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DART finance VP left Chicago job after allegations of inappropriate behavior

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Weeks before becoming Dallas Area Rapid Transit's new vice president of finance, Joseph Costello retired as executive director of Chicago's Regional Transportation Authority after facing accusations that he used racial slurs and sexually explicit language.

Illinois media reports said an independent investigation found some of the allegations to be credible. But DART Chief Financial Officer David Leininger said he reviewed the investigator's report and was skeptical of its conclusions. Leininger said he discussed the matter with an RTA board member whose name he did not remember.

"It was clear to me that what was being discussed was so totally inconsistent with a lot of people's direct knowledge of Joe that something had gotten distorted in the process," Leininger said.

The RTA has financial oversight of Chicago's three major transit agencies and regional transit planning. Costello was tapped to lead it in 2010 after serving as CFO for years. According to media reports, the agency in 2012 hired an independent attorney to investigate accusations that top-level staffers created a "toxic" environment by using racist language and sexually offensive terms.

The *Chicago Daily Herald* in December said the investigator's report found credibility in employees' accounts that Costello used a racial slur in reference to a black employee, touched a female employee inappropriately and joked about having an affair.

Costello did not respond to a request for comment. DART spokesman Morgan Lyons said he was unavailable.

RTA spokeswoman Susan Massel declined to comment. She did not respond to a request for a copy of the independent investigator's report. Lyons and Leininger said they read the report but no longer have a copy of it.

RTA board member John Frega was also skeptical of the investigation's findings. Frega believes Costello opted to retire for the sake of the agency.

"I thought Joe Costello didn't get the consideration he should have gotten," Frega said. "I think a lot of the investigation was hearsay."

Leininger said complaints were partially spurred by significant layoffs at the Chicago agency in 2011. He also suggested that Costello was ensnared in a politically-motivated inquiry aimed at his chief of staff, who was the son-in-law of Illinois House Speaker Michael Madigan.

"If you're familiar at all with Illinois politics.... It's pretty roughhouse up there," Leininger said.

Leininger said DART officials took the allegations seriously. He said he and other DART leaders asked pointed, direct questions about the accusations during the interview process.

"He was very forthcoming about the events that led up to the review," Leininger said.

Costello announced his retirement from RTA in December and ended his tenure in February. Leininger said he started at DART in late March or early April. A news release about his hiring was sent to reporters this week.

The high-ranking finance position he filled had been open since early 2012. Leininger said he held that position open to reevaluate his department's long-term needs. After a handful of other top-level executives retired, Leininger decided to fill the position. He said DART began looking in November or December. Costello was one of several people to apply for the position.

Leininger said DART officials knew Costello through the Transit Finance Learning Exchange, which describes itself as a "working group of transit finance professionals." Costello was a founding member of that group.

Frega said no DART officials reached out to him to discuss Costello. But he praised the man's work ethic and skills.

"I think you got a good man," Frega said. "As far as finances go I don't think anybody can hold a candle to Joe."

Leininger said Costello is already doing well at DART.

"He's really quickly becoming a valued member of the staff," Leininger said.

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Michael Wallace

12 minutes ago

For a minute there, I thought it said: "Dallas ISD". That would NOT be a surprise.

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Susan Wansbrough

46 minutes ago

Mr. Costello may be perfectly innocent, but I think Leininger dropped the ball in following up on the situation. He talked to someone whose name he doesn't recall? Really? It is negligent to do employment verification and not record the names of people giving you information. And then he discounts the report of an investigator who actually talked to the witnesses? On what basis, gut feel? Again, Mr. Costello may be the wholly innocent target of a political motive. But other than a general suspicion of Chicago's politics, what evidence is there to support that? DART could be opening itself to potential liability if there is a problem in the future.

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Fred Bailey

2 hours ago

Yeah? And Al Capone was merely giving the people what they wanted...

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Wylie H Dallas

2 hours ago

["If you're familiar at all with Illinois politics.... It's pretty roughhouse up there," Leininger said.]

How is that different from City of Dallas and Dallas County politics?

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