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**Public Aid official hit with fraud charges**

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SPRINGFIELD-An investigation into fraud at the state Public Aid Department broadened Thursday with the indictment of the deputy director.

A federal grand jury indicted James R. Berger, 41, of Springfield, in connection with an alleged bribery scheme involving a politically connected computer services company known as Management Services of Illinois Inc.

As part of an investigation into at least $ 7.1 million in phony state contracts, Berger is charged with 16 counts of mail fraud and one count of misapplication of funds.

The indictment alleges that between January and March, 1994, Berger and a lower-ranking Public Aid official under indictment, Ronald D. Lowder, authorized paying $ 4.55 million to MSI for work it already had been paid for.

Public Aid Director Robert Wright on Thursday suspended Berger without pay. As deputy director, a post Berger advanced to in February, 1994, after two decades in state government, he made $ 85,404 a year.

Berger's indictment alleges that he and another indicted Public Aid administrator, Curtis Fleming, also signed off on a lucrative overhaul of MSI's contract with the agency to screen Medicaid clients for private health insurance.

In 1993, MSI -- a heavy campaign contributor to Gov. Edgar and other top GOP officials -- submitted invoices and vouchers to the state for $ 417,080. But during 1994, after the company's Public Aid contract was renegotiated, billings exceeded $ 11.2 million.

Fleming, who had been among four company or agency officials originally indicted, entered a negotiated guilty plea on mail fraud and money laundering charges this month. He is scheduled to be sentenced Jan. 13 in Springfield.

"I have to assume that Mr. Fleming, who certainly had ample reason to want to cooperate, has said something about Mr. Berger," said Berger attorney Bruce Stratton. "But our position . . . is that Mr. Berger is not guilty and didn't do anything wrong."