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**MSI trial thorny issue for Edgar the politician**

By Dave McKinney

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SPRINGFIELD-Q.: You testified you thought you were being a loyal employee to the governor doing what you did, is that true?

A.: Yes, that is true.

Q.: Were you being loyal to the people of the state of Illinois?

A.: No.

That recent exchange in federal court between former Public Aid administrator Curtis Fleming and his questioner, Assistant U.S. Attorney Patrick Chesley, best sums up why the ongoing MSI corruption trial has become one of Gov. Edgar's biggest political headaches.

Perhaps as early as next Tuesday or Wednesday, defense sources say, Edgar will get the chance to tell his side of the Management Services of Illinois story.

If Edgar testifies, he will be the first sitting governor since 1922 to take the witness stand in a criminal matter. The last chief executive in the witness chair was Len Small, who was indicted but later acquitted on conspiracy and embezzlement charges from his World War I-era term as state treasurer.

Former Governors William Stratton, Otto Kerner and Dan Walker all faced criminal charges but appeared in court after they had finished their terms in office.

MSI was among Edgar's most generous political donors during his two runs for governor. Its job was to collect money from health insurers to repay claims the state Public Aid department had paid out on behalf of privately insured Medicaid clients.

Through four weeks, testimony in the MSI case has supremely challenged the spin artists for the Edgar administration and the Senate Republicans, who each profited from MSI's campaign contributions.

Fleming and others have said the deal that allegedly bilked taxpayers out of $ 7.1 million originated within Edgar's office, with former deputy chief of staff Michael Belletire as the chief architect. He has not been charged and has denied wrongdoing.

Fleming, who awaits sentencing after pleading guilty to mail fraud and misapplication of government funds, testified that Belletire "dictated" terms of a 1993 contract renegotiation with MSI. That overhaul enabled the firm to raise its collections from the state from $ 417,000 to $ 11.2 million in one year.

"Both of Edgar's positions in this are terrible: Either he didn't know what was going on in his own office or he knew what was going on and thought there was nothing wrong with it," said J. Terrence Brunner, executive director of the Better Government Association, which plans to question the Edgar administration's handling of the MSI contract at a press conference today.

For months, the spin out of Edgar's second-floor Capitol office has been denial. While crediting his administration for launching the initial probe into MSI, Edgar has pinned the blame for the scandal on Fleming and an indicted underling, Ron Lowder, who each oversaw the state welfare agency's day-to-day dealings with MSI.

Fleming has admitted taking bribes and trips from MSI's indicted former owner, Michael Martin. Fleming also testified he filed false tax returns that did not report the $ 16,000 in cash he obtained from Martin.

"Mr. Fleming, I think, is someone who has admitted he's taken a bribe, and that's the source of this. I think I would wait, if I were you, until you hear all the witnesses. Once this is all concluded, and the trial is over, I'll be happy to go into great detail," Edgar told statehouse reporters a week ago.

"I don't think I've been charged with anything, have I? Is there something I've missed in one of your stories?" Edgar said.

Edgar continues to be the most popular Republican in the state. A poll commissioned in June by House Minority Leader Lee Daniels showed that nearly seven out of 10 Illinoisans approved of the governor's job performance, consistent with Edgar's own internal polls.

Nonetheless, his potential opponents are lying in wait, hoping the corruption trial will make him politically vulnerable for whichever office he chooses to seek: governor or U.S. senator.

"He has a lot of good will to draw down on," said political consultant David Axelrod, who is working for likely Democratic gubernatorial candidate John Schmidt. "But one would have to believe there are a lot of other places than a courtroom that the governor would rather be on a nice summer day, particularly a year before the election.

"I'm not sure you're going to be able to carry corruption directly to Edgar's door. But on the other hand, based on this trial, I would say he is not a likely candidate for manager of the year," Axelrod said.