

Chicago and Illinois, Leading the Pack in Corruption

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Authored By:

Dick Simpson

James Nowlan

Thomas J. Gradel

Melissa Mouritsen Zmuda

David Sterrett

Douglas Cantor

**University of Illinois at Chicago
Department of Political Science
and the
Illinois Integrity Initiative of the
University of Illinois' Institute for Government and Public Affairs**

For a century and a half, public corruption has been a shameful aspect of both Illinois and Chicago politics. The Governor's mansion and Chicago City Council Chambers have long been the epicenters of public corruption. The extent and pervasiveness of bribery, fraud, stealing from the taxpayers, and illegal patronage have made the city and state national leaders of corruption. Our notorious reputations have provided fodder for scores of comedians and late night talk show hosts. But corruption is a serious problem that hurts all citizens who put their trust – and tax dollars – in the hands of politicians who abuse the power they are given.

New public corruption conviction data from the U.S. Department of Justice shows the Chicago metropolitan region has been the most corrupt area in the country since 1976. In addition, the data reveal that Illinois is the third most corrupt state in the nation. The latest information, just released by the Justice Department, provides new evidence of the need for reforms to reduce rampant corruption in Chicago and Illinois.

A State of Corruption

Since 1970, four Illinois governors have been convicted of corruption. Yet only seven men have held this office in this time, meaning more than half of the state's governors have been convicted in the past forty-two years. Otto Kerner, who served from 1961 until his resignation in 1968 to accept a federal judgeship, was convicted in 1973 of mail fraud, bribery, perjury, and income tax evasion while governor. Dan Walker, who served from 1973 – 1977, was convicted in 1987 of obtaining fraudulent loans for the business he operated after he left office.

George Ryan, who served from 1999 – 2003, was found guilty in 2006 of racketeering, conspiracy and numerous other charges. Many of the charges were part of a huge scandal, later called "Licenses for Bribes," which resulted in the conviction of more than 40 state workers and private citizens. The scandal involved unqualified truck drivers receiving licenses in exchange for bribes that would ultimately end up in Ryan's campaign fund. The scandal came to light when a recipient of one of these licenses crashed in to a van and killed six children. But perhaps the most famous of all Illinois corrupt officials is Rod Blagojevich, who served from 2003 until his impeachment in 2009. Blagojevich was ultimately convicted in 2011 of trying to sell the U.S. Senate seat vacated by Barack Obama. Other charges included his attempting to shake down Children's Memorial Hospital for a campaign contribution in return for funding and his trying to extort a racetrack owner.

Capital City of Corruption

Not to be outdone, the City of Chicago has seen its share of convicted officials. The first conviction of Chicago aldermen and Cook County Commissioners for accepting bribes to rig a crooked contract occurred in 1869. Since 1973, 31 more aldermen have been convicted of corruption. Approximately 100 aldermen have served since then, which is a conviction rate of about one-third. In 1973 and 1974, four aldermen were convicted of bribery, income tax evasion and mail fraud in a scandal involving zoning

changes. In the 1980s, three aldermen pleaded guilty or were found guilty in Operation Incubator, a major FBI investigation into Chicago corruption. The convictions included bribery, racketeering, extortion, mail fraud and tax evasion. Less than 10 years later, seven more aldermen were convicted as part of Operation Silver Shovel, another major FBI investigation into corruption in Chicago in the 1990s. Between 1996 and 1999 these seven were convicted of bribery, money laundering, fraud and tax evasion.

But not all of the convictions were part of larger FBI stings. In 1974, Thomas Keane, former 31st ward alderman and Mayor Richard J. Daley's floor leader, was convicted of conspiracy and 17 counts of mail fraud in connection with questionable real estate deals. In 2008 Ed Vrdolyak, former 10th ward alderman, was also convicted of fraud in a real estate sale involving the Chicago Medical School.

Corruption sometimes occurs multiple times in the same ward. Joseph Potempa and his successor Frank Kuta, aldermen of the 23rd ward, were both convicted in the same zoning scheme in 1973. After Thomas Keane, the 31st ward saw two more of its alderman convicted. In 1987 Chester Kuta pleaded guilty to fraud, income tax evasion, and violation of civil rights stemming from a payoff scheme. In 1997, 31st ward Alderman Joseph Martinez was convicted as part of Silver Shovel. The 13th, 20th, and 28th wards have seen multiple convictions as well. One has to wonder if certain wards especially breed corruption.

Corruption can even run in the family. In 1983 William Carothers, Alderman of the 18th ward, was found guilty of conspiracy and extortion. In 2010, his son Isaac Carothers, 29th ward alderman, pled guilty to accepting campaign contributions from an FBI agent posing as a developer seeking zoning changes. They were convicted for almost the same crimes twenty years apart.

Patterns & Statistics

There are patterns to these crimes. All of the governors and 26 of the aldermen were guilty of bribery, extortion, conspiracy or tax fraud involving schemes to extract bribes from builders, developers, business owners or those seeking to do business with the city or state. The bribe-payers either assumed or were told that payment was necessary to receive zoning changes, building permits or similar city or state action. In the case of Rod Blagojevich, an attempt was made to extract payment or campaign donations in exchange for appointment to a United States Senate seat. He also created a culture of corruption involving appointments to boards and commissions, campaign contributions and permits to expand hospitals. While Blagojevich represents the most egregious case, at the heart of most convictions is a payoff for something that is a sweetheart contract or a law or permit necessary to do business. This has been the main pattern of corruption in the city and the state for over 150 years.

Recent conviction data shows that the Chicago is the most corrupt area in the United States, and the State of Illinois is the third most corrupt state.

Since 1976, a total of 1828 elected officials, appointees, government employees and a few private individuals have been convicted of public corruption in Illinois – an average of 51 per year. Illinois is surpassed only by California with 2345 convictions (65 per year) and New York with 2522 convictions (70 per year). Rounding out the top ten are (from most convictions to least) Florida, Pennsylvania, Texas, Ohio, D.C., New Jersey and Louisiana. Both California and New York have much larger populations than Illinois. It is important to look at corruption per capita. Illinois, with about 12.8 million residents, averages 1.42 convictions per 10,000 residents. California, with about 37.25 million residents, averages 0.63, and New York with about 19.38 million residents averages 1.30. Per capita, Illinois among large states easily ranks above them all.

Although ranking higher than New York and California, Illinois is not the leader in per capita convictions, it ranks third. Above it, Louisiana, with about 4.5 million residents, shows 2 convictions per 10,000 residents. However the District of Columbia, with only about 602,000 residents, has a per capita conviction rate of 16.02. This total is also partly a reflection that the Justice Department and other federal agencies with headquarters in D.C. try some corruption cases there that do not occur there. Rounding out the top ten list of corrupt states per capita (from highest to lowest) is New York, Pennsylvania, Ohio, New Jersey, Florida, California and Texas.

These statewide numbers belie important regional factors. For federal jurisdictional purposes, states are divided up into districts to handle caseloads. If we examine the districts that contain the bulk of the population, or the largest cities, the numbers tell a different story. The Illinois Northern District, which contains the entire Chicago metropolitan area, accounts for 1531 of the 1828 public corruption convictions in Illinois. Therefore, almost 84% of the state's federal public corruption conviction took place in the Northern District. This makes it the federal district with the most public corruption convictions in the nation since 1976.

A distant second is California's central district, headquartered in the City of Los Angeles. This district has had 1275 public corruption convictions since 1976. Third with 1202 convictions is New York's southern district, encompassing Manhattan, the Bronx and a few nearby northern counties. Rounding out the list are (in order of most to least): the southern district of Florida (includes Miami), the northern district of Ohio (includes Cleveland), the eastern district of Pennsylvania (includes Philadelphia), the southern district of Texas (includes Austin, San Antonio), the middle district of Florida (contains Orlando), the eastern district of California (including Sacramento, Fresno), the eastern district of Louisiana (including New Orleans) and the southern district of Ohio (including Columbus).

Curing Corruption

Can corruption be cured? Attacking corruption starts with a comprehensive program of mutually reinforcing reforms. These should include a mix of corruption prevention and enforcement measures along with public involvement and education.

To pass these reforms and to implement them requires the development of a broad coalition of support. In this regard a recent Joyce Foundation public opinion poll is telling. It shows more than 60% of Illinois residents mention corruption as one of their top concerns (even more than the economy or jobs) and that more than 70% favor specific reforms, such as limiting the campaign money that legislative leaders can contribute to other legislative candidates. These percentages suggest that there is indeed a possibility of building a broad coalition around a much more comprehensive reform program than existed in the past.

Reform efforts are needed at all levels and within all units of government and should move forward quickly while public support -- following the recent conviction and sentencing of former Governor Rod Blagojevich -- is at such a high level.

Governor Pat Quinn's proposal to allow Illinois citizens to adopt ethics reforms by referendum should be supported and passed.

Additionally, the following reforms should be adopted:

1. Amend the City's Ethics Ordinance to cover aldermen and their staff;
2. Give the Inspector General access to all city documents including those held secret by the Corporation Counsel;
3. Ban all gifts to all elected officials and public employees except those from family members;
4. Bar all lobbying of other governmental bodies by elected officials and city employees;
5. Prohibit double dipping, patronage and nepotism with real penalties including firing; and
6. Improve the city's ethics training and bring it up to at least the State of Illinois level.

Conclusion

Corruption is not funny and it is not free. It costs the taxpayers of Illinois more than \$500 million per year. Governor Blagojevich's well-publicized corruption antics led to a lowering of the state's bond rating, which cost the state more than \$20 million during its last bond issue. Corruption also takes time and resources away from police and prosecutors. Blagojevich's first trial cost tens of millions of dollars to investigate and prosecute, and after a hung jury resulted in a retrial, the taxpayers footed the bill for Blagojevich's new attorneys. And so it goes -- in a time of deep budget deficits, we are wasting taxpayer money and raising taxes and fees on citizens who can ill afford to pay for corruption any longer.

What has come to be called “The Chicago Way” or “The Illinois Way” of public corruption has undermined the in voters’ sense of political efficacy. Why apply for a city or state job if you know only patronage employees or politician’s relatives will be hired anyway? Why report corrupt officials, if you know they won’t be punished and they may turn the powers of the government on you? Voters may laugh at times at the antics of public officials, but in the end, they feel powerless, lose their faith in government and vote less often because they believe the “fix is in.”

There are some signs of change. After Governor Blagojevich’s impeachment, Governor Quinn’s Ethics Reform commission held hearings and issued an excellent report. While most of its recommendations haven’t been enacted, some have. Mayor Rahm Emanuel has appointed a Mayor’s Ethics Taskforce to whom this report is being presented. Chicago, which didn’t even have an ethics ordinance until 1987, may now finally get serious about reform. It is time to end the culture of corruption that has saturated the governments of the City of Chicago and the State of Illinois. There are many specific reforms to be enacted. But beyond all the individual reforms is the commitment to change. After more than a hundred years of graft and corruption, it is time truly to become the Land of Lincoln and the City that Works rather than “Where’s Mine.”

Table 1

Federal Public Corruption Convictions by Judicial District 1976 - 2010

Rank for Convictions Total	District (Major cities)	2010	2000-2009	1990-1999	1976-1989	1976-2010
1	Illinois-Northern (Chicago)	46	367	610	508	1531
2	California-Central (Los Angeles)	29	383	595	268	1275
3	New York-Southern (Manhattan)	12	242	398	550	1202
4	District of Columbia	41	342	393	229	1005
5	Florida-Southern (Miami)	21	404	437	108	970
6	New Jersey (Newark)	47	410	264	188	909
7	Ohio-Northern (Cleveland)	65	333	314	173	885
8	Pennsylvania-Eastern (Philadelphia)	23	316	246	267	852
9	Virginia-Eastern (Richmond)	60	303	213	188	764
10	New York-Eastern (Brooklyn)	12	204	237	308	761
11	Texas-Southern (Austin, San Antonio)	23	267	205	115	610
12	Florida-Middle (Orlando)	18	230	178	159	585
13	California-Eastern (Sacramento, Fresno)	12	200	203	156	571
14	Massachusetts (Boston)	27	187	159	189	562
15	Louisiana-Eastern (New Orleans)	26	230	173	116	545

Table 2

**Total Federal Public Corruption Convictions
by State 1976 – 2010**

Rank for Convictions Total	State	Convictions 1976-2010	Convictions Per Year
1	New York	2522	70
2	California	2345	65
3	Illinois	1828	51
4	Florida	1762	49
5	Pennsylvania	1563	43
6	Texas	1542	43
7	Ohio	1405	39
8	District of Columbia	1005	28
9	New Jersey	909	25
10	Louisiana	906	25

Table 3

**Federal Public Corruption Convictions
by State per Capita 1976 – 2010**

Rank for Convictions Per Capita	State	Convictions 1976 - 2010	Population 2010	Convictions Per 10,000 Population
1	District of Columbia	1005	601,723	16.70
2	Louisiana	906	4,533,372	2.00
3	Illinois	1828	12,830,632	1.42
4	New York	2522	19,378,102	1.30
5	Pennsylvania	1563	12,702,379	1.23
6	Ohio	1405	11,536,504	1.22
7	New Jersey	909	8,791,894	1.03
8	Florida	1762	18,801,310	0.94
9	California	2345	37,253,956	0.63
10	Texas	1542	25,145,561	0.61

Table 4

Convicted Illinois Governors, 1970 – 2011

Name	In office	Party	Year Convicted	Charge
Otto Kerner	1961 – 1968	Democrat	1973	Mail Fraud, bribery, perjury and tax evasion
Dan Walker	1973 - 1977	Democrat	1983	Using false information to obtain mortgages
George Ryan	1999 – 2003	Republican	2006	Racketeering, bribery, extortion, money laundering, tax fraud
Rod Blagojevich	2003 – 2009	Democrat	2011	Bribery, extortion, charges related to selling a U.S. senate seat

Table 5

Convicted Chicago Aldermen, 1970 - 2010

Date Convicted	Name	Ward	Years Served	Crime
1/6/1973	Fred Hubbard*	2	1969-71	Embezzlement
4/12/1973	Joseph Jambrone*	28	1966-70	Bribery, income tax evasion
10/30/1973	Joseph Potempa	23	1971-73	Extortion, mail fraud, tax evasion
6/25/1973	Casimir J. Staszczuk	13	1967-73	Bribery for zoning changes
10/9/1974	Thomas E. Keane	31	1945-74	Mail fraud, conspiracy
9/4/1974	Frank J. Kuta*	23	1967-71	Extortion, mail fraud, tax evasion
10/10/1974	Paul T. Wigoda	49	1959-74	Tax evasion, bribery for zoning change
12/2/1975	Edward T. Scholl*	41	1963-73	Extortion, bribery, tax evasion
3/14/1975	Donald T. Swinarski*	12	1967-72	Tax fraud
10/22/1980	Stanley Zydlo*	26	1963-79	Bribery related to fixing fire department exam
8/23/1983	William Carothers	28	1980-83	Conspiracy, extortion
12/7/1983	Louis P. Farina	36	1980-83	Conspiracy, extortion
5/24/1983	Tyrone T Kenner	3	1971-83	Bribery, extortion, fraud
3/19/1987	Chester Kuta*	31	1979-81	Fraud, tax evasion, civil rights violation
10/13/1987	Wallace Davis	27	1983-87	Bribery, extortion
4/23/1987	Clifford P. Kelley	20	1971-87	Extortion, mail fraud; racketeering
9/28/1989	Perry Hutchinson*	9	1983-87	Bribery, insurance fraud
5/1/1989	Marian Humes*	8	1977-87	Bribery
1/15/1993	Fred Roti	1	1968-93	Bribery, extortion, racketeering
1/10/1996	Medrano Ambrosio	25	1991-96	Extortion, bribery, ghost pay-rolling
4/17/1996	Allan Streeter	17	1981-96	Bribery, extortion
1/23/1997	Joseph A. Martinez*	31	1981-83	Ghost pay-rolling
6/16/1997	Jesse Evans	21	1987-97	Extortion, racketeering
12/4/1998	Lawrence Bloom*	5	1979-95	Tax fraud, bribery
4/30/1998	John Madrzyk*	13	1973-94	Ghost pay-rolling, bribery, extortion
1/28/1999	Virgil Jones	15	1991-99	Bribery
11/9/1999	Percy Z. Giles	37	1986-99	Bribery, tax evasion
6/13/2006	James Laski*	23	1990-95	Bribery, mail fraud, wire fraud
8/6/2008	Arenda Troutman*	20	1990-07	Mail fraud, tax fraud
11/3/2008	Edward R. Vrdolyak*	10	1971-87	Conspiracy to commit mail and wire fraud
2/1/2010	Isaac Carothers	29	1999-10	Tax fraud, bribery for zoning change

Indicted but died before trial

1974	Mathew J. Danaher*	11	1964-68	Conspiracy to defraud, accepting bribes Died 12/15/1974
1992	William C. Henry	24	1983-91	Extortion, racketeering, mail fraud Died 5/7/1992

*Indicates aldermen who were indicted or convicted after their aldermanic service ended. In most cases the criminal acts began while they were alderman.

SOURCES: Chicago Tribune, Chicago Sun-Times, Chicago Defender and Chicago Public Library

Table 6

**UNITED STATES ATTORNEY'S OFFICES'
FEDERAL PUBLIC CORRUPTION CONVICTIONS
BY DISTRICT OVER THE PAST DECADE**

U.S. Attorney's Office	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
Alabama, Middle	9	7	6	7	9	11	8	3	5	1	66
Alabama, Northern	15	11	6	4	17	33	39	17	18	11	171
Alabama, Southern	2	10	2	2	0	7	5	0	5	3	36
Alaska	6	5	0	0	1	3	15	8	1	9	48
Arizona	1	4	10	9	48	16	32	20	19	16	175
Arkansas, Eastern	0	0	18	18	4	8	8	4	2	11	73
Arkansas, Western	0	3	1	0	0	2	0	1	1	6	14
California, Central	33	35	45	22	42	36	55	41	43	29	381
California, Eastern	18	20	20	39	30	18	13	9	15	12	194
California, Northern	3	4	5	14	3	4	2	3	2	3	43
California, Southern	12	5	5	2	10	7	6	5	9	0	61
Colorado	22	16	7	8	11	4	3	4	14	6	95
Connecticut	14	3	12	8	24	11	17	5	2	4	100
Delaware	8	7	3	5	2	7	5	7	1	1	46
District of Columbia	43	44	20	33	15	25	22	66	28	41	337
Florida, Middle	8	9	14	10	13	39	28	51	30	18	220
Florida, Northern	5	5	4	2	5	17	19	3	27	13	100
Florida, Southern	83	38	37	78	24	27	22	12	12	21	354
Georgia, Middle	11	1	8	4	7	3	0	7	3	0	44
Georgia, Northern	10	26	12	9	21	6	7	15	21	32	159
Georgia, Southern	3	6	1	0	4	0	1	2	1	5	23
Guam & NMI	19	13	16	9	5	2	0	3	6	3	76
Hawaii	2	10	4	14	4	5	1	2	1	0	43

U.S. Attorney's Office	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
Idaho	4	7	4	3	1	1	1	1	1	0	23
Illinois, Central	2	5	5	14	3	6	8	6	6	0	55
Illinois, Northern	24	19	54	22	51	30	28	43	47	46	364
Illinois, Southern	4	6	1	6	20	2	6	7	5	6	63
Indiana, Northern	4	4	10	13	9	5	15	9	10	4	83
Indiana, Southern	2	2	10	4	5	4	9	5	8	8	57
Iowa, Northern	0	1	1	1	3	0	0	0	0	0	6
Iowa, Southern	0	2	8	1	1	2	9	9	4	11	47
Kansas	5	6	0	5	3	0	2	5	4	5	35
Kentucky, Eastern	15	25	22	27	10	23	33	22	22	28	227
Kentucky, Western	2	2	4	1	4	4	6	6	19	6	54
Louisiana, Eastern	20	19	17	29	26	26	29	26	20	26	238
Louisiana, Middle	6	2	2	0	8	13	6	3	10	4	54
Louisiana, Western	6	9	6	1	4	10	7	10	14	25	92
Maine	2	0	5	2	3	4	4	8	5	1	34
Maryland	8	6	12	28	17	36	21	39	32	21	220
Massachusetts	15	8	22	17	15	28	29	19	28	27	208
Michigan, Eastern	18	14	10	17	11	13	7	20	7	14	131
Michigan, Western	9	10	14	13	11	12	5	13	11	16	114
Minnesota	8	8	3	9	3	6	3	7	13	6	66
Mississippi, Northern	5	7	14	9	5	5	18	13	13	9	98
Mississippi, Southern	19	13	13	5	0	2	7	4	2	15	80
Missouri, Eastern	4	10	3	4	8	12	12	22	16	11	102
Missouri, Western	6	3	7	6	13	8	8	9	8	14	82
Montana	3	13	2	7	1	8	0	8	7	10	59

U.S. Attorney's Office	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
Nebraska	0	1	2	2	4	3	0	8	2	4	26
Nevada	5	6	6	0	0	3	4	0	7	4	35
New Hampshire	0	5	3	0	2	0	0	4	1	1	16
New Jersey	28	28	41	44	39	47	62	49	44	47	429
New Mexico	2	2	2	5	3	6	3	6	9	7	45
New York, Eastern	10	38	7	25	31	20	26	14	12	12	195
New York, Northern	11	5	22	16	11	9	7	10	2	3	96
New York, Southern	34	33	28	28	28	16	9	9	9	12	206
New York, Western	13	6	6	7	12	6	2	15	15	10	92
North Carolina, Eastern	7	4	9	18	2	20	18	4	4	9	95
North Carolina, Middle	5	12	6	0	3	2	5	1	3	7	44
North Carolina, Western	1	3	5	7	8	2	3	12	2	2	45
North Dakota	2	5	16	5	9	2	6	4	0	6	55
Ohio, Northern	34	29	28	32	28	31	37	29	49	65	362
Ohio, Southern	17	21	9	26	21	12	12	8	7	0	133
Oklahoma, Eastern	10	0	0	0	2	5	3	8	0	3	31
Oklahoma, Northern	2	5	3	0	2	3	3	3	12	2	35
Oklahoma, Western	0	2	1	4	17	10	3	11	10	9	67
Oregon	3	1	3	0	4	6	11	3	5	1	37
Pennsylvania, Eastern	36	57	57	26	26	30	19	15	20	23	309
Pennsylvania, Middle	20	9	13	12	19	27	16	16	16	25	173
Pennsylvania, Western	5	6	4	3	11	10	5	5	5	6	60
Puerto Rico	9	101	24	31	6	20	2	37	28	17	275
Rhode Island	2	6	0	2	4	2	1	2	1	3	23

U.S. Attorney's Office	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Totals
South Carolina	8	5	8	8	0	3	4	8	7	2	53
South Dakota	2	4	3	2	3	13	4	11	8	9	59
Tennessee, Eastern	2	9	8	6	9	7	12	6	7	4	70
Tennessee, Middle	0	4	6	8	5	9	6	1	4	3	46
Tennessee, Western	13	8	11	16	22	19	24	5	10	14	142
Texas, Eastern	14	5	5	8	5	3	4	10	5	4	63
Texas, Northern	3	13	33	14	22	16	6	23	41	17	188
Texas, Southern	30	10	17	11	25	21	34	64	26	23	261
Texas, Western	15	21	16	27	17	9	11	15	27	27	185
Utah	2	8	5	0	6	1	7	5	3	1	38
Vermont	2	0	3	0	2	0	1	5	0	2	15
Virgin Islands	4	6	2	2	2	8	3	2	0	7	36
Virginia, Eastern	22	17	8	21	23	38	23	72	57	60	341
Virginia, Western	3	13	3	16	2	13	13	2	5	2	72
Washington, Eastern	0	3	2	3	6	1	4	5	0	0	24
Washington, Western	10	3	1	15	7	1	5	7	3	8	60
West Virginia, Northern	0	0	0	0	3	0	0	2	2	6	13
West Virginia, Southern	3	4	8	10	14	9	2	4	2	3	59
Wisconsin, Eastern	10	10	8	10	18	11	7	6	4	5	89
Wisconsin, Western	3	0	3	3	2	5	5	0	5	2	28
Wyoming	0	0	2	1	8	0	1	1	2	1	16