

IN THE EXECUTIVE ETHICS COMMISSION
OF THE STATE OF ILLINOIS

In re: TYRONE CRIDER,) OEIG Case #12-02289

OEIG FINAL REPORT (REDACTED)

Below is a final summary report from an Executive Inspector General. The General Assembly has directed the Executive Ethics Commission (Commission) to redact information from this report that may reveal the identity of witnesses, complainants or informants and “any other information it believes should not be made public.” 5 ILCS 430/20-52(b).

The Commission exercises this responsibility with great caution and with the goal of balancing the sometimes-competing interests of increasing transparency and operating with fairness to the accused. In order to balance these interests, the Commission may redact certain information contained in this report. The redactions are made with the understanding that the subject or subjects of the investigation have had no opportunity to rebut the report’s factual allegations or legal conclusions before the Commission.

The Commission received a final report from the Governor’s Office of Executive Inspector General (“OEIG”) and a response from the agency in this matter. The Commission, pursuant to 5 ILCS 430/20-52, redacted the final report and mailed copies of the redacted version and responses to the Attorney General, the Governor’s Executive Inspector General and to Tyrone Crider at his last known addresses.

The Commission reviewed all suggestions received and makes this document available pursuant to 5 ILCS 430/20-52.

FINAL REPORT

I. ALLEGATIONS

The Office of Executive Inspector General (OEIG) received an anonymous complaint alleging that an unnamed Regional Transportation Authority (RTA) director “recommended” that the RTA invest funds with a minority-owned bank and “may be receiving consideration for getting the funds placed there.” The OEIG determined that the unnamed RTA director was Reverend Tyrone Crider.¹

In the course of its investigation, the OEIG discovered that Rev. Crider participated in an RTA decision to invest RTA funds in Highland Community Bank (Highland Bank), without disclosing that he owed Highland Bank money and had previously been sued by it. The OEIG also discovered that Rev. Crider requested a high-ranking RTA employee to contact Illinois Attorney General Lisa Madigan and “take care of” a matter involving the Office of the Illinois

¹ Rev. Crider resigned as an RTA Director on July 31, 2013, effective August 1, 2013. [REDACTED]

[Unfounded allegations redacted.]

Attorney General's efforts to recover \$91,000 in grant funds Rev. Crider received from a state agency. Finally, the OEIG discovered that Rev. Crider falsified his 2012 RTA annual disclosure form.

II. BACKGROUND

A. The Regional Transportation Authority, Its Investments and Its Board of Directors

The RTA is a special purpose unit of local government and has financial and budget oversight of the Chicago Transit Authority (CTA), Metra and Pace. The RTA periodically makes investments which are governed by the Public Funds Investment Act and requires in part, that the RTA consider investing funds in minority-owned banks.² The RTA's internal investment policies and procedures are contained in the "Regional Transportation Authority Investment and Portfolio Policies."

The RTA Board of Directors consists of 16 directors (appointed by various governmental entities), who are responsible for the overall management, oversight and control of the RTA. RTA directors are paid \$25,000 per year. The Board of Directors has various committees to assist its governance of the RTA, one of which is the Audit Committee. Although the Audit Committee is "responsible for developing the investment policies and monitoring the investment activity of the RTA[,] the RTA's treasurer makes RTA investment decisions.³ The RTA treasurer also prepares quarterly reports to the Audit Committee members regarding RTA investment activity.⁴

B. The RTA's Ethics Policy and Disclosure Form

RTA director conduct is governed, in part, by the RTA's Ethics Policy. The current version of the RTA's Ethics Policy was approved on June 23, 2011. Prior to the approval of the current version of the RTA Ethics Policy, directors received a packet containing a memorandum explaining changes to the RTA's Ethics Policy, the draft ordinance approving the RTA Ethics Policy and a copy of the proposed RTA Ethics Policy. RTA records reveal that Rev. Crider received this information via courier service on June 17, 2011. The RTA does not, however, require directors to sign an acknowledgment form indicating that they have read and understand RTA's Ethics Policy.

The RTA Ethics Policy includes sections titled the "Appearance of Impropriety" and "Conflict of Interests," which state, among other things, that:

² 30 ILCS 235.

³ "Delegation of Authority," p. 2, Regional Transportation Authority Investment and Portfolio Policies.

⁴ 30 ILCS 235/2.5(a)(10).

- “those that represent the RTA must be beyond reproach in every business transaction;”⁵
- Directors “must conduct themselves so as to avoid the appearance that they are violating the provisions of this Ethics Policy;” and
- “[n]o . . . Director shall make or participate in the making of any RTA decision with respect to any matter in which he or she has any economic interest distinguishable from that of the general public.”

In order for the RTA to monitor actual or potential conflicts, RTA directors are required to execute an annual disclosure form.⁶ The form requires directors to list certain information, including assets and income.⁷

In 2012, the RTA disclosure form was revised and now requires directors to list their liabilities, in addition to assets and income. The revised disclosure form requires directors to list “any entity or governmental body to which [the director owes] \$10,000 or more, including [the director’s] mortgage on [the director’s] personal residence” and “any judgments which have been filed whereby [the director owes] \$10,000 or more.”

C. Rev. Tyrone Crider’s Background

In April 2008, Rev. Tyrone Crider was appointed to the RTA Board of Directors. Rev. Crider served as vice-chair of the Compensation & Human Resources Committee and also served on the Planning & Administration Committee.⁸ Neither committee is responsible for developing investment policies or monitoring the RTA’s investments. As noted above, that is the responsibility of the Audit Committee.

In addition to serving on the RTA Board of Directors, Rev. Crider is the Senior Pastor of Mount Calvary Baptist Church of Chicago and, in 1999, he formed the Pastors Network of Illinois (the Pastors Network) as a not-for-profit organization.

On September 16, 2001, the Pastors Network was awarded a \$91,000 grant by the Illinois Department of Commerce and Community Affairs (DCEO).⁹ The grant’s purpose was to establish a youth motivation program encouraging middle and high school students to continue in school and enroll in a college or university. As president of the Pastors Network, Rev. Crider signed and agreed to abide by the grant terms and conditions.

On September 2, 2003, the Illinois Secretary of State involuntarily dissolved the Pastors Network.

⁵ “Introduction,” RTA Ethics Policy.

⁶ “Director Disclosure,” RTA Ethics Policy.

⁷ *Id.*

⁸ “RTA Leadership Team,” *available at* <http://www.rtachicago.com/about-the-rta/board-of-directors.html> (last visited July 22, 2013).

⁹ In 2003, the Illinois Department of Commerce and Community Affairs became the Illinois Department of Commerce and Economic Opportunity. For the sake of clarity, these entities will be referred to throughout this report as DCEO.

III. STATEMENT OF FACTS

Highland Bank is a Chicago-based minority-owned community bank. On May 3, 2006, Rev. Tyrone Crider and his wife received a Highland Bank third mortgage loan for \$31,213.79. On May 19, 2006, or just over two-weeks later, Rev. Crider received a second Highland Bank loan for \$37,075.00 to purchase a 2006 Chrysler vehicle.

A. Rev. Tyrone Crider's 2009 Involvement with Highland Bank

In February 2009, Highland Bank sued Rev. Crider and his wife alleging they failed to make payments on the two loans and sought to recover over \$40,000. On June 11, 2009, the Highland Bank lawsuit was dismissed, without prejudice, after the Criders agreed to pay the remaining balance of the loans.

In September 2009, or about three months after the Highland Bank lawsuit was dismissed, Rev. Crider communicated with Highland Bank and RTA officials about RTA's relationship with Highland Bank.¹⁰ On September 14, 2009, Highland Bank Chairman ██████ wrote a letter responding to Rev. Crider's "inquiry regarding whether or not we have or have had any kind of relationship with the RTA[.]" Specifically, ██████ wrote that the RTA previously had a \$100,000 certificate of deposit with Highland Bank, but it matured in July 2009 and was not renewed. ██████ asked whether other "relationships of any kind might be available" for a minority-owned bank.

On that same day (September 14, 2009), Rev. Crider emailed Jim Reilly (then RTA Chairman of the Board of Directors) and several high ranking RTA officials, including Steve Schlickman (then Executive Director of the RTA), and stated "Can you find out why the [certificate of deposit] to Highland Community Bank has ended? Are there any other banking opportunities available?"

Mr. Reilly forwarded Rev. Crider's email to then Chief Financial Officer Joe Costello¹¹ who responded that "[t]he relationship with Highland was shifted to another minority owned bank that offered a more competitive yield in 2008. Although we do not currently have a relationship, Highland remains on the list of investments that qualify for RTA's portfolio." In a later email, Mr. Costello told Messrs. Reilly and Schlickman that "I talked to Crider after the Board meeting. We will reach out to Highland."

On September 28, 2009, the RTA invested \$100,000 of its funds with Highland Bank in the form of a certificate of deposit for a term of one year. In October 2010, the \$100,000 certificate of deposit was renewed for an additional 12 month period.

B. Rev. Tyrone Crider's 2010-2012 Involvement with Highland Bank

In August 2010, Highland Bank sought to reinstate the previously dismissed lawsuit against Rev. Crider and his wife alleging they failed to make the monthly payments per the 2009

¹⁰ During Rev. Crider's interview, he was asked how he communicated with Highland Bank, but was unable to recall.

¹¹ Mr. Costello is currently the RTA's Executive Director.

agreement. A September 27, 2010 judgment was subsequently entered in favor of Highland Bank for \$36,438.97. Thereafter, Highland Bank embarked on garnishment proceedings.

In April 2011, Highland Bank obtained a court order authorizing the garnishment of a portion of Rev. Crider's \$25,000 RTA salary. In August 2011, Rev. Crider and Highland Bank entered into an installment plan by which the Criders would pay the outstanding judgment. Thereafter, a court order was entered ending Rev. Crider's RTA salary garnishment.

On August 15, 2012, during an RTA Board of Directors meeting, Rev. Crider "requested a listing of the banking institutions the RTA uses in order to determine the RTA's minority utilization."¹² On September 17, 2012, Rev. Crider emailed RTA Chief of Staff Jordan Matyas stating that "I was quite disappointed with the report I received concerning RTA Funds in local and/or Minority Owned Banks. I really hope that the RTA would be more fair and equitable in its distribution of funds. I would like to meet with you to discuss this matter."

Later in September 2012, two conference calls between Highland Bank officials, RTA officials and Rev. Crider were held. Then, on September 25, 2012, Manager of Investments and Pensions [REDACTED] emailed RTA Chief Financial Officer Bea Reyna-Hickey and Messrs. Sharkey and Matyas and stated that "[Mr. Matyas] and Reverend Crider spoke with [REDACTED], the CFO of Highland Community Bank. They agreed that the RTA will be investing \$250,000 @ 1% for one year with Highland." On September 28, 2012, RTA invested \$250,000 with Highland Bank in a certificate of deposit with a 1% rate of return for a one year term.

As of December 31, 2012, Rev. Crider owed Highland Bank \$27,763.53 on his two Highland Bank loans.

C. \$91,000 DCEO Grant to Rev. Tyrone Crider and the Illinois Attorney General's Efforts to Recover the Entire Grant Amount

On September 16, 2001, Rev. Tyrone Crider, as president of Pastors Network, received a \$91,000 grant from DCEO to establish a youth motivation program for middle and high school students. After conducting a site visit, DCEO made several attempts to obtain financial records and other information from Rev. Crider.¹³

Beginning in March 2004, DCEO began attempting to recover the grant funds given to Rev. Crider. On December 29, 2006, DCEO determined that Rev. Crider was required to repay the \$91,000 in grant funds and initiated proceedings to collect the full amount. DCEO subsequently requested assistance from the Illinois Attorney General in its recovery efforts.¹⁴

On January 5, 2011, the Office of the Illinois Attorney General filed a state court complaint against Rev. Crider seeking recovery of \$91,000.

On August 7, 2012, the Illinois Attorney General filed a motion for summary judgment. Rev. Crider, through his attorney, subsequently entered into settlement discussions with the Illinois Attorney General. An agreement was drafted by the Illinois Attorney General and signed

¹² Minutes of the Public Meeting of the Board of Directors for the Regional Transportation Authority for August 15, 2012, available at <http://www.rtachicago.com/images/stories/Mbrd081512.pdf> (last visited October 24, 2013).

by Rev. Crider on October 22, 2012 admitting he owed \$91,000 and would make monthly payments of \$1,500. Although Rev. Crider signed the agreement, the initial payment was never made. Thus, on January 11, 2013, the court entered a judgment in favor of DCEO for \$91,000.

IV. INVESTIGATION OF REV. TYRONE CRIDER'S RELATIONSHIP WITH HIGHLAND BANK

A. Interview with RTA Treasurer Allan Sharkey

On August 8, 2013, investigators interviewed RTA Treasurer Allan Sharkey who has been employed in the RTA's Finance Department for about 13 years. Mr. Sharkey said he was responsible for overseeing the RTA's investment portfolio and that his department has sole discretion on where to invest RTA funds, pursuant to the Public Funds Investment Act and other RTA policies. Mr. Sharkey stated that neither the Board of Directors nor individual directors are consulted regarding RTA's decisions to invest in certain financial institutions.

According to Mr. Sharkey, it is unusual for an RTA director to provide unsolicited input regarding an RTA investment. Mr. Sharkey told investigators that he was asked by RTA Chief Financial Officer Bea Reyna-Hickey whether the RTA was investing with Highland Bank, and that he was also asked to create a chart of the RTA's investments with minority-owned banks. Mr. Sharkey stated that the RTA had previously invested with Highland Bank, but had withdrawn that investment when Highland Bank rates became uncompetitive.

Mr. Sharkey also recalled that, on either September 20 or 25, 2012, he participated in a telephone conference call with Mr. Matyas, Rev. Crider, Ms. Reyna-Hickey¹⁵ and a high ranking Highland Bank employee. During the conference call, they discussed RTA investing funds with Highland Bank and what interest rate the RTA would receive for its investment. According to Mr. Sharkey, Rev. Crider's role in the conversation essentially involved identifying himself as being on the call and saying goodbye at the end of the call. Mr. Sharkey said it was unusual for Rev. Crider to participate in the conference call with Highland Bank, as no other director had ever participated in discussions with a bank regarding RTA investments.

¹³ Among the information requested by DCEO were: an explanation for why grant funds were used to make a contribution to a different non-for-profit entity; an explanation for why a certain individual—who was not identified as an authorized signatory—was able to write a check to herself; an explanation of why a particular person was paid \$11,000 as a consultant; and, copies of contracts regarding grant sponsored events and the corresponding cancelled checks.

¹⁴ Both DCEO and the Illinois Attorney General sought to recover grant funds pursuant to the Illinois Grant Funds Recovery Act, 30 ILCS 705/9.

¹⁵ In September 2013, investigators interviewed Ms. Reyna-Hickey who said she participated in two telephone conference calls regarding RTA's investments with Highland Bank in September 2012. The first call was between herself, Mr. Matyas and Rev. Crider and the focus was to discuss a chart Mr. Sharkey created reflecting RTA's investments with minority-owned banks. During this call, Rev. Crider asked if the RTA could increase the amount of its investments with minority-owned banks and, also said, "You should look at Highland Community Bank." Ms. Reyna-Hickey said Rev. Crider never mentioned investing in any minority-owned bank other than Highland Bank. The second call involved a conference call between herself, Mr. Sharkey, Mr. Matyas, Rev. Crider and "██████," who Ms. Reyna-Hickey identified as a "high ranking" Highland Bank employee. Although Ms. Reyna-Hickey could not remember many call particulars, she did say Rev. Crider made introductions. Finally, Ms. Reyna-Hickey said she was unaware of any other instances where an RTA director spoke directly to a bank, or participated along with RTA staff discussions with a bank, regarding a possible RTA investment.

After the phone call, Mr. Sharkey consulted with [REDACTED], his subordinate, and determined that the RTA would invest \$250,000 with Highland Bank because the bank was offering a favorable interest rate.

B. Interviews with Highland Bank Officials

On August 29, 2013, investigators interviewed Highland Bank Chief Financial Officer [REDACTED] and its President, [REDACTED]. Both men confirmed that Rev. Crider had an outstanding debt to Highland Bank and that it was engaged in collection efforts, but they were unable to recall specifics. When asked, [the President] stated that there was nothing uncommon about any of the actions that the bank took, including its efforts to garnish wages or related activity. According to [the President], Highland Bank would typically work with a customer, including Rev. Crider, who was behind in making payments in an attempt to collect the bank's money. Bank employees were allowed to take appropriate steps if it meant Highland Bank had a better chance of recovering funds.

According to [the President], Rev. Crider's loans were approved by Highland Bank Chairman [REDACTED]¹⁶ and thus he ([The Chairman]) was responsible for collection efforts involving unpaid loans from Rev. Crider and for coordinating the bank's litigation against Rev. Crider. [The President] stated that [the Chairman] was a "gatherer of business" and that his job responsibilities included generating new investments for Highland Bank.

C. Interviews with RTA Chief of Staff Jordan Matyas Relating to Highland Bank

On November 26, 2012, March 14 and October 18, 2013, investigators interviewed RTA Chief of Staff Jordan Matyas. Mr. Matyas said that in September 2012, Rev. Crider asked him how many minority-owned banks the RTA was using for investments. Rev. Crider specifically asked if RTA was investing with Highland Bank. According to Mr. Matyas, he spoke with Mr. Sharkey, Ms. Reyna-Hickey and [REDACTED] regarding the RTA investments and, at his request, Mr. Sharkey provided him with a document detailing the RTA's investments with minority-owned banks. The document reflected that RTA had investments with eight of the nine minority-owned banks in the Chicago metropolitan area. Highland Bank was the one minority-owned bank that the RTA did not have any investments with at that time. Mr. Matyas said he conveyed this information to Rev. Crider.

According to Mr. Matyas, Rev. Crider requested a telephone conference call with Highland Bank to discuss the RTA investing funds with the bank and said he (Mr. Matyas) participated in two telephone calls. According to Mr. Matyas, the second call only involved the Highland Bank official, Rev. Crider and himself and focused on Highland Bank's investment rate of return. Mr. Matyas stated that he informed the Highland Bank officials that the RTA would need a 1% or better rate of return, to which the official agreed.

Mr. Matyas said that, after the second phone call, he spoke with RTA Treasurer Allen Sharkey regarding the details of what was discussed. Mr. Matyas told investigators that the

¹⁶ [REDACTED]

[Personal information redacted.]

decision to invest RTA funds with Highland Bank belonged to Mr. Sharkey. Mr. Matyas said he had never been approached by any other RTA director regarding investing funds in a minority-owned bank.

Mr. Matyas also said that at the time of Rev. Crider's inquiries and the conference calls with Highland Bank, he was aware that Rev. Crider's wages had been garnished, but was unaware it involved Highland Bank.

V. INVESTIGATION OF REV. CRIDER'S REQUEST TO JORDAN MATYAS

A. Interviews with RTA Chief of Staff Jordan Matyas Relating to Discussions with Rev. Crider

During the interviews of RTA Chief of Staff Jordan Matyas, in response to questioning by investigators, Mr. Matyas said that Rev. Crider approached him regarding matters relating to the \$91,000 DCEO grant he (Rev. Crider) had received.

According to Mr. Matyas, Rev. Crider had a private conversation with him after either the August or September 2012 Board of Directors meeting. Mr. Matyas said that Rev. Crider approached him and said he (Rev. Crider) had received about \$100,000 in state funds to be used for public and motivational speaking and said that the Office of the Illinois Attorney General was investigating whether he (Rev. Crider) used the funds properly. Mr. Matyas told OEIG investigators that Rev. Crider had said he was unable to respond to a request for documentation reflecting how the funds were spent, because he did not have any such documents. According to Mr. Matyas, Rev. Crider did not explicitly state how the funds were spent, but rather implied the funds were not used appropriately.

Mr. Matyas also told investigators that during the encounter, Rev. Crider asked him to contact Illinois Attorney General Lisa Madigan and "take care of it." Mr. Matyas said Illinois Attorney General Madigan is his sister-in-law. Mr. Matyas said that, in response to Rev. Crider's statement, he told Rev. Crider that he should hire an attorney, to which Rev. Crider replied that he had and that his attorney had been in settlement discussions with the Office of the Illinois Attorney General. Mr. Matyas said he told Rev. Crider that he would not speak to Illinois Attorney General Madigan on his behalf. Mr. Matyas also said that Rev. Crider's request took him by surprise, as he had never previously received a similar request. Mr. Matyas stated that immediately after his conversation with Rev. Crider, he informed RTA Ethics Officer [REDACTED] and the RTA General Counsel about the request.

B. RTA Ethics Officer [REDACTED]'s Statements Regarding Rev. Crider's Request Involving the Illinois Attorney General

[REDACTED] told investigators that in approximately September 2012, Mr. Matyas approached him and asked if they could talk privately.¹⁷ [REDACTED] said they met in an office, where Mr. Matyas told him that Rev. Crider had put him (Mr. Matyas) in a "bad position."

¹⁷ [REDACTED] was interviewed by investigators on multiple occasions between January and August 2013.

Specifically, ██████ told investigators that Mr. Matyas reported that Rev. Crider had told him:

- he (Rev. Crider) had received a grant from a State agency for approximately \$100,000 involving motivational speaking to encourage children to stay in school and attend college;
- the Illinois Attorney General's office was investigating how the grant funds were spent and had requested documents reflecting the grant fund expenditures;
- there were not any documents reflecting how grant funds were spent; and
- he (Mr. Matyas) should "intercede" with Illinois Attorney General Madigan on Rev. Crider's behalf.

██████ said he discussed the above with RTA General Counsel.

C. Interview with RTA General Counsel

On March 21, 2013, investigators interviewed RTA General Counsel, who acknowledged being aware of a conversation between Mr. Matyas and Rev. Crider regarding an investigation by the Illinois Attorney General's office. However, the General Counsel said she was unable to provide investigators with further details because of attorney-client privilege.

On July 31, 2013, the OEIG wrote to RTA Chairman John Gates requesting that the RTA waive any applicable privilege. On September 17, 2013, Mr. Gates replied to the OEIG in a letter and stated that "RTA has done everything in its power to advance this investigation" but was not willing to waive the RTA's attorney-client privilege. Mr. Gates also wrote that while the RTA "appreciates the seriousness of this case" and thus had directed staff to work with the OEIG on this matter, "it is critical that RTA have the ability to speak freely with counsel without concern that the attorney-client privilege will later be compromised."

VI. INVESTIGATION OF REV. CRIDER'S DISCLOSURE FORM FOR 2012

A. Rev. Crider's Disclosure Form

During its investigation, the OEIG secured the disclosure form that Rev. Crider submitted for calendar year 2012. The disclosure form states, in part, the following:

- under the section requiring disclosure of any debts of \$10,000 or more, Rev. Crider listed "America's Servicing;" and
- under the section requiring disclosure of any judgments of \$10,000 or more, Rev. Crider stated "N/A."

There were no other listings of any debts or judgments of \$10,000 or more.

B. Interview of RTA Ethics Officer ██████ Regarding Rev. Crider's 2012 Disclosure Form and Its Contents

During his August 2013 interview, ██████████ stated that every new appointee to the Board of Directors receives a copy of the RTA's Ethics Policy and a disclosure form. According to ██████████, directors are required to complete the form on an annual basis. The disclosure form for calendar year 2012 was revised to include a section on liabilities, which ██████████ said was added because the RTA wanted the additional information to be able to monitor RTA directors for potential conflicts of interest.

When RTA directors were provided the disclosure form, they were also given a memorandum instructing them to contact ██████████ if there were any questions. Directors were also provided an "Example Completed Form," which was a copy of the form with an example of an answer for each question.

██████████ stated that, on December 19, 2012, he emailed Rev. Crider a blank disclosure form, the memorandum regarding the form, and the Example Completed Form. On January 9, 2013, Rev. Crider completed his 2012 disclosure form. The form disclosed Rev. Crider's mortgage, but did not disclose any liabilities relating to Highland Bank, the State of Illinois, or any State agency, including DCEO.

According to ██████████, if Rev. Crider owed either Highland Bank or the State of Illinois any amount in excess of \$10,000, he should have listed the amounts under the liabilities section of the form.

VII. INTERVIEW WITH REV. CRIDER

The OEIG interviewed Rev. Crider on October 15, 2013 regarding his activity relating to Highland Bank, the DCEO grant and related request to RTA Chief of Staff Jordan Matyas, and his 2012 RTA disclosure form. During the interview, Rev. Crider was accompanied by an attorney who served as his representative. Below is a summary of what Rev. Crider told investigators.

A. Rev. Crider's Actions Relating to Investments with Highland Bank

Rev. Crider confirmed that at the August 2012 Board of Directors meeting, he requested a list of minority-owned banks RTA invested with and upon receiving the list he was unhappy with the lack of RTA's investments with minority-owned banks. Rev. Crider confirmed participating in two telephone conference calls between RTA officials and ██████████ of Highland Bank, but denied asking that RTA staff call Highland Bank and said the calls were organized by Mr. Matyas or Ms. Reyna-Hickey. Rev. Crider stated that he was likely included because Mr. Matyas and Ms. Reyna-Hickey were aware of his interest in the issue. According to Rev. Crider, Ms. Reyna-Hickey volunteered to contact ██████████ at Highland Bank to discuss RTA investing with the bank. Rev. Crider stated that he believed Ms. Reyna-Hickey personally knew ██████████. Rev. Crider confirmed that he had not participated in similar conference calls with any bank other than Highland Bank.

During his interview, Rev. Crider said it was well known within the RTA that he wanted to increase RTA's utilization of minority-owned businesses, including banks. Rev. Crider stated that this had been a long-term personal goal and he confirmed that he contacted ██████████ in 2009 to ask whether the RTA had any investments with Highland Bank.

When asked, Rev. Crider confirmed receiving two loans from Highland Bank in 2006 for about \$31,000 and \$35,000. According to Rev. Crider, he had been engaged in litigation with Highland Bank starting in 2009, and he confirmed that his wages were garnished in 2011. Rev. Crider said he did have a personal economic relationship with Highland Bank from 2006 to 2012, but never disclosed the relationship to anyone at the RTA.

When shown a copy of the RTA Ethics Policy, Rev. Crider said he knew the RTA had an ethics policy, but he was not familiar with it. After reading the Conflict of Interest section¹⁸ and being asked if he violated the Conflict of Interest section, Rev. Crider stated “I don’t want to answer the question at this time.”

B. Rev. Crider’s Actions Relating to the Illinois Attorney General’s Attempt to Recover \$91,000 in Grant Funds

During his interview, Rev. Crider confirmed forming the Pastors Network and receiving a \$91,000 grant. He said that although grant funds were spent on a youth motivation program, he had “poor documentation” and did not keep records detailing how the funds were expended. Rev. Crider stated that in response to DCEO’s audit, he met with a DCEO official and was able to provide some, but not all, of the requested records.

According to Rev. Crider, he received letters from DCEO (starting in March 2003) requesting financial records and other information, but he did not respond to them because he was ill at the time. Rev. Crider said he thought that the matter would eventually go to court and thought he could lower the amount he owed DCEO by demonstrating to the court how some of the grant money was spent, but he said he knew he would still owe DCEO in excess of \$10,000.

Rev. Crider stated that, after the Illinois Attorney General’s office sought to recover the \$91,000 in grant funds, he hired an attorney who attempted to settle the matter. Rev. Crider did not deny that, although he signed a settlement agreement with the Illinois Attorney General’s office, he failed to make any payments.

When asked whether he ever spoke to anyone at RTA about the Illinois Attorney General’s office’s attempt to recover the \$91,000, Rev. Crider stated that he did discuss the matter in private with Mr. Matyas. According to Rev. Crider, the conversation occurred after a Board of Directors meeting and was “probably in September of 2012 or so.” Rev. Crider told investigators that he discussed this matter with Mr. Matyas because he (Rev. Crider) was unhappy with his attorney and wanted a recommendation of another lawyer. According to Rev. Crider, Mr. Matyas stated that he did not know any attorney to recommend. This exchange, according to Rev. Crider, was the extent of their conversation. Rev. Crider said he did not ask anyone else for an attorney recommendation.

Rev. Crider was then asked whether he (Rev. Crider) asked Mr. Matyas to contact his sister-in-law, Illinois Attorney General Madigan. In response, Rev. Crider stated, “I was looking

¹⁸ The Conflict of Interest section states that “[n]o . . . Director shall make or participate in the making of any RTA decision with respect to any matter in which he or she has any economic interest distinguishable from that of the general public.”

for a lawyer. That was the only request.” Rev. Crider stated that, at the time he spoke with Mr. Matyas, he knew that Mr. Matyas’ sister-in-law was Illinois Attorney General Madigan.

C. Rev. Crider’s Completion of his 2012 Disclosure Form

During his interview, Rev. Crider confirmed that, as an RTA director, he was required to annually complete a disclosure form and that he completed his 2012 form in the presence of [REDACTED]. Rev. Crider was shown his 2012 disclosure form, which he confirmed as being accurate. Nevertheless, during his OEIG interview Rev. Crider said that at the time the disclosure form was filled out, he was aware of the following liabilities:

- a judgment against him in favor of Highland Bank in excess of \$10,000;
- the \$91,000 he owed to the State of Illinois; and
- a judgment of \$31,792.64 in favor of Regency Exposition Services, Inc.¹⁹

Rev. Crider agreed that the above-identified debts and judgments should have been listed on the 2012 disclosure form but were not.

VIII. ANALYSIS

A. Rev. Crider Engaged in an Appearance of Impropriety by Participating in the RTA’s Decision to Invest Funds in Highland Bank

The OEIG’s investigation found no evidence that Rev. Crider received a benefit from Highland Bank in exchange for facilitating the RTA’s investment with Highland Bank. [REDACTED] (Highland Bank’s president) stated that the actions the bank took were common and were done so as to increase the likelihood that Rev. Crider would make payments on his delinquent loans. However, while Rev. Crider may not have received a benefit in return for his actions, the “Appearance of Impropriety” section of the RTA Ethics Policy provides that directors “must conduct themselves so as to avoid the appearance that they are violating the provisions of this Ethics Policy.” Whether an appearance of impropriety exists “shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.” Moreover, the RTA Ethics Policy also states that “those that represent the RTA must be beyond reproach in every business transaction.”²⁰

The OEIG concludes that, based on the relevant facts, a reasonable person would view Rev. Crider’s conduct of participating in RTA’s decision to invest funds with Highland Bank as having at least the appearance of impropriety. A reasonable person, who was aware of Rev. Crider’s long and litigious relationship with Highland Bank, would question the integrity of Rev. Crider’s actions. Rev. Crider repeatedly emailed RTA staff to facilitate the RTA’s investment with Highland Bank. Rev. Crider also participated in telephone conference calls involving RTA staff and a “high ranking” Highland Bank employee.

¹⁹ During the course of its investigation, the OEIG secured a Mortgage Foreclosure Summons filed against the Criders. The document reflects that Regency Exposition Services, Inc. had a \$31,792.64 judgment against Rev. Crider. In his interview, Rev. Crider confirmed that the judgment had not been paid.

²⁰ “Introduction,” RTA Ethics Policy.

Furthermore, Rev. Crider's actions were specifically aimed at ensuring that Highland Bank received RTA funds, as opposed to any other minority-owned bank. Ms. Reyna-Hickey stated that during her discussions with Rev. Crider, he never mentioned making an investment in any minority-owned bank other than Highland Bank. In his interview, Rev. Crider stated that he had not participated in any telephone conference calls with any bank other than Highland Bank.

Therefore, Rev. Crider's actions involving Highland Bank raise the appearance of impropriety. Accordingly, the allegation is **FOUNDED**.

B. Rev. Crider Engaged in an Appearance of Impropriety by Requesting that Jordan Matyas Intervene with the Illinois Attorney General's Attempt to Recover Grant Funds

Both Mr. Matyas and Rev. Crider stated that they had a private conversation after a Board of Directors meeting regarding the Illinois Attorney General's efforts to recoup \$91,000 from Rev. Crider. Furthermore, both Mr. Matyas and Rev. Crider agree that in this conversation, Rev. Crider explained why the Illinois Attorney General's office was taking action against him. According to Mr. Matyas, Rev. Crider suggested that Mr. Matyas contact Illinois Attorney General Madigan, his sister-in-law, in an effort to have the Illinois Attorney General's office stop its efforts to recoup the \$91,000. However, Rev. Crider denied making this request and stated he was simply looking for a recommendation for a new attorney.

The OEIG finds Mr. Matyas' statement that Rev. Crider asked Mr. Matyas to intervene with Attorney General Lisa Madigan on his behalf more credible than Rev. Crider's denial of making this request for the reasons set forth below:

- First, the veracity of Mr. Matyas' statement is supported by the detailed facts involving the grant recovery efforts which Mr. Matyas reported being told by Rev. Crider.
- Second, after being approached by Rev. Crider, Mr. Matyas immediately reported the conversation to RTA's Ethics Officer, [REDACTED].
- Third, [the Ethics Officer's] recollection of his conversation with Mr. Matyas corroborates Mr. Matyas' statements to investigators.
- Fourth, although RTA General Counsel was unable to provide details of her conversation with Mr. Matyas because of RTA's decision to not waive its attorney-client privilege, the General Counsel does not deny she had a conversation with Mr. Matyas around the time of the events regarding this matter.

In addition to the above, the OEIG further does not find credible Rev. Crider's statement that he only asked Mr. Matyas, during his private conversation, for an attorney recommendation. Rev. Crider admitted that he was aware that Mr. Matyas was related to Illinois Attorney General Madigan and at the time was clearly seeking to settle his \$91,000 dispute. If Rev. Crider was truly seeking a recommendation for an attorney, it is likely that he would have sought additional advice from someone other than Mr. Matyas, whose sister-in-law was the Illinois Attorney General. In any event, Rev. Crider's statement that he did not make this request of anyone other than Mr. Matyas, along with the fact that he already had an attorney, belies any statement that he was merely seeking from Mr. Matyas a recommendation for an attorney.

Given Rev. Crider's position as a director, and that his request involved asking Mr. Matyas to use his position improperly for Rev. Crider's personal gain, Rev. Crider clearly did not conduct himself so as to avoid the appearance of being unethical. The OEIG concludes that Rev. Crider sought to use his position in an attempt to somehow influence the Illinois Attorney General proceedings relating to the \$91,000 grant he had received. Therefore, the allegation that Rev. Crider engaged in the appearance of impropriety, in violation of the RTA Ethics Policy, by asking RTA Chief of Staff Jordan Matyas to somehow intervene in the Office of the Illinois Attorney General's efforts to recover \$91,000 in grant funds from Rev. Crider is **FOUNDED**.

C. Rev. Crider Falsified his 2012 Disclosure Form

Pursuant to the RTA's Ethics Policy, Rev. Crider was required to annually complete a disclosure form listing his respective assets, income, and liabilities. The form is designed so that the RTA can determine whether Rev. Crider, or any other a director, has a real or apparent conflict of interest.

By his own admission, Rev. Crider failed to list his debt and judgment to Highland Bank, the money owed to the State of Illinois, and the judgment of \$31,792.64 owed to Regency Exposition Services, Inc. Accordingly, the allegation that Rev. Crider falsified his 2012 disclosure form is **FOUNDED**.

IX. RECOMMENDATIONS

Following due investigation, the OEIG issues these findings:

- **FOUNDED** – Rev. Crider engaged in an appearance of impropriety by participating in activity involving a bank for which he had an interest without disclosing the interest to the RTA.
- **FOUNDED** – Rev. Crider engaged in an appearance of impropriety by asking RTA Chief of Staff Jordan Matyas to intervene in the Office of the Illinois Attorney General's efforts to recover \$91,000 in grant funds provided to Rev. Crider.
- **FOUNDED** – Rev. Crider falsified his 2012 disclosure form by failing to list the judgment against him for money owed to Highland Bank.
- **FOUNDED** – Rev. Crider falsified his 2012 disclosure form by failing to list his \$91,000 debt to the State of Illinois.
- **FOUNDED** – Rev. Crider falsified his 2012 disclosure form by failing to list a judgment of \$31,792.64 owed to Regency Exposition Services, Inc.

In light of the fact that Rev. Crider has already resigned from the RTA Board of Directors, the OEIG recommends that Rev. Crider not receive future appointments to State agency governmental bodies under the jurisdiction of the Illinois Governor.

Additionally, in light of the fact that the RTA does not currently require appointed directors to execute acknowledgment forms representing that they have received and understand the RTA Ethics Policy, the OEIG recommends that the RTA do so in the future.

No further investigative action is warranted and this case is considered closed.

Date: November 18, 2013

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William "Skip" Benz
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**AGENCY OR ULTIMATE JURISDICTIONAL AUTHORITY
RESPONSE FORM**

Case Number: 12-02289

Return 20 Days After Receipt

Please check the box that applies. (Please attach additional materials, as necessary.)

We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

- All members of the RTA Board of Directors are now asked to execute an acknowledgment form that specifically delineates all policies, statutes and ethics (including the Ethics and Whistleblower policies) and training materials they have received.
- The subject of the investigation, Tyrone Crider, has resigned from RTA service.

We will implement some or all of the OEIG recommendations but will require additional time to do so.
We will report to OEIG within _____ days from the original return date.

We do not wish to implement some or all of the OEIG recommendations. Please provide details as to what actions were taken, if any, in response to OEIG recommendations:

EXECUTIVE DIRECTOR
REGIONAL TRANSPORTATION AUTHORITY

Signature

Print Agency and Job Title

Joseph G Costello
Print Name

12-12-13
Date



Office of Executive Inspector General
 for the Agencies of the Illinois Governor
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**AGENCY OR ULTIMATE JURISDICTIONAL AUTHORITY
 RESPONSE FORM**

Case Number: 12-02289

Return 20 Days After Receipt

Please check the box that applies. (Please attach additional materials, as necessary.)

We have implemented all of the OEIG recommendations. Please provide details as to actions taken:

The Governor does not possess statutory authority to appoint members to the Regional Transportation Authority ("RTA") board. Additionally, Governor Quinn has not appointed Mr. Crider to any State agency governmental bodies under his jurisdiction while in office. We agree with the OEIG recommendation that Tyrone Crider not receive future appointments to State agency governmental bodies under the jurisdiction of the Illinois Governor.

Furthermore, the Governor cannot require directors of the RTA to execute any acknowledgement forms. However, in 2011 Governor Quinn signed into law Public Act 96-1528, which amended the State Officials and Employees Ethics Act ("Ethics Act") and placed the Regional Transit Boards under the jurisdiction of the Executive Ethics Commission and the Office of the Executive Inspector General. Section 5-10 of the Ethics Act requires all board directors and employees of the Regional Transit Boards to complete annual ethics training and certify in writing to their respective Ethics Officer that said training was completed.

We will implement some or all of the OEIG recommendations but will require additional time to do so.
 We will report to OEIG within _____ days from the original return date.

We do not wish to implement some or all of the OEIG recommendations. Please provide details as to what actions were taken, if any, in response to OEIG recommendations:

Signature

Office of the Governor, Assistant General Counsel
 Print Agency and Job Title

Juan Hernandez Jr.
 Print Name

12/20/13
 Date