

## Illinois House of Representatives

# Special Investigating Committee Petition

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### Authority

The Legislature Article of the Illinois Constitution grants explicit authority to organize the business of each house. Article IV, Section 6 (d) of the Illinois Constitution, specifically provides the following (emphasis added):

*Each house of the Illinois Legislature shall determine the rules of its proceedings, judge the elections, returns and qualifications of its members and choose its officers. No member shall be expelled by either house, except by a vote of two-thirds of the members elected to that house. A member may be expelled only once for the same offense. Each House may punish by imprisonment any person, not a member, guilty of disrespect to the house by disorderly or contemptuous behavior in its presence. Imprisonment shall not extend beyond twenty-four hours at one time unless the person persists in disorderly or contemptuous behavior.*

The Rules of the Illinois House, as adopted for the 101<sup>st</sup> General Assembly in House Resolution 59, details how disciplinary proceedings against a member may be commenced. House Rule 91 details the following:

Disciplinary proceedings may be commenced by filing with the Speaker and the Minority Leader a petition, signed by 3 or more members of the House, for a special investigating committee. The petition shall contain the alleged charge or charges that, if true, may subject the member named in the petition to disciplinary action by the House and may include any other factual information that supports the charge or charges.

Upon filing the petition, a special investigating committee consisting of 6 members shall be created. The Speaker shall appoint 3 members from the majority caucus and the Minority Leader shall appoint 3 members from the minority caucus. The Speaker shall appoint the Chairperson from among the 6 members. Members signing the petition may not be appointed to the special investigating committee. The contents of a petition for a special investigating committee shall be confidential until the appointment of all members except as to the member named, the members signing it, the Speaker, the Minority Leader, and the members of a special investigating committee.

### Overview

On July 17, 2020, the United States Attorney for the Northern District of Illinois released a Deferred Prosecution Agreement (“DPA”) with Commonwealth Edison (“ComEd”) in Case Number 1:20-cr-00368, where ComEd acknowledges and agrees that ComEd engaged in a

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bribery scheme with Public Official A and individuals closely associated with Public Official A from 2011-2019. In the DPA, Public Official A is referred to as the Speaker of the House of Representatives. Michael J. Madigan was the Speaker of the House from 2011-2019 and is still the Speaker today. Public Official A is Michael J. Madigan. ComEd admits to corruptly providing, offering and agreeing to give things of value, namely jobs, vendor subcontracts, and monetary payments associated with those jobs and subcontracts for the benefit of Madigan and his associates, with the intent to influence and reward Madigan. ComEd admits to bribing Madigan and his associates with jobs, contracts and payments in an effort to influence Madigan to assist ComEd with respect to legislation concerning ComEd and its businesses.

On August 10, 2020, a group of individuals and businesses filed a lawsuit in federal court on behalf of themselves and all class members similarly situated, against Michael Madigan, ComEd, and individuals that were part of the DPA entered into on July 17<sup>th</sup>. *Potter v Madigan (No. 20 cv 4675)* alleges that Speaker of the House Madigan and ComEd engaged in a pattern of racketeering and a racketeering conspiracy that involved extensive bribery of Madigan associates, honest services fraud, and mail and wire fraud. Unlike the DPA, the lawsuit includes names of individuals involved in the alleged scheme. In *Potter*, Public Official A is Illinois House Speaker Michael J. Madigan (“Madigan”)<sup>1</sup>.

## **Background**

As stated in the DPA, ComEd is the largest utility company in Illinois. It employs over 6,000 individuals, and delivers electricity to approximately 70% of Illinois’ population. It operates from its headquarters in Chicago.

As a utility, ComEd is subject to extensive regulation by the State of Illinois. The State of Illinois regulates the rates that ComEd may charge its customers, as well as the rate of return ComEd may realize from its business operations. The Illinois General Assembly has routinely considered bills and passed legislation impacting ComEd’s operations and profitability.

ComEd was aware that as Speaker of the House of Representatives and longest serving member of the House of Representatives, Madigan was able to exercise control over what measures were called for a vote in the House of Representatives and had substantial influence and control over fellow lawmakers concerning legislation, including legislation that affected ComEd.

For example, in 2011, the Illinois General assembly passed the Energy Infrastructure and Modernization Act (“EIMA”). The passage of EIMA improved ComEd’s financial stability by providing ComEd a regulatory process that allowed ComEd to reliably determine rates it could charge customers and determine how much money ComEd was able to generate from its operations. In 2016, the Illinois General Assembly passed the Future Energy Jobs Act (“FEJA”), which renewed a regulatory process that was beneficial to ComEd. The anticipated benefits to ComEd from EIMA and FEJA exceeded \$150,000,000.

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<sup>1</sup> *Potter v. Madigan*, at 7

Individual A, reported to be Michael McClain<sup>2</sup>, is a very close confidante of Madigan. McClain served in the Illinois House of Representatives with Madigan from 1972 until approximately 1983. After his service as a member of the Illinois House of Representatives, McClain served as a lobbyist or consultant for ComEd for an extended period of time including from 2011 until 2019. McClain played a pivotal role in the Madigan/ComEd bribery scheme. McClain served as the messenger between Madigan and ComEd executives.

CEO-1, reported to be Anne Pramaggiore<sup>3</sup>, was the Chief Executive Officer of ComEd from 2012-2018. From June 1, 2018 to October 15, 2019, Pramaggiore served as Senior Executive at Exelon Utilities and had oversight authority over ComEd's operations. Pramaggiore played an integral role in the bribery scheme in that she made sure Madigan's associates received ComEd payments through jobs, contracts, subcontracts, internships and a board appointment.

Lobbyist 1, reported to be Fidel Marquez<sup>4</sup>, served as ComEd's Executive Vice President of Legislative and External Affairs from 2012-2019. Marquez was aware of the bribery scheme and facilitated some of the contracts and subcontracts for Madigan's associates.

Senior Executive 1, reported to be John Hooker<sup>5</sup>, served as ComEd's Executive Vice President of Legislative and external affairs from 2009-2012. From 2012-2019, Hooker was an external lobbyist for ComEd. Hooker was aware of the Madigan/ComEd bribery scheme.

Consultant 1, reported to be Jay Doherty ("Doherty")<sup>6</sup>, owned Company 1, reported to be Jay D. Doherty & Associates Lobbying Firm, which performed consulting services for ComEd until 2019. Doherty played a pivotal role in the Madigan/ComEd bribery scheme in that Doherty used his consulting firm to pass thru payments to several Madigan associates. These associates did little or no work with minimal oversight. Their payments were never reflected or identifiable in the ComEd vendor payment system.

Madigan Associate 3, reported to be Michael R. Zalewski<sup>7</sup>, is the former Alderman of Chicago's 23<sup>rd</sup> Ward and a political ally of Madigan. After Zalewski left his aldermanic position in 2018, Madigan, thru McClain, had Zalewski hired as a subcontractor for ComEd under Doherty's firm.

## **The Scheme**

According to the DPA, "From in or around 2011 through in or around 2019, in an effort to influence and reward [Madigan's] efforts, as Speaker of the House of Representatives, to assist ComEd with respect to legislation concerning ComEd and its business, ComEd arranged for various associates of [Madigan], including Madigan's political allies and individuals who performed political work for Madigan, to obtain jobs, vendor subcontracts, and monetary

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<sup>2</sup> *Id at 8*

<sup>3</sup> *Id at 7*

<sup>4</sup> *Id at 8*

<sup>5</sup> *Id at 8*

<sup>6</sup> *Id at 9*

<sup>7</sup> *Id at 10*

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payments associated with those jobs and subcontracts from ComEd, even in instances where certain political allies and workers performed little to no work that they were purportedly hired to perform for ComEd.”

Among the items listed in the Deferred Prosecution Agreement:

1. Beginning in or around 2011, Madigan and McClain sought to obtain jobs, vendor subcontracts, and monetary payments from ComEd for various associates of Madigan, such as precinct captains who operated in Madigan’s legislative district. Certain individuals were paid via subcontracts to Doherty, therefore hidden from ComEd’s vendor payment system.
2. In 2011, McClain and Doherty, on behalf of Madigan, devised a plan to direct money to two of Madigan’s associates. The plan involved Doherty’s firm receiving extra ComEd payments so Doherty could pass thru the extra payments to Madigan’s associates. This pass thru scheme lasted from 2011-2019. Between 2011 and 2019, Doherty executed fraudulent written contracts and invoices with ComEd, making it appear the invoices were for Doherty’s advice on legislative issues and legislative risk management activities. In reality, a portion of the ComEd payments to Doherty were intended for Madigan’s associates who did little or no work for ComEd. These pass thru payments to Madigan’s associates were secreted from ComEd’s vendor payment system.
3. In or around May 2018, Madigan, through McClain, asked Pramaggiore to hire Michael R. Zalewski, a political ally of Madigan. Zalewski was the former Alderman of Chicago’s 23<sup>rd</sup> Ward. Pramaggiore, in coordination with Hooker and Doherty, agreed to pay Zalewski \$5,000/month indirectly as a subcontractor thru Doherty. Pramaggiore was aware that other Madigan associates were being paid by ComEd as subcontractors to Doherty. Pramaggiore referred to these subs as the “roster”. Pramaggiore also agreed that Madigan – rather than officer or employee of ComEd or Jay D. Doherty an Associates Lobbying Firm - would advise Zalewski of the new arrangement. In 2018, Doherty’s contract with ComEd was revised to include extra funding for Zalewski. In order to justify the extra ComEd payments to Doherty’s firm, Doherty falsely alleged the extra \$5,000 was needed to cover Doherty’s expanded consulting role. ComEd approved the extra funding to Doherty knowing the additional funds were being funneled to Zalewski.
4. On May 16, 2018, McClain told Hooker that Madigan’s associates were being paid by ComEd indirectly thru Doherty’s firm because they were important to Madigan’s political organization. McClain referenced one of Madigan’s associates being paid thru Doherty as one of Madigan’s top precinct captains.
5. On or about February 7, 2019, McClain advised Marquez on how to present the renewal of Doherty’s 2019 contract to other ComEd officials. McClain advised Marquez not to put anything in writing because “all it can do is hurt ya.” McClain advised Marquez that if asked to explain Doherty’s contract, Marquez should just explain that the associates of Madigan were former ward committeemen and aldermen and that it was a favor.

McClain stated it's up to Doherty to prove Madigan's associates performed work, not ComEd.

6. On February 11, 2019, McClain advised Hooker how to explain Doherty's contract internally at ComEd. In discussing how the renewal of the Jay D. Doherty and Associates Lobbying Firm's contract – which included significant payments to Doherty's firm to account for indirect payments to Speaker Madigan's associates – should be communicated internally. McClain stated, "We had to hire these guys because Madigan came to us. It's just that simple. Hooker agreed and stated, "It's clean for all of us."
7. On February 13, 2019, Doherty told Marquez that two of Madigan's associates were subcontractors of Doherty's firm at the request of Hooker and that Zalewski was also being paid as a subcontractor. Doherty stated he told no one of the arrangement per instructions he was given. Doherty cautioned Marquez not to tamper with the arrangement because ComEd's money comes from Springfield. Doherty stated he had every reason to believe McClain spoke to Madigan about the retention of Madigan's associates and Madigan knew Hooker had done so. Doherty added Madigan's associates "keep their mouth shut, and you know, so. But do they do anything for me on a day to day basis? No." Doherty explained that these payments were made "to keep Madigan happy. I think its worth it, because you'd hear otherwise."
8. On or about March 5, 2019, McClain and ComEd personnel participated in a meeting during which they discussed Jay D. Doherty and Associates Lobbying firm's contract and why the indirect payments to Madigan's associates made under the guise of that contract should be continued for another year. During that meeting, McClain explained that for decades, Madigan had named individuals to be ComEd employees, such as meter readers, as part of an "old-fashioned patronage system". In response, a ComEd employee acknowledged that such hires could be a "chip" used by ComEd. ComEd renewed Jay D. Doherty and Associates Lobbying Firm's contract.
9. Between 2011 and 2019, ComEd made payments of approximately \$1,324,500 to Madigan's associates who performed little or no work for ComEd. These indirect payments were made thru Doherty and other third party vendors. These other third party vendors entered into consulting contracts with ComEd. In reality, substantial portions of the funds paid to these vendors were provided to Madigan's associates who did little or no work for ComEd. These ComEd payments were made to Madigan's associates to influence Madigan in connection with the advancement and passage of legislation favorable to ComEd. For example, while these ComEd payments of \$1,324,500 were being made to Madigan's associates, EIMA and FEJA were passed in the General Assembly. EIMA and FEJA benefited ComEd in excess of \$150,000,000. ComEd sought Madigan's approval before ComEd payments to Madigan's associates were discontinued, even though Madigan's associates were performing little or no work. Although Madigan's associates were receiving payments thru third party vendors, certain former ComEd executives designed these payments so the payments were not identifiable in ComEd's vendor payment system

10. In 2017, Madigan sought the appointment of Juan Ochoa to the ComEd Board of Directors. Madigan's request was communicated by McClain to Pramaggiore. In May, 2018, in response to ComEd opposition to Ochoa's appointment, Pramaggiore asked McClain if Madigan would be satisfied with Ochoa receiving a part-time job that paid the equivalent of a board member. McClain told Pramaggiore that Madigan would appreciate if Pramaggiore would press the issue. In September 2018, Pramaggiore told McClain she was still advocating for Ochoa's appointment because, "You take good care of me and so does our friend {Madigan} and I will do the best that I can to, to take care of you." On April 25, 2019, Pramaggiore advised McClain via text, "Just sent out Board approval to appoint Juan Ochoa to ComEd Board." Prior to Ochoa's appointment, Ochoa was not recruited by ComEd nor did ComEd interview or vet other potential candidates for the board position. ComEd appointed Ochoa with the intent to influence and reward Madigan. Ochoa resigned in April 2020.
11. In 2011, ComEd retained Law Firm A and entered into a contract guaranteeing the law firm a minimum of 850 hours of attorney work per year. ComEd entered this contract with Law Firm A, in part, to influence Madigan because ComEd understood this contract was important to Madigan. In 2016, the Law Firm A contract with ComEd was up for renewal. Because there was not enough legal work that ComEd could provide Law Firm A, ComEd personnel sought to reduce the minimum hours of legal work stated in the contract. After an attorney associated with Law Firm A complained to McClain, McClain contacted Pramaggiore on January 20, 2016. McClain wrote, "I am sure you know how valuable Lawyer 1 is to our Friend [Madigan]. I know the drill and so do you. If you do not get involve (sic) and resolve this issue of 850 hours for his law firm per year then he will go to our Friend (Madigan). Our Friend [Madigan] will call me and then I will call you. Is this a drill we must go through?" Pramaggiore replied in writing, "Sorry. No one informed me. I am on this." Pramaggiore tasked a Com/Ed employee who had no oversight over ComEd's legal department, to ensure Law Firm A's contract was renewed. In June 2016, ComEd agreed to renew Law Firm A's contract with substantially reduced annual hours. The contract provided to Law Firm A was designed to influence Madigan to assist ComEd regarding legislative matters important to ComEd.
12. From 2013 to 2019, ComEd operated an intern program. In this internship program, ComEd accepted students who either resided in Madigan's 13<sup>th</sup> Ward or students that were recommended to ComEd by either Madigan or McClain. ComEd hired students recommended by Madigan or students from his ward to influence and reward Madigan in connection with his official duties.
13. During the time period that ComEd was making payments to Madigan's associates, and extending other benefits for the purpose of influencing and rewarding Madigan, ComEd was seeking Madigan's support for legislation that ComEd acknowledges benefited them in an amount exceeding \$150,000,000. Specifically, ComEd sought Madigan's support for the EIMA bill in 2011 and the FEJA bill in 2016 during the Madigan/ComEd bribery scheme.

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On July 17, 2020, the United States District Court for the Northern District of Illinois issued a Subpoena to Testify Before A Grand Jury to the Office of Speaker Michael J. Madigan, seeking records on twelve (12) different matters.

The U.S. Attorney for the Northern District of Illinois is seeking documents and communications on the following twelve matters:

1. Efforts to seek, recommend, or obtain contracts or employment for precinct captains in the 13<sup>th</sup> Ward in the City of Chicago, family members of those precinct captains, or individuals who worked on campaigns for four specified individuals (including the Speaker).
2. Efforts to seek, recommend, secure, or obtain a benefit of any kind for four specified individuals.
3. Documents and communications with or concerning ComEd or Exelon Corporation (“Exelon”), subsidiaries, affiliated business entities, consultants, lobbyist, agents or employees, including but not limited to eight specified individuals. Such records include contracts, agreements, letters of engagement, and correspondence related to retention, hiring or engagement of any person to provide services to Exelon or ComEd.
4. Any and all documents or communications with or concerning one specified individual.
5. Any and all documents or communications with or concerning the employment by Exelon or ComEd of five specified individuals and five specified legal entities.
6. Any and all documents and communications concerning the appointment of any individual to the ComEd Board of Directors, including but not limited to a specified individual.
7. Any and all documents and communications with or concerning AT&T Services, Inc, or AT&T of Illinois, including subsidiaries, affiliated business entities, consultants, lobbyists, agents or employees. Such records include any and all contracts, agreements, letters of engagement, and correspondence related to the retention, hiring or engagement of any person to provide services to AT&T of Illinois and its parents, subsidiaries, or affiliated business entities.
8. Any and all documents and communications with or concerning Walgreens Company (“Walgreens”), including subsidiaries, affiliated business entities, consultants, lobbyists, agents or employees. Such records include any and all contracts, agreements, letters of engagement, and correspondence related to the retention, hiring or engagement of any person to provide services to Walgreens and its parents, subsidiaries, or affiliated business entities.
9. Any and all documents and communications with or concerning Rush University Medical Center (“Rush”), including subsidiaries, affiliated business entities, consultants, lobbyists, agents or employees. Such records include any and all contracts, agreements, letters of engagement, and correspondence related to the retention, hiring or engagement of any person to provide services to Rush and its parents, subsidiaries, or affiliated business entities.
10. Any and all documents and communications concerning the “Chinatown parcel” located at the northeast corner of Cermak Road and Wentworth Avenue in the City of Chicago, including but not limited to proposed legislation; from or to Speaker Madigan, former Senator Martin Sandoval, and other elected officials and their staff; from or to the Illinois

Department of Transportation concerning the parcel; from or two specified individuals concerning the parcel; and concerning Senate Bill 3247.

11. Any and all documents and communications concerning any and all efforts to get benefits or a job to a specified individual.
12. Any and all documents and communications with or concerning a former Alderman Daniel Solis, including introductions and legal client referrals made by Solis to Michael Madigan and his law firm, and Solis' placement on any Illinois State board or other State position.

### **Petition Request**

In ComEd's DPA, ComEd admitted to participating in a nine-year bribery scheme for the benefit of Illinois House Speaker Michael J. Madigan. The DPA details multiple instances and examples of Madigan's involvement in this scheme. This revelation demands the immediate creation of a Special Investigating Committee. In addition to the deferred prosecution agreement, the office of Speaker of the House received a subpoena from the U.S Attorney's office seeking records on twelve separate matters (including ComEd). With at least twelve separate matters being examined by the U.S. Attorney's Office, it indicates a pattern of concerning behavior in the Office of the Speaker, which is run by Speaker Madigan.

Illinois citizens are too familiar with illegal activities by the State's elected officials to await further developments. As requested by the undersigned members of the House, it is imperative for the House of Representatives to be swift and thorough in its appointment of a Special Investigating Committee to investigate the Madigan/ComEd bribery scheme and determine discipline against Speaker Madigan, if any. A minimum of three members of the House have signed this petition, and therefore, pursuant to House Rule 91, a Special Investigating Committee must be appointed by the Speaker and the Minority Leader. As the Office of Speaker has a disqualifying conflict of interest in this matter, the Speaker should recuse himself from any appointments or direct involvement in this matter. Under House Rule 4(b), the Speaker of the House may delegate administrative duties as he or she deems appropriate. As there was already a Special Investigating Committee created to investigate allegations against former Representative Arroyo, a second committee must be created to investigate the allegations contained in this Petition as they are allegations against a different member of the House.

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Signed,



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Representative Jim Durkin  
House Republican Leader

8/31/2020

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Date



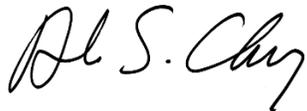
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Representative Ryan Spain

8/31/2020

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Date



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Representative Andrew Chesney

8/31/2020

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Date