



FOR IMMEDIATE RELEASE

With the plea entered moments ago in case 2017 CF 1025, I want to answer some of the questions the community has in that matter but must remind everyone that the State's Attorney's Office is still litigating the companion case of 2017 CF 1026 and still have the ability to re-indict in case 2017 CF 1029.

At the time of issuing this release, John Butler is a convicted thief. He has acknowledged the State could prove he stole a significant amount of taxpayer assets and has already made restitution in the amount of \$450,000. As with any non-violent financial crime, the State's Attorney's Office considers input from the victim and investigating law enforcement agency when working toward a conclusion. Our consultations with command at the Illinois State Police Department and City Manager's Office for the City of Bloomington revealed a desire to ensure that Mr. Butler admitted to criminal culpability in this matter and allowed the taxpayers to recoup a substantial amount of the monies stolen during his operation of BMI and CIAM.

This plea agreement does just that. Again, John Butler is a convicted thief who has returned \$450,000 to the taxpayers of Bloomington.

We understand that the timing of this resolution may seem odd to some given that four jurors were selected, but not sworn, to begin the trial. However, as noted for the record in open court at the final pre-trial conference, Mr. Butler refused to accept any personal criminal culpability at that time resulting in an end to any plea discussions on behalf of the State. Negotiations resumed when it became clear that he had changed course.

But for the extraordinary efforts of Sergeant Dan Rossiter of the Illinois State Police Division of Criminal Investigation, Special Agent Lisa Matheny of the Illinois Department of Revenue and First Assistant State's Attorneys Brad Rigdon and Chris Spanos, I can confidently say the taxpayers of the City of Bloomington would not have recouped a dime of the money at issue in this matter. While ASA Rigdon and ASA Spanos will be made available to answer questions regarding the case, I again caution that we are actively prosecuting case 2017 CF 1026 which limits their ability to comment on much of the subject matter of 2017 CF 1025.

Factual Basis Statement for John Butler and BMI Concessions, L.L.C
Plea Agreements

CIAM (Central Illinois Arena Management) is an Illinois corporation owned, managed and operated by John Butler. CIAM was responsible for management of the Coliseum in Bloomington between 2006 and March of 2016. While managing the Coliseum, John Butler formed BMI Concessions, L.L.C. BMI Concessions was the entity responsible for the management, operation and sales of concessions items within the Coliseum. John Butler held the position as President of BMI Concessions during the time period of January, 2013 through March, 2016.

The day-to-day operations of BMI Concessions consisted of reconciling the concession finances after each event that occurred within the Coliseum: being concerts, sporting events, charity events, and the like. Part of the reconciliation and accounting process involved the use of a MICROS point of sale system involving computerized cash registers, specialized software, and Excel spreadsheets. The spreadsheets would be completed to reflect the types and amounts of concessions sales, ticket sales, and the like. Jay Laesch, as the Finance Director of BMI Concessions, was responsible for populating the fields in what is known as the "Settlement Workbook" that contained all of the specific information regarding the income, expenditures, and amounts owed for BMI Concessions.

The MICROS point of sale system was not the only method BMI used when selling concessions at the Coliseum. During each event, portable push carts and portable stands were utilized for cash sales for beer. The carts and stands did not have a point of sale system leaving all of the cash to be logged and counted by hand. To effectuate the process of counting and cataloging the cash transactions from the portable carts and stands, the cash from those carts and stands would be sent to the vault where it was counted and prepared for deposit by workers in the vault. The amount of cash sales was then added into the Settlement Workbooks to show that income as commissionable sales. Over a course of time from January 4, 2013 through March 29, 2016, the State would present evidence that John Butler commanded Jay Laesch and Paul Gazar, the General Manager of BMI Concessions, to remove varying amounts of cash from the vault prior to the bank deposit occurring. The cash that was removed was utilized to pay obligations incurred by BMI Concessions such as paying performers and paying employees of

BMI Concessions. The removal of cash occurred on a continual basis during almost every event held within the U.S. Cellular Coliseum from 2013 through CIAM and BMI's departure from the facility in 2016. As part of the scheme, Laesch would then reduce the amount on the bank deposit sheets and then enter information into the settlement workbook which intentionally did not reflect all of the income received. As an example, if he removed \$2,000 in cash, he would reduce the amount on the bank deposit sheet and the amount cash sales in the MICROS system by \$2,000 so that the numbers matched.

The City of Bloomington was entitled to commissions based on those sales at the standard rates. As the cash that was routinely removed from the vault was never reported in the MICROS Point of Sale system or the settlement workbooks, commissions on those sales were never paid to the City of Bloomington. However, Jay Laesch did not change the handwritten cash sheets which were completed by the vault workers prior to the removal of funds. Based on documents obtained from a search warrant of materials in the possession of John Butler, the original cash sheets were located which verified the differences between the cash sheets and the MICROS information. Comparisons between the cash sheets and the worksheets show the amount of cash which was never reported. Between 01/04/13 and 03/29/16, \$102,571.45 in cash was removed from the vault through this method. The City was entitled to receive commissions on those funds. At trial, the State would show that the scheme resulted in the underreporting of commissions owed to the City of Bloomington in the amount of \$14,005.

The evidence would show that as this conduct occurred, John Butler was acting in his capacity as President of BMI Concessions and personally commanded that other employees remove the funds for the payment of BMI Concessions obligations.