

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 972**

April 28, 2016

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ANNUITY & BENEFIT FUND OF CHICAGO

April 28, 2016

Report of Meeting No. 972 held on April 28, 2016, starting at 1:02 p.m. in the office of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund").

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Michael LoVerde, Secretary (Active Employee Elected Member)
Carol Hamburger, Trustee (Managing Deputy Comptroller, City of Chicago)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago) (*arrived at 1:52 pm*)
James Capasso, Jr., Trustee (Retired Elected Member)
James Joiner, Trustee (Active Employee Elected Member)

Fund's Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Mike Cairns – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski - Comptroller
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator
Nadia Oumata – Manager of Accounting and Investments

Absent: Carole Brown, Trustee (Chief Financial Officer, City of Chicago)

Observers: Miriam Martinez – Office of the City Treasurer, City of Chicago

President Roa determined that a quorum was present.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 971 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the minutes of the executive sessions 1, 2, 3, 4, 5, 6, 7, 8 and 9 of meeting No. 971 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.



***Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago***

Board Members:

I am transmitting herewith the minutes for the meeting of the Board which was held on **April 28, 2016**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Schedule I: Payment of Administrative Expenses
- Executive Session No. 1
- Executive Session No. 2
- Approval of Coveliers Written Decision
- Approval of Okparaji/Dobbs Written Decision
- Investments Report
- Executive Session No. 3
- Investments Report Continued
- Administrative Report
- Legal Report
- Executive Session No. 4
- Executive Session No. 5
- Adjournment

All the foregoing matters were checked upon receipt into the Office of the Board and were found to be hereinafter set forth.

Sincerely,

Michael R. LoVerde
Board Secretary

ANNUITY & BENEFIT FUND OF CHICAGO

April 28, 2016

PUBLIC PARTICIPATION

None.

SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that Invoices be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

EXECUTIVE SESSION NO. 1

At 1:04 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(4) to discuss evidence/testimony presented in an open/closed hearing regarding the matter of Richard Coveliers. Trustee Joiner seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

At 1:06 p.m., Trustee LoVerde made a motion, seconded by Trustee Joiner, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

The trustees took action following Executive Session No. 2 (see below).

EXECUTIVE SESSION NO. 2

At 1:07 p.m., Trustee Loverde requested an executive session under 5 ILCS 120/2(c)(4) to discuss evidence/testimony presented in an open/closed hearing regarding the matter of the children of Robert Dobbs. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

At 1:10 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to approve the Coveliers written decision. The written decision is incorporated into these minutes by reference.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to approve the Okparji/Dobbs written decision. The written decision is incorporated into these minutes by reference.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

ANNUITY & BENEFIT FUND OF CHICAGO

April 28, 2016

INVESTMENTS REPORT

March 30, 2016 Preliminary Flash

Mr. Cairns reviewed the Preliminary Flash Report for March 30, 2016.

EXECUTIVE SESSION NO. 3

At 1:17 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Keane seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

At 1:58 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

The trustees took no action.

INVESTMENTS REPORT CONTINUED

Manager Review: Hexavest Organizational Changes - Mr. Cairns provided an update on the organizational changes at Hexavest. NEPC will continue to monitor the situation and provide updates as necessary.

Emerging Market Debt RFP

Mr. Walsh confirmed with trustees that the three finalists indicated that they will assume fiduciary duty as prescribed in the Illinois Pension Code. Mr. Walsh also reported that the finalists will be giving presentations at the May 24, 2016 Board meeting.

Real Estate Investment

This item was deferred to a future meeting.

ADMINISTRATIVE REPORT

Entrust Special Opps Fund III

Entrust Special Opps Fund III requested a capital call on March 17, 2016 in the amount of \$392,779.00.

Pantheon Global Secondary Fund IV

Pantheon Global Secondary Fund IV made a distribution on March 22, 2016 in the amount of \$360,000.00

Mesirow Real Estate Value Fund

Mesirow Real Estate Value Fund made a distribution on March 23, 2016 in the amount of \$1,111,331.00.

Mesirow Partnership Fund II

Mesirow Partnership Fund II made a distribution on March 30, 2016 in the amount of \$332,500.00.

Mesirow Financial PE Partnership Fund IV

Mesirow Financial PE Partnership Fund IV made a distribution on March 30, 2016 in the amount of \$100,000.00.

Annual Review of MWDBE Policies

The trustees reviewed the Fund's current MWDBE policies for 2016. The trustees made no changes to the current policies.

2015 Actuarial Valuation

ANNUITY & BENEFIT FUND OF CHICAGO

April 28, 2016

Mr. Walsh discussed the draft 12/31/2015 Actuarial Valuation.

Office Lease

Mr. Walsh informed trustees that the building where the Fund currently leases offices is being sold. The trustees gave direction to have Taft Stettinius and Hollister review the current office lease.

Disaster Recovery Update

Mr. Walsh reported to trustees the status of the Fund's disaster recovery plan.

Meeting with Alderman on Stakeholder Letter

Mr. Walsh updated trustees on meetings that the LABF and Municipal Employees' Annuity and Benefit Fund had with legislators regarding the financial status of the Fund. The Board gave direction to have the Fund's actuary run several new impact statements and to refresh the prior impact statements related to the Cullerton model.

LEGAL REPORT

EXECUTIVE SESSION NO. 4

At 3:10 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

At 3:13 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 5

At 3:14 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss a personnel matter. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

At 3:19 p.m., Trustee LoVerde made a motion, seconded by Trustee Capasso, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to increase the salary of the Executive Director/Chief Investment Officer by 2% effective the next pay cycle.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

ADJOURNMENT

With no further business, at 3:21 p.m., Trustee LoVerde made a motion to adjourn. Trustee Summers seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

**BEFORE THE LABORERS' & RETIREMENT BOARD
EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO**

IN RE:

Richard A. Coveliers

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**DECISION DENYING APPEAL
OF THE BOARD'S DENIAL OF HIS APPLICATION FOR ANNUITY BENEFITS**

Richard A. Coveliers, a member of the Laborers' & Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "LABF"), was employed by the City of Chicago (the "City") Department of Water Management from March 20, 1979 until 2005. On April 16, 2015, Mr. Coveliers submitted an annuity application to the LABF asking that he be paid pension benefits based on his years of service with the City. Notice of Hearing, ¶¶ 1-2, copy attached as Exhibit A.

The Board considered Mr. Coveliers' annuity application at its July 14, 2015 regular meeting. At that meeting, the Board denied Mr. Coveliers' application based on 40 ILCS 5/11-230, finding that Mr. Coveliers was convicted of a felony relating to or arising out of or in connection with his service as a City employee. Mr. Coveliers timely appealed the Board's denial of his application. On March 22, 2016, the Board held a hearing on Mr. Coveliers' appeal. Following the hearing, the Board unanimously voted to deny Mr. Coveliers' appeal. The Board now makes the following findings of fact and conclusions of law in support of its decision.

FINDINGS OF FACT¹

A. The LABF's Due Diligence.

1. On June 29, 2015, and in preparation for the upcoming month's Board Meeting at which Mr. Coveliers' Annuity Application was to be reviewed, LABF staff noted a letter in Mr. Coveliers' file from then-City Corporation Counsel and then statutory LABF counsel Mara Georges advising of Mr. Coveliers's felony conviction and that it arose out of or in connection with his City employment, as well as newspaper articles reporting on that conviction. (See Notice of Hearing Exhibit C: Corporation Counsel Letter and newspaper articles).
2. On June 29, 2015, the LABF located the following four pertinent public records regarding the felony conviction of Richard A. Coveliers:
 - (a) February 24, 2005 Superseding Indictment, Notice of Hearing Exhibit D;
 - (b) July 15, 2005 Coveliers' Plea Agreement, Notice of Hearing Exhibit E;
 - (c) October 27, 2005 Coveliers' Sentencing Memorandum, Notice of Hearing Exhibit F; and
 - (d) July 25, 2006 Coveliers' Judgment in a Criminal Case; Notice of Hearing Exhibit G.

B. Mr. Coveliers' Guilty Plea and Admission of the Facts Related to His Guilty Plea.

3. These documents establish that on February 24, 2005, Mr. Coveliers was indicted by a Federal Grand Jury related to the so-called "Hired Truck Program" in the City of Chicago. The 71 page superseding Indictment alleged that Mr. Coveliers broke the laws of the United States in connection with his employment with the City. (See Notice of Hearing Exhibit D: Superseding Indictment).
4. These public records also establish that on July 15, 2005, Mr. Coveliers and his then-attorney James A. Graham, signed a Plea Agreement with the United States Attorney for the Northern District of Illinois Patrick J. Fitzgerald (See Notice of Hearing Exhibit E – Plea Agreement). Mr. Coveliers and his attorney acknowledged the following in the Plea Agreement:
 - (a) Defendant (Mr. Coveliers) acknowledged that he was charged in the Superseding Indictment (the indictment) with: participating in a mail fraud scheme (Count Six); and making a false statement (Count Nineteen).

¹ To the extent a finding of fact should be treated as a conclusion of law or vice-versa, it should be considered as such.

- (b) Mr. Coveliers read the charges against him contained in the indictment, and those charges were fully explained to him by his attorney.
- (c) Mr. Coveliers fully understood the nature and elements of the crimes with which he was charged.
- (d) Mr. Coveliers voluntarily entered a plea of guilty to Count Six of the indictment in the case.
- (e) Mr. Coveliers plead guilty because he was in fact guilty of the charge contained in Count Six of the indictment. In pleading guilty, Mr. Coveliers admitted the following facts:
 - (i) Beginning no later than 1998 and continuing until early 2004, Mr. Coveliers, along with Michael Harjung and co-defendants Donald Tomczak, Gerald Wesolowski and Debra Coveliers, devised and intended to devise, and participated in, a scheme and artifice to defraud the people of the City of Chicago (hereinafter, "the City"), and the City, of money, property and the intangible right to the honest services of Tomczak, Wesolowski and other officials, employees and agents of the City and the Department of Water, by means of materially false and fraudulent pretenses, representations, promises and material omissions, and in furtherance thereof used the United States mails and other interstate carriers. In particular, on or about November 26, 2003, in Chicago, defendant, along with Tomczak, Wesolowski, Debra Coveliers and Harjung, for the purpose of executing the aforesaid scheme, and attempting to do so, did knowingly cause to be delivered by mail according to the direction thereon an envelope containing a City warrant addressed to Cayla Trucking, Inc. ("Cayla") at a Chicago, Illinois, address, in violation of Title 18, United States Code, Sections 2, 1341, and 1346. Specifically, under the City's Hired Truck Program ("HTP"), the City rented trucks and drivers from privately owned truck companies. Once companies were approved to participate in the HTP, they could have trucks called out to work in several City departments, including the Department of Water (hereinafter the "Department"). At the Department, First Deputy Commissioner Donald Tomczak had final authority in the selection or "calling out" of trucks.
 - (ii) From in or around 1979 to February 2005, defendant was an employee for the Sewer Department which, as of January 2003, merged with the Department. As a City employee, defendant was prohibited from doing any business with the City. In or around 1998, defendant was asked by Michael Harjung, a former Department employee, to participate in the formation and operation of a trucking company, Cayla. Harjung told Mr.

Coveliers that Cayla, once formed, would have a steady stream of business from the HTP because he had entered into a payment arrangement with Tomczak. Harjung further told Mr. Coveliers that Tomczak would call out Cayla's trucks in exchange for a payment to him of \$75 per truck per week.

- (iii) After hearing about Harjung's payment arrangement with Tomczak, Mr. Coveliers agreed to participate in the formation of Cayla and to participate in its business operations. Because Mr. Coveliers was a City employee prohibited from doing business with the City, he arranged to have Cayla Official A be named as the owner of record of Cayla while he and Harjung served as hidden owners and operators of Cayla. Co-defendant Debra Coveliers, Mr. Coveliers's wife, also assisted him in the operation of Cayla by performing the bookkeeping duties for Cayla.
- (iv) In or around April 1998, Cayla was incorporated in the State of Illinois and enrolled in the HTP. Within the same year, Cayla began receiving business from the Department, which business was arranged as a result of the payment arrangement between Harjung and Tomczak. At the height of its participation in the HTP, Cayla had six trucks in the HTP that were being selected for work by Tomczak for the Department in exchange for payments to Tomczak. By 2002, Cayla was the fourth largest HTP vendor for the Department, receiving approximately \$463,000 in that year alone.
- (v) Mr. Coveliers, co-defendant Debra Coveliers, and Harjung operated Cayla. Each took steps to conceal their participation in Cayla, including, on one or more occasions, Mr. Coveliers impersonating the husband of Cayla Official A.
- (vi) Mr. Coveliers' sole source of knowledge regarding the Tomczak payments were statements made by Harjung. Harjung told Mr. Coveliers that he was paying Tomczak on a bi-weekly basis in the amount of \$75 per truck per week. Mr. Coveliers never paid Tomczak money directly, nor did he ever observe Harjung pay Tomczak or Wesolowski. On one occasion, however, Mr. Coveliers accompanied Harjung to a Jewel parking lot at Harlem and Foster Avenues in Chicago where Harjung delivered a payment to Wesolowski for the benefit of Tomczak. Mr. Coveliers further knew that funds from Cayla's bank account were given to Harjung so that contributions could be made to various political candidates, including the campaigns of Will County state's attorney candidate Jeff Tomczak. In addition, a Cayla check was provided to aldermanic candidate Emma Mitts.

- (vii) From about 1998 to early 2004, Cayla received over \$1.4 million in Department HTP business. The City paid Cayla for its HTP work on a monthly basis via "warrants" that were mailed to Cayla's business address. Among the warrants sent to Cayla was one sent by the City to Cayla's business address on or about November 26, 2003.
- (viii) On January 28, 2005, after Harjung had begun cooperating with the investigation and identified Mr. Coveliers' role in Cayla, Mr. Coveliers was interviewed by federal law enforcement, including an agent from the United States Department of Labor. During the January 28 interview, agents questioned Mr. Coveliers concerning, among other things, his involvement with Cayla, how Cayla obtained business in the HTP, and whether Harjung told him that he was making payments to Tomczak. Mr. Coveliers falsely stated that he had no involvement in Cayla and that he was never told by Harjung that he was paying Tomczak to receive HTP business for Cayla.
- (ix) In his plea agreement, Mr. Coveliers admitted that those facts set forth in paragraph 6(e) of this Notice established his guilt beyond a reasonable doubt as to the charged offense.

Coveliers' Plea Agreement, Notice of Hearing Exhibit E.

- 5. On October 27, 2005, Mr. Coveliers' then-attorney, James A. Graham, filed a Sentencing Memorandum on Mr. Coveliers' behalf. (See Notice of Hearing Exhibit F: Defendant Richard A. Coveliers' Sentencing Memorandum).
- 6. On July 25, 2006, Judge Samuel Der-Yeghiayan entered the Judgment in a Criminal Case for Richard A. Coveliers. (See Notice of Hearing Exhibit G – Judgment In A Criminal Case). In summary, the Judgment imposed the following penalties on Mr. Coveliers:
 - (a) Mr. Coveliers was sentenced to 5 months in prison for Count Six of the Superseding Indictment.
 - (b) Mr. Coveliers was sentenced to five months home detention to commence upon release from Bureau of Prisons.
 - (c) Upon release of imprisonment, the Mr. Coveliers was on supervised release for 2 years for Count Six.
 - (d) Mr. Coveliers was required to pay a \$1,100 fine and to complete 125 hours of community service.

Mr. Coveliers did not appeal from his sentence.

C. The LABF Considers and Denies Mr. Coveliers' Annuity Application.

7. The LABF administers and approves benefits for members in accordance with the Illinois Pension Code (the Code). The Code, specifically 40 ILCS 5/11-230, provides in relevant part:

None of the benefits provided in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as employee.

8. Prior to and during the July 14, 2015 regular Board meeting, the LABF Board reviewed the Annuity request of Richard A. Coveliers (*See* Notice of Hearing Exhibit H – LABF July 2014 Proposal), were presented with Exhibits D – G hereto and considered the facts revealed in those documents as part of the Board's review of Mr. Coveliers' Annuity Application.
9. At the July 14, 2015 LABF Board meeting, the Board determined that based on 40 ILCS 5/11-230 and because Mr. Coveliers' felony conviction arose out of and was in connection with his service as an employee of the City of Chicago, he has forfeited his annuity. Consequently, the Board voted 7-0 that day to deny Mr. Coveliers' Annuity Application. (*See* Notice of Hearing Exhibit I: July 14, 2015 Minutes).
10. On July 29, 2015, the LABF notified Mr. Coveliers of the LABF Board of Trustees' decision to deny his application for annuity benefits. (*See* Notice of Hearing Exhibit J: Denial Letter).
11. On August 24, 2015, Mr. Coveliers, through his attorney David P. Schippers, appealed the decision of the LABF Board of Trustees' decision to deny his Annuity Application and not pay him a pension benefit. (*See* Notice of Hearing Exhibit K: Appeal Letter and Form).
12. Mr. Schippers submitted a memorandum of law in support of Mr. Coveliers' position on October 15, 2015.

D. The Hearing.

13. On March 22, 2016, the LABF Board heard Mr. Coveliers' appeal. The hearing was transcribed by a court reporter. A copy of the hearing transcript is attached as Exhibit B. Mr. Coveliers was represented by Counsel David P. Schippers. The LABF Board was represented by attorneys Cary E. Donham and Graham C. Grady.
14. The Board received into evidence at the hearing several exhibits in addition to the Notice of Hearing: Exhibit 2, Debra Coveliers' Plea Agreement, 04-cr-921 (N.D. Ill.); Exhibit 3, Gerald Wesolowski's Plea Agreement, case 04-cr-921 (N.D. Ill.); Exhibit 4, Charles Romano's Plea Agreement case 04-cr-921; Exhibit 5, Donald Tomczak's Plea Agreement, case 04-cr-921; and Exhibit 6, the memorandum of law filed on behalf of Mr. Coveliers with the attached affidavit of Richard Coveliers. This memorandum of law and

Mr. Coveliars' Affidavit were provided to the Trustees prior to the hearing. Exhibits 2, 3, and 5 were admitted over the objection of Mr. Coveliars' counsel, on the basis that they were public records. During the hearing, the Board offered Exhibit 7, a City document identifying Cayla Trucking as having been debarred by the City based on fraud by Richard and Debra Coveliars, which was admitted without objection. The hearing Exhibits 2-7 are attached to the hearing transcript as Exhibits 2-7. (There is no Exhibit 1 to the hearing transcript, Exhibit B hereto, as hearing exhibit 1 was the Notice of Hearing, which is attached as Exhibit A hereto.)

1. Mr. Coveliars' Case in Chief.

15. Mr. Coveliars relied on his affidavit as his case in chief. According to Mr. Coveliars' affidavit, he was an employee of the City's Sewer Department from 1979 to 2003. (Coveliars' Aff. ¶ 4) In January 2003, the Sewer Department merged to become a part of the City Water Department. (*Id.*, ¶ 5) Mr. Coveliars was an employee of the Sewer Department in 1998 when he was approached by a member of the Water Department to join the "hired truck" conspiracy. (*Id.*, ¶ 6) Other City employees involved in the hired truck conspiracy were, until 2003, employees of the Water Department. (*Id.*, ¶ 8) Cayla Trucking Co., under the hired truck program, received business through Donald Tomczak, the Commissioner of the City Water Department. (*Id.*, ¶ 9) The trucks the City ordered from Cayla were not used by the Sewer Department. (*Id.*, ¶ 10)
16. According to Mr. Coveliars' affidavit, from the first meeting with Michael Harjung in 1998 throughout the entire conspiracy, nobody suggested to Mr. Coveliars that he was solicited to join the conspiracy because he worked for the City. (Coveliars' Aff. ¶ 11) His position never came up in any discussion with co-conspirators, and he never had anything to do with ordering trucks for any jobs. (*Id.*, ¶¶ 12-13) No Cayla trucks were sent to any job where Mr. Coveliars was working, and he did nothing to assist Cayla in obtaining business from the City. (*Id.*, ¶ 15) Mr. Coveliars only knew of the hired truck kickback plan with Tomczak from co-conspirator Michael Harjung, and Mr. Coveliars personally did not pay any money to a co-conspirator and did not observe any payment. (*Id.*, ¶ 16) Mr. Coveliars' position with the City from 2002 until his employment with the City terminated was as a house drain inspector, and he had no need to use any hired truck program trucks. (*Id.*, ¶ 18)

2. Cross-Examination of Mr. Coveliars.

17. On cross-examination, Mr. Coveliars admitted that he was convicted of a felony, that he pleaded guilty to a charge of mail fraud, and that he participated in a scheme to defraud the people of the City of Chicago and the City of money and property. (3/22/16 Transcript of Proceeding ("Tr.") 13:20 - 14:15) Mr. Coveliars admitted that he participated in the scheme from 1998 through at least early in 2004, with Michael Harjung. (*Id.*, 16:17 - 17:5) At the hearing, contrary to his statement in his Plea Agreement, Mr. Coveliars denied being an owner of Cayla Trucking. (*Id.*, 17:6-8) However, Mr. Coveliars admitted that he and Mr. Harjung formed Cayla Trucking. (*Id.*, 17:24 - 18:3) Also, in his plea agreement, Mr. Coveliars admitted that he arranged to have Cayla Trucking Official A - Mr. Coveliars' sister, Christine Garber - be named as

the Owner of Record of Cayla Trucking while Mr. Coveliers and Harjung served as hidden owners and operators of Cayla Trucking. (Coveliers' Plea Agreement, p.3)

18. During his testimony, Mr. Coveliers admitted that he was aware that as a City employee, the City ethics ordinance prohibited him from doing business with the City. (Tr. 42:21 – 43:12)
19. Mr. Harjung knew that Mr. Coveliers worked for the City when he approached him in 1998 to join the hired truck conspiracy. (Tr. 73:19-24) Mr. Coveliers invested \$15,000 in Cayla when Mr. Harjung asked him, because he believed Mr. Harjung had political connections and "I didn't want to get transferred or lose my job." (Tr. 58:10-21) Mr. Coveliers further admitted that as a result of the bribes Cayla paid to Tomczak, the City was deprived of an informed choice concerning hired truck vendors. (Tr. 46:5-10)

3. Redirect Examination of Mr. Coveliers.

20. On redirect examination by his counsel, Mr. Coveliers testified that he received no benefit from his involvement in Cayla. Tr. 57:5 – 58:7) Mr. Coveliers made no statement as to whether his spouse, family members or friends received benefits from his involvement with Cayla. However, he did receive back the \$15,000 he invested in Cayla from Cayla's operations. (Tr. 66:4-6) He also testified that several statements in his plea agreement were not true and that he signed the plea agreement because his attorney told him the U.S. Attorney would not change it. Otherwise, he risked a four year sentence rather than the five month sentence, which he received.
21. However, Mr. Coveliers never disclosed his involvement in Cayla to anyone at the City, even after he accompanied Harjung to a nighttime payoff to Wesolowski, and Harjung reported to him immediately after the payoff that he had just bribed Wesolowski. (Tr. 44:20-23; 47:10 – 50:11) One of the issues Mr. Coveliers faced with his violation of the City ethics ordinance was the possibility he could be fired if the City learned of the violation. ((Tr. 51:23 – 52:3)

CONCLUSIONS OF LAW

A. Harjung Recruited Mr. Coveliers Because He Was a City Employee.

The Board finds that the evidence requires denying Mr. Coveliers' appeal. Section 11-230 of the Pension Code requires the Board to deny benefits to any person who was convicted of any felony "relating or arising out of or in connection with his service as employee." First, there is no question that Mr. Coveliers was convicted of a felony. (See Judgment in a Criminal Case, Notice of Hearing Ex. G) The Board also finds that the evidence shows that his felony was related to, arose out of and was in connection with his service as a City employee.

First, Mr. Coveliers admitted that the fact he was a City employee was precisely why Mr. Harjung approached him. He testified, under questioning by Trustee LoVerde, that he was afraid of the repercussions if he did not cooperate with Harjung but that those repercussions would not have existed if he was not a City employee:

TRUSTEE LoVERDE: So would those repercussions have existed if you were not a City employee?

MR. COVELIERS: If I wasn't a City employee? Well, no. There would have been no repercussions, you know, on me, no.

TRUSTEE LoVERDE: Okay.

MR. COVELIERS: He couldn't hang anything over my head.

Tr. 71:20 – 72:17. This testimony distinguishes Mr. Coveliers' case from *Romano v. Municipal Employees Annuity & Benefit Fund of Chicago*, 402 Ill. App. 3d 857 (1st Dist. 2010), on which Mr. Coveliers heavily relied in his legal memorandum. In that case, the Illinois Appellate Court reversed a decision of the Board of Trustees of the Municipal Employees' Annuity & Benefit Fund of Chicago ("MEABF") that denied Romano an annuity based on his guilty plea in connection with the hired truck scandal. In particular, the court found there was no evidence that Harjung had recruited Romano because he was a City employee. *Id.* at 160.

In contrast, here, the evidence establishes that Mr. Coveliers' status as a City employee was the key reason Harjung recruited Mr. Coveliers: Harjung's alleged political clout gave Harjung leverage over Mr. Coveliers, as a City employee, in terms of both forming and operating Cayla, because Mr. Coveliers feared a lack of cooperation with Harjung threatened him with being transferred or his losing his job. (Tr. 71:20 – 72:17) Thus, the evidence presented to the Board that Harjung recruited Mr. Coveliers because he was a City employee is compelling and significantly different than that presented to the MEABF Board by Romano.

In addition, Harjung, a former City employee, knew that the City's ethics ordinance precluded Mr. Coveliers from doing business with the City. Once Mr. Coveliers and Mr. Harjung formed and operated Cayla, Mr. Coveliers could not disclose his participation to anyone at the City, because he risked losing his job for violating the City ethics ordinance. (Tr. 23:13 – 24:7) These circumstances added to Harjung's leverage over a City employee such as Mr. Coveliers. Had Harjung recruited non-City employees, Harjung would not have had the same leverage in terms of concealing the conspiracy. In that regard, it is noteworthy that the only individuals that Harjung recruited to participate in owning hired truck vendors that paid bribes to Wesolowski and Tomczak were both City employees: Charles Romano, who formed Garfield Trucking several years after Harjung and Mr. Coveliers had been operating Cayla, and Mr. Coveliers. (Tr. 37:20 – 38:5; and LABF Exhibit 5, Tomczak Superseding Plea Agreement, p.8; LABF Exhibit 3, Wesolowski Plea Agreement, pp. 8-9) These facts were not present in the *Romano* decision.

B. Mr. Coveliers Admitted He Participated in Cayla's Business Operations.

Further, unlike Mr. Romano, Mr. Coveliers participated in both Cayla's formation and business operations. Romano did not agree to operate Garfield, unlike Mr. Coveliers, who stated in his Plea Agreement that he, his wife Debra, and Harjung "operated Cayla." (Coveliers Plea Agreement, p. 4) The Plea Agreement also states that Mr. Coveliers arranged to have "Cayla Official A", identified at the hearing as Mr. Coveliers' sister Christine Garber, named as the owner of record of Cayla while he and Harjung were Cayla's hidden owners and operators. (Plea Agreement, p. 3; Tr. 25:23 – 26:17) In contrast, Romano, in his Plea Agreement did not admit to actively concealing his role in Garfield. (Ex. 4, Romano Plea Agreement) Additionally, Mr. Coveliers accompanied Harjung when Harjung paid a bribe to Wesolowski and did nothing,

even though Harjung told him of the bribe immediately after making the payment. (Tr. 49:19 – 50:11) Romano did nothing like this.

Moreover, Mr. Coveliers admitted that Cayla's bribing of Tomczak, in which Mr. Coveliers participated through his operation of Cayla with Harjung and his wife, deprived the City of an ability to make an informed choice as to hired truck vendors. (Tr. 46:5-10) The *Romano* decision notes no such evidence in the record of that case.

C. The Board Rejects Mr. Coveliers' Testimony That He Lied in His Plea Agreement.

The Board recognizes that Mr. Coveliers testified that certain statements in his Plea Agreement were not true. The Board rejects this testimony. First, Mr. Coveliers signed the Plea Agreement, acknowledged that he had read and carefully reviewed each provision with his attorney, and accepted each and every term and condition of the agreement. (Coveliers Plea Agreement, pp. 12 – 13) Further, the Plea Agreement states that "in pleading guilty [Mr. Coveliers] admits the following facts and that those facts establish guilt beyond a reasonable doubt as to the charged offense." (Coveliers Plea Agreement, p. 5) By entering into the Plea Agreement, Mr. Coveliers acknowledged that he received a significantly shorter sentence than he otherwise could have received. (Tr. 62:3 – 63:9) The United States Attorney and the United States District Court for the Northern District of Illinois relied on Mr. Coveliers' Plea Agreement in sentencing him to five months imprisonment. The LABF Board must accept statements that Mr. Coveliers made in his Plea Agreement when it was to his benefit to make those statements. Otherwise, it would be too self-serving and convenient for Mr. Coveliers to benefit from one set of facts during federal court sentencing and a different set of facts when seeking a pension from the LABF.

Likewise, as all the Plea Agreements admitted as evidence at the hearing contained similar admissions of truthfulness, and were relied on by the United States Attorney and the United States District Court for the Northern District of Illinois, the Board also accepts the facts stated in those Plea Agreements for purposes of the Board's decision.

CONCLUSION

Mr. Coveliers' appeal hearing established that his mail fraud conviction arose out of his employment with the City. He was recruited by Harjung to participate in the hired truck scheme because he was a City employee over whom Harjung had leverage. Mr. Coveliers' conviction related to his service with the City because he concealed that he was doing business with the City while he was employed by the City, a violation of the City Ethics Ordinance. His conviction was in connection with his service as a City employee, because he participated in the operation of Cayla, in which he invested and received back \$15,000, and which benefitted by receiving \$1.4 million in business from the City due to its bribing City officials. For all these reasons, Mr. Coveliers' appeal of the Board's denial of his application for annuity benefits is denied.

Mr. Coveliers has 35 days from the date of this decision to seek review of this decision in the Circuit Court of Cook County, Illinois.

This Final Decision has been presented to the Trustees of the LABF prior to the regular April 28, 2016 meeting of the LABF Board, and a majority of the quorum of Trustees present at that meeting voted to approve this written decision.

Therefore, this is a final decision of the Board.

Entered by the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, April 28, 2016.



President
Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
321 N Clark St
Suite 1300
Chicago IL 60654-4739

CERTIFICATION OF FINAL DECISION BY TRUSTEES

I certify that the preceding written Final Decision is an accurate record of the action of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF") taken at its regular Board of Trustees meeting on April 28, 2016, following an administrative hearing on March 22, 2016, with regard to an appeal by Richard Coveliers of the denial by the LABF Board of Trustees of Mr. Coveliers' application for annuity benefits. The written Final Decision was approved by a vote of the majority of a quorum of Trustees present in open session at its April 28, 2016 regular meeting.

[REDACTED]
Victor Roa

[REDACTED]
Erin Keane

[REDACTED]
Michael A. Verda

[REDACTED]
Kurt Summers, Jr.

[REDACTED]
Carol Hamburger

[REDACTED]
James V. Capasso, Jr.

[REDACTED]
Carol Brown

[REDACTED]
James Joiner

CERTIFICATE OF SERVICE

The undersigned, a non-attorney, certifies that a copy of the foregoing Final Decision was served upon:

Richard Coveliers
David P. Schippers
c/o David P. Schippers Chtd.
20 N. Clark Street, Suite 720
Chicago, IL 60602

by depositing same via U.S. Mail from the offices of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, 321 N. Clark Street, Chicago, IL 60654 before the hour of 5:00 p.m. this 29th day of April, 2016. It was also deposited via U.S. Certified Mail Return Receipt Requested.


Signature of person sending out the Final Decision

15998109.2

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO**

IN RE:

**ROBERT DOBBS, JR. –
CHILD'S ANNUITY**

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A hearing before the Board of Trustees ("the Board") of the Laborers' and Retirement Board Employees' Annuity and Benefit of Chicago (the "LABF") was held in Suite 1300, 321 North Clark Street, Chicago, Illinois 60654, on March 22, 2016 at 3:30 P.M. to review the decision and action by the Board in September 2015 to deny Synola Okparaji's application for child's annuity benefits for her adoptive children, Dimarea Terrell Dobbs and Tiasia Amari Hodges. Robert Dobbs is the natural parent of Dimarea and Tiasia and was a participant in the LABF. Okparaji was represented by counsel Eleni Katsoulis at the hearing. The hearing was conducted in accordance with the Procedural Rules Governing Hearings adopted by the Board, as revised on August 21, 2012. The Board, after a hearing on the evidence and statements by Okparaji's counsel, does hereby make the following findings of fact and decision:

FINDINGS OF FACT

1. A true and accurate copy of the Notice of Hearing for this matter is attached hereto as **Exhibit 1**.
2. Robert Dobbs ("Dobbs") was employed by the City of Chicago's Department of Streets and Sanitation as a Sanitation Laborer from 2001 until his death on July 14, 2014 while he was on Ordinary Disability. A true and accurate copy of Dobbs' employment records from the City of Chicago's Department of Human Resources Records Management is attached hereto as **Exhibit B**, as part of Exh. 1. According to Dobbs' death certificate (the "Death Certificate"), Dobbs was 37 years of age at the time of his death. A true and accurate copy of Dobbs' Death Certificate is attached hereto as **Exhibit I**, as part of Exh. 1.
3. Prior to his death, Dobbs fathered the two children at issue in this case on whose behalf a child's annuity application was filed: Dimarea Terrell Dobbs ("Dimarea"), born on May 19, 1999 (currently age 16) and Tiasia Hodges ("Tiasia"), born on January 21, 2001 (currently age 14). True and accurate copies of the birth certificate of Dimarea and a Circuit Court of Cook County Finding Regarding Paternity for Tiasia are attached hereto as **Exhibit C** and **Exhibit E**, respectively, as part of Exh. 1.
4. On April 3, 2003 and on November 6, 2003, judgments of adoption ("Judgments for Adoption") for Dimarea and Tiasia were entered in favor of Synola Okparaji ("Okparaji") after Dobbs' wife and the mother of Dimarea and Tiasia was incarcerated. True and accurate copies of the Judgment for Adoption of Tiasia and the Judgment of Adoption for Dimarea are attached hereto as **Exhibit F** and **Exhibit G**, respectively, as part of Exh. 1. Okparaji is related by blood to

Dimarea and Tiasia because she is the sister of the grandmother of Dimarea and Tiasia through their natural mother's side. Okparaji has no blood relation to Dobbs.

5. On June 17, 2009, Dobbs submitted to LABF a beneficiary designation form for a refund of pension contributions that named Dimarea and Tiasia as his contingent beneficiaries. A true and accurate copy of Dobbs' beneficiary designation form is attached hereto as **Exhibit H**, as part of Exh. 1.

6. In May 2014, Dobbs provided the Board with copies of the social security cards of Dimarea and Tiasia and a note stating "I Robert Dobbs, Jr. will only use social # for beneficiary purpose only benefits, no tax reasons." A true and accurate copy of Dobbs' May 2014 submission is attached hereto as **Exhibit J**, as part of Exh. 1.

7. On July 2, 2015, following Dobbs' death, Okparaji filed an application for the payment of child annuity benefits with the LABF on behalf of Tiasia and Dimarea (the "Application"). A true and accurate copy of the application is attached hereto as **Exhibit K**, as part of Exh. 1.

8. Section 11-153 of the Illinois Pension Code (the "Pension Code"), 40 ILCS 5/11-153(a), states:

A 'Child's Annuity' shall be payable monthly after the death of an employee parent to an unmarried child until the child's attainment of age 18 or marriage, whichever event shall occur first, under the following conditions, if the child was born or *in esse* before the employee attained age 65, and before he withdrew from service.

9. The Board denied the Application at the September 10, 2015 regular meeting. A true and accurate copy of the denial is attached hereto as **Exhibit N**, as part of Exh. 1.

10. Okparaji subsequently filed an appeal with the LABF on October 28, 2015. A true and accurate copy of the Appeal Form is attached hereto as **Exhibit O**, as part of Exh. 1.

11. On March 22, 2016, the Board conducted a hearing in which it heard oral argument from Okparaji's counsel Eleni Katsoulis ("Applicant's Counsel"). A transcript of the hearing was recorded by a court reporter. A copy of the March 22, 2016 hearing transcript is attached hereto as **Exhibit 2**.

12. At the March 22, 2016 hearing, Applicant's Counsel argued that Section 153 of the Pension Code imposed only two requirements for children to receive benefits: (1) that the child must have been born or in existence prior to the employee turning 65 years old and (2) the child must have been born or in existence before the employee withdrew from service. Applicant's Counsel argued that the Pension Code does not impose the requirement that the employee must be the parent of the children at the time of death. *See* Exh. 2.

13. At the March 22, 2016 hearing, Applicant's Counsel also argued that Section 2-4(d)(1) of the Illinois Probate Act of 1975 (the "Probate Act"), 755 ILCS 5/2-4(d)(1), states:

(d) For purposes of inheritance from or through a natural parent and for determining the property rights of any person under any instrument, an adopted child is not a child of a natural parent, nor is the child a descendent of a natural parent or of any lineal or collateral kindred of a natural parent, unless one or more of the following conditions apply:

(1) The child is adopted by a descendent or a spouse of a descendant of a great-grandparent of the child, in which case the adopted child is a child of both natural parents.

See Exh. 2.

14. At the March 22, 2016 hearing, Applicant's Counsel also argued that the Illinois Adoption Act (the "Adoption Act"), 750 ILCS 50/1, *et. seq.*, provides that a natural parent may be required to support a child where the adoptive parent is unable to do so and that the child may inherit from a natural parent. In furtherance of this argument, Applicant's Counsel also cited to *In re Tilliski's Estate*, 323 Ill. App. 490 (4th Dist. 1944), *People ex rel Bachleda v. Dean*, 48 Ill. 2d 16 (1971), *In re Estate of Jerry A. Orzoff*, 116 Ill. App. 3d 265 (1st Dist. 1983), and *In re Adoption of Schumacher*, 120 Ill. App. 3d 50 (2d Dist. 1983) for the proposition that an adopted child was not excluded from inheriting from his or her natural parent. See Exh. 2.

15. At the hearing, it was reported to the Board that Dobbs remained active in the lives of Dimarea and Tiasia even after the 2003 adoption. See Exh. 2.

IT IS THEREFORE THE DECISION OF THE BOARD:

1. That the LABF has jurisdiction over the parties and subject matter. 40 ILCS 5/11-192.
2. That the Code authorizes the Board of LABF to make rules and regulations necessary for the administration of the fund. 40 ILCS 5/11-198.
3. That the Board finds the argument of Applicant's Counsel that Section 2-4(d)(1) of the Probate Act applies to this instant case unavailing. Section 2-4(d)(1) states that an adopted child is not a child of a natural parent for purposes of inheritance unless "[t]he child is adopted by a descendant or a spouse of a descendent of a great-grandparent of the child, in which case the adopted child is a child of both natural parents." 755 ILCS 5/2-4(d)(1). However, gifts through inheritance are separate and distinct from pension benefits, the award of which is governed by the language of Article 11 of the Pension Code. "Pension benefits are not property acquired by gift, bequest, devise or descent or property acquired in exchange for such property. Rather, pension benefits are part of the consideration earned by the employed spouse for his service." *In re Marriage of Pieper*, 79 Ill.App.3d 835, 840 (1st Dist. 1979). Thus, that the adoptive children can inherit from their natural parent does not govern their rights to child's annuity benefits, if any, under Article 11 of the Pension Code.

4. That the Board also finds the argument of Applicant's Counsel that the Adoption Act, 750 ILCS 50/1 *et. seq.*, applies to this instant case equally unavailing. Applicant's Counsel argues that the Adoption Act provides that a natural parent may be required to support a child where the adoptive parent is unable to do so and that the child may inherit from a natural parent. Applicant's Counsel also cites to *In re Tilliski's Estate*, 323 Ill. App. 490 (4th Dist. 1944), *People ex rel Bachleda v. Dean*, 48 Ill. 2d 16 (1971), *In re Estate of Jerry A. Orzoff*, 116 Ill. App. 3d 265 (1st Dist. 1983), and *In re Adoption of Schumacher*, 120 Ill. App. 3d 50 (2d Dist. 1983) for the proposition that an adopted child was not excluded from inheriting from his or her natural parent.

5. That, Section 17 of the Adoption Act as cited by Applicant's Counsel makes no mention of the requirement that a natural parent has to support a child where the adoptive parent is unable to do so. Rather, Section 17 of the Adoption Act, 750 ILCS 50/17 states that:

After either the entry of an order terminating parental rights or the entry of a judgment of adoption, the natural parents of a child sought to be adopted shall be relieved of all parental responsibility for such child and shall be deprived of all legal rights as respects the child ...

Therefore, under the Adoption Act, Dobbs was not a legal parent to Dimarea and Tiasia at the time of his death on July 14, 2014 because his legal parental rights were permanently divested in 2003 following the entry of the Judgments for Adoption.

6. Further, assuming *arguendo* that Applicants' Counsel is correct that the cited cases do conclude that an adopted child can still inherit from his or her natural parent, as stated before, pension benefits, which are at issue here, are not the same as inheritance. *In re Marriage of Pieper*, 79 Ill.App.3d at 840. Moreover, these same cases also uniformly confirm the statutory language of Section 17 of the Adoption Act that "[a]fter an order of adoption is entered, the natural parents of the adopted child are relieved of all parental responsibilities for the child and deprived of all parental rights with regard to the child ... Adoption constitutes a complete and permanent severance of all rights and interests of the natural parent and child." *In re Adoption of Schumacher*, 120 Ill. App. 3d at 52; *see also People ex rel Bachleda*, 48 Ill. 2d at 19. Consequently, the Adoption Act and these cases cited by Applicant's Counsel are inapplicable.

7. That the Board finds the argument of Applicant's Counsel that Section 153 of the Pension Code does not impose a requirement that the employee be a "parent" of the children at the time of death to be unavailing. Contrary to the contention of Applicant's Counsel that the only statutory requirements are that the child was born or was in existence before the employee attained age 65 and before he withdrew from service, Section 153(a) explicitly states that a child annuity is only payable "after the *death of an employee parent* to an unmarried child." 40 ILCS 5/11-153(a) (emphasis added). Therefore, it is clear that when read as a whole, Section 153 does consider the parental status of the employee at the time of death and requires the employee to be a parent of the children at the time or his or her death. "In examining a statute, it must be read as a whole and all relevant parts should be considered." *People v. Reed*, 177 Ill. 2d 389, 393 (1997).

8. That although the word "parent" is undefined in the Pension Code, Section 153 undoubtedly covers an employee who is the "legal parent" of the child at issue, such as the parent

of a natural child who has not been given up for adoption and the parent of an adopted child. To hold otherwise, would render the Section 153 meaningless and cannot be allowed. *See People v. Williams*, 119 Ill. 2d 24, 28 (1987) (an interpretation that renders a statute invalid or ineffective must be discounted); *Northwest Airlines, Inc. v. Dept. of Revenue of State of Ill.*, 295 Ill. App. 3d 889, 893 (5th Dist. 1988). Indeed, Section 153(b) of the Pension Code explicitly allows for the provision of child's annuity benefits to the adopted children of an employee just the same as if they were the natural children of the employee that are still in his or her care. 40 ILCS 5/11-153(b).

9. That Section 153 of the Pension Code is silent as to whether "parent" covers an employee who is the natural parent of a child who was born or *in esse* before the employee attained age 65 or before he withdrew from service, but who he or she also gave up for adoption. Therefore, the Board has the authority pursuant to Section 11-192 of the Pension Code to determine whether Dobbs can qualify as an "employee parent" to Dimarea and Tiasia despite the entry of the Judgments of Adoption based on the circumstances presented.

10. That despite the severance of all parental responsibility to a child given up for adoption, "an adoption will not relinquish a natural parent's obligation to support the child if the adoptive parent is unable to do so." *Bodine v. Bodine*, 127 Ill. App. 3d 492, 496 (3d Dist. 1984); *see also In re Adoption of Schumacher*, 120 Ill. App. 3d 50, 52 (2d Dist. 1983) ("The only connections remaining [after an order of adoption is entered] are that the natural parent may be required to support the child if the adoptive parent is unable to do so"). Consequently, the Board can look to see whether unique circumstances warrant such continued obligation.

11. That Okparaji is the great-aunt of Dimarea and Tiasia and 75 years of age according to public records and, therefore, limited to her ability to support the children.

12. That the record establishes that Dobbs gave his children up for adoption at a young age in the aftermath of their birth mother's incarceration, which is a unique circumstance.

13. That the Board acknowledges that the record establishes a unique circumstance whereby Dobbs intended that his financial obligation to his natural children continue despite the adoption and that Dimarea and Tiasia, be given child's annuity benefits based on the following:

- (a) Dobbs named Dimarea and Tiasia as his contingent beneficiaries in a beneficiary designation form for a refund of pension contributions submitted to the LABF on June 17, 2009.
- (b) In May 2014, Dobbs provided the Board with copies of the social security cards of Dimarea and Tiasia and a note stating "I Robert Dobbs, Jr. will only use social # for beneficiary purpose only benefits, no tax reasons."
- (c) Dobbs remained active in the lives of Dimarea and Tiasia even after the 2003 adoption.

14. That, therefore, the Board exercises its authority based upon the aforementioned unique circumstances and find that Dobbs is an “employee parent” to Dimarea and Tiasia under the scope of Section 11-153 of the Pension Code.

Entered by the Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago on April 28, 2016.



President
Laborers’ and Retirement Board Employees’
Annuity and Benefit Fund of Chicago
321 N Clark St
Suite 1300
Chicago IL 60654-4739

CERTIFICATION OF FINAL DECISION BY TRUSTEES

I certify that the preceding written Final Decision is an accurate record of the action of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago taken at its regular Board of Trustees meeting on March 22, 2016, following an administrative hearing, with regard to an appeal by Synola Okparaji for Child's Annuity benefits that were denied her children by the Board of Trustees. The written Final Decision was approved by a vote of the majority of a quorum of trustees present in open session at its April 28, 2016 regular meeting.

[REDACTED]
Victor Roa

[REDACTED]
Erin Keane

[REDACTED]
Michael LoVerde

[REDACTED]
Kurt Summers, Jr.

[REDACTED]
Carol Hamburger

[REDACTED]
James V. Capasso, Jr.

[REDACTED]
Carol Brown

[REDACTED]
James Joiner

CERTIFICATE OF SERVICE

The undersigned, a non-attorney, certifies that a copy of the foregoing Final Decision was served upon:

Synola Okparaji
c/o Eleni Katsoulis
Corporate Counsel
Alden Management Services, Inc.
4200 West Peterson Avenue, Suite 102
Chicago, Illinois 60646

by depositing same via U.S. Mail from the offices of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, 321 N. Clark Street, Chicago, IL 60654 before the hour of 5:00 p.m. this 29 day of April, 2016. It was also deposited via U.S. Certified Mail Return Receipt Requested.



Signature of person sending out the Final Decision