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TOP NEWS

SLAY AGAIN WINS EASILY

St. Louis Mayor Slay easily claims the Democratic nomination for re-election in voting Tuesday.

METRO | B1

LOCAL NEWS

WOMAN RESCUED

A woman was rescued Tuesday after she fell or was pushed down a chute into 4 feet of water at the old Wellston High School.

METRO | B1

DEAD INFANT CASE

A child's body found in woman's home is badly decomposed, so tests will take time. The same woman tried to drown her infant born in November, police say.

METRO | B1

A-B: BEER IS JOB 1

Anheuser-Busch says brewing culture and tradition will endure despite changes at brewer.

BUSINESS | D1

AMEREN BILL

Missouri House panel OKs bill aimed at helping AmerenUE build second nuclear power plant.

BUSINESS | D1

BLUES BLANKED

The Detroit Red Wings pull away in the third period for a 5-0 victory over the Blues at Scottrade Center.

SPORTS | C1

ELSEWHERE

LEVY CASE CHARGE

Arrest warrant is issued for a jailed immigrant in the 2001 killing of Washington intern Chandra Levy.

NATION | A6

RAIL CRASH

Investigators describe a rash of safety violations leading up to a California commuter train crash last fall that killed 25 people.

NATION | A6

ONLINE



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O actor, where art thou?

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Clooney

Clooney has St. Louisans star-struck

How Clooney are you?

STLTODAY.COM/MOVIES

- Enter our look-alike contest
- Submit your personal ad for George
- Tell us where you've seen him

By Diane Torioan Keaggy
ST. LOUIS POST-DISPATCH

Nelly lives here. Albert Pujols works here. Jessica Alba has partied here.

Still, the mere presence of George Clooney has set off a flurry of talk, texts and tweets as fans try to stalk — we mean find — the Hollywood icon.

“Clooney is a block away, I repeat, Clooney is a block away,” one fan posted Tuesday morning on Twitter.

“Security guard says Clooney is still filming across the street! I'll be glued to the window again today!!” tweeted another.

Even the blog of the St. Louis

Red Cross offered tips to assist fainting victims: “Check the scene for safety. It could be noxious poisonous gas and not George Clooney at all that caused the victim to faint.”

“People can't help it. They are excited to have George Clooney in St. Louis,” said Andrea Sporic, assistant director at the Missouri Film Commission. (Favorite Clooney flick: “Out of Sight.”) “It's not just the wow factor. It's the talent factor.”

Clooney arrived in St. Louis last weekend and started shooting his latest film, “Up in the Air,” on Monday. In his spare time,

PLEASE SEE **CLOONEY** | A9

FED CHIEF DEFENDS OBAMA BUDGET



Federal Reserve Chairman Ben Bernanke testifies on Capitol Hill before the Senate Budget Committee on Tuesday. Susan Walsh | The Associated Press

Bernanke says U.S. faces 'extraordinary challenges'

By Edmund L. Andrews and Jackie Calmes
NEW YORK TIMES

WASHINGTON • Ben Bernanke, the Republican chairman of the Federal Reserve, on Tuesday provided President Barack Obama and Democratic lawmakers crucial backing for the White House's 2010 budget plan.

Bernanke, testifying before

the Senate Banking Committee, tacitly endorsed Obama's call for huge increases in spending and trillion-dollar deficits over the next couple of years, saying the economic crisis required aggressive action.

Though he did not endorse any of Obama's specific proposals, Bernanke echoed the president's call for bold government action to address the economy's immediate travails, and point-

edly refused to criticize Obama's longer-term plans.

“All else equal, this is a development that all of us would have preferred to avoid,” Bernanke said, referring to record-breaking deficits expected this year and for the next two years. “But our economy and financial markets face extraordinary challenges, and a failure by policymakers to address these challenges in a timely way would likely be more

costly in the end.”

Two officials on Obama's economic team, Treasury Secretary Timothy Geithner and budget director Peter Orszag, made similar arguments as they defended the new Obama budget and fielded congressional Republicans' criticism in separate appearances on Capitol Hill on Tuesday.

PLEASE SEE **OBAMA** | A3

Get more

STLTODAY.COM/OBAMA

Get the details and a breakdown on the president's budget and economic plan.

Inside

Earmarks fight: McCain's effort to strip pet projects from budget fails 63-32 in Senate. McCaskill was one of two Democrats voting with the Arizona senator.

A3

Billions in late payments strain Illinois' safety net

Unless state pays up soon, social service providers face hard choices, maybe closure.

By Adam Jadhav
ST. LOUIS POST-DISPATCH

The angry phone calls pour into the office of Illinois Comptroller Dan Hynes all day long. He's the guy who manages the state's checkbook, and a lot of people want their money.

Bill Kreeb, head of the Lessie Bates Davis Neighborhood House in East St. Louis, has been on the phone a good

deal lately. The state owes \$850,000 to his organization for all sorts of anti-poverty programs. Kreeb said Tuesday that he's not sure he can make payroll in two weeks for his staff of 230 people.

John Foppe, executive director of Community Link in Breese, has been calling, too. The state owes some \$1.2 million to his agency, which provides group homes and a sheltered workshop for more than 400 developmentally disabled.

Those are just two voices in a growing chorus of social service providers

PLEASE SEE **BUDGET** | A4

Blunt office's e-mail policy violated law, inquiry finds

Investigators blame bad legal advice the then-governor received.

By Tony Messenger
ST. LOUIS POST-DISPATCH

JEFFERSON CITY • By failing to preserve many e-mails as public records, the office of former Missouri Gov. Matt Blunt ran afoul of two state record retention laws, a 15-month investigation concluded.

But investigators do not plan to refer any violations to prosecutors.

In a report filed with the Cole County Circuit Court Tuesday morning, investigators Mel Fisher and Rick Wilhoit cited several areas of noncompliance with the law.

The investigators stopped short of saying that Blunt had specific knowledge of the legal compliance issues, in part because they were unable to interview him. They said the governor had received bad legal advice.

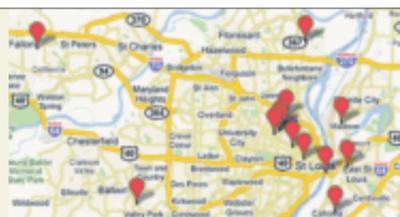
“Absent the opportunity to conduct an interview, the (investigative) team is unable to determine if Gov. Blunt had ...

PLEASE SEE **BLUNT** | A4

St. Louis murders, case by case

Our interactive map follows each case through arrest, charge and sentencing.

STLTODAY.COM/CRIME



BLUNT | FROM A1

Inquiry finds law was violated

any independent and/or special knowledge that might negate any good faith belief he had in the incorrect legal advice that he received as governor from his general counsel, Henry Herschel," the report says.

The report blames Herschel, who was Blunt's top attorney and the custodian of records, for not understanding the state statutes and offering incorrect and sometimes contradictory advice to Blunt and other employees of the governor's office. Blunt replaced Herschel as general counsel shortly after the investigation began. Herschel is now a state administrative law judge.

Herschel's attorney, John Comerford, did not directly dispute the assertion that Herschel gave bad advice. But he said "there was not a shred of evidence" that Herschel ever broke the law, and he called his client "an excellent lawyer."

The report is inconclusive on the most explosive issue that came up during the investigation: whether an employee or employees of the governor's office sought to destroy records on the backup tapes. There is insufficient evidence to "prove or disprove" that allegation, the report says.

In comments attached to the report, Blunt, through his attorneys, denied most of the report's conclusions.

"The findings and conclusions the report reaches ... are rooted in no small part on legal assumptions and conclusions that are at odds with the text of the statutes," wrote the governor's lawyers, John Holstein and James Meadows, in response to the report.

The former governor defended Herschel, though admitted in his response to the report that he "may have been imperfect in some of his advice."

Blunt and his spokespeople have consistently referred to the investigation as being politically motivated and without merit.

Fisher and Wilhoit, both former state patrolmen, were appointed by then-Attorney General Jay Nixon to investigate allegations of possible violations of two sections of state law — record retention and the Sunshine Law — in November 2007 after several media reports that the governor's office was not preserving e-mails. Blunt had said then that e-mails were not public record. At the time, Nixon was embroiled in a political battle with Blunt as the two positioned themselves for the 2008 race for governor.

Blunt later decided not to run. Nixon won the race and became governor in January.

The 46-page report — with more than 2,500 pages of exhibits contained on four CDs — summarizes its findings with eight conclusions, including that the governor's office's poli-

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Get the latest developments in the Matt Blunt e-mail scandal.

cies on record retention were inadequate. The report says that because the office in many cases failed to retain e-mails, compliance with the Sunshine Law was virtually impossible.

Citing several Sunshine Law requests as examples — going back to an Aug. 27, 2007, request made by the Springfield News-Leader and including a Sept. 14, 2007, request by the Post-Dispatch — the investigators point out that while the governor's office denied records existed in response to those claims, the ensuing investigation found hundreds of pages of documents that should have been retained and were responsive to the requests.

The documents were found on backup tapes of state e-mails that the Post-Dispatch, Kansas City Star and The Associated Press sued to preserve and obtain. Those records show former Blunt chief of staff Ed Martin using his state e-mail address to rally political allies to criticize Nixon over abortion issues and to criticize the process by which Missouri chooses its judges.

Hundreds of Martin's e-mails were responsive to Sunshine Law requests filed by reporters and others, but they were not provided in accordance with the law, the report found.

In depositions cited by the report, Herschel told investigators that the Martin records wouldn't be provided in response to Sunshine Law requests because the requests didn't specifically seek a search of backup tapes.

But between Oct. 27 and Nov. 1, the investigators say, four requests came in that asked for backup tapes, and those requests were never provided to the Office of Administration, which kept the backup tapes.

The release of the report brings to an end the legal battle between the investigators and Blunt. With the report in hand, attorney Lou Leonatti, one of two lawyers appointed by the court to oversee the investigators' work, filed a motion to dismiss the case brought against Blunt. Leonatti declined to comment Tuesday.

The lawsuit and a separate civil lawsuit brought by the fired deputy counsel of the governor, Scott Eckersley, together have cost taxpayers more than \$1.5 million in attorneys' fees. Eckersley claims he was fired for offering advice that suggested the governor's office was not properly following the Sunshine Law. His lawsuit is ongoing in Jackson County Circuit Court.

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BUDGET | FROM A1

Billions in late payments strain social service providers in Illinois

with overdue state contracts. They say unless the state pays up soon, and figures out a long-term solution to its budget crunch, agencies could shut down services for tens of thousands of people ranging from after-school care to youth counseling to long-term residential programs.

"This state is extremely inept at managing the resources," Foppe said. "I'm really worried that we could be headed for cascade failure of services in Illinois."

Hynes' office has more than \$2.8 billion of bills awaiting payment; another estimated \$1.6 billion is still being processed by the Department of Healthcare and Family Services. And by the end of June, the state has to pay back a \$1.4 billion short-term loan it took out in December to ease a massive backlog of bills then.

That's \$5.8 billion owed on state contracts for services already rendered.

Carol Knowles, a spokeswoman for Hynes, said the comptroller's office doesn't have a detailed breakdown of overdue bills. Some of the money is owed for routine services such as copying and office supplies. Many of the overdue bills are Medicaid-related. But a significant chunk of that money is due to social service providers that offer state-contracted after-school programs, foster care, sheltered workshops, aid for autistic children and more.

"The phones do ring from the time the office opens to the time it closes," Knowles said. "We know there are many social service agencies across the state that are really hurting because of the payment delays."

The Post-Dispatch canvassed a dozen southwestern Illinois aid providers with state contracts; while the numbers change as money trickles in and out of state coffers, the newspaper found the state owed anywhere from \$60,000 to the \$1.2 million for Foppe's organization.

And the problem is statewide; for example, Catholic Charities of the Archdiocese of Chicago has seen a payment backlog of up to \$26 million.

"Capital expenditures are on hold. We have two cottages that need new roofs, vehicles in our fleet that are out of service," said Chris Cox, the chief operating officer of Hoyleton Family Services and two affiliated nonprofits that are owed about \$200,000. "How does a board of directors really deal with this? Do you still provide the same level of services? Do you fill positions that are open or not?"

The Neighborhood House is wrestling with those decisions now, Kreeb said. The organization's line of credit is maxed out, and the board and staff are trying to decide who can afford to go for another 30 days without taking a check.

At Community Link, the problem was even worse in the fall, when the backlog rose to more



John Zimmer of Trenton participates in a work training program along with Jessica Merrick (right) of Pocahontas at Community Link's sheltered workshop in Breese on Monday. The developmentally challenged get work-related skills, while earning a paycheck. Dawn Majors | Post-Dispatch

A SAMPLING OF ILLINOIS' OVERDUE BILLS

- \$60,000:** Alcoholic Rehabilitation Community Home, Granite City. Residential substance abuse treatment programs.
- \$66,000:** Illinois Center for Autism, Fairview Heights. School, vocational programs and a referral service.
- \$137,000:** Lutheran Child and Family Services of Illinois. Foster care, residential services, home-based family programs statewide.
- \$200,000:** Hoyleton Youth and Family Services and two affiliated organizations. Foster care, teen pregnancy programs across Southern Illinois.
- \$220,000:** Riverbend Head Start and Family Services, Alton. Infant home visits and youth counseling.
- \$270,000:** St. Clair Associated Vocational Enterprises, Belleville. Group homes, a sheltered workshop for the developmentally disabled.
- \$850,000:** Lessie Bates Davis Neighborhood House, East St. Louis. A variety of anti-poverty programs.
- \$1.2 million:** Community Link, Breese. Group homes, sheltered workshop and other programs.

than \$1.4 million. The organization took out more credit, refinanced some group homes that were nearly paid off and cut vacation time for some of its 150 employees.

"We had to do a lot of crunching of numbers and some persuasive talking," Foppe said. "Now, we're all sitting here with bated breath. We're wondering if we're going to have to do this again and again."

The agencies say the backlog creates a trickle-down of problems. As they extend their debts,

they incur interest and delay payments to their own vendors. Also, their services suffer as staff spends more time focused on finding ways to pay bills.

And if the late payments forced an organization — say a sheltered workshop like as Foppe's — to close its doors, other agencies would feel pressure as demand increases on them.

Both sides of the political aisle acknowledge a problem; the budget for the current fiscal year was out of balance from the outset, and revenue projections

have continued to drop during the recession. To highlight the issue, Hynes has invited state vendors to the Capitol on Tuesday to share their concerns with lawmakers and the governor.

Democrats in charge said they're concerned but gave no immediate solutions. New Gov. Pat Quinn called it "one of the priorities of the new budget." Steve Brown, spokesman for state House Speaker Michael Madigan, said, "It's a huge problem that we'll try to do our best to fix, but we're a long way away from being able to answer those kinds of questions."

Both sides have predicted the state will face difficult cuts as it tries to reduce the deficit.

The social service agencies say it's time to look at raising the state's 3 percent income tax. And they are pleading for new funding rules to prevent backlogs.

"We need to look at this as a systemic issue — not bringing attention to one account that's late or one agency — but how to solve the problem for the long term," said Phillip Jimenez, director of development for Lutheran Child and Family Services of Illinois, which is currently owed more than \$137,000.

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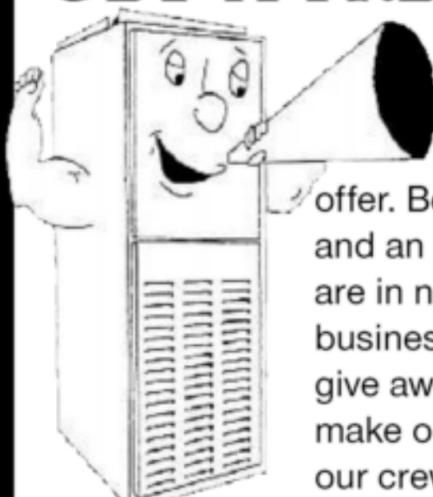


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