a result of campaign work performed by their organization. Cooperating political coordinators, such as CW-1, CW-7, CW-10, CW-14 and CW-21, typically had several meetings a year, usually with Sorich at IGA offices in City Hall, to recommend politically active city employees for *Shakman*-covered positions. According to one coordinator, CW-7, Sorich and Individual N fostered the competition for city jobs for political workers in order to encourage the political coordinators to work campaigns, the complaints allege.

While discussing the lists of personnel requests CW-14 submitted in 2003, Sorich told CW-14, “We shouldn’t be meeting in City Hall to discuss stuff like this, if anything we should meet outside,” according to the affidavits.

CW-14 also told investigators that Sorich told CW-14 in 1999 to form a political group, saying the “Mayor’s organization” needed a group of white political workers to complement existing groups of African-American and Hispanic city workers within a particular department. Various cooperating political coordinators said they typically received instructions from Sorich or others at IGA, including Individual N, to engage in political activity, including working on various city, state and federal campaigns.

The government is being represented by Assistant U.S. Attorneys Manish Shah, Julie Ruder, Barry Miller, Patrick McGovern and Patrick Collins.

If convicted, mail fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed.

The public is reminded that a complaint contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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