

CHICAGO SUN-TIMES



J. LO AND BEN – IT'S REALLY OVER PAGE 5

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CLOUT ON WHEELS

THE SCANDAL OF CHICAGO'S HIRED TRUCK PROGRAM

"If anybody's going to sit around and do nothing, it ought to be a city worker,"

one city sewer worker grumbled over the growing number of private trucks the city hires.

PAID TO DO NOTHING

A 6-month investigation finds the Daley administration spends \$40 million a year hiring private trucks that perform little or no work in a program corrupted by mob influence and patronage

Three-part series

by Tim Novak and Steve Warmbir

TODAY: Getting into the "Hired Truck Program" takes clout and often bribes, but it's easy pay once you're in.

SUNDAY: The Sun-Times found at least 15 firms either owned by mob figures or their family members.

MONDAY: Trucking firms in the program have given more than \$800,000 to the mayor and other politicians since 1996.

PART ONE ON PAGES 10-12

A SUN-TIMES INVESTIGATION, DAY ONE



Angelo Torres

Ran city's Hired Truck Program for five years

For two eight-hour days last November, this dump truck from Ox Cart Trucking parked at a city job site in West Humboldt Park. It did nothing. It arrived in the morning, parked and moved only at quitting time. It cost taxpayers \$50.17 an hour. —SUN TIMES PHOTO



CLOUT ON WHEELS

PART ONE: The scandal of Chicago's Hired Truck Program

A Sun-Times Special Report

'You put in your eight hours a day, but you just sit on the job'

Chicago's Hired Truck Program grants insiders and mob-linked cronies an exclusive and lucrative side business

BY TIM NOVAK AND STEVE WARMBIR
Staff Reporters

With no more than a handshake, Mayor Daley's administration spends nearly \$40 million a year hiring hundreds of trucks — primarily dump trucks — that often do little or no work, a Sun-Times investigation has found.

The city has a list of about 165 favorite truck companies to send to city work sites. Some owners have political clout, some are mob figures or their relatives.

Many do nothing but work for the city's Hired Truck Program, and often their operations are run out of the owners' homes. Six of every 10 aren't listed in the phone book.

But many are listed on campaign reports showing they contribute money to the mayor and other politicians — in all more than \$800,000 since 1996.

Over the last five years, more than 25 percent of the Hired Truck money has been spent on firms operating out of the 11th Ward, the mayor's political power base. The money spent on Hired Trucks has soared in recent years under Daley, increasing from 1999 to 2000 by more than 30 percent, to \$40 million.

Trucking firm owners say it's easy money. Typically, they're paid \$40 an hour or more for drivers and trucks, often splashed with rust. Recently, the city was hiring a dump truck built in 1955.

"You put in your eight hours a day, but you just sit on the job," said Jesse Brunt of Brunt Brothers Transfer. "There's no fuel cost, no wear and tear on the trucks."

At most, said Brunt, a 25-year veteran of the program, "you might have to haul a load or two."

Indeed, when Sun-Times reporters spent three days visiting two city work sites, they saw multiple dump trucks from private firms do nothing.

City workers say it's common to have the trucks show up when they are not needed. Yet, these trucks are hired day after day, at taxpayer expense.

"If anybody's going to sit around and do nothing, it ought to be a city worker," grumbled one city sewer worker over the

growing number of private trucks the city hires.

Getting paid to do little or nothing comes with a price, says another trucking firm owner, a 20-year veteran of the program who requested anonymity. It costs him about \$1,500 a year in bribes to several city employees to keep his trucks active in the no-bid program, the owner said.

"You put it in the Christmas cards," he said, referring to cash bribes. "Don't let anybody see it. You gotta do what you gotta do."

Once, the owner said, he decided to cut one city employee off his Christmas list. The response was swift.

"You know, just right after Christmas, I lost one truck" from the program, he said. "I only made that mistake once."

Besides being paid to do nothing, most trucking companies in the program pay their drivers much less than the city pays its union drivers. "It's just pure patronage," said one critic, a Teamsters official. "The whole program is a scam."

Daley's budget director, William Abolt, who is responsible for the program, acknowledged the problems identified by the Sun-Times and said he wasn't surprised by them.

"We're paying more than we need," said Abolt, without saying how much. "We are paying for trucks that we aren't using or we aren't fully using."

"There is a tendency to overdo things. We tend to send more resources than not. That's the reality of a political system."

"It is far from a perfect system." Abolt, who's been budget director since August 2002, acknowledged the city



While the Sun-Times watched this hired truck in West Humboldt Park, it went to McDonald's and Jewel, and eventually hauled a small load. —SUN-TIMES PHOTO

"You put it in the Christmas cards. Don't let anybody see it. You gotta do what you gotta do."

ONE TRUCK OWNER SAID ABOUT BRIBES HE PAYS CITY EMPLOYEES



SLOW DAY: For two days, these trucks hired by the city sat idle at a job site in West Humboldt Park, never moving until quitting time. —SUN-TIMES PHOTO



SNACK TIME: After two hours of doing nothing, the driver of this truck hired by the city decided to take a break. —SUN-TIMES PHOTO

Diary of a workday – nothing to do, nothing to say

It's bad enough when city workers loaf on the job.

Now they are often teamed up with private truckers who also do little or no work. All at taxpayer expense.

Here's what the Chicago Sun-Times found by watching a water main job site Nov. 17 at Kildare and Wabansia in West Humboldt Park. The crew was there reportedly to test a new water main.

7:15 a.m. Three dump trucks show up. One is from Ox Cart Trucking in suburban Wood Dale, another from Leo's Trucking in suburban Willow-

brook. They park on the north corners and won't move until quitting time. A third truck from LR&C Truckline in Blue Island parks on a south corner.

7:40 a.m. A fourth dump truck shows up. It's from Blaz Cartage of Chicago.

8 a.m. A truck from the city's Water Department shows up with six or seven men crammed inside. The city workers begin milling about; the hired truckers sit inside their cabs.

9:30 a.m. LR&C trucker heads to Jewel two blocks away.

9:40 a.m. Next stop for LR&C trucker, McDonald's.

10 a.m. LR&C trucker goes back to the job, parking in the same spot.

10:23 a.m. A backhoe from the city Water Department shows up and parks.

11:10 a.m. City crew piles in truck and goes to lunch, leaving hired trucks.

11:15 a.m. Blaz truck leaves.

12:10 p.m. City crew returns.

12:15 p.m. Blaz truck comes back.

12:30 p.m. City workers discover they are being watched by two men, but they don't know they are from the Sun-Times. The city crew barricades the intersection, preventing anyone from driving past to see what they are up to.

The lone backhoe stirs, loading gravel into trucks from Blaz and LR&C.

1:30 p.m. Backhoe calls it a day.

2:30 p.m. Four hired trucks leave. City water crew stays until about 3.

The next day, they all came back and did it again.

"I've never sat there for two days doing nothing, not even one day," said Leo Aguirre, owner of Leo's Trucking.

He had nothing else to say. Neither did the other trucking owners, who didn't return phone calls. And the city got the bills.

Tim Novak and Steve Warmbir

has known about the waste for years. In 1997, an audit raised many of the issues Abolt says he's trying to fix.

"Sometimes we tend to make work for companies because this is the only job they've got," he said.

He admitted there is "a lot of potential for abuse" and said the city has been working since last year to correct the problems by establishing a better paper trail to keep track of program spending. He said he has met resistance among some city employees to provide such data.

In one form or another, the city's Hired Truck Program has been around for more than 50 years. These days, the mayor's budget department decides who gets into the program, where there's no competitive bidding.

For five years, the man overseeing the program for the department was Angelo Torres. He was moved to a different city job two months ago, after Sun-Times reporters asked about the program.

Torres let his father-in-law's one-truck firm into the program. Approval came 16 days after the company, Four Queens Inc., was legally created.

Abolt said the matter has been referred to a city department for investigation.

Under Torres, two mob figures, since sentenced to prison, got their trucking firms into the program.

Three city departments — Sewer and Water, Streets and Sanitation, and Transportation — decide how many trucks they need and pick which get the no-bid business. Rather than solicit bids, the city spreads it around, which is highly unusual.

"There's no contract," said Charles Sawyer, brother of ex-Mayor Eugene Sawyer and the owner of Jim's Cartage

TOP EARNING FIRMS IN CHICAGO'S HIRED TRUCK PROGRAM

Firm	Total revenue in millions (1999 to Oct. 2003)	Owner
MAT Leasing	\$6.3	Michael A. Tadin, political supporter of Mayor Daley
Fresno Transport Inc.	\$5.1	Patricia and Paula Bogolin
Ignoffo Trucking Co.	\$5	Cyndi Ignoffo
Marina Cartage	\$4.4	Michael A. Tadin
GNA Trucking Inc.	\$4.3	Nicki and Gina Cannatello, wife and daughter of former Palos Township Democratic committeeman
BBD Trucking Co. Inc.	\$4.1	Sharon and Richard Williams
Miffy Co. Inc.	\$4	Mary Roti, relative of late Ald. Fred Roti
Andrich Trucking	\$3.9	Donald Andrich, nephew of mob boss
L.R. & C. Truckline	\$3.5	Commellie Peters and family
Dietz Inc.	\$3.5	Joseph DeFalco

SOURCE: CITY OF CHICAGO OFFICE OF BUDGET AND MANAGEMENT

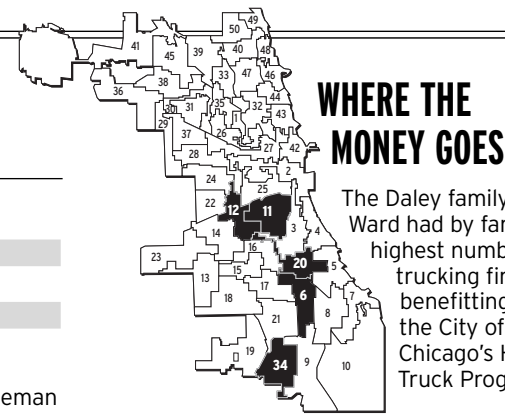
and Garage, which has two trucks in the program. "You show up for work every day until such time as somebody tells you not to show up anymore."

The Sun-Times requested copies of all bills submitted by six companies in the program for 2003. City officials could not produce bills from two of them.

The city inspector general has gotten many complaints over the years about trucks doing little or no work.

The biggest scandal for the program came in 1997, when the Department of Fleet Management was accused of giving about half of the trucking business to Michael Tadin, who has made millions off city work and is a longtime political supporter of the mayor.

Tadin was accused of double-billing the city, allegations never proven. The city reacted by placing the Hired Truck



WHERE THE MONEY GOES

The Daley family's 11th Ward had by far the highest number of trucking firms benefitting from the City of Chicago's Hired Truck Program.

Ward	Number of Firms	Total revenue in millions (1999 to Oct. 2003)
11	32	\$47.8
6	5	\$9.9
20	6	\$8.1
12	6	\$8.1
34	7	\$7.6

SOURCE: CITY RECORDS

Gavin said the firms are separate.

Like the Gavins, many families own more than one firm in the program. A few families dominate.

Tadin, for instance, has two firms in the program, and his 78-year-old aunt has one, too. Relatives of the late Ald. Fred Roti, who was the mob's representative at City Hall, have several companies in the program.

In the end, clout can get firms into the program. And that means other firms lose out. Brunt, a trucking firm owner who went from four trucks to one in the program, said clout is king.

"If you got connections," he said, "you get what you want."

Contributing: Art Golab

NEXT PAGE: Truck program director let in wife's father, mob figures



CLOUT ON WHEELS

PART ONE: The scandal of Chicago's Hired Truck Program

A Sun-Times Special Report



Angelo Torres, who ran the city's Hired Truck Program, declines earlier this month to speak to a reporter about letting his father-in-law into the program he oversaw. —SUN-TIMES PHOTO

Program director opened doors for his family, mobsters

Man who started as car booter for city triples his pay in 8 years

BY STEVE WARMBIR AND TIM NOVAK
Staff Reporters

Angelo Torres is a City of Chicago success story.

Torres, 36, started with the city on July 1, 1996, as a car booter for parking ticket scofflaws.

A little more than two years later, he was with Mayor Daley's Office of Budget and Management, deciding who could get a piece of the city's \$40 million Hired Truck Program. The city hires out mainly dump trucks to go to city work sites, but often the trucks do little or nothing.

Torres let in a colorful cast of characters.

There's the mobster whose firm got in after he was convicted for ripping off the Town of Cicero, but before he was sent to prison for 6½ years.

There's the mobbed up bookmaker whose firm thrived in the truck program while the bookie was fighting federal charges.

And there's Torres' father-in-law, who got into the program after his four daughters, including Torres' wife, told him he should stop working so hard, buy a truck and get into the city program.

The father-in-law, Arnold Anzaldua, said a local business group

"He treated me like anyone else. I hardly ever talked to him about the job."

—Truck owner Arnold Anzaldua, on his son-in-law Angelo Torres, who ran the city's Hired Truck Program and let him in without a hitch

helped him fill out the application and that his son-in-law did nothing wrong to get him into the program.

"He treated me like anyone else," said Anzaldua, 61, of southwest suburban Summit. He admits he never told the city Torres was his son-in-law.

"I wasn't asked," he said.

Anzaldua insisted no one in his family pressured his son-in-law to get Anzaldua into the program after Anzaldua "put his nickels together" to buy a truck.

Anzaldua got in quickly. Other trucking firm owners complain they wait years to get on the list.

Anzaldua created his trucking firm, Four Queens, named after his four daughters, on June 6, 2001, records show.

He got into the program 16 days later.

Anzaldua, a veteran truck driver with 30 years of experience who now has two dump trucks in the program, started getting work right away, as well.

In 2001, when he was in the Hired Truck Program for six months, his firm took in about \$50,000.

The next year, his revenue rose to \$84,000. In 2003, he made \$55,000 for the first 10 months, according to the most recent data.

"I'm barely making it," Anzaldua complained.

Torres had no comment when a reporter visited him at his Beverly home.

Two months ago, Torres was removed from his job overseeing the Hired Truck Program after the Sun-Times began investigating.

Torres has done well with the city, starting out making about \$27,000 a year and nearly tripling his salary to \$78,000 over eight years, according to the most recent figures available.

He has ties to the Hispanic Democratic Organization, a political group loyal to the mayor.

Torres has given \$700 to HDO since 1996 and has made other donations to HDO-supported candidates.

State won't enforce law that sets wage bar for drivers

Most firms in the City of Chicago's Hired Truck Program are breaking state law by paying their drivers less than the prevailing wage.

And that's OK with the Illinois Department of Labor.

In a highly unusual move, state labor officials have refused to enforce the law and make 134 companies in the program pay their drivers more as required by the Illinois Prevailing Wage Act.

The law sets minimum salaries for union and non-union workers on government jobs, but state labor officials say enforcing the law might financially cripple many of the companies, including multimillion-dollar trucking firms.

Currently, the prevailing wage for truck drivers is between \$26.90 an hour and \$28.05 an hour, and another \$7.40 an hour for benefits, according to Teamsters Local 731.

The Teamsters are suing the state, demanding that Gov. Blagojevich's administration enforce the law. Blagojevich's labor officials said they were reviewing the case, which began under former Gov. George Ryan.

The Teamsters began lodging complaints against the companies in 2001. The state investigated and found the companies were ignoring the prevailing wage act. But Ryan's labor director, Robert Healey, decided he wouldn't force the companies to obey the law.

The union sued the state in 2002. Cook County Judge Patrick E. McGann dismissed the case last spring, ruling it was within the state's power not to enforce the law. The union is appealing.

Tim Novak and Steve Warmbir

You don't have to own a truck to lease one to city

Companies don't have to own a single truck to get into the City of Chicago's Hired Truck Program.

They can just lease the trucks, even from another firm in the program, and then charge the city for using the trucks. They just can't lease any trucks from city employees or their spouses.

It's a key rule of the decades-old program designed to provide extra trucks, mainly dump trucks, to three city agencies: Streets and Sanitation, Transportation and Water Management.

The city pays \$29.31 an hour for a small dump truck with a driver. The top rate is \$94.89 an hour for a 100-yard tractor-trailer with a driver working on Sundays or holidays.

The companies can be suspended or fired for breaking the city's smorgasbord of rules. But no one can recall anyone being fired.

These are a few of the rules:

- ♦ City employees cannot own a company or a truck in the program.
- ♦ All trucks must have proof of insurance, a state license and a safety sticker.
- ♦ Drivers must have licenses.
- ♦ No sleeping, loafing or loitering on the job.

Tim Novak and Steve Warmbir

COMING SUNDAY, PART TWO

HOW THE MOB CASTS SHADOW OVER HIRED TRUCK PROGRAM

Organized crime taints Mayor Daley's Hired Truck Program. The Sun-Times investigation found at least 15 firms either owned by mob figures or their family members. And that's not the only place organized crime pops up.

SUNDAY SUN-TIMES

LUNCH WITH . . . ANN LANDERS' DAUGHTER DEBRA PICKETT, PAGE 8A

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CLOUT ON WHEELS

THE SCANDAL OF CHICAGO'S HIRED TRUCK PROGRAM



A SUN-TIMES INVESTIGATION, DAY TWO

Nick "The Stick" LoCoco was arrested in 1986 on a gambling charge which was later thrown out. At the time of his arrest, he was a city foreman overseeing truck drivers. He rose to be the city's official point man in the Transportation Department for the Hired Truck Program.

Three-part series

by Tim Novak and Steve Warmbir

FRIDAY: Getting into the "Hired Truck Program" takes clout and often bribes, but it's easy pay once you're in.

TODAY: The Sun-Times found at least 15 firms either owned by mob figures or their family members.

MONDAY: Trucking firms in the program have given more than \$800,000 to the mayor and other politicians since 1996.

MOB TIES RUN THROUGH \$40 MILLION CITY TRUCK PROGRAM

Nick 'The Stick' LoCoco, an alleged bookie with mob ties, was given the power to decide which trucking companies would get city work

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NEWS

BRIDGEVIEW WILL GET STADIUM FOR THE FIRE

Venue will have more seats than Bridgeview has residents. **Page 3A**



HAWKS LOSE 17TH STRAIGHT ON ROAD, GAIN SPOT IN HISTORY

Blackhawks extend road losing streak to franchise record with 4-3 loss to Columbus Blue Jackets. **Page 94A**

METRO

WHICH IS BETTER—MARRIED OR SINGLE?

Readers slug it out after Neil Steinberg column. **Page 19A**



CLOUT ON WHEELS

PART TWO: The scandal of Chicago's Hired Truck Program

A Sun-Times Special Report

Mob linked to trucking firms that get a big slice of \$40 million pie

Chicago's Hired Truck Program grants city insiders and mob-linked cronies an exclusive, lucrative side business

BY STEVE WARMBIR AND TIM NOVAK
Staff Reporters

When the FBI was trying to bring down the mob's 26th Street crew two decades ago, it was investigating men such as Chicago Ald. Fred Roti, his nephew, trucking magnate Fred Barbara, and Mickey "Gorilla" Gurgone, a city worker and noted safecracker.

Today, many of those men or their families are linked to trucking firms that get a big cut of a \$40 million annual City of Chicago program where nothing goes out to bid. Business is done with a handshake, without any contracts.

Indeed, nearly one out of every 10 trucking firms in the city's Hired Truck Program is either owned by alleged mobsters or Outfit associates or by family members, often women, of reputed mob figures, the Sun-Times found.

Robert Cooley, a former mob attorney who cooperated with federal authorities to destroy the Outfit, has told authorities that organized crime in the 1970s and 1980s controlled what is now called the Hired Truck Program. The late Ald. Roti, a made member of the mob, had influence over the program, Cooley has said.

The trucking companies often operate out of the owners' homes, and several lease a single dump truck to the city along with a driver. The firms are paid typically \$40 an hour and up.

Trucking companies wanting work in the program for the city's transportation department had to deal with city employee Nick "The Stick" LoCoco, a reputed juice collector and bookie.

Mayor Daley's administration put LoCoco in charge of hiring trucks for the no-bid program from 1994 until July 2002 when LoCoco retired.

When the Sun-Times told Daley's budget director, William Abolt, about its findings about the truck program and the mob, he said he was not at all surprised. Abolt is responsible for the Hired Truck Program.

"It's something you find in trucking," he said. "I can't say that I'm shocked that you found connections to organized crime in the trucking industry."

"You need better standards for people coming in. There was far too much informality, far too much discretion, as to not enough things written down, how do people get in, how do they get kicked out, how they get put on probation," Abolt said, vowing reform.

The Daley administration is no stranger to embarrassing brushes with the Outfit. Last year, two members of the Duff family were indicted on charges they set up false minority- and women-owned firms to get \$100 million worth of work. Family members have alleged ties to organized crime and are longtime political supporters of the mayor.

In 1995, the Daley administration backtracked on a \$5.5 million loan to an allegedly mobbed-up deal for a movie studio project on the West Side.

Here are snapshots of some of the men with links to firms in the Hired Truck Program and the Outfit.

'The Gorilla'

For more than 25 years, Michael "The Gorilla" Gurgone drove a truck for Streets and Sanitation while moonlighting as a top-notch safecracker, authorities say.

Gurgone, 67, of the South Side, has a history of arrests but only one significant conviction for a botched \$600,000 heist at Balmoral Race Track in 1983.

Gurgone and another man were sitting outside in a vehicle, keeping a lookout for the cops, while their partners were inside, subduing the security guards.

But the heist fell apart when a fresh shift of security guards arrived, and the burglars fled.

The men got busted years later when Duke Basile and Paul "Peanuts" Panczko, two men involved in the case, wound up squealing to federal agents. Gurgone was eventually convicted.

Gurgone got seven years for the botched burglary, the first time he was convicted. It was a stiffer-than-normal sentence because the federal judge determined that Gurgone had spent much of his life as a burglar.

Gurgone is the brother-in-law of Car-



The city paid Greg Paloian about \$182,800 for trucks in 2001, the same year he was indicted on bookmaking charges.

men Schadt Gurgone, the president of Schadt's Trucking, which is in the Hired Truck Program.

Records show Schadt's was set up with the help of a man named Michael Gurgone who lived in the South Side Mount Greenwood neighborhood. It's

the same address as the convicted burglar named Michael Gurgone, who has alleged ties to the mob, according to federal authorities. But Gurgone, the burglar, insisted in an interview he was

See **TRUCKS**, Page 24A

ABOUT THIS SERIES The Sun-Times' six-month investigation of the city's Hired Truck Program involved reporters examining thousands of pages of city records, federal and county court records and regulatory filings. Reporters staked out city work sites where hired trucks were seen doing nothing and created their own databases to track the trucking firms, the owners behind them and their contributions to politicians.



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Continued from Previous Page

Mob linked to trucking firms hired by city

not the Gurgone who helped create Schadt's.

"I don't know nothing about it," the burglar said.

Carmen Schadt said in a written response that her company was created with the help of her nephew, Michael Gurgone, a CPA. He is the burglar's son and namesake.

The city paid Schadt's Inc. \$396,562 for the first 10 months of 2003 in the Hired Truck Program, records show.

Schadt's is among many firms the city has designated as both a disadvantaged business and female-owned. The city certified Schadt's as a disadvantaged business because it is owned by a woman and it makes less than \$17 million annually.

So whenever the city hires trucks from Schadt's, it helps the Daley administration meet its goals to set aside business for disadvantaged and female-owned firms.

Schadt's leases eight trucks from Michael Tadin, whose firms make more money than any other in the Hired Truck Program. Tadin is a longtime political supporter of the mayor and grew up in the same neighborhood.

Schadt's pays Tadin 88 percent of what those trucks gross, state records show. Schadt's and Tadin say those trucks are not used in the city Hired Truck Program.

After Michael Gurgone got out of jail for the botched Balmoral burglary, he got a job as a truck driver with Tadin's Marina Cartage, police records show. Gurgone said he still works for Tadin.

Out of Schadt's came another female-owned firm owned by a Gurgone, Rhonda Vasquez-Gurgone.

She created her company, STR Enterprises, in August 2001, while she was a dispatcher for Schadt's. The growth of her business has been remarkable.

In 2001, when her business started, she made \$3,000 from private business, records show.

The next year, STR took in a total of \$438,949, including about \$117,000 from the Hired Truck Program. STR got into the program that year.

Last year, the city paid STR \$132,875 during the first 10 months, according to the most recent figures.

'Never ride a horse'

Another Outfit figure, once described as a whiz at stealing stuff off trucks, owns a trucking firm that got into the Hired Truck Program.

James "Jimmy I" Inendino has been linked to planning at least one murder and threatening to kill debtors who are behind in their juice loan payments.

But his most recent criminal conviction would seem to make him an unusual candidate for the program.

In March 2002, Inendino was convicted with the reputed Cicero mob boss and the town's crooked police chief in a kickback scheme to rip off the town. Inendino is now serving 6½ years behind bars.

While he was awaiting trial, federal prosecutors tried to revoke his bond when they alleged he bribed a city building inspector, with \$1,000 tucked inside a Chicago Sun-Times, for occupancy permits for town homes Inendino was building in Little Italy.

Despite that highly publicized background, Inendino's firm, JMS Truck-



JAMES INENDINO

Jimmy Inendino's JMS Trucking firm was approved for the program seven months after he was convicted of ripping off the Town of Cicero in a kickback scheme.

ing, got into the Hired Truck Program in November 2002, after he had been convicted. That's despite city rules that can ban from the program people who have been convicted of bribery or other crimes involving the government.

City records show Inendino operated the business out of his Darien home. JMS has taken in about \$3,200 from the Hired Truck Program. The city just started using JMS last year, after Inendino was convicted.

Inendino, a convicted loan shark, has a history of threatening to hurt people.

When one debtor didn't pay up \$250, Inendino, who has been investigated by the FBI and IRS, warned that the man "will never ride a . . . horse the rest of his life."

When another man failed to make his payment, Inendino told a colleague to tell the man "he doesn't owe anything, because when I see him, and I am going to see him, I'm going to break his f----- head."

One of Inendino's friends is Harry Aleman, the infamous hit man who was sentenced to 100 to 300 years in prison for a murder in which he was originally acquitted because the Outfit bribed the judge in the case, authorities said.

Aleman, Inendino and another part-



MICHAEL 'THE GORILLA' GURGONE

Gurgone drove a truck for Streets and Sanitation while moonlighting as a top-notch safecracker, authorities say.

ner in crime, Louis Almeida, planned the murder of a fourth associate, Robert William Harder, but the hit didn't go through because they couldn't find him, according to a federal judge's ruling.

Another Inendino friend, Greg Paloian, a convicted bookmaker, also found a sideline in the Hired Truck Program, with his firm Ruff Edge Inc.

Like Inendino, Paloian ran a small trucking company out of his home in Elmwood Park. The money came at a good time for Paloian. He was indicted in January 2001 on bookmaking charges, the same year the city began hiring about five trucks from him. That year, the city paid Paloian about \$182,800.

In March 2002, Paloian pleaded guilty in the case and later was sentenced to nearly 3½ years in prison in July in an IRS case. His company was paid nearly \$181,500 by the city in 2002. The city stopped using Paloian's trucks after he went to prison.

Miffy

Family members of the late Chicago Ald. Fred Roti have one of the most extensive networks of trucking firms in the program.

Roti was convicted of extortion and racketeering and was called a "made member" of the mob by the FBI. He was also accused of packing the city's Streets and Sanitation Department with mob members and associates. He died in 1999 after serving a four-year prison sentence.

Roti's family members are linked to six companies in the Hired Truck Program, two of them certified as female-owned firms.

One nephew, Frank Roti, has three family members who each have trucking companies in the program. In turn, all three companies lease trucks from a firm owned by Frank Roti, city records show.



ROBERT COOLEY AND FRED ROTI

Robert Cooley (left), a onetime mob attorney, maintains that the late Ald. Fred Roti (right) a made member of the mob, had influence over the Hired Truck Program.

One of those three companies, Miffy Trucking, is owned by his daughter, Mary. There are no state or city records showing that Miffy owns any trucks. The firm leases its fleet from FMR Leasing, the firm owned by Mary's father.

The city has certified Miffy as both a female-owned business and a disadvantaged business.

Miffy, which was created in 1996, is one of the top firms in the Hired Truck Program, making \$447,058 for the first 10 months in 2003, city records show.

Together, the Frank Roti family firms were paid about \$1.4 million in 2002, trailing only Tadin's companies as the top earners in the program.

Another nephew of the late alderman, businessman Fred Barbara, has a father, wife and mother-in-law with firms in the Hired Truck Program.

Fred Barbara, 56, once owned a huge trucking firm that did business with the city, but he sold it several years ago.

His wife, Lisa Humbert, owns Karen's Kartage, a firm she started in 1986 when she was Fred Barbara's secretary at his trucking company. The city paid Karen's Kartage more than \$520,000 in 2002.

Fred Barbara says his brother now runs Karen's Kartage, not his wife, and it's no longer certified as a female-owned firm.

Fred Barbara's mother-in-law, Geraldine Humbert, owns a small trucking company that has been in the Hired Truck Program since 1999. She has hired out one truck and driver to the city for \$38,720 during the first 10 months of the year.

Fred Barbara's father, Anthony, has one truck in the program.

Fred Barbara owned his trucking company when he was arrested on loan-sharking charges in 1982 along with Joseph "Shorty" Lamantia, then a reputed top aide to mob boss Angelo "The Hook" LaPietra.

Also arrested were LaMantia's adopted son, Aldo Piscitelli Jr., and Barbara's cousin, Frank Caruso, another Roti nephew. Caruso's father was

Nick 'The Stick' got to pick which trucks the city hired

Alleged bookie was the guy to see to get your truck on a city transportation job site

BY STEVE WARMBIR AND TIM NOVAK
Staff Reporters

For years, Nick M. LoCoco was allegedly the man to see to make a bet.

He was also the man to see if you wanted to get your dump truck hired by the city's department of transportation.

LoCoco started modestly with the city, but he ended up on its official Web site as the department's contact for the Hired Truck Program. Although LoCoco retired from the city more than a year ago, his name stayed on the city's Web site until two months ago, shortly after the Chicago Sun-Times asked for LoCoco's salary and work history.



IN RETIREMENT: Nick LoCoco, once a key player in the city's Hired Truck Program, in a recent photo.

LoCoco, 63, started as a driver for the city's Streets and Sanitation Department in 1968, making \$4 an hour. But authorities believe he supplemented his income by bookmaking.

LoCoco was a truck foreman with the city when he got shot by a co-worker in 1987 — not about the job, but over a payment LoCoco was allegedly trying to get on a quickly escalating juice loan.

The shooter was apparently tired of having to continue paying LoCoco the soaring interest and shot him as LoCoco sat in a car at Addison and the Kennedy, authorities said. LoCoco, grazed in

City of Chicago
Office of Budget and Management
121 North LaSalle Street
City Hall-Room 604
Chicago, Illinois 60602
(312) 744-9745
Contact: Angelo Torres

City of Chicago
Department of Procurement Services
121 North LaSalle Street
City Hall-Room 400
Chicago, Illinois 60602
(312) 744-1896
Contact: Lillie Cooper

City of Chicago
Department of Transportation
30 North LaSalle Street
Suite 1100
Chicago, Illinois 60602-2570
(312) 744-7504
Contact: Nick Lococo

CALL NICK: Until this past November, the city of Chicago Web site listed reputed bookie Nick LoCoco as the man to call if you wanted your dump truck to work for the transportation department. LoCoco's name was erased from the Web site after the Sun-Times began inquiring about his work history. He retired in July 2002.

the head by the bullet, ran as the gunman followed. The gunman was never prosecuted because LoCoco said he wanted to get on with his life.

LoCoco was named in a federal document in the Joseph "Shorty" LaMantia case, in which 10 alleged members of the 26th Street crew were indicted in 1993 on charges of running gambling operations. LoCoco was never charged in the case, but the FBI identified him as one of the people on a phone list of calls either into or out of the nerve center of the LaMantia organization.

Listed with LoCoco were alleged mobsters such as the late Ald. Fred

Roti; 1st Ward fixer Pat Marcy; current alleged Outfit underboss James Marcello, and the late Angelo "The Hook" LaPietra.

But the notoriety for LoCoco didn't hurt his career with the city. In 1994, he moved over to the transportation department where he became the point person for the Hired Truck Program. The transportation department spends more money on hired trucks than any other city department, records show.

He retired in July 2002. The Bridgeport resident receives a pension of about \$44,000 a year.

the reputed mob boss of Chinatown; his son Frank was convicted in the beating of Lenard Clark, a black teen who was riding his bike through Bridgeport.

Fred Barbara and the others were accused of trying to collect a \$20,000 juice loan from an undercover FBI agent posing as a commodities broker. Barbara and his co-defendants were acquitted.

Barbara said those allegations are more than 20 years old and are "old news."

"Show me my connection to organized crime. Did I turn the corner? You show me anything in the last 24 years that reflects to that nature," Barbara said.

'Ties to my shoes'

Carl Galione, an associate of LaPietra's former bodyguard and driver, Ronald Jarrett, owns one company in the Hired Truck Program, while his daughter owns another. Both companies share common addresses on Chicago's Southwest Side and in Downers Grove.

Galione's company, CPS Trucking, started leasing trucks to the city in 2001. The following year, his daughter's company entered the Hired Truck Program.

Galione and Jarrett were indicted on charges of rape and kidnapping in 1980, but a Cook County judge found them not guilty.

Galione, 54, spent six months in a federal prison in 1997 after he pleaded guilty to income tax evasion.

Galione said he was a childhood friend of Jarrett's but that they went

COMING MONDAY, PART THREE

POLITICS AND CLOUT: THE HIRED TRUCKS PROGRAM

Trucking firm owners admit you need clout or some political sponsorship to get into Mayor Daley's Hired Truck Program. A Sun-Times analysis shows that the trucking firms have given more than \$800,000 to the mayor and other politicians since 1996.

their separate ways.

When asked if he had any ties to organized crime, Galione laughed and said: "I've got ties to my shoes."

Other companies owned by relatives of organized crime figures also provide trucks to the city:

♦ Andrich Trucking is owned by Donald Andrich, also known as Donald Andriacchi. He is a nephew of Joseph "Joe the Builder" Andriacchi, who authorities say is a reputed top crime boss. The city has done business with Andrich Trucking for decades.

♦ Chica Trucking is owned by Patricia Cortez, sister-in-law of Chris Spina, a former city worker once fired for chauffeuring reputed mob boss Joseph "the Clown" Lombardo on city time. Spina later got his job back. Cortez started hiring out trucks to the city water department in November 2002.

Abolt says he'll unveil list of suspended companies

BY JANET RAUSA FULLER
Staff Reporter

Still in damage-control mode regarding a Chicago Sun-Times investigation into the city's clout-heavy Hired Truck Program, Mayor Daley's budget director said Saturday he will release a list this week of companies that have been red-flagged and suspended from the program.

Backing off his statement Friday that the program needs to be "fixed or scrapped," Budget Director Bill Abolt said the city will continue to hire private trucking companies to help with construction projects because it simply cannot afford to do all that work using its own equipment and crews.

"That does not mean that you don't have to identify and fix or scrap any procedures that don't work, anything that stands in the way of getting a good value for the citizens," he said.

The city has been conducting a review of all 165 trucking companies in the program, Abolt said, which will enable officials to determine which ones aren't qualified to stay in it.

He was confident the "vast majority" of the firms would "pass muster." "We are doing a complete review of

"We are doing a complete review of every truck, every company in the program."

BILL ABOLT
city budget director

every truck, every company in the program to make sure they all have the appropriate licenses, to make sure they are not in jail, to make sure they have not done anything that is inappropriate, illegal or . . . if they are not eligible for a contract with the City of Chicago, they should not be in this program," Abolt said.

On Friday, the Sun-Times published results of a six-month investigation into the \$40 million program. Today's editions detail how organized crime taints it.

Abolt called most of the mob allegations "guilt by association," but added, "It is not acceptable to be involved in criminal activity and be in this program, period. And if someone is, we will bounce them from the program, period."

CHICAGO SUN-TIMES



GLOBES ARE MOSTLY FOOL'S GOLD

Murray, Zellweger headline winners at Oscars warmup **PAIGE WISER, PAGES 38-39**

Plus: Ebert and Roeper's Academy Awards preview PAGES 40, 41

MONDAY
JANUARY 26,
2004

"FLAKY"

27° | 20°



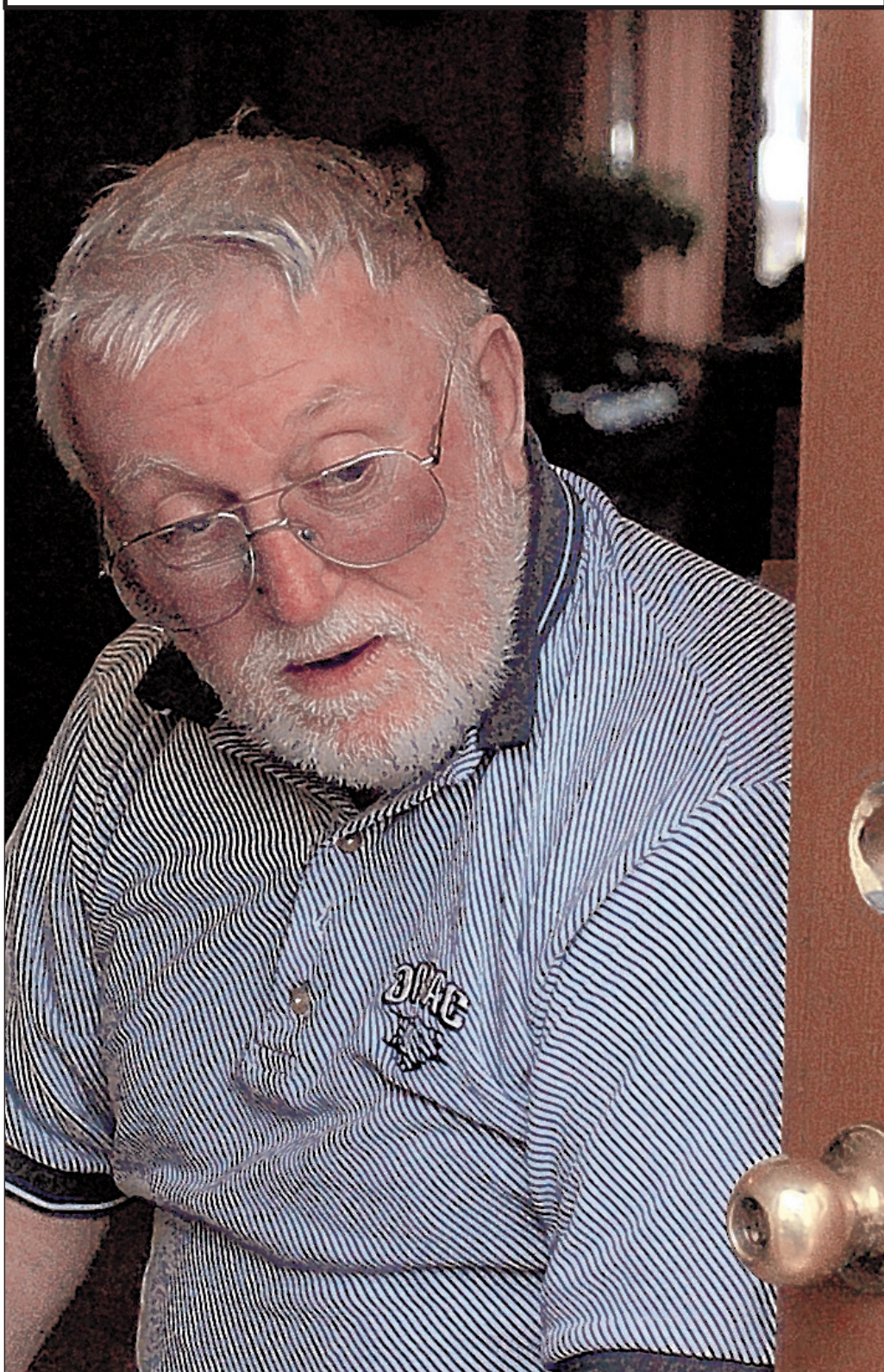
Weather forecast: Pages 2, 54



CLOUT ON WHEELS

THE SCANDAL OF CHICAGO'S HIRED TRUCK PROGRAM

A SUN-TIMES INVESTIGATION, DAY THREE



Ron Ropke, who lives four doors from the Daley home on South Lowe, says the Daleys had nothing to do with his wife getting into the Hired Truck Program. —SUN-TIMES PHOTO

HIRED TRUCKS THRIVE IN DALEY'S WARD

11th Ward companies, big and small, cash in on program — and give to politicians

BY TIM NOVAK AND STEVE WARMBIR
Staff Reporters

Drive around the 11th Ward, the political power base of the Daley family, and you can't help but run across scores of privately owned dump trucks hired by the city.

They pass by more often than CTA buses.

The dump trucks are the backbone of the Daley administration's \$40 million-a-year Hired Truck Program, which pays private contractors for the use of hundreds of trucks. The firms are hired without competitive bidding or contracts. And, often, the private trucks do little or no work.

Many of the trucking businesses picked for the city program — from the 11th Ward and elsewhere — are generous to politicians. Together, they've donated more than \$800,000 to the mayor and other politicians since 1996.

But the 11th Ward is where the city program spends more of its money than anywhere else, hiring trucks from companies that often have connections to politicians, and that sometimes have links to mob figures.

See **TRUCKS**, Page 6

Three-part series
by Tim Novak
and Steve Warmbir

FRIDAY: Getting into the "Hired Truck Program" takes clout and often bribes, but it's easy pay once you're in.

SUNDAY: The Sun-Times found at least 15 firms either owned by mob figures or their family members.

TODAY: Trucking firms in the program have given more than \$800,000 to the mayor and other politicians since 1996.

DAY THREE CONTINUES ON PAGES 6-8



CLOUT ON WHEELS

PART THREE: The scandal of Chicago's Hired Truck Program

A Sun-Times Special Report

Many truck firms in program operate out of mayor's 11th Ward power base

Continued from Page 1

Owners deny clout plays a role, but many have connections to powerful politicians

Of the 165 trucking companies in the program, 32 are based in the 11th Ward. In the last five years, \$1 of every \$4 spent on the program has gone to 11th Ward firms.

Some are multimillion-dollar businesses. Others are mom-and-pop operations run out of small homes.

Here are three 11th Ward firms in the Hired Truck Program and the people behind them:

Tee-Bert Trucking

Theresa Ropke runs her one-truck operation from her home. Ropke is four doors down from where the mayor grew up on South Lowe Avenue and where he continued to visit his mother until she died last year.

She is the 78-year-old aunt of trucking magnate and longtime Daley supporter Michael Tadin. The firm has done business with the city for about 20 years, starting under Mayor Jane Byrne.

The city paid Ropke \$47,716 during the first 10 months of 2003 for the dump truck she hired out to the city Sewer Department, according to the most recently available figures. Ropke's husband, Ron, worked in the Sewer Department for 33 years as a bricklayer before retiring June 16, 1992.

Ron Ropke said Tadin and the Daleys had nothing to do with getting his wife into the Hired Truck Program.

"She got in through me," said Ropke, 71, who calls himself "Mr. Tee-Bert."

Ropke gripes that his wife should have more city business because he lives so close to the mayor's late mother's home.

"Mr. Tee-Bert lives four houses away, and he's only got one truck working," Ropke said.

Nor has Tadin been generous to the Tee-Bert operation with his clout, Ropke said. Tadin has "got all that he needs, but not as much as he wants," Ropke said.

Tadin said he didn't help Tee-Bert get in the Hired Truck Program.

In the last five years, Tadin's two companies in the program have been paid more than \$10.5 million hiring out trucks to the city on just a handshake, with no formal contract. Tadin's firms get more money than any other company in the program, city records show.



The sign on a red dump truck parked at Elston and Austin designates it as a vehicle leased to the city. It's owned by Henry M. Streb Cartage. Streb is a former 30th Ward official and city and county employee. His two trucks netted \$89,110 from the program in the first 10 months of 2003. —SUN-TIMES PHOTO

Patricia's Trucking

Patricia Fasula, a Bridgeport neighbor of one of the mayor's brothers, Cook County Commissioner John Daley, and her husband, John, are a busy couple. Each has a full-time government job. And, with her husband's help, Patricia Fasula operates Patricia's Trucking, a two-truck firm, out of their home on South Lowe Avenue.

Fasula, 42, got into the Hired Truck Program in January 2002, six months after she created the company, while she was working for Cook County Circuit Court Clerk Dorothy Brown. Fasula's county salary is \$45,500 a year.

Her husband, John, 41, is a CTA manager making \$72,700 a year.

From the trucking firm, the Fasulas took in \$82,885 for the first 10 months of 2003.

John Daley lives a block away from the Fasulas. The Fasulas sold Daley the home and lot in 1992, after the city dragged the Fasulas into court over 19 housing violations, including broken windows, peeling paint, a dilapidated porch, a weed-strewn yard, and mice.

Asked about the Fasulas, Daley ac-

knowledgeed he bought the house from them, but he said he tore it down and built a new home on the site.

John Fasula's father was a precinct captain for the 11th Ward Democratic Organization, Daley said. But Daley said he didn't help the Fasulas, or anybody else, get into the Hired Truck Program.

Fasula and his brother, another CTA employee, once owned a towing company that worked as subcontractor on city business, but the company went bankrupt. John Fasula also once owned a cigar shop with three other men, including the brother of former 11th Ward Ald. Patrick Huels. John Fasula, his towing company and his cigar shop have filed for bankruptcy protection in the last decade.

John Fasula said he helps with his wife's trucking business. "If she needs me, I don't know any husband that wouldn't give their wife advice," he said. "I play a role in it. I think every husband plays a role in their wife's business."

John Fasula said clout played no role in Patricia's Trucking getting hired for the city program.

"We waited a long time to get in that program," he said. "I didn't get any help from anybody to get in the program."

GNA Trucking

The Cannatellos live in Palos Park and spend winters in Florida on Marco Island, but they still have Bridgeport roots. The wife and daughter of John Cannatello, former Democratic committeeman of Palos Township, own GNA Trucking, which keeps six dump trucks in Bridgeport, the family's old neighborhood.

GNA, which was started in 1987, has just one customer — the City of Chicago's Hired Truck Program, said Cannatello's wife, Nicki, who owns the company with daughter Gina.

GNA is one of the biggest woman-owned firms in the program. The city has also certified the firm as a disadvantaged business because it is owned by a woman and makes less than \$17 million a year.

GNA took in \$526,570 in no-bid work from the program during the first 10 months of 2003.

Nicki Cannatello, 56, said her husband had nothing to do with the operation of her firm, nor did his political clout get her company on the city's Hired Truck list. Her husband was the Palos Township Democratic committeeman from 1989 until 1998.

"I don't have clout," she said. "I don't dig that kind of stuff. I'm just blessed they took my application."

Nicki Cannatello started the company while she was on the payroll of the Cook County Public Health Department, where she worked for 10 years, until her retirement in 2000.

Her husband is a former city truck driver, but he's better known as the first suburban committeeman to endorse John Stroger for Cook County Board president a decade ago. After Stroger's election, John Cannatello became a maintenance supervisor with the Cook County Forest Preserve District, which Stroger also heads.

John Cannatello's late father, Ross, was a city water supervisor who oversaw the hiring of private trucks. John

Continued on next page

ABOUT THIS SERIES The Sun-Times' six-month investigation of the city's Hired Truck Program involved reporters examining thousands of pages of city records, federal and county court records and regulatory filings. Reporters staked out city work sites where hired trucks were seen doing nothing and created their own databases to track the trucking firms, the owners behind them and their contributions to politicians.

TRUCKING FIRM HEADQUARTERS?

They look like typical Chicago homes. But you're seeing company headquarters in the city of Chicago's Hired Truck Program.

Source: City records. Note that revenue numbers are through October 2003.



TEE-BERT TRUCKING INC.

Location: Bridgeport neighborhood

Owner: Theresa Ropke, aunt of trucking magnate Michael Tadin

2003 Revenue: \$47,716

Number of trucks in program: 1



FRESNO TRANSPORT CO. AND OLIVET TRANSPORT INC.

Location: Mount Greenwood neighborhood

Owner: Bogolin family members

2003 Revenue: \$929,239

Number of trucks in program: About 12

Continued from preceding page

Cannatello, 58, retired from the forest preserves in 2001.

The companies in the Hired Truck Program often get solicited for donations to politicians.

'Who's that?'

William Pacella, president of Pacella Trucking Express, said he has only one truck in the program. At first, he denied donating to city politicians, saying, "Who's that?" when asked about a \$300 contribution from his firm to state Rep. Edward Acevedo. Later in that same interview, Pacella acknowledged his firm has given money to many politicians.

Pacella said he is hit up all the time for contributions, but no one tells him who should get donations. Pacella's family has at least two other businesses in the program, but he said each is run independently.

Overall, companies in the Hired Truck Program have given more than \$800,000 since 1996 to various politicians, from House Speaker Michael Madigan to Gov. Blagojevich to a host of Hispanic politicians to John Daley and his 11th Ward Democratic Party organization. Since 1996, John Daley and his ward organization have taken in more than \$47,500 from firms in the Hired Truck Program.

The mayor got at least \$108,575 from the trucking companies in the same

EDITORIAL: It's past time for city to fix the Hired Truck Program mess. **Page 35.**

period.

One of the bigger contributors to politicians has been Tadin, whose Marina Cartage and MAT Leasing are two of the top-paid companies in the Hired Truck Program. They were paid about \$1.5 million in the first 10 months of 2003 — roughly 5 percent of the city's hired truck money. He used to get more — half of what the city paid for private trucks — until he got caught up in a scandal that embarrassed the mayor. In 1997, a city official was accused of steering the hired truck business to Tadin, and Tadin was accused of over-billing the city for trucks.

The city official got demoted and had his pay slashed, the city said it would reform the program, and though Tadin never faced any criminal charges or had to pay back any money, the work ended up getting spread around to an ever-growing number of companies.

This scandal followed another one also involving Tadin. Tadin had provided a \$1.25 million loan to a security company co-owned by Huels, then the 11th Ward alderman. The loan came after Tadin got a \$1.1 million city subsidy for his trucking headquarters, with help from Huels. The alderman resigned.

Tadin leases eight trucks to Schadt's Inc., a female-owned trucking outfit in the 11th Ward. Schadt's does hire out trucks to the city, but not the ones Schadt's leases from Tadin, both firms said in statements.

Records show Schadt's was set up with the help of a man named Michael Gurgone, who lived in the South Side Mount Greenwood neighborhood. It's the same address as a convicted burglar named Michael Gurgone who has alleged ties to the mob, according to federal authorities, and who has driven trucks for Tadin. But Gurgone, the burglar, insisted in an interview he is not the Gurgone who created Schadt's.

"I don't know nothing about it," said the burglar, who is the brother-in-law of Carmen Schadt Gurgone, president of the trucking firm.

Tadin also has been a business partner of Fred Barbara, a former trucking company owner whose wife and mother-in-law own companies in the Hired Truck Program. Fred Barbara is a nephew of the late Ald. Fred Roti, who was the mob's man at City Hall.

Barbara said his success had nothing to do with his late uncle's clout.

"I was there for one reason, service, not because my uncle is an alderman," Barbara said. "We built our business on service."

Other Roti family members also run companies in the 11th Ward that hire out trucks to the city. They are among the companies the city uses most often.

Here are some other clout-heavy trucking firms and the people behind them.

♦ McCurrie Teaming Co., founded in 1876 in the Chicago Stockyards, is run by the widow and son of Richard J. McCurrie, a Chicago Police officer who served as a bodyguard to Mayor Richard J. Daley. Based in the 11th Ward, McCurrie Teaming was paid about \$455,255 for the first 10 months of 2003 by the Hired Truck Program.

McCurrie trucks have worked for the city for nearly 40 years, said Richard McCurrie, starting "when I was 10 or 12 years old. I'm 50 years old now. How it came about, I don't know. It came

See TRUCKS, Page 8



PATRICIA'S TRUCKING

Location: Bridgeport neighborhood

Owner: Patricia Fasula, county employee whose husband works for CTA

2003 Revenue: \$82,885

Number of trucks in program: 2



CLOUT ON WHEELS

PART THREE: The scandal of Chicago's Hired Truck Program

A Sun-Times Special Report

Family members of the late Chicago Ald. Fred Roti have one of the most extensive networks of trucking firms in the program.

Continued from Page 7

about because of my father."

Unlike other companies in the program, McCurrie said his firm also has other clients besides the city.

♦ Fresno Transport Inc., the top-paid female-owned firm in the Hired Truck Program, is owned by sisters-in-law Paula and Patricia Bogolin. They run the company from Patricia Bogolin's home in the Mount Greenwood neighborhood.

The city paid Fresno \$672,458 during the first 10 months of 2003, for as many as eight trucks, Patricia Bogolin said. Fresno has been in the Hired Truck Program about 10 years, but Bogolin said she doesn't remember how they got in.

Patricia Bogolin also runs an insurance company. Her sister-in-law co-owns Bacchanalia Ristorante in the 2400 block of South Oakley.

Patricia's husband, Gary, owns a smaller trucking firm also in the city program, Olivet Transport, that he runs from their home. Olivet was paid \$256,781 for the first 10 months of last year. Patricia Bogolin said the firms are separate and don't share trucks.

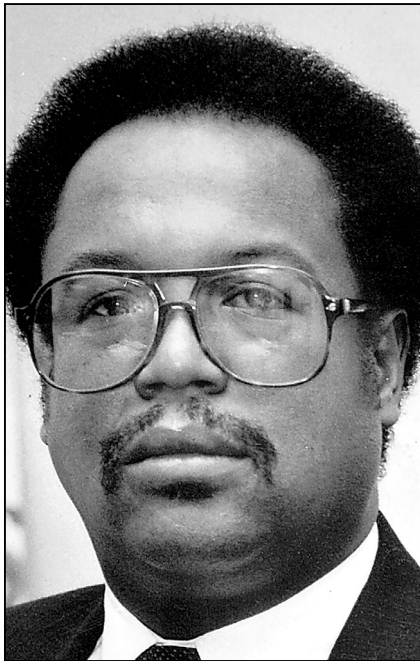
The Bogolins and their firms made \$10,745 in contributions to political campaigns since 1996, state records show, with state Sen. Antonio Munoz the top recipient, at \$4,120.

♦ BBD Trucking, Inc., the largest black-owned firm in the Hired Truck Program, is owned by Richard and Sharon Williams of Flossmoor. The program paid BBD \$547,740 for the first 10 months in 2003. Richard Williams declined to comment. The Williamses and their business have made \$10,800 in campaign contributions since 1996, with Ald. William Beavers (7th) getting the largest share — \$4,500.

♦ Henry M. Streb Cartage is owned by a former manager of the now-closed Meigs Field. His two dump trucks brought in about \$89,110 from the Hired Truck Program in the first 10 months of last year. For years, Streb, 70, ran the 30th Ward Democratic organization for Ted Lechowicz, the former Cook County commissioner and state senator. During those years, Streb worked for the city's Streets and Sanitation Department and the Cook County Probation Department. His government pensions pay him \$22,492 a year. Streb did not return calls.

♦ William E. Jackson Sr. runs Wejac Inc. Jackson also has served on the Illinois Racing Board since being appointed by Gov. Jim Edgar in 1994. His company was paid about \$66,400 for the first 10 months of last year for leasing trucks to the city. Jackson did not return calls.

♦ Michael West, a Cook County government employee, runs West Excavation and Hauling, a one-truck firm that got into the program 15



Charles Sawyer, brother of former Mayor Eugene Sawyer, owns two trucks that were paid \$132,660 during the first 10 months of last year.

months ago. His brother, Paul West, is a truck driver for the city, but Michael West said he has nothing to do with the company. The West brothers have both donated to Stroger, and the business made \$53,682 from the city program for the first 10 months of 2003.

♦ Former Mayor Eugene Sawyer's brother Charles owns Jim's Cartage and Garage at 90th and Halsted streets. His two dump trucks were paid about \$132,660 during the first 10 months last year under the program. Charles Sawyer, a former city revenue director, said the company was already in the Hired Truck Program when he bought it in 1987.

Charles Sawyer said his company owns only two trucks that work for the city exclusively.

"I don't have any clout," he said. "There are a lot of people in the program that filed all of their documents, and somehow they got blessed."

REQUEST DENIED

Want to see a critical audit of the Hired Truck Program in 1997?

One taxpayers paid for?

One that documents problems and waste and offers solutions to a \$40 million program plagued by controversy?

Too bad.

The City of Chicago's Legal Department on Jan. 21 refused a request by the Sun-Times to view the Ernst & Young audit.

The city says it is a document "that would not be subject to discovery in litigation." It adds, "it was prepared with respect to an internal audit of a public body."

Blacks, Hispanics dispute who's getting business

In the Hired Truck Program, there are winners and losers.

Who fits in what category depends on whom you ask.

Black trucking firm owners say they are getting aced out of business by their Hispanic competitors.

The Hispanics, though, say they aren't getting nearly enough work for their trucks. And that there aren't enough Hispanic firms in the program.

"We get a very, very small percentage of what the program offers," said Leovaldo Aguirre of Leo's Trucking, who got into the program in September 2001.

"I have registered three [trucks], but they only give me a job for one or two at the most," Aguirre said.

Another Hispanic owner claimed that of the 165 firms in the program, there were

only a dozen Hispanic trucking firms.

But several longtime trucking firm owners who are black say they are losing business to Hispanic firms.

They argue that's happened as the political power of Hispanics has grown.

"They came by and took the signs off my truck last year and put them on one of the Spanish guy's," said Lawrence Harmon, of Harmon's Motor Service, one of three firms his family has in the Hired Truck Program.

Another black owner, Jesse Brunt of Brunt Brothers Transfer, said he believes Hispanics are pushing him out.

"You can ride around on all the jobs, and you can see more Hispanics than there used to be.

"Everybody wants to live."

Tim Novak and Steve Warmbir

TOP 10 POLITICIANS

These politicians got the most money from trucking firms in the City of Chicago's Hired Truck Program since 1996. This includes all funds controlled by the politician, including ward committee funds.



①

Mayor
Daley
\$108,575



②

Former governor
George Ryan
\$64,650



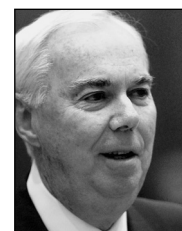
③

House Speaker
Mike Madigan
\$53,250



④

Cook Cty. Commissioner
John Daley
\$47,525



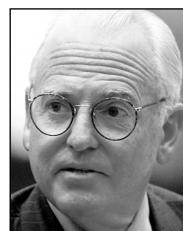
⑤

Alderman (33rd Ward)
Dick Mell
\$40,830



⑥

State Senator
Antonio Munoz
\$35,080



⑦

Alderman (14th Ward)
Edward Burke
\$29,450



⑧

Gov. Blagojevich
\$22,285



⑨

Will County State's Atty.
Jeff Tomczak
\$20,570



⑩

Alderman (39th Ward)
Margaret Laurino
\$19,700

Contributions flow to Will County prosecutor

Jeff Tomczak is the state's attorney for Will County, but he's a favorite of trucking firms working exclusively for the City of Chicago.

Many of those companies worked in the Hired Truck Program for the city Water Department, where Tomczak's father, Donald, the first deputy water commissioner, wielded power over which trucks would work.

And which trucks wouldn't.

Jeff Tomczak had no problem taking money from the firms. He has received more than \$20,000 from firms in the Hired Truck Program.

"I do have support from people in Chicago," Tomczak explained. "My father did work for the Water Department. People try to raise money for you. If there's a problem, you return the money."

Among the firms that contributed to Tomczak was JMS Trucking, a firm owned by James "Jimmy I" Inendino, a reputed mobster and convicted loan shark with a talent for stealing items off trucks.

JMS sent Tomczak a check for \$1,500 on Oct. 30, 2000.

Tomczak said he returned the money four days later.

But his official campaign report states there was no money to return because the company's check bounced.

"People will try to sneak in donations in the campaign, but it's whether you have the ability to catch it," Tomczak said.

"My actions speak louder than my words."

Tim Novak and Steve Warmbir

Government retirees find renewed life – and source of income

Some retired government workers have found a second career with the City of Chicago's Hired Truck Program.

William Bausal retired from the city Sewer Department five years ago with a pension of \$31,433. Eighteen months later, he was back in business, setting up Bausal Trucking, whose sole customer is the city's Hired Truck Program.

The city paid Bausal \$322,416 for his six dump trucks and drivers during the first 10 months of 2003.

Bausal, 70, didn't want to discuss how he got into the program.

Herbert L. Walker set up Honeybee Trucking in 2001, three years after he retired as a truck driver from the city's Streets and Sanitation Department.

Walker, 66, gets a \$33,498 pension. And the city paid Honeybee \$68,416 for dump trucks during the first 10 months of 2003.

"We have one that's working right now," said Walker's wife, Mary Sue.

Josephine Goldsby retired in 1985 as a custodial worker for the Chicago Board of Education. Today, Goldsby, 87, is president of W.B. Goldsby, a

woman-owned firm she runs with her children. The city paid Goldsby \$251,425 for its dump trucks during the first 10 months of 2003.

Goldsby's daughter, Pearlle Spells, said her late father, who used to work for the CTA, got the family's firm into the program but wasn't sure how.

Tim Novak and Steve Warmbir

CHICAGO SUN-TIMES



HOLLYWOOD HIT BY A BABY BOOM

Gwyneth Paltrow, Cate Blanchett and Courteney Cox to get new role: mom **PAGE 40**

TUESDAY
JANUARY 27, 2004

"AN ADDED INSULT" **28°** | **14°**

Weather forecast: Pages 2, 64



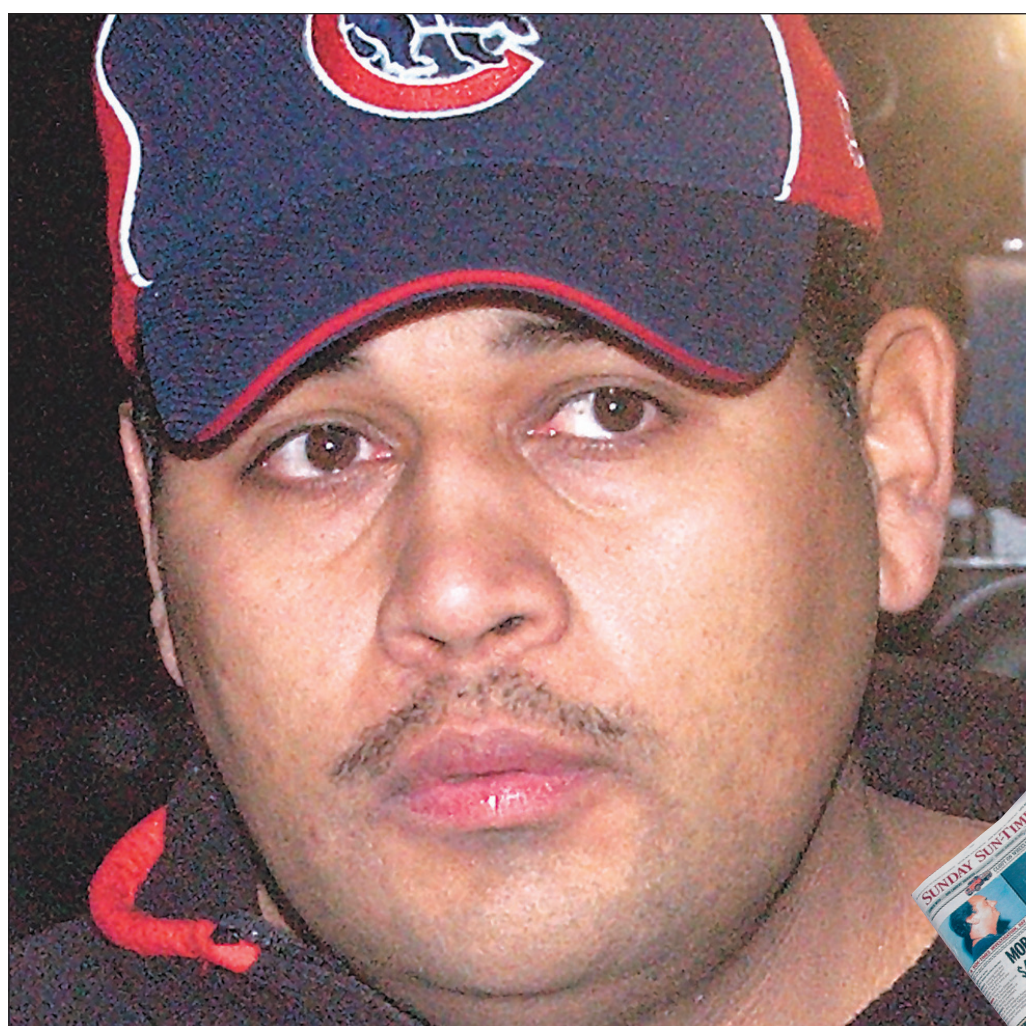
CLOUT ON WHEELS

THE SCANDAL OF CHICAGO'S HIRED TRUCK PROGRAM

"Don't worry about it. I'll take care of you,"

Angelo Torres reassures a trucking firm owner offering a bribe, according to the FBI

FBI ARRESTS FORMER 'HIRED TRUCK' BOSS



Angelo Torres, who has been fired from his Transportation Department job, leaves the Metropolitan Correctional Center Monday after being freed on bond. —KEITH HALE/SUN-TIMES

Feds subpoena city records of \$40 mil. program that pays many trucking firms for little or no work

The local head of the FBI calls the scandal "absolutely offensive." The Sun-Times series revealed links to clout, campaign money and the mob. Now the city has fired Torres and suspended seven companies. **PAGE 5**



THE CHICAGO SUN-TIMES
"CLOUT ON WHEELS"
STORIES BEGAN JAN. 23

METRO

Judge tosses out slavery lawsuit



Hannah Jane Hurdle-Toomey holds cotton seeds and a mini bale of cotton. —BRIAN JACKSON/SUN-TIMES

"This illustrates our struggle, the injustice, the disrespect. But our conscience is clear. . . . I have done no injustice to anyone and I can look anyone in the face."

—HANNAH JANE HURDLE-TOOMEY, a descendant of slaves who remains optimistic she and others will one day win reparations. **Story by Curtis Lawrence, Page 6**

NEWS

POLLS PUT DEAN AND KERRY ATOP NEW HAMPSHIRE FIELD

But the battle for third place may determine who lasts beyond today's primary. **Pages 3, 21**

SPORTS

LINGERIE BOWL

Halftime peep show annoys the women of the Chicago Force. One tells Carol Slezak she'd like to play the models, but they'd have to sign waivers, "because we'll be charged up." **Page 103**



MORE TOP STORIES

Stock prices soar as Dow hits 2 1/2 year high
Business, Page 49

Two resign, one may be fired in school overtime probe
Metro, Page 3

What's in a name? Ask 300 Saddam Husseins
News, Page 19

Up to 8 Sept. 11 hijackers may have used fake visas
News, Page 20

Feds indict ex-head of hired trucks

**Former gang member
charged with taking
bribes in city program**

BY TIM NOVAK, STEVE WARMBIR
AND FRAN SPIELMAN
Staff Reporters



CLOUT ON WHEELS

A Sun-Times Special Report follow-up

EDITORIAL: Maybe feds can shake city asleep at the wheel. **Page 27.**

In the growing scandal over Mayor Daley's Hired Truck Program, a former gang member who ran the program was charged with shaking down a trucking firm owner for cash, authorities said Monday.

Angelo T. Torres, 36, a onetime Two Six gang member now living in Beverly, allegedly received at least \$3,800 in bribes from the owner from 2001 to 2003.

In turn, Torres is accused of steering at least \$50,000 in hired truck business to the unidentified owner, according to an FBI affidavit in the case.

The firm owner secretly recorded conversations with Torres for the FBI. In one talk in which the businessman offered a bribe, Torres assured him that he and other owners would work through the winter.

"Don't worry about it. I'll take care of you," Torres said. "All of you guys are gonna have something going . . ."

Federal prosecutors are interested in much more than Torres. They slapped a subpoena Monday on City Hall seeking a slew of records on the city's \$40 million Hired Truck Program.

The subpoena came as the Chicago Sun-Times finished its three-part series on the Hired Truck Program showing that many trucks do little or nothing at taxpayer expense.

Some trucking firm owners have

political clout or give contributions to politicians, including the mayor, while some owners have links to organized crime. Firms in the Hired Truck Program provide dump trucks and drivers at city work sites for rates ranging from \$29 to \$94 an hour.

The head of the FBI in Chicago, Thomas Kneir, called the trucking scandal "absolutely offensive." He announced that the FBI was creating a hotline at (312) 786-2686 for people with tips on corruption in the program.

The city late Monday announced it was suspending seven trucking firms from the program for violating program rules. The city refused to say why.

Also on Monday, the city fired Torres from his job in the Transportation Department. He was transferred to that job last November after he was removed from his post overseeing the Hired Truck Program. The reassignment came as the Sun-Times began asking questions about Torres.

City Corporation Counsel Mara Georges said the city is investigating the program and is cooperating with federal authorities.

The same response is likely to come from Chicago aldermen, who walked the political plank in support of a Daley budget painfully balanced with 1,414 job cuts and a \$50.5 million tax package.

Union leaders — whose members took one unpaid furlough day



Angelo Torres leaves the Metropolitan Correctional Center after being released on \$25,000 bond Monday. Torres is accused of taking at least \$3,800 in bribes from the owner of a trucking firm. —KEITH HALE/SUN-TIMES

WHOSE TRUCKS ARE IDLED

The scandal swirling around the City of Chicago's Hired Truck Program resulted in suspensions Monday for seven companies. All but one were mentioned in the Chicago Sun-Times series detailing waste and abuse in the program.

The companies were suspended indefinitely for "specific violations of the Hired Truck Program rules," said Lisa Schrader, spokeswoman for Mayor Daley's Office of Budget and Management, which runs the program. She refused further comment.

Here are the seven companies:

◆ **Blaz Cartage of Chicago, owned by Scott Janczak.** Blaz owned one of the four trucks that did little or no work at a city job site the Sun-Times visited last November. The city paid Blaz \$243,417 during the first 10 months of 2003.

◆ **Four Queens of Summit, owned by Arnold Anzaldúa.** His firm was let in

the program by his son-in-law, Angelo Torres, who was charged Monday with taking bribes from a firm in the program. The city paid Anzaldúa \$54,765 in the first 10 months of 2003.

◆ **Gavin Construction of Chicago, owned by John Gavin.** He was suspended once before after being caught giving a \$100 bribe to a clerk in the program. The city paid Gavin \$153,205 during the first 10 months of 2003.

◆ **JMS Trucking of Darien, owned by James Inendino, a reputed mobster.** Torres let JMS into the program in 2002, seven months after Inendino was convicted of ripping off the town of Cicero in a kickback scheme. The city paid JMS \$3,210 during the first 10 months of 2003.

◆ **Miffy Co. Inc., of Chicago, owned by Mary Roti, a relative of the late Ald. Frank Roti.** No city or state records show that Miffy, a certified woman-owned business, owns any trucks. The company leases dump trucks from FMR Leasing, a company

owned by her father Frank Roti, the alderman's nephew. Miffy then supplies those trucks to the city, according to city records. The city paid Miffy \$447,058 during the first 10 months of 2003.

◆ **Rotondo Trucking Co., of Chicago, owned by Salvatore Rotondo.** The company wasn't part of the Sun-Times series. The city paid Rotondo \$143,279 during the first 10 months of 2003.

◆ **Schadt's Inc., of Chicago, owned by Carmen Schadt Gurgone,** a sister-in-law of a convicted burglar who federal authorities say has connections to organized crime. Schadt's leases eight trucks from Michael Tadin, a trucking magnate and political supporter of the mayor. Tadin gets 88 percent of gross revenue from those trucks. The city hires trucks from Schadt's, but both companies insist those aren't the trucks owned by Tadin. The city paid Schadt's \$396,562 during the first 10 months of 2003.

*Tim Novak, Steve Warmbir,
Fran Spielman*

"My hope is that they'll find that there were inefficiencies in the program and that nothing rose to criminal conduct," Georges said.

For the first time Monday, Daley, who is traveling out of state, issued a statement on the scandal: "I want to assure the public that we take these kinds of allegations seriously and will deal with them severely whenever and wherever they occur."

Torres had run the Daley Administration program since 1998, a long way from his first city job in 1996 as a car booter with the parking enforcement program.

Torres belonged to the Two Six street gang, confirmed Irving

Spergel, a University of Chicago professor emeritus of sociology. Torres once worked with Spergel on a gang intervention project. The Two Six gang has been described by Chicago police as "one of the largest and most dominant Mexican street gangs in Chicago."

Torres has no criminal record but has had two orders of protection filed against him for allegedly threatening to harm his wife and a former girlfriend.

Torres was arrested Sunday at home. FBI agents had planned on arresting him this Friday but sped up his arrest after the Sun-Times reported on Torres late last week.

While running the Hired Truck Program, Torres let mobsters into the program, as well as his father-in-law's two-truck firm, the Sun-Times found.

"FBI agents go out looking for crime," U.S. Attorney Patrick Fitzgerald said. "Reporters go out looking for crime. Sometimes we find the same crime."

Torres had no comment as he left the Metropolitan Correctional Center on Monday, free on \$25,000 bond. His father said Torres would be cleared.

Contributing: Mark Brown, Lucio Guerrero, Frank Main and Ana Mendieta

City's cries of poverty ringing hollow with union leaders, aldermen

BY FRAN SPIELMAN
City Hall Reporter

The next time Mayor Daley goes hat-in-hand to union leaders and asks for cost-cutting concessions, he's likely to get a two-word answer: "Hired Truck."

to tide the city over until early retirement kicks in — believed the mayor when he said the cupboard was bare. Now they find out \$40 million a year was slipping through the city's fingers.

"It's going to be harder to negotiate after this — harder for us to

accept what they're saying," said Mike O'Neill, president of the Chicago Building Trades Council.

The same point was made by Fraternal Order of Police President Mark Donahue, whose members are still waiting for a new contract. "It'll be given consideration when

we're informed that the city is broke and has no money to offer."

Aldermen who rarely criticize the mayor were equally incensed. "I question why it's gone on so long . . . when we're asking employees to give days up," said Ald. Tom Murphy (18th).