

## **Sterling, Andrew**

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**From:** Nat McKnight [rwy22n@aim.com]  
**Sent:** Thursday, January 06, 2011 10:09 PM  
**To:** Sterling, Andrew  
**Subject:** Gary petition

Mr Sterling,

Please include this as testimony for the Gary "units" hearing.

To repeat the same action and expect different results?

The trend at all levels of Government is reduce. The City needs to re-tool how they function. The course chosen by the administration is cut the essential first. The City must face the reality of the changes necessary to function.

The DLGF / DUAB has acted as the enabler for continued dis-functional government for the last two years. This wasn't an intentional act. As is always the case of the enabler.

Residents understand the consequences of denial of the petition. Our municipal election is in the near future. The reality of

austerity is what the public deserves prior to the selection of our next leaders.

Denial means it's hit bottom. The tax base will then have a stable platform to grow from. Yes it will be painful. The citizens are ready to face the truth. It's time our elected officials address the true budget and deal with the truth also.

Nat McKnight  
Gary IN

## **Sterling, Andrew**

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**From:** KRISeKRIS00@aol.com  
**Sent:** Friday, January 07, 2011 8:02 AM  
**To:** Sterling, Andrew  
**Subject:** Pull the trigger

Dear DUAB members:

It should be clear by now that you've been thinking about things all wrong; that you've had it all backwards. Where else has a city asked to raise taxes in hopes of stimulating economic development? Where else has any city ever been successful in attracting investment by making the economic conditions more hostile? It should go without saying that when a city like Gary--a place that needs outside investment as much or more than any city in the country--asks for and gets permission to raise taxes, that this is not perceived as an incentive; especially so when one takes into consideration the effect of the relief from the caps is much more severe for commercial property. The quickest way to rebuild the tax base is to attract large-scale commercial development. Why then does the City put so much effort into driving it away; into assuring that none of these commercial interests will ever give any serious consideration to locating in Gary?

Three years ago, when the legislation was passed that allowed for the tax rates in Gary to be brought back down to reality, and the long-promised property tax relief was seemingly so close we could taste it, the city was on the verge of disaster. But the relief never came, at least not in any meaningful way. It never came partly because this board stopped it from coming the way it was promised--the way it was legislated; the way it was intended to come. In the two years that this board has seen fit to deny this relief to the taxpayers, and instead award relief to the tax consumers: this administration in particular, the city has gone from impending disaster to total collapse. Every other community in this state has been eligible to benefit by this legislation except Gary. And what was the name again of the city that has collapsed and imploded as a result? If you have the slightest doubts about this, please take another field trip to the city. And this time, not one of those predetermined guided tours, this time let's go for the real deal!

Instead of giving the City administration relief; and let's be clear here, the administration is the sole beneficiary of this relief; maybe some consideration should be given to providing relief to the taxpayers. Where is the incentive to rebuild the tax base? Are you surprised that the only economic development this administration has to boast about this year is a Little Caesar's pizza store? Can you believe they are actually proud of this achievement? It would be comical if it weren't so damn sad. If any tax relief should be available, it should be relief to the taxpayers; the relief the Legislature already saw fit to provide. Relief to the administration is distress to everyone else.

The results of this backwards logic can be seen everywhere. It's like the end of the world up here. You may have thought that you were doing the right thing. You might have fell for their pitch. Don't worry, though, you're not the first ones to fall prey to their tricks. They're

dumb like foxes! This Gary contingent that treks down here once or twice a year, to beg for your alms (alms granted at a direct cost to every other taxpayer and citizen); to beg for forgiveness; to make a bunch of empty promises (quite effectively so far I would add), does so to the detriment of an entire city full of people. So the relief that you award them really hasn't helped the city in the slightest. All that it has done is keep the same few fatcats in Cadillacs and fur coats. The relief that you granted to this administration helped maybe a thousand or so people, while at the same time, it hurt the other 90,000 or so other people in Gary. Don't you think that it's time to quit helping the lucky few and instead start worrying about the 90,000? This contingent before you today doesn't represent the wishes of the 90,000, they only represent their own selfish desires.

We can forgive you for making the mistakes of the past; but I don't think that anyone will be so forgiving if you do it again; if you make the same mistake three times in a row. Strong people admit their mistakes. Smart people learn from their mistakes. Wise people correct them. Be strong. Think smart. Act wisely. And don't chicken out, don't take the easy path. This is going to be a little work; but it's going to be worth it!

It has been said that there is a concern that actions taken by this board may be perceived as racist, and as such, there is some reluctance to act in the manner necessary; to make the tough call. One cannot deny that the makeup of this board is noticeably white. Due to this, you may not feel the natural connection to black people. There may be some built-in awkwardness. You may also feel that by not awarding relief to the City, you are doing something to black people that will be perceived as an aggressive action.

Wrong...wrong...wrong! By giving the City administration this relief--to continue to mismanage and mishandle--you in effect *are* doing something bad to black people and everyone else in Gary. If you want to do something good for black people...pull the plug on this corrupt administration and demand that a manager is put in place to run the city. And do it now! Don't wimp out like before. Your last decision called for this in addition to calling for PFM to do a report. PFM did a half-ass job and you let the administration tell you "to take a hike" when it came to hiring a manager. Now look at things! You are partly to blame: you made a decision and you failed to execute it properly. A good executive is judged by the decisions he or she makes and his or her ability to execute them. While many still question the decision, this board's failure to properly execute the decision that they *did* make falls squarely with it.

If you want to give this administration relief, give them one basis point of relief and tie it to putting an emergency manager in place immediately. Then, when SB 105 passes, you'll already have made progress. The city can't wait another day. It needs to be restructured now. So quit pretending; quit dreaming; quit stalling; and let's get to work!

And if you're concerned at all about helping black people--I mean really helping a lot of black people, not just a few--give relief to the masses, not the handful of politicians that can't focus beyond their own wallets. This city is poised to turn on a dime. So quit standing in the way of it happening; the 90,000 are waiting on you!

Sincerely,

Kris Edwards

## Sterling, Andrew

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Saturday, January 08, 2011 9:37 AM  
**To:** Sterling, Andrew  
**Subject:** Fw: Quote of the day (WBEZ DUAB article)

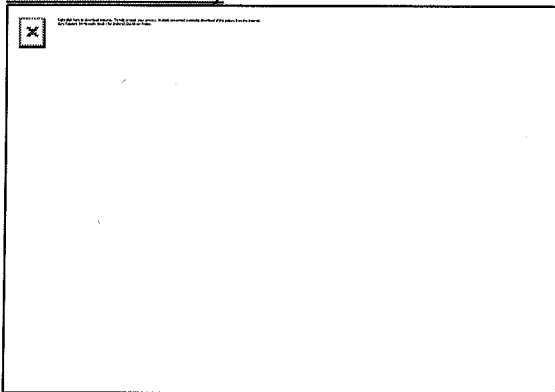
----- Forwarded Message -----

**From:** "AYoung7550@aol.com" <AYoung7550@aol.com>  
**To:** AYoung7550@aol.com  
**Sent:** Sat, January 8, 2011 7:27:32 AM  
**Subject:** Quote of the day (WBEZ DUAB article)

# Gary residents decry city's request for bailout

by Michael Puente Jan. 07, 2011

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(Mike Puente/WBEZ)

Gary resident Jim Nowacki speaks before Indiana's DUAB as Gary's Mayor Rudy Clay (far right) walks by.

Richard Barnes has had it when it comes to hearing about property tax relief for his hometown of Gary, Indiana. Barnes traveled to Indianapolis Friday morning to urge members of the Indiana Distressed Unit Appeals Board not to allow Gary to collect another \$11 million in property taxes from homeowners and businesses.

"Property tax relief for the city is tax payments for residents," Barnes told the board. "The time has come to provide relief for the residents, not the government."

Barnes was among a handful of residents who oppose the DUAB granting Gary an exception to the state's property tax cap. That cap limits local governments' property tax rates. Gary is asking for a one-year tax rate of three percent, a higher rate than any other Indiana city.

Indiana voters recently approved an amendment to the state constitution that puts the property tax cap on its firmest legal footing. The amendment caps the amount of property taxes for different types of property: one percent for homeowners, two percent on rental units and three percent from businesses.

Gary officials told the panel it cannot operate its city within the confines of such caps.

If it did, the city would have about a \$30 million operating budget for a city that encompasses nearly 60 square miles and has 95,000 residents.

Just a few years ago, the city's budget hovered at \$75 million budget; however, the tax caps and reductions in the amount

of tax from U.S. Steel Company – the city's largest employer – is forcing the city to make drastic cuts.

Just in the last week, the city's laid off more than 30 fire fighters and shuttered three fire stations.

Gary Mayor Rudy Clay and Controller Celita Green urged the board to allow relief for this year. Both claim Gary is doing all it can to reduce expenses and is following recommendations set forth by Public Financial Management, a Philadelphia-based firm. PFM was hired at the state's insistence to be the city's fiscal monitor.

The DUAB has already provided some tax relief for Gary last year and in 2009, but by next year, the board loses authority to provide any property tax relief.

During this final go-around, some on the DUAB wonder if Gary is doing all it can to reduce expenditures. Board member Mark GiaQuinta of Fort Wayne was shocked to learn that Gary city council members earn annual salaries of \$26,000, among the highest in the state.

He said it should be cut.

"I think it would be very beneficial to the community and to all of you personally to announce a dramatic decrease in your salaries. I just think it would be a very important thing to do," GiaQuinta said. "It's not going to change anything. It's kind of window dressing. But sometimes window dressing is important."

GiaQuinta said he's sympathetic to Gary's financial woes and the unique plight of the city's history of social deterioration and industrial disinvestment. He said he doesn't believe there's another city Gary's size that's being asked to make ends meet with a \$30 million budget.

However, GiaQuinta said Gary needs to look at what more it can do to cut its budget because by next year, it will have no choice.

He and other board members urged Gary to look at transferring or consolidating some of its services for health and animal control to Lake County, Indiana.

"You're going to have to think outside the box. You're going to have to create the new paradigm because you're not going to have any choice (by next year)," GiaQuinta said.

But city officials contend the county has its own financial issues, and isn't necessarily willing to take on the added cost of shouldering services for Gary residents.

Near the end of the city's presentation, several residents had harsh words for their hometown including Jim Nowacki, a longtime critic of Gary city government.

"The reason the city can't function under the tax caps is because of waste, corruption and the scandalous abuse of the authority given to them," Nowacki said. "I want the board to understand that this (Gary) is a nonfunctioning unit of government and not grant relief. What you got here is not simply a unit of government that is in distress. You've got a unit of government that is a corrupt criminal enterprise."

The board is expected to make a decision on the city's request by March.

**Sterling, Andrew**

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Saturday, January 08, 2011 12:34 PM  
**To:** Sterling, Andrew  
**Subject:** 50 Reasons NOT TO TRUST GARY OFFICIALS !

**TO: DUAB Board Members**  
**RE: Gary's request for More Tax Dollars**

**Here are 50 reasons NOT TO TRUST GARY Officials...**

We now have more than 50 elected officials or employees, serving time in prison, charged with federal offenses by the US Justice Department, and/or awaiting trial. These are people who have lied, cheated, stolen public monies, and broken the laws of the State of Indiana and/or the US Federal Government. This is all public record assembled here for your review.

Recent Additional indictments:

**November 7, 2010 Four Indicted for Fraud - \$301,247 -**

(1) **Jerry Haymon** once said he used cash from the Gary City Council to renovate a house and make "a beautiful home for a family that would have never been a homeowner." But a federal grand jury said Friday the house was one of four used by Haymon,

(2) **Gary Community Development Director Jacquelyn Drago-Hunter**, (Clay said he will **not ask her to step down**. Drago-Hunter controls millions of dollars in federal tax dollars in Gary and continues to serve in office.)

(3) **Gary reserve police officer Phillip Rucker** and

(4) mortgage broker **Sheila Chandler** to commit a complicated fraud scheme. Together they illegally pocketed \$301,247, according to a grand jury indictment unsealed Friday.

**December 8, 2010 - 26 Count Indictment - Fraud - Gary GSD Employees**

(5) **Dwain Bowie**, GSD employee and former GSD superintendent

(6) **George Ciaccio** with one count of conspiring to defraud the U.S. government and 25 counts of violating the Clean Water Act. (These two individuals were under Mayor Rudy Clay, Special Administrator for GSD, supervision. Clay draws a second salary of \$51,000 for administering the GSD program.)

• **AWAITING TRIAL**

- Jewell Harris Sr (Convicted) ., accused of double-billing Gary for debris-hauling work at The Steel Yard stadium.
- Bob Cantrell (convicted) , charged with tax evasion and insurance fraud.
- Dozier Allen, Wanda Joshua, Ann Marie Karras, Albert Young Jr., all charged with skimming money from a federal grant to Calumet Township.
- Lawrence Meeks, contractor accused of not paying taxes on Gary Urban Enterprise Association income.

## CONVICTED

1. East Chicago City Councilman Frank Kollintzas, convicted for misappropriation of federal funds, lying to the FBI.
2. East Chicago City Councilman Joe De La Cruz, convicted for misappropriation of federal funds.
3. East Chicago City Controller Eduardo Maldonado, convicted for misappropriation of federal funds. Convicted a second time in July 2006 for using public money to pay his defense attorneys.
4. East Chicago City Councilman Adrian Santos, pleaded guilty to fraud and conspiracy in connection with the \$24 million sidewalks-for-votes case.
5. East Chicago Parks Superintendent Jose Valdez Jr., fraud and conspiracy in connection with the sidewalks-for-votes case.
6. East Chicago City Engineer Pedro Porras, fraud and conspiracy in connection with the sidewalks-for-votes case.
7. Gerry Nannenga, former carpenter's union official, accepting bribes to approve the Coffee Creek land deal.
8. Kevin Pastrick, son of former East Chicago Mayor Robert Pastrick, paying bribes to approve the Coffee Creek land deal.
9. Peter Manous, former Indiana Democratic chairman, paying bribes to approve the Coffee Creek land deal.
  - (Wife: Susan Severtson, is now working as Corporate Counsel for City of Gary, hired by Rudy Clay)
10. Carl Paul Ihle Jr., co-owner with Kevin Pastrick of Sand Creek Sales, forging documents and lying about the Coffee Creek land deal.
11. Peter Benjamin, former Lake County auditor and assessor, paying bribes to Lake County Councilman Troy Montgomery.
12. Troy Montgomery, former Lake County councilman, accepting Benjamin's bribes.
13. Joel Markovich, former Lake County councilman and contractor, fraud in connection with the sidewalks-for-votes case.
14. Katie Hall, Gary city clerk, extorting \$19,000 in campaign contributions from office employees.
15. Junifer Hall, chief deputy Gary city clerk and daughter of Katie Hall, extorting \$19,000 in campaign contributions from office employees.
16. Robert J. Velligan, contractor, tax fraud in connection with the sidewalks-for-votes case.
17. Marilyn and Gregory J. Gill, contractors, tax and bankruptcy fraud in connection with the sidewalks-for-votes case.
18. Dimitrios Szazalis, contractor, tax fraud in connection with the sidewalks-for-votes case.
19. Former East Chicago Police Chief Edward Samuels, ghost employment as a security guard in a city housing project.
20. East Chicago Building Commission Miguel "Mike" Arredondo, ghost employment as a security guard in a city housing project.
21. Gary City Parks Superintendent Kimberly Lyles, lying to federal agents about influence peddling.
22. Assistant County Building Administrator Jan Allison, extortion.
23. G. Gregory Cvitkovich, former North Township trustee, tax fraud.
24. James H. Fife III, a former special assistant to the East Chicago mayor, federal tax fraud.
25. Karen Krahn-Fife, federal tax fraud.
26. East Chicago City Councilman Randall Artis, fraud and conspiracy in connection with the sidewalks-for-votes case.
27. Terrance Artis, brother of Randall Artis and contractor, fraud in connection with the sidewalks-for-votes case.
28. Robert White, Gary city councilman, fraud.
29. Lake County Recorder Morris Carter, extortion.
30. Former Schererville Town Judge Deborah Riga, fraud in using office to personally benefit her family business.
31. Paul Hernandez, union fraud and corruption.
32. Ken Castaldi, union fraud and corruption.
33. Jojuana Meeks, embezzling money from Gary Urban Enterprise Association.
34. Charmaine Pratchett, embezzling money from GUEA.
35. Derrick Earls, embezzling from GUEA board.
36. Johnnie Wright, embezzling from GUEA board.
37. Greg Hill, contractor who didn't report GUEA income.
38. Will Smith Jr., Lake County Council president, tax evasion for a questionable land deal with GUEA.
39. Roosevelt Powell, former delinquent tax collector for Lake County, tax evasion, theft conspiracies involving GUEA land deals.
40. Willie Harris, Gary attorney, tax evasion, theft conspiracies involving GUEA land deals.
41. Nancy Fromm, addiction counselor, lying to federal agents.
42. Otho Lyles III, tax evasion and lying to FBI in Gary City Hall investigation.



- 43. George Pabey, as East Chicago Mayor - found guilty of theft of city funds and property.
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