



Executive Summary

2009 Press Reports and Audits on Governmental Waste, Fraud, and Mismanagement

In 2009, the news media reported a shocking amount of waste, fraud and mismanagement in California's state and local governments.

From the accounts that Cal-Tax could quantify, the total sum of identifiable waste, fraud or mismanagement amounted to almost \$600 million in 2009. The actual amount of waste, fraud or mismanagement is actually much greater – of the 112 accounts identified, only 49 accounts were able to be quantified.

Cal-Tax compiles reports of misspent tax dollars to underscore the need for more extensive evaluation of government spending, especially at a time when the state and many local governments are experiencing chronic budget problems.

Cal-Tax also maintains an online database of waste from 1999 to the present, with entries based on investigative reporting by the media, government audits, grand jury probes and other sources: http://www.caltax.org/waste/waste_decadeof.html.

The Cal-Tax database chronicles billions of dollars in waste, but this is merely the tip of the iceberg. The news media does not report on all instances of alleged wrongdoing or mismanagement, nor does Cal-Tax staff find and compile every news story on the subject.

It is clear that a thorough evaluation of government spending would demonstrate an even stronger case for performance review and careful allocation of resources. Such a review should be part of the annual budget process at every level of government.

The following pages document many examples of questionable spending from January through August, including the Department of Correction's \$22 million expenditure on hotel rooms for sex offenders, local governments throughout the state spending \$58.3 million on lobbyists in Sacramento, Fresno schools making a \$34 million accounting mistake, Stockton's cost of \$25,000 to clean up elephant manure, and the Riverside District Attorney's \$129 million office building. These are just samples from the complete 2009 waste, fraud, and mismanagement report – the full list would fill 45 pages.

Cal-Tax is not alleging that laws have been broken in these cases. However, many cases represent violations of the sound financial management principles that taxpayers have a right to expect.

Here are some examples of waste, fraud and mismanagement

- **Thousands of Retired Government Workers Receive Six-Figure Pensions.** An *Orange County Register* examination of the state's pension records found that 4,817 of the 476,000 state and local government retirees in the system make more than \$100,000 in pension income, and 24 have pensions in excess of \$200,000. Critics cited by the paper noted that many of the high-dollar pensions are going to managers who shepherded large pay raises for their employees through the political process, and then collected raises of their own. The *Register* found that the 110 residents of Vernon, California paid \$600,000 a year to Bruce Malkenhorst Sr. to serve in six different capacities at once, spiking his pension to \$499,674 – the highest pension in the state's system. Mr. Malkenhorst is currently fighting a criminal indictment charging him with embezzling \$60,000 for such things as massages. Former Anaheim City Manager Jim Ruth, who retired in 2001 on a pension of \$219,045, went on to serve another year as a consultant to the city for \$192,000. Mr. Ruth later did a stint as Orange County's chief executive and, currently, is the county sanitation district chief. His annual salary is \$225,000, but between retirement and salary, he makes \$444,000. (*Orange County Register* - May 15, 2009)
- **Los Angeles County Pays Millions for Unused Phone Lines.** *The Los Angeles Times* revealed on June 19 that the county is spending \$1.5 million on 8,000 phones that never ring. Some lines may never have served a county purpose, such as the line to a now-defunct ticket brokerage in Hollywood, where the county has been paying the phone bill – currently \$38 per month. Supervisor Zev Yarolsavsky said, "This is government at its worst." As the county begins a review, the bill for abandoned phone lines could reach \$3 million. (Source: *The Los Angeles Times* - June 19, 2009.)
- **Already Facing Deficit, LA Supervisors Vote to Spend Millions on a TV Studio.** The Inland Valley Daily Bulletin report says it all: "Already facing the potential loss of more than \$1 billion in state funding, Los Angeles County supervisors voted Tuesday to set aside \$2 million to build a \$4.5 million county television studio. The 4-1 vote, which was opposed by Supervisor Gloria Molina, comes as the county faces increased demands for welfare, health and other services as people lose their homes and jobs in the economic crisis." The county faces a \$173 million gap between proposed spending and anticipated revenue in coming months, on top of the state potentially withholding \$1 billion as it runs out of cash next month. Kris Vosburgh, executive director of the Howard Jarvis Taxpayers Association, said, "What it comes down to is a TV station is a vanity item for the supervisors." The project will require final approval from the supervisors before construction begins later this year. Under the plan, the studio would be constructed inside the press corps area at the downtown county Hall of

Administration, eliminating a number of press offices. (Source: *Inland Valley Daily Bulletin* – January 28, 2009)

- **City of San Diego Partied With Money Intended to Help the Poor.** The city of San Diego may have to repay the federal government more than \$1.8 million, as auditors have found that the city mismanaged grant money intended to help poor residents. The San Diego Union-Tribune reported that money was spent inappropriately, including one case in which "\$4,118 was spent for a festival to celebrate a shopping center, instead of on planning." Government officials also spent money on property acquisition when it was intended for project planning. Federal auditors recommended that the city repay \$1.8 million, plus interest, and they also asked for documentation for another \$11 million that the city did not justify to their satisfaction. Jay Goldstone, San Diego's chief operating officer, said city officials hope to meet with federal officials to negotiate a settlement. San Diego currently faces an estimated \$54 million deficit in the fiscal year that will begin in July. (Source: *The San Diego Union-Tribune* – January 6, 2009)
- **Avocado Commission Misused as Much as \$2 Million, Audit Finds.** State auditors have uncovered as much as \$2 million in questionable spending by the California Avocado Commission during just a three-year period. During the brief time examined by auditors, the 18 employees of the Irvine-based commission used official credit cards to pay for more than \$1.5 million in home remodeling, sports tickets, health club memberships and delivery of restaurant meals. The spending included \$123,227 spent on season tickets to the Anaheim Ducks hockey games and the Los Angeles Angels of Anaheim baseball games between 2005 and 2008 – an amount that equates to more than \$41,000 a year for tickets that often were used by the commission's employees. The employees also ran up charges for \$850-a-night hotel rooms at resorts, and bought clothes from high-end retailers, characterizing the apparel as "uniforms" in their expense reports. Mark Affleck, who recently resigned from his \$300,000-a-year post after serving for 20 years as chief executive of the commission, used commission money to make \$17,000 worth of permanent improvements to his home, reportedly so he could telecommute. Commission board members, family members, guests and employees received "massages, nail service, facials and body treatments" during meetings at luxury resorts, the auditors found. The items and services "may be considered gifts of public funds," the auditors' report said. Commission board Chairman Rick Shade said most perks at the commission have been cut back and officials are seeking reimbursement from employees for some expenditures. He said the state audit resulted from findings reported by the board's own internal audit. The commission is funded by mandatory exactions collected from the state's 6,000 avocado growers. Its activities are overseen by the California Department of Food and Agriculture, which referred the spending audit to California Attorney General Jerry Brown's office for further investigation. (Source: *The Sacramento Bee's State Worker* blog - January 13, 2009)

- **Legislature Added 336 Workers to Payroll, Gave Pay Raises as Budget Was Slashed.** Despite the state's budget problems, the Legislature has been hiring new workers and giving out pay raises to existing employees, according to two newspaper reports. "While state lawmakers were contemplating deep cuts to education, children's health care and welfare payments, the legislators were also busy restocking their offices with new employees this year," the *San Francisco Chronicle* found. The paper reported: "State lawmakers hired 336 employees – about 15 percent of the Legislature's workforce – between January and the end of July, the (Legislature's) records show. The payroll of the new hires totals more than \$1.2 million a month or about \$14.4 million a year. The *Associated Press* reported that at least 87 Assembly staffers recently received pay raises totaling more than \$430,000 on an annualized basis, and nine staffers in the Senate received raises worth \$152,000 a year. (*San Francisco Chronicle* - August 9, 2009)

Press Reports and Audits on Governmental Waste, Fraud and Mismanagement

Compiled by the California Taxpayers' Association

Corrections

State Paid \$580,000 to Rent Vacant Office for Four Years

Dollar Amount: \$580,000

The state's prisons may be overcrowded, but the same cannot be said for the offices of the agency that oversees the penal system. A state audit revealed that the California Department of Corrections and Rehabilitation and the Department of General Services "wasted a total of \$580,000 in state funds by leasing office space that Corrections had left unoccupied for more than four years."

Region: Statewide

Jurisdiction: State

Source: California State Auditor Report I2009-1 - April 2009

State Gives Free Hotel Rooms, Cable TV and Breakfast to Paroled Sex Offenders

Dollar Amount: \$22,000,000

Foreclosures and homelessness are problems for many Californians, but the state is helping paroled sex offenders keep a roof over their heads, sometimes with free breakfast and cable TV provided by the taxpayers. The Contra Costa Times reports: "State corrections officials spent nearly \$22 million last year on apartments and motel rooms for hundreds of paroled sex offenders, paying more than \$2,000 a month for some parolees and housing others in locations apparently prohibited under Jessica's Law, according to a MediaNews analysis of bank drafts issued by parole agents and addresses from the Megan's Law sex offender database." Some parolees have received housing assistance for more than two years after being released from prison. The spending violates a state policy directive that housing payments "shall not exceed 60 days" except in limited cases. Also, the assistance is supposed to be a loan that is repaid by the parolees, but state data indicates that repayments are rare. The newspaper interviewed one paroled sex offender who has received free rent for more than two years at a Budget Inn in Santa Fe Springs, just minutes from Disneyland. "When I first got out, they were having me pay it," he said. "When I found out only a few of us were paying it, I didn't see that was fair, so I stopped paying." At the hotel, parolees get free HBO, complementary continental breakfast every day, and fresh sheets every other day. The newspaper further reported: "The state has paid rent for sex offenders at an apartment complex in Martinez that stands about 1,000 feet from the gates of John Muir National Historic Site, which sees a steady stream of school field trip groups. The corrections spokesman said they don't consider the historic site, run by the National Park Service, to be a park. Jessica's Law (which bans sex offenders from living within 2,000 feet of a school or a park where kids "regularly gather") ... did not define a park, or how to measure the 2,000 feet – about four-tenths of a mile. Parole agents use GPS." A spokesman for the California Department of Corrections and Rehabilitation said the department is planning to dramatically scale back the housing payments, and will focus on providing limited, short-term assistance. Corrections officials say that without the housing subsidies, there will be an increase in sex offenders who become homeless, which will lead to more recidivism and less public awareness of their whereabouts.

Region: Statewide

Jurisdiction: State

Source: Contra Costa Times - January 17, 2009

Union Owes State \$1.3 Million for Abuse of Leave Time, Auditor Reports

Dollar Amount: \$1,300,000

In September 2005, the state auditor reported that the Department of Corrections did not track the total number of hours available in a rank-and-file release time bank composed of personal leave hours donated by members of the California Correctional Peace Officers Association for union representatives to use when conducting union business. The investigation identified 10,980 hours that three union representatives used but that the department failed to charge against the time bank from May 2003 through April 2005. Evidence indicated the state paid for those hours through its regular payroll, at a cost of \$395,256. The auditor said: "Moreover, Corrections has not attempted to obtain reimbursements for the hours the three union representatives spent conducting union activities from April 2005 through January 2006. This failure resulted in an additional cost to the State of \$185,546. As a result, the State unnecessarily paid a total of \$580,802 for union leave hours from May 2003 through January 2006." The auditor said the department began to charge union leave for the hours the three union representatives spent working on union activities beginning in February 2006. However, union leave hours, unlike time-bank hours, must be reimbursed to the state and must include both salary and benefit costs. In January 2009, the department reported that it had submitted invoices to the union totaling \$753,460 for the union representatives' work on union activities from February 2006 through December 2008; however, as of the end of December 2008, the department had not received payments on any of these invoices. "Therefore, Corrections has either failed to account for or to recover any reimbursements for hours that the three representatives used to conduct union activities from May 2003 through December 2008," the auditor concluded. "These unrecovered reimbursements cost the State a total of \$1,334,262."

Region: Statewide

Jurisdiction: State

Source: California State Auditor Report I2009-1 - April 2009

State Department of Corrections Paid \$1.3 Million to Fired Employees

Dollar Amount: \$1,300,000

The California Department of Corrections and Rehabilitation spent nearly \$1.3 million in just two fiscal years to pay unemployment benefits to workers who had been fired, according to a report released March 30 by the California Office of the Inspector General. The sum represented nearly 25 percent of the department's spending on unemployment benefits in 2006-07 and 2007-08, the inspector general said. The report, which refers to fired workers as "adversely separated employees," stated: "The CDCR's lack of internal procedures to effectively process UI claims and poor communication between the CDCR and the Employment Development Department (EDD) contributed significantly to adversely separated employees receiving UI benefits. Of the 1,045 employees adversely separated during fiscal years 2006-07 and 2007-08, 186 employees received UI benefits." Additionally, the report notes that unemployment benefits "should be available for employees who have lost their jobs due to no fault of their own, not for employees the CDCR separated for misconduct." According to the report, the EDD did not do a good job of gathering information about people submitting claims for unemployment benefits, and the Department of Corrections did not do a good job of responding to the EDD requests that were made. "Of the 25 cases investigated, the CDCR responded in writing to the EDD only ten times and only five of the responses were timely," the report said. "Furthermore, the CDCR had the opportunity to appeal the EDD decisions to grant UI benefits; however, it did so in only one case." Three case studies included in the report reveal that unemployment benefits were given to: a peace officer who was fired after she committed a hit-and-run accident while driving under the influence and then refused to cooperate with the California Highway Patrol; an officer who was fired because he was affiliated with a prison gang and possessed an illegal assault weapon; and an employee who was let go because she failed to report for work 132 days (the equivalent of six months of work) during her 15-month probationary period. Mary Fernandez, undersecretary of the department, said the department agrees with the report's conclusions and is working with the EDD to fix the problems identified by the inspector general.

Region: Statewide

Jurisdiction: State

Source: California Office of the Inspector General
Special Report - March 30, 2009

Education

Los Angeles School District Pays Teachers Not to Teach

Dollar Amount: Unknown

In an excellent investigative piece published May 6, the Los Angeles Times reported that the Los Angeles Unified School District is paying approximately 160 teachers and other school staff not to teach, giving them their full pay while allegations of misconduct – including alleged sexual contact with students, harassment, theft and drug possession – are resolved. "All told, they collect about \$10 million in salaries per year – even as the district is contemplating widespread layoffs of teachers because of a financial shortfall," the Times reported. The school district refers to these employees as being "housed," and typically places them in district offices where they are required to show up during regular school hours, but are not given any responsibilities. They have the same schedules as teachers, with 30-minute lunch breaks and school holidays off, but perform no work. This situation was created by an agreement between the district and the teachers' union. Under the agreement, the "housed" teachers cannot be assigned tasks such as making photocopies, stuffing envelopes or mowing a school's baseball field. One of the teachers interviewed by the Times complained that he has been "housed" for more than two months, but has not been informed why he was removed from his ninth-grade teaching duties. In a case highlighted by the paper, teacher Matthew Kim has been "housed" with pay and benefits for seven years. The Times noted that the 41-year-old, who suffers from cerebral palsy, "has been accused of inappropriate behavior with two aides and six students, including groping them with his left arm, the one limb over which he has limited control." As suits, countersuits and appeals have been winding through the district's bureaucracy and the courts, the district has spent more than \$2 million in salary and legal costs in this case alone. Two weeks ago, the school district decided that Mr. Kim would be allowed to stay home – rather than report to a district office – and still will be paid.

Region: So. California

Jurisdiction: City

Source: Los Angeles Times - May 6, 2009

School Spent Funds for Race-Based Rallies

Dollar Amount: Unknown

The Elk Grove Unified School District in southern Sacramento County has been segregating students based on race for rallies prior to taking state exams. The rallies, held in April, separated African-American, Pacific Islander, Asian, Latino and white students. After receiving a cease-and-desist letter from the Pacific Legal Foundation, the district said it will abandon the practice. "It's surprising that in this day and age a school district would make a distinction of students based on race," Ralph Kasarda, an attorney for the legal foundation, told The Sacramento Bee. Superintendent Steven Ladd said he is recommending that district trustees amend board policy to ban the separation of students by race "for educational opportunities or activities." The board is expected to take up the issue this summer.

Region: C. Valley

Jurisdiction: City

Source: The Sacramento Bee - June 11, 2009

San Diego School Officials Junket on Federal Funds

Dollar Amount: Unknown

While San Diego Unified School District's schools were attempting to survive a \$106 million deficit, school administrators spent more than \$2,000 in federal funding for disadvantaged students to send Superintendent Terry Grier to a conference in Washington, D.C., possibly violating federal regulations that prohibit such funds from being used for lobbying. Several district staff and trustees who accompanied Mr. Grier enjoyed more than \$550 in meals, which included a hefty tab at a posh Georgetown restaurant. Previously, Mr. Grier's contract limited him to a \$25 meal limit. However, his contract was amended last year to allow for "reasonable out-of-pocket costs," with no specific limit. In regards to the change, Mr. Grier commented, "Have you ever tried to eat on \$25?" The superintendent said the trip may save their district millions of dollars through their lobbying efforts to sway Governor Schwarzenegger to send stimulus money to schools. District Spokesman Bernie Rhinerson said district officials were able to build valuable relationships with legislators and their staff while in D.C., and that focusing on meal expenses was "losing the point." School board members Richard Barrera and John Lee Evans also have lobbied on behalf of the district, but when they traveled to Sacramento, they paid for their own meals. Mr. Barrera called the district's expenses while in D.C. "just not appropriate." Deputy Superintendent Chuck Morris told the Voice of San Diego: "I screwed it up. I should've have done that." Mr. Morris said he originally approved the spending thinking that the conference was related to federal funding for disadvantaged students. He said he will bill the superintendent's office to correct the error.

Region: So. California

Jurisdiction: City

Source: Voice of San Diego - June 9, 2009

Los Angeles Unified Policy to Dictate What Students Eat Is a Failure

Dollar Amount: Unknown

It comes as no surprise that an effort by Los Angeles Unified School District to tell students what they should eat is a failure. An audit released May 5 by the district's inspector general found that a school policy to restrict student access to certain foods was a dud, as "most schools were not in compliance with the LAUSD's (2002) Motions to Promote Healthy Beverage Sales and Obesity Prevention." The audit team visited 70 schools sites to gather data.

Region: So. California

Jurisdiction: City

Source: Los Angeles Unified School District, Office of the Inspector General

Sacramento Bee Chastises UC for Lavish Spending

Dollar Amount: Unknown

The Sacramento Bee, in a strongly worded editorial on May 13, rebuked the University of California for lavish spending on administrative salaries. According to The Bee: "The current chancellor at UC Davis, Larry Vanderhoef, earns a base salary of \$315,000 a year. The just-named new chancellor, Linda Katehi, will earn a great deal more, \$400,000. She also will get a \$100,000 relocation allowance, moving costs, a car allowance of almost \$9,000 a year and free housing. "On top of Katehi's pay is a generous package for Vanderhoef, who is returning to the faculty. He will take a one-year sabbatical to develop a biology course and write a book about UC Davis. "Administrative salaries have become so much higher than faculty salaries that administrators find it difficult to return to teaching after an administrative stint. So instead of giving Vanderhoef a faculty sabbatical salary in his year off, UC will give him his executive salary of \$315,000 (plus an office and travel budget of \$39,000 and an assistant)." The editorial concluded: "The Board of Regents needs to step up and establish a pay structure that serves the state's interest in strong academic institutions, not the personal financial interests of administrators. UC executive pay is the next bubble that needs to burst in California."

Region: Statewide

Jurisdiction: Higher Ed

Source: The Sacramento Bee - May 13, 2009

Peralta Community College Chancellor Sticks Taxpayers With a Big Travel Bill **Dollar Amount: Unknown**

Former Assemblyman Elihu Harris, now chancellor of Peralta Community College in Oakland, has been traveling well at taxpayers' expense. According to the San Francisco Chronicle, there have been lavish trips where Mr. Harris and his wife were lodged at five-star hotels, including a three-night stay at a posh New York hotel at a cost of nearly \$1,500. In January, Mr. Harris and his wife spent nearly \$5,000 on one trip alone. The expenses included a stay at a \$400-a-night hotel and \$1,000 in unspecified expenditures.

Region: Bay Area

Jurisdiction: Higher Ed

Source: San Francisco Chronicle - July 17, 2009

State University Chancellor Hires Lobbyists Without Competitive Bids **Dollar Amount: Unknown**

The San Francisco Chronicle reports: "California State University Chancellor Charles Reed has retained high-priced lobbyists without competitive bidding, even though CSU has a Sacramento office where it runs a \$1.1 million-a-year, in-house lobbying unit whose state employees monitor CSU-related bills and follow state budget hearings. In the last decade, the university system has paid more than \$2 million in public funds to two Sacramento lobbying firms ... to influence the policies and budget decisions of the governor and state lawmakers. At a time of state budget cuts, student tuition hikes, canceled classes, faculty hiring freezes and layoffs, CSU's lobbyists have been paid to defeat bills designed to shed more light on CSU executive salaries and perks as well as public records." The paper noted that the outside lobbyists were paid not just to work on CSU-related bills, but also "to monitor nearly a dozen bills that had little or no direct connection to the university, including legislation on affordable housing for Iraq veterans, money laundering, terrorism, sex offenders and sacred Indian grounds." Nearly \$400,000 was paid to the two lobbying firms as retainer fees during months of the year when they performed no services for the CSU system regarding administrative or legislative actions. "There is no need for these lobbyists," Senator Gloria Romero said. "There is no need for us to spend this money."

Region: Statewide

Jurisdiction: Higher Ed

Source: San Francisco Chronicle - July 6, 2009

To Address School Officials' Error, District Asks Kids to Come Back to Class for 34 Days **Dollar Amount: Unknown**

Summer vacation may be delayed more than a month for many students in Southern California. The Associated Press reported that students at Dickson Elementary in Chino and Rolling Ridge Elementary in Chino Hills were supposed to be done with school this week, but are being asked to spend another 34 days in the classroom so the school district will not lose \$7 million in state funds. The problem is that the schools shortened school days by 5 minutes to 10 minutes on 34 occasions to give teachers more time to prepare for upcoming classes. Under state law, a day that is a few minutes too short doesn't count at all toward the required number of school days. So in order for the district to receive state funding for the shortened days, district officials said all 34 days must be made up, even though the time missed could be made up in one or two school days. The extra instructional days will cost roughly \$200,000 total, and will be packed with art, music, experiments and other activities that students tend to enjoy more than solving quadratic equations or conjugating verbs. The school officials' blunder affects approximately 500 students in the fourth through eighth grades. However, media reports indicate that many parents are planning to let their children take planned summer vacations, and are not going to force their kids into hot classrooms for more than a month to make up for the timing mistake, which has been admitted by an associate superintendent who is retiring this year. Assemblyman Curt Hagman has introduced legislation (AB X3 35) that would allow the district to receive full state funding if it makes up the time with two extra school days.

Region: So. California

Jurisdiction: City

Source: Associated Press - June 16, 2009

Community College Chancellor May Get 18 Percent Raise, Retroactive to July

Dollar Amount: Unknown

Budget problems? What budget problems? The Contra Costa Community College District is scheduled to vote January 28 on whether to give the district's chancellor an 18 percent raise, increasing her current \$209,000 salary to \$247,000. The raise would be retroactive to July 1 of last year. The chancellor, Helen Benjamin, also receives generous fringe benefits as compensation for overseeing the three-college district. The district's board members said the raise is intended to keep Ms. Benjamin from leaving for a higher-paying job, and they said her salary is lower than nearly every other Bay Area chancellor's pay.

Region: Bay Area

Jurisdiction: Higher Ed

Source: Contra Costa Times - January 20, 2009

Are School Tax Dollars Wasted in Chaotic Classrooms?

Dollar Amount: Unknown

Voters assume their tax dollars that go to schools are being spent to educate students. That is not always the case. In Contra Costa County, a Clayton High School math class is a good example. The school suspended a girl for videotaping in the class, despite the fact that she was videotaping in order to prove that the classroom was out of control, and was not a suitable learning environment – a complaint she previously made multiple times to school officials, who did nothing to address the problem. In the third-period algebra class, the teacher couldn't control students, who were throwing things and making a ruckus every day. Students told the Contra Costa Times that shortly after Christmas, someone put Play-Doh in the microwave, causing the substance to explode. This resulted in a smoke-filled classroom that the teacher refused to air out. In other classes taught by the same teacher, students reportedly lit trash can fires and smoked cigarettes and marijuana in the classroom. Having been told about this state of affairs by her daughter, Allison Moore alerted the school administration to the problem. By May 15, with less than a month left in the school year, the classroom atmosphere had not improved, Ms. Moore said. That morning, when students flicked the lights on and off and began a paper-ball fight with no intervention by the teacher, Ms. Moore's daughter caught the chaos on video with her cell phone. When the video footage was sent to the acting principal, Dick Nicoll, by a friend of Ms. Moore, the acting principal suspended the daughter for two days. The suspension notice said she "had participated in major paper throwing," which her parent said is a false allegation. Five other students throwing paper were suspended, but three shown in the video doing the same were not, Ms. Moore said. School officials initially upheld Ms. Moore's daughter's suspension, but changed their mind after the incident was widely reported in the media.

Region: Bay Area

Jurisdiction: County

Source: Contra Costa Times - June 23, 2009

Vallejo Superintendent and Spokesman on Paid Leave

Dollar Amount: Unknown

Vallejo's school board voted to place district Superintendent Mary Bull and district spokesman Jason Hodge on paid leave pending the results of an investigation for unconfirmed claims of a hostile work environment. Neither school employee would comment on their recent absences, and Vallejo City Unified School District Board President Cris Villanueva would not comment on the specifics of the board's action or the source for the investigation. Ms. Bull was hired in September 2007, and is paid \$200,000 per year. Mr. Hodge is paid \$100,000 per year. Both will continue to collect pay despite their leave. Vallejo schools are still under partial state control after the district needed a \$60 million bailout in 2004 due to its fiscal collapse. Before coming on board with the Vallejo school district, Ms. Bull was employed as curriculum director of Carmel Unified School District, where she faced a number of verbal abuse lawsuits.

Region: Bay Area

Jurisdiction: City

Source: Contra Costa Times - June 16, 2009

Some Teachers Get Pay Raises While Colleagues Get Laid Off

Dollar Amount: Unknown

The Sacramento Bee reports that some teachers in Sacramento are getting pay raises, even as other teachers are being laid off due to funding problems. The paper explains: "Most teachers in the Sacramento area will receive raises when they return to school. These increases are automatic 'step' increments, and many teachers don't consider them raises. ... Those raises will cost school districts millions as education budgets continue to shrink." Sacramento City Unified laid off 281 teachers in May and is discussing furloughs and salary freezes for the 2010-11 school year. Still, step increases costing \$2.5 million already have been approved. Elk Grove Unified laid off seven teachers in May, and will issue \$5.2 million in raises to teachers and counselors for the upcoming year.

Region: C. Valley

Jurisdiction: City

Source: The Sacramento Bee - August 10, 2009

Kern County Taxpayers Paying Part of Teachers' Union President's Salary

Dollar Amount: Unknown

Taxpayers in the 37,000-student Kern Union High School District are paying 60 percent of local teachers' union President Mitch Olsen's salary. Mr. Olsen is working for the union full-time and does not teach any classes. School board member Ken Mettler is suggesting that the union, which he says receives \$1.6 million in dues, pick up the full tab. Mr. Olsen said he would not respond to comments by one board member, but would deal with the board as a whole.

Region: C. Valley

Jurisdiction: County

Source: Bakersfield Californian - January 27, 2009

Regulators Find Major Problems at UC Irvine Hospital

Dollar Amount: Unknown

The University of California at Irvine Medical Center risks losing millions of dollars in federal Medicare funding due to major patient care problems found by federal regulators. The feds inspected the facility in October, then issued a 127-page report citing numerous problems. Among other things, federal inspectors found that four patients had suffered bedsores because they were not moved; the hospital did not have enough nurses to provide one-on-one care to children in the newborn intensive care unit; and nurses adjusted doses of insulin or other drugs without doctor approval or hospital protocol. Inspectors also found that a psychiatric patient urinated on a pile of bed linens because a monitor was broken and nobody heard her shouting that she had to go to the restroom. The Associated Press reported: "Medicare first threatened to pull funding last summer after investigators found that anesthesiologists in the hospital had filled out surgical records before operations were conducted. The hospital said the doctors filled out the forms in advance as a timesaving measure, but a \$3 million information monitoring system was installed to stop the practice." Hospital administrators say they have corrected the problems, and also have submitted a required report.

Region: So. California

Jurisdiction: Higher Ed

Source: The Associated Press - January 21, 2009

School District Paid \$720,000 for Pizza Machine, Then Took Pizza Off School Menu

Dollar Amount: \$720,000

The San Jose Unified School District paid \$720,000 in 2006 for a machine that was supposed to churn out 800 pizzas a day to sell on various campuses in the district. But the San Jose Mercury News reports that the machine has made only 2,000 or so pizzas in the two years it has been in place. One reason for the low output is that the machine breaks down frequently. In the words of a district spokeswoman, it is "sensitive." Another problem, apparently unforeseen by the officials who approved the purchase: the district doesn't have enough trucks to deliver hot pizza to different campuses in time for lunch, and late deliveries aren't feasible since students have a strictly enforced time period for lunch. Lastly, the district made an interesting management decision and took pizza off the daily menu shortly after it purchased the costly pizza machine. Now, the machine is used on a very limited basis – one day a week, for Friday "pizza parties" that rotate among the district's 26 elementary schools.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - April 26, 2009

Alum Rock School District Repeals Superintendent's Buyout

Dollar Amount: \$500,000

Last year, the Alum Rock School District gave former Superintendent Norma Martinez a \$500,000 buyout, approved at an illegal December board meeting. This created a public outrage, and as a result, new members of the school board have declared the agreement non-existent because it was adopted illegally (before the December meeting where the buyout was approved, the contract was not listed on the agenda).

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - February 8, 2009

Ventura County Schools Pay \$396,000 for Lobbyists, Get Little in Return

Dollar Amount: \$396,000

The Ventura County Board of Education voted unanimously January 9 to terminate its contracts with two lobbying firms, acknowledging that the \$396,000 spent over the past 18 months has yielded no benefit for students. One of the only accomplishments reported by the lobbyists was setting up a meeting last month among county staff, school trustees and a Wal-Mart representative to discuss possible funding opportunities, none of which have yet been realized. It takes three months to cancel the contracts, so the total cost will grow to approximately \$443,000. The money comes from a \$1 million pot of funds that originally was intended to pay for technology upgrades in the schools, including upgrades that would benefit students in vocational education programs.

Region: So. California

Jurisdiction: County

Source: Ventura County Star - January 10, 2009

UC Riverside Pays \$355,000 to PR Firm While Keeping Communications Employees on Pavroll

Dollar Amount: \$355,000

The Riverside Press-Enterprise reports that the University of California at Riverside is spending big bucks on a no-bid contract with a public relations firm, even though the university has in-house staff who are paid to perform many of the same functions. The paper reports: "UCR contracted with Riverside-based O'Reilly Public Relations in April last year to help win Board of Regents approval for the creation of (a) medical school. Regents approved the school last July, but UCR continued to pay the O'Reilly firm \$20,000 a month through June, the end of the \$280,000 contract." The university also paid the PR firm \$75,000 in a subcontracting arrangement to procure the lobbying services of a former state lawmaker, who was more effective than the UC's government relations staff at securing state funding for the medical school, a school official said.

Region: So. California

Jurisdiction: Higher Ed

Source: Riverside Press-Enterprise - July 6, 2009

Fresno's Accounting Errors Led to \$34 Million in Overpayments to Schools

Dollar Amount: \$34,000,000

An accounting error by the Fresno County Auditor's Office led to the county overpaying schools \$34 million in property tax revenue over four years, the Fresno Bee reports. "The county will be sending a letter to the school districts in the next few days telling them how much they have to pay back," the newspaper reported. "Although the Auditor's Office first notified the Fresno County Office of Education about the possibility of repayment last April, the county needed to figure out how much was owed before contacting the school districts." Ultimately, the state will repay the schools. The Bee explained: "Whenever property tax revenues come in lower than budgeted, the state is required to make up the difference to school districts. Because the county overpaid property tax revenues to local districts, the state didn't have to kick in any money during the past four years. Now that the overpayment has been uncovered, the state is obligated to reimburse the districts."

Region: C. Valley

Jurisdiction: County

Source: Fresno Bee - February 3, 2009

Schools Spent \$3.7 Million on Superintendent "Buyouts"

Dollar Amount: \$3,700,000

School districts throughout the state have spent \$3.7 million in recent years to pay superintendents to leave, according to data compiled by Assemblyman Tony Mendoza. The Democratic assemblyman has introduced legislation, AB 164, to eliminate "buyout" provisions from superintendents' contracts. He cited 13 buyouts that have been approved recently, in just about every region of the state. So far, the bill has received very little support from the legislator's colleagues, and it appears to be dead for the year.

Region: Statewide

Jurisdiction: State

Source: Cal-Taxletter, Vol.XXII, No. 16

UC Davis Turns Private-Sector Food Servers Into Government Employees **Dollar Amount: \$23,000,000**

The University of California at Davis has chosen to make a transition that has turned hundreds of private-sector workers into UC employees, adding to the university's spending for salaries and fringe benefits. On January 2, nearly 200 food-service workers and 400 student employees received their first paychecks from UC Davis, having transitioned from working for Sodexo Inc., which continues to have a four-year contract to manage the campus' general food service program. The contract calls for the company to be paid approximately \$23 million a year. In 2006, some workers and the American Federation of State, County and Municipal Employees complained about a lack of union representation for the workers, and said the employees deserved better pay and health care benefits. The next year, UC Davis and Sodexo agreed to provide higher pay and fringe benefits, thereby increasing the cost to taxpayers at a time when the state budget is far out of balance. On January 14, the UC Board of Regents announced a plan to reduce enrollment of new California resident freshmen by 2,300 students system wide for the 2009-10 academic year in order to "cope with insufficient state funding."

Region: C. Valley

Jurisdiction: Higher Ed

Source: The Sacramento Bee - January 17, 2009

Los Angeles Schools Using Costly Outside Consultants **Dollar Amount: \$186,000,000**

The Los Angeles Daily News reports: "An audit detailing Los Angeles Unified's reliance on costly outside consultants to build schools has raised such concern for Superintendent Ramon Cortines that he called in a former bank executive to review the findings." The story continued: "According to district sources, the audit found that \$186 million was paid to 1,277 outside consultants in 2006-07, averaging \$145,653 per person that year. The audit's findings mirrored an earlier analysis by the Daily News that found the district spent \$182 million on 849 consultants – about \$215,000 each – in the 2007-08 year." "For almost 10 years, we've been telling the district that it's a waste of money to use contractors and not district employees," said Connie Moreno, a representative for the California School Employees Association. "We've seen Facilities Division management take work away from district employees and give it to their contractors."

Region: So. California

Jurisdiction: City

Source: Angeles Daily News - March 26, 2009

Sacramento Grand Jury Critical of School District Land Purchase **Dollar Amount: \$13,400,000**

In a report filed May 27, a Sacramento grand jury is highly critical of the Natomas Unified School District for purchasing 41 acres of farmland for \$13.4 million. The grand jury said the property was worth \$2 million. The grand jury pointed out that the land was not incorporated, had a number of environmental issues, is part of a state flood plain and is partially protected under the Endangered Species Act and the Williamson Act. According to the grand jury, school officials told the appraiser to use certain assumptions that greatly inflated the appraisal. Also, the superintendent was soliciting funds for a school foundation and had approached a partner with the sellers of the land.

Region: C. Valley

Jurisdiction: City

Source: Cal-Taxletter, Vol. XXII, No. 20

UC Merced Spends \$1 Million for Michelle Obama to Speak at Graduation **Dollar Amount: \$1,000,000**

The tab for the University of California at Merced for first lady Michelle Obama to speak at the campus graduation May 16 was \$1 million, considerably more than the \$100,000 originally budgeted for the event. UC said the cost was absorbed by \$500,000 from endowment fund interest and other non-state dollars.

Region: C. Valley

Jurisdiction: Higher Ed

Source: Cal-Taxletter, Vol. XXII, No. 25

Environment

Oil Spill Prevention Official Greased Pockets With \$71,747 in Improper Travel Reimbursements **Dollar Amount: \$71,747**

The state auditor reports that a high-level official formerly with the Department of Fish and Game's Office of Oil Spill Prevention and Response incurred \$71,747 in improper travel expenses she was not entitled to receive. The auditor's report said the money included "reimbursements for the cost of commuting between her Sacramento headquarters and her Southern California residence and for lodging and meal expenses incurred near her headquarters and residence." The auditor said the official "incurred parking expenses at separate airports on the same day and parked at airports on weekends with no apparent business reason to do so," and concluded that "her practice of using separate state vehicles to drive to airports in Northern and Southern California is wasteful and not in the State's best interest."

Region: Statewide

Jurisdiction: State

Source: California State Auditor Report I2009-1 - April 2009

Fire Prevention

San Bernardino County Fire Chief Used County Vehicle as Moving Van **Dollar Amount: Unknown**

San Bernardino County Fire Chief Pat Dennen will take two weeks of punitive unpaid administrative leave for helping Deputy Chief Dan Wurl move into a new home on county time and with a county vehicle, officials said. Possible disciplinary action for Mr. Wurl has yet to be announced. On July 9, a Fire Department employee spotted a department trailer equipped to fight terrorism parked outside Mr. Wurl's home. The employee took photos and filed a complaint. An investigation determined that the two fire officials had used the vehicle and on-duty department personnel to move belongings from Mr. Wurl's old home in Running Springs to a new home in Yucaipa. Investigators also found that the two men regularly used county vehicles, despite receiving a \$1,000-a-month vehicle allowance from the county to cover gas and maintenance on their personal vehicles.

Region: So. California

Jurisdiction: State

Source: San Bernardino Sun - August 11, 2009

Law Enforcement

L.A. The Hirings and Firings of a LA County Convicted Rapist

Dollar Amount: Unknown

The Los Angeles Times reports that Gariner Beasley was fired in August from his job as a county hospital X-ray technologist, with county officials saying his record as a convicted rapist is incompatible with a job that put him alone with patients in "very vulnerable and compromised positions." A short time later, however, he was back at work for the county, rehired by county managers through a contractor to perform the same duties at a health clinic in East Los Angeles. On February 3, he was fired again. Supervisor Gloria Molina said, "There will be some heads rolling on this one." The Times reported that Mr. Beasley worked for the county hospital for 10 years despite his record. The crimes occurred in the early '90s, and he pleaded no contest to two counts of rape "under color of authority" while on duty and in uniform as a Los Angeles Police Department officer. He spent less than two years in prison before being paroled. "His actions cost the city of Los Angeles \$290,000 in civil settlements for his victims," the Times reported.

Region: So. California

Jurisdiction: County

Source: Los Angeles Times - February 5, 2009

Sheriff Sent Disparaging Text Messages at Taxpayers' Expense

Dollar Amount: Unknown

During a November Board of Supervisors meeting on gun issues, Orange County Sheriff's Department officials used taxpayer-provided Blackberry devices to send numerous text messages ridiculing members of the public and county supervisors, the Orange County Register reports. "The messages, obtained under a public records request by a group named Ordinary California Citizens Concerned With Safety, reveal a combative tone by sheriff's command staff toward the activists," the newspaper reported. The activists were there to support gun owners' rights in response to Sheriff Sandra Hutchens' announcement that she was tightening the policies for issuing concealed weapons permits. One of the activists was described as "creepy" in a text message from one department staffer to another, and several messages ridiculed the man's bow tie, hair and glasses. Toward the end of the long hearing, an official texted that he was "ready to stick a pencil in my eye." The same official made fun of Supervisor Janet Nguyen, a vocal critic of the sheriff's gun policies, in a text that said, "I hope Janet has a pet she can call a friend." Ms. Nguyen said her staff is reviewing 300 pages of text message transcripts. Sheriff Hutchens said, "I do not condone comments that were made on the e-mails and I have admonished those that participated in that as being unprofessional conduct and I do not expect that to occur again."

Region: So. California

Jurisdiction: County

Source: Orange County Register - February 2, 2009

Despite Deficit, Sacramento County Sheriff's Deputies May Get Raises

Dollar Amount: Unknown

Sacramento County faces a \$180 million deficit, leading the county's top executive to propose laying off 521 workers, including 300 sheriff's deputies, and cutting 421 vacant positions. But The Sacramento Bee noted in a June 10 editorial: "In the midst of the budget crisis, Sacramento County is still offering its sheriff's deputies a 2.9 percent raise next year. That's less than the 6.9 percent boost originally scheduled, but a raise nonetheless. So while psychotic patients are going untreated and county workers are being laid off by the hundreds, deputies are still being offered a 2.9 percent pay raise." The Bee continued: "It's difficult to generate a sense of urgency about the county's financial plight when the county's deputies are being offered a pay raise. Sacramento taxpayers should be disgusted. Wall Street experts who monitor the county's handling of its finances certainly are. Last week, the credit rating service Moody's downgraded Sacramento County's credit rating from A1 to A2. The analysis that accompanied the downgrade was as illuminating as it was scathing. 'The negative outlook reflects both the circumstances in which the county finds itself and, more importantly, the fact that the county has no recent history of anything other than expedient one-time fixes to budgetary imbalances,' Moody's analysts state." The editorial calls on county supervisors to "demonstrate the political will to stand up to powerful constituents, especially powerful public employee unions," and reject the pay raises.

Region: C. Valley

Jurisdiction: City

Source: The Sacramento Bee - June 10, 2009

In-Home Supportive Services Fraud Uncovered

Dollar Amount: Unknown

In San Luis Obispo County, a 20-year-old drug abuser who was the sole caretaker for his seriously disabled father was found to be providing horrible care. According to the grand jury in that county, the father frequently had bedsores, he was not properly cleaned, Adult Protective Services had to be called in and, ultimately, he died before he was 60 years old. Incredibly, the son was being paid by the state, through the In-Home Supportive Services Program, for this substandard care. When it comes to In-Home Supportive Services, grand juries in six counties have found that the program has no safeguard against fraud. Care providers are able to collect state checks under aliases, and some providers bill the state for far more hours than they work – with no oversight. The current state of the program puts clients "at risk of physical and financial injury," according to Ventura County's grand jury. Requiring background checks of providers and hiring more fraud investigators could save the state hundreds of millions of dollars this year alone.

Region: So. California

Jurisdiction: County

Source: San Francisco Chronicle - July 5, 2009

San Francisco Program Trained People for Jobs They Couldn't Legally Perform

Dollar Amount: Unknown

San Francisco District Attorney Kamala Harris has run a job-training program that allowed illegal immigrants charged with felonies to avoid prison by training for jobs they couldn't legally hold. The Back on Track program has been touted by Harris, who is running for state attorney general, for reducing recidivism among first-time, nonviolent drug offenders. Media reports said it isn't known how many illegal immigrants participated in the program, and no dollar amounts were reported. Ms. Harris said letting the immigrants participate was a "flaw in the design" of the program, and she said illegal immigrants no longer are being trained with taxpayers' money.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - June 23, 2009

"Sexual Conquests" by Hayward Police Cost Taxpayers

Dollar Amount: \$5,000,000

The city of Hayward will pay nearly \$5 million to 14 female Police Department employees who accused male supervisors of regarding them as "fair game for potential sexual conquests." The female officers and civilian employees claimed in a lawsuit that male officers talked of "converting" their lesbian colleagues, and said male officers were "hostile toward female and lesbian officers." They accused department officials of discriminating against them because of their sex or sexual orientation. The city agreed to pay \$4.95 million to settle the lawsuit, without admitting liability, according to City Attorney Michael Lawson. Hayward's insurance carrier will make the payout, he said.

Region: Bay Area

Jurisdiction: City

Source: San Francisco Chronicle - June 11, 2009

Los Angeles Pays \$12.85 Million for One Day's Worth of Police Misconduct

Dollar Amount: \$12,850,000

The Los Angeles City Council voted unanimously February 4 to pay \$12.85 million to protestors and bystanders who sued the city claiming they were mistreated by police officers during the May Day 2007 demonstration in opposition to U.S. immigration laws and border enforcement. The payment will settle nine suits against the city. Approximately 18 additional suits remain unresolved. The Police Department announced that four officers would be fired and 11 disciplined for using excessive force to disburse protestors as they marched through MacArthur Park. Police officials said the "May Day melee" began when demonstrators threw objects at officers, prompting a police response that including use of batons and rubber bullets.

Region: So. California

Jurisdiction: City

Source: Los Angeles Times - February 4, 2009

Miscellaneous

Sacramento County Vehicle Fleet Doubled in Eight Years

Dollar Amount: Unknown

The Sacramento Bee writes in a February 21 editorial:

"As they contemplate layoffs, clinic closures and more cuts to the poor, aged and disabled, Sacramento County supervisors have taken no serious steps to reduce the size of the county's bloated vehicle fleet. That's inexcusable.

"That fleet has doubled in eight years, from 1,430 in 2001 to 2,940. At a minimum, supervisors need to find out what happened to those additional cars. If the vehicles can't be justified, supervisors should eliminate them immediately.

"Then the supervisors need to tackle home retention vehicles. Every night, county employees take 970 vehicles home. That's almost a third of Sacramento County's fleet. That's the highest percentage of take-home vehicles among 30 California counties surveyed by county officials.

"What's more, current rules allow workers who don't live in Sacramento County to take county-owned cars home.

"They can commute at county expense from homes as far as 20 miles outside Sacramento County's borders and beyond. Because Sacramento County has that little tail that trails off to the southwest, workers can commute from as far away as Benicia, San Ramon or Stockton."

The editorial notes that in 2006, an outside auditor criticized the Sheriff's Department vehicle take-home policy. At that time, about 400 cars were taken home at night. Now, that number has increased to 513 vehicles.

Region: C. Valley

Jurisdiction: County

Source: The Sacramento Bee - February 21, 2009

After Reports on Car and Pension Spending, Riverside County Asked to Release Records

Dollar Amount: Unknown

The Riverside Press-Enterprise reports: "One of Riverside County's largest unions requested three years of county spending records Tuesday after criticizing some supervisors for driving costly cars, at taxpayer expense, and the board for almost granting a \$15,000 annual compensation increase to County Executive Officer Bill Luna." "While we sincerely hope that these recently revealed expenses were an anomaly, this episode raises serious concerns about what other excessive expenses county supervisors and the county executive may have incurred," a letter from the Service Employees International Union said. "The only way to be sure, and to assure the people of Riverside County that you are safeguarding our precious resources, is for you to immediately release all records of your county expenses and spending for at least the past three years." Union representatives mentioned a newspaper article that revealed the county had purchased SUVs costing more than \$50,000 each last year for Supervisors John Tavaglione and Marion Ashley. They also pointed to a situation earlier this month in which a large pay raise for Mr. Luna was buried deep in an 88-page resolution that was described as a cost-cutting plan. The resolution primarily dealt with mandatory furloughs, cuts to other officials' retirement plans and suspension of pay raises, but included was a provision to boost Mr. Luna's retirement account by approximately \$15,000 a year (he currently is compensated with a \$275,000 salary, plus generous benefits including contributions to his retirement account). After newspapers reported on the proposed retirement fund boost, Mr. Luna asked that it be removed from the resolution.

Region: So. California

Jurisdiction: County

Source: Riverside Press-Enterprise - April 14, 2009

San Diego City Agency Spending Millions Without Budget Approval

Dollar Amount: Unknown

The San Diego Data Processing Corporation, a quasi-city agency supplying the city with data, has not had its budget approved by the city, as required, since 2001. The agency has spent millions during this period. The board is appointed by the mayor, and 93 percent of its revenue comes from the city. According to Anorea Tevlin, the City Council's budget analyst, the agency's budget, according to the operating agreement with the city, must be approved each year by the City Council. Mayor Jerry Sanders criticized this year's Data Processing Corporation \$46 million budget for including \$597,000 for employee raises and bonuses at a time when the city itself is cutting back. Jay Goldstone, the mayor's chief operating officer, said he is not sure why the corporation's budget stopped coming before the City Council for approval. In 2004, before Mr. Sanders was mayor but after the corporation's budget stopped coming before the council for approval, auditors found that agency executives misspent public money on meals, parties, alcohol, retreats and travel. Councilman Carl DeMaio said this situation is indicative of a larger problem of holding independent city agencies accountable.

Region: So. California

Jurisdiction: City

Source: San Diego Union-Tribune - April 19, 2009

Auditor Says State's Property Management Needs Work

Dollar Amount: Unknown

In an audit report released March 26, State Auditor Elaine Howle found that the state's management of surplus property needs improvement, and that not enough has been done to address findings of a similar audit in 2001. The report said: The state still lacks assurance that underused or unused properties are sold to generate revenue or are put to better use. The state continues to operate without having empowered an existing agency or a new commission or authority to oversee and scrutinize the property-retention decisions of individual agencies, although the auditor recommended it do so eight years ago; although the Department of General Services has implemented some of the 2001 recommendations, it did not fully implement others: it continues to submit annual reports late and has not performed studies of regional office space, as planned; there continues to be little incentive for state agencies to sell their surplus property because the proceeds from the sale are not typically returned to the entity but rather go toward paying off certain state bonds; the Department of Transportation sold numerous parcels of excess land since the 2001 report by establishing goals, performance agreements and reporting mechanisms. However, its surplus property database continues to have certain inaccuracies that limit its reliability.

Region: Statewide

Jurisdiction: State

Source: California State Auditor report No. 2008-502 - March 26, 2009

Voting Officials in Santa Cruz Make \$5 Billion Error

Dollar Amount: Unknown

On May 19, as voters were starting to show up at the polls, the Santa Cruz County Elections Department discovered that it had made several errors in the ballot descriptions used on its electronic touch-screen ballot. For example, Proposition 1C, which would have allowed \$5 billion in borrowing from future lottery profits, was described as allowing just \$5 in borrowing. The descriptions of Propositions 1A and 1B omitted the second year in several references where fiscal years were mentioned. The description of Proposition 1D said it would result in state general fund savings of \$608, instead of \$608 million, and also omitted the second year in a reference to a fiscal year. Elections officials said only four people voted using the touch-screens before the errors were discovered, and that the correct language and notice of the error was provided to subsequent voters. "The error was a human proof-reading mistake made by the Santa Cruz County Elections Department," the county's elections chief said.

Region: Bay Area

Jurisdiction: County

Source: San Jose Mercury News - May 19, 2009

Examples of Waste in San Jose

Dollar Amount: Unknown

In a June 18 piece, San Jose Mercury News columnist Scott Herhold gives several examples of waste in the city of San Jose: A fully staffed fire station on Communications Hill gets approximately three calls per week; At a rate of \$45 an hour, off-duty police officers are used to patrol street work, when traffic cones do nicely in other cities; Mr. Herhold's column was a response to a comment by the city's police union chief, Bobby Lopez, who cited as waste the \$115,000 in tax money that goes to support a week-long mariachi festival in September.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - June 18, 2009

Taxpayers Paying Handsomely for Expert Witness in Motorcycle vs. Pig Case

Dollar Amount: Unknown

The Carmel Pine Cone has uncovered another instance of how taxpayers are the ultimate losers in the trial involving a motorcyclist suing the state for millions in damages for injuries sustained when he collided with a wild pig on Highway 1. In an editorial, the paper notes that a physician and professor of medicine testifying for Caltrans said he was paid \$8,000 by the state government, plus \$1,000 by the motorcyclist's attorneys, for one day of giving depositions. The newspaper points out that the motorcyclist's attorneys hope to recover their payment, and everything else they've spent on their case, from taxpayers.

"At \$9,000 for a single day of work, that means the professor believes he's worth \$2.3 million per year," the editorial says. "How on earth did these fees get so high?"

Region: Bay Area

Jurisdiction: State

Source: Carmel Pine Cone - March 20, 2009

Battle Over Fence to Cost City Millions

Dollar Amount: Unknown

Joe and Darla Padgett built their "dream home" in the tiny town of Monte Sereno, just between Los Gatos and Saratoga, but their dream quickly turned into a nightmare when they built a fence. In 1999, Monte Sereno cited the Padgetts, saying their new fence violated city code height limits. What began as a spat soon escalated into a full-scale legal battle after the city sued the couple and attempted to prosecute them for misdemeanor criminal charges in violation of city codes. The Padgetts counter-sued and charged the city with harassment, and accused Mayor Curtis A. Wright and City Manager Brian Loventhal of violating their free speech rights for protesting the city's building codes. On June 4, a federal jury weighed in on the decade-long dispute by ruling in the Padgetts' favor, saying Mr. Wright violated the Padgetts' rights and should pay \$200,000 in punitive damages. "They are sending a message to Mr. Wright and other council members, 'Don't do this again,'" Joe Padgett said. "They thought they could get away with it, and they didn't." The jury also awarded the Padgetts a single dollar in compensatory damages, but since the couple filed a civil rights suit, they may be able to recover their legal fees, estimated at \$4.25 million. That amount would wipe out the city's operating budget, but most of the legal fees are expected to be paid out of the city's insurance. It is unclear, however, if insurance will cover the \$200,000 in punitive damages. The Padgetts sold their home in Monte Sereno and moved to a suburb outside of Seattle four years ago. They said the court proceedings have left them broke, and they were unable to pay routine court fees to file papers during their trial.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - June 4, 2009

Oakland Officials' Dispute Over Parking Space Leads to Legal Opinion From City Attorney

Dollar Amount: Unknown

Columnists Phillip Matier and Andrew Ross of the San Francisco Chronicle report: "Two Oakland City Council members are heading into Month 3 of an epic battle over a parking space – and even a five-page legal opinion from the city attorney hasn't resolved it." The dispute involves Councilwomen Desley Brooks and Jean Quan, both of whom want to inherit the parking spot previously used by Councilman Henry Chang, who left office at the end of 2008. Matier & Ross write that the spot is "coveted because it's a couple of spots closer to the side door of City Hall than everyone else's" and "cars parked there are less likely to get dinged by drivers racing around the corner." Ms. Quan said she was willing to flip a coin for the spot, but Ms. Brooks insists that the spot is hers because she has more seniority. Council President Jane Brunner was asked to settle the issue, and she concluded that since both members were elected in 2002, they had equal seniority. Ms. Brunner asked the city attorney to weigh in. The city attorney's legal opinion says: "Based on the information we have, both Council members have the same seniority in terms of the length of their continuous service in office. They both completed a full-four year term of office and were re-elected in 2006 to a second four-year term. They both were sworn into office at the same time and therefore were able to enter upon their duties at the same time. "The City Council is free to base its parking assignments on any criteria that it chooses, including District numbers, drawing lots or straws, seniority defined as the length of a Council member's continuous service in the office (e.g. seniority based on terms in office or seniority based on the date and time that a Council member took the oath of office) or any other guidelines/rules that do not violate applicable laws." For the time being, the spot goes to whoever arrives first in the morning.

Region: Bay Area

Jurisdiction: City

Source: San Francisco Chronicle - March 9, 2009

Jury Says State Must Pay Motorcyclist \$8.6 Million for Collision With Pig

Dollar Amount: \$8,600,000

A Monterey County jury has ordered the state to pay \$8.6 million to a motorcyclist who sued the state for damages for injuries sustained when he collided with a wild pig on Highway 1. The jury ruled that the state was responsible because officials knew that wild pigs regularly crossing a stretch of the highway were creating a dangerous situation, but they did nothing to address it. The motorcyclist, a 45-year-old former karate teacher and champion kickboxer, requires around-the-clock care and will not walk again. He suffers gaps in memory due to massive head injuries sustained in the crash. The pigs apparently were lured across the road by edible vegetation in a nearby government-run environmental project. After the accident, the state put up a pig-crossing sign and enlisted hunters to control the pig population. The state argued that the motorcyclist was intoxicated when the crash occurred, pointing to a test showing his blood alcohol level was 0.10 percent, which is above the legal limit. The jury found that alcohol was not a major factor in the collision. Jurors also awarded \$500,000 to the motorcyclist's wife for loss of consortium.

Region: Bay Area

Jurisdiction: County

Source: San Francisco Chronicle - March 28, 2009

Santa Clara County Wasting \$7.5 Million on Vehicle Fleet

Dollar Amount: \$7,500,000

Santa Clara County Supervisor Ken Yeager is pointing the finger at waste in management of the county's vehicle fleet. On June 1, he released an audit by County Auditor Roger Mialocq that found many of the county's vans, pickups and sedans are sitting idle much of the time. Supervisor Yeager said new purchases of vehicles should be halted until the county can develop a plan for better use of vehicles. Mr. Mialocq's audit found that the county could save \$7.5 million by consolidating the fleet, tightening oversight and selling surplus vehicles. The audit found that employees have accumulated more than 3,000 unpaid parking tickets, with over \$100,000 in unpaid fines since 1997. One vehicle was cited more than 100 times in two years. Cars have been used for unauthorized trips to Reno, Malibu and Santa Barbara. There are 32 vehicles with take-home privileges assigned to employees who live outside the county, against local rules. One person uses a take-home vehicle to commute 287 miles each day, back and forth from Fresno. Some cars were taken to "far-off regions" when employees were on sick leave or vacation. Mr. Mialocq also noted that a few employees wrecked vehicles at an alarming rate, with little follow-up from superiors. Nine staffers had three accidents apiece in just one year.

Region: Bay Area

Jurisdiction: County

Source: San Jose Mercury News - June 1, 2009

Local Governments Spend Millions on Sacramento Lobbying

Dollar Amount: \$58,300,000

Local governments are spending a massive – and growing – amount of taxpayer dollars for Sacramento lobbying, The Sacramento Bee reported February 8. In 2007-08, the amount spent was \$58.3 million, up a whopping 33 percent over the \$43.7 million spent in 2006-07. Leading the pack was Los Angeles County, with \$3.7 million spent on lobbyists. The city of Los Angeles was not far behind, at \$2.8 million. The Los Angeles Unified School District spent \$1.8 million in the same period. Dan Wall, lobbyist for Los Angeles County, tried to justify the spending, saying the budget fight in 2007-08 threatened more than \$500 million in county dollars. Jon Coupal, president of the Howard Jarvis Taxpayers Association, said local government lobbying "doesn't always serve the taxpayer well." He added, "We believe a lot of wasted money goes into local government lobbying." With this year's budget crunch at the local level, some jurisdictions are cutting back, but it is unclear how many will do so. Twin Rivers Unified School District, in Sacramento County, says no funds have been budgeted this year for lobbying. The city of Folsom, which spent \$139,980 in the past two years for lobbyists, last month decided to abandon Sacramento lobbying. However, Jackson Gualco, president of the Institute of Government Advocates, said he is not aware of any statewide trend by local governments to cut lobbying.

Region: Statewide

Jurisdiction: City

Source: The Sacramento Bee - February 8, 2009

Despite Cash Woes, Modesto May Hire Pollster to Ask Residents About Taxes

Dollar Amount: \$54,700

The city of Modesto, facing an anticipated \$10 million gap between anticipated revenue and proposed spending in the 2009-10 fiscal year, may nevertheless spend money on a polling firm to ask residents whether they want to pay higher taxes. On February 23, the city's Finance Committee approved hiring a Santa Monica firm to survey voters – an action described by the Modesto Bee as "the first step toward putting a public safety sales tax measure on the November ballot." Next, the City Council will vote on whether to hire the pollster or to reject the Finance Committee's recommendation. That vote is expected to occur March 3. If approved, Fairbank, Maslin, Maullin and Associates would be paid as much as \$54,700 to conduct a telephone survey of 800 to 1,000 voters, City Manager Greg Nyhoff said. The city's police and fire unions would contribute \$36,467 to cover a portion of the cost. Survey questions probably would touch on a range of issues, Mr. Nyhoff said, including residents' overall satisfaction with Modesto's quality of life and whether voters think the city's finances are managed well. The survey also would measure whether voters would be willing to raise taxes to maintain public safety services.

Region: C. Valley

Jurisdiction: City

Source: Modesto Bee - February 23, 2009

Marin County Spends \$9,000 a Month on Public Opinion Polls

Dollar Amount: \$275,000

Marin County has spent at least \$270,500 on public opinion polls over the past 30 months – an average of \$9,000 a month – in order to test residents' support for various tax increases. The Marin Independent Journal reported, for example, that \$84,500 was spent by county supervisors in 2007 and 2008 for polls to gauge support for a sales tax proposal. County Administrator Matthew Hymel said the polls "helped inform us not to go to residents for a tax increase." Another poll, this time costing \$30,000, has been commissioned by the Board of Supervisors to poll residents on county budgeting procedures. A letter to the editor of the newspaper responded: "In order to cut costs at the county level, the first thing we must do is stop the county from wasting money by hiring consultants to make recommendations that the supervisors and other county officials should be making themselves."

Region: Bay Area

Jurisdiction: County

Source: Marin Independent Journal - February 14, 2009

City of Stockton Pays \$25,000 for 'Elephant Dung Clean-Up'

Dollar Amount: \$25,000

Taxpayers in the city of Stockton might be interested to know they paid \$25,000 for what city records describe as "elephant dung clean-up" at the Stockton Arena last year after a circus left town. City officials said government regulations require specialized cleaning and testing. The Stockton Record further reported that four city-owned venues are losing millions of dollars each year. The Stockton Arena, which cost taxpayers \$69 million to build, lost \$2.4 million in 2008, and about \$2.1 million in 2007. The arena's first full year in operation was 2006, and it already has a \$7 million deficit. Meanwhile, the Stockton Ballpark lost \$335,801 last year, the Oak Park Ice Arena lost \$34,863 and the Bob Hope Theatre lost \$350,784. The four facilities are managed by Illinois-based International Facilities Group. City officials are suggesting a renegotiation of the management contract, but the private management firm said the losses are the result of reduced consumer spending in a weak economy.

Region: C. Valley

Jurisdiction: City

Source: Stockton Record - February 8, 2009

IRS Auditor Pleads Guilty to Cheating on His Taxes

Dollar Amount: \$14,000

An IRS agent who conducts audits of taxpayers has agreed to plead guilty to cheating on his own taxes, the Associated Press reported March 31. In a plea agreement filed March 30 in a U.S. District Court in Orange County, Jim H. Liu of Diamond Bar admitted that he filed a tax return claiming a loss on a real estate transaction when he in fact saw a large profit. He pleaded guilty to one federal count of subscribing to a false tax return, a charge that carries a penalty of up to three years in prison. According to the plea agreement, Liu made a profit of more than \$48,000 on the sale of a property in Pomona in 2002, but reported a loss of \$4,200 on his taxes. The tax loss to the government was more than \$14,000.

Region: So. California

Jurisdiction: State

Source: Associated Press - March 31, 2009

Fresno Spends \$115,000 on TV Show

Dollar Amount: \$115,000

The city of Fresno spent approximately \$115,000 to support the filming of an episode of "Extreme Makeover: Home Edition." The largest expense was nearly \$80,000 for police officers who provided traffic and parking control during the seven-day shoot. Defending the spending, a city spokesman said much of the money would have been spent on other things anyway. The mayor predicted economic gains for the city, estimating that the show will lead to \$1.25 million worth of economic activity.

Region: C. Valley

Jurisdiction: City

Source: Fresno Bee - January 25, 2009

Los Angeles County Pays Millions for Unused Phone Lines

Dollar Amount: \$1,500,000

Who is minding the store in Los Angeles County? Will heads roll? The Los Angeles Times on June 19 revealed that the county is spending \$1.5 million on 8,000 phones that never ring. Some lines may never have served a county purpose, such as the line to a now-defunct ticket brokerage in Hollywood, where the county has been paying the phone bill – currently \$38 per month. Supervisor Zev Yaroslavsky said, "This is government at its worst." As the county begins a review, the bill for abandoned phone lines could reach \$3 million.

Region: So. California

Jurisdiction: County

Source: Los Angeles Times - June 19, 2009

Public Employees

Orange County Official Angers Employees by Hogging Parking Spaces

Dollar Amount: Unknown

Tom Mauk, the top executive officer for Orange County, has been angering those he manages by hogging parking spots in the employee parking lot, the Orange County Register reported on its Total Buzz blog. Mr. Mauk has been taking up two spots with his Cadillac Escalade, the blog reported. The story included a photo of Mr. Mauk's county-purchased vehicle straddling painted lines in the parking lot. Employees reportedly have started taking up additional spaces, too, and leaving notes to other drivers reading, "You've been Mauked." Nick Berardino, general manager of the employees' union, said, "Injecting humor into this type of issue is both a natural and healthy response, and at this point we hope the CEO understands the type of message taking up two spaces sends."

Region: So. California

Jurisdiction: County

Source: Orange County Register's Total Buzz blog - February 23, 2009

Santa Ana Workers' Union Creates More Budget Problems by Refusing to Delay Pay Raises

Dollar Amount: Unknown

The Orange County Register reports on a major budget problem in the city of Santa Ana: "A union that represents hundreds of city workers has refused to postpone pay raises or make other concessions – a move that will likely force more cuts to the city's already cash-strapped budget." The union is a local chapter of the Service Employees International Union, which has been lobbying at the state level for major tax increases. The city had hoped to free up \$3.2 million by getting the SEIU to agree to postpone two planned pay raises for a year, to accept limits on some benefit payouts and to take six unpaid furlough days. One of the pay raises – a 4 percent hike – went into effect this month. Although the city adopted its new budget just weeks ago, it already is having problems, and the union's insistence on pay hikes will force layoffs, according to the assistant city manager. If the concessions had been accepted, the city would have guaranteed that there would be no layoffs of SEIU workers for the next 12 months. The union represents approximately 580 workers. The vote was 300-120 against accepting the concessions.

Region: Bay Area

Jurisdiction: City

Source: Orange County Register -July 20, 2009

Chula Vista Closes Offices to the Public to "Save Money," but Employees Still Come to Work

Dollar Amount: Unknown

After voters in Chula Vista rejected city leaders' proposed 1 percent sales tax increase earlier this month, the leaders announced that many city offices will be closed to the public on Fridays, beginning this week. While the closure of public counters and various city departments was described as a cost-cutting measure, employees still will come to work on Fridays. City Manager Jim Sandoval said the odd arrangement will help the city combat a staffing shortage. He said the reduced staff cannot cope with an increasing workload unless they have one day per week to focus on internal business. "The reality is that with a smaller workforce, we cannot do all that we have accomplished before the budget reductions," Mr. Sandoval said in a city press release. "With these new hours of operation, I believe we can still provide a good level of public service as we have in the past." The new hours do not affect the Police Department, fire stations, public libraries, recreation centers, the animal shelter or public works offices, the release said. Libraries, recreation centers and the city's nature center will announce their own revised hours in coming weeks.

Region: So. California

Jurisdiction: City

Source: San Diego Union-Tribune - May 21, 2009

Highly Paid Government Employees Mushrooming in Stanislaus County

Dollar Amount: Unknown

Local governments in Stanislaus County do not have a substantial tax base to support government services, but they nevertheless have been generous to their employees. In Modesto, the number of city employees earning \$100,000 or more has doubled in the last two years, from 98 to 200. In Turlock, the number earning \$100,000 or more tripled from 17 to 53. The city of Ceres, with a population of 34,000 in the 2000 census, had the highest paid city manager in the county in 2008. Brad Kilger makes \$203,266 – about \$16,000 more than Turlock's city manager. Stanislaus County had 235 employees earning \$100,000 or more in 2008. During the revenue boom of 2006 and 2007, these jurisdictions believed they could afford to pay these amounts. Now, with tax revenue plummeting, they are in fiscal trouble. Modesto City Councilman Brad Hawn said everything is being looked at, including furloughs and reductions in salaries.

Region: Bay Area

Jurisdiction: County

Source: Modesto Bee - March 8, 2009

Government Workers Doing Far Better Than Private-Sector Employees

Dollar Amount: Unknown

USA Today reports: "The pay gap between government workers and lower-compensated private employees is growing as public employees enjoy sizeable benefit growth even in a distressed economy." According to the latest data compiled by government workers at the U.S. Bureau of Labor Statistics, public employees earned benefits worth an average of \$13.38 an hour in December 2008, while private workers got benefits worth just \$7.98 an hour. Overall, total compensation for state and local workers was \$39.25 an hour – \$11.90 more than in private business. That \$11.90 pay gap has grown from \$11.31 the previous year. Last year, government benefits rose three times more than those in the private sector.

Region: Statewide

Jurisdiction: State

Source: USA Today - April 9, 2009

Sacramento City Council Staff Prepares Bogus Report to Support Fee Hike

Dollar Amount: Unknown

The Sacramento City Council recently voted to add a \$24 processing "fee" to all new or changed utility accounts in the city, with supporters of the exaction pointing to a city report claiming that other cities in California charge a similar amount. The Sacramento Bee investigated and discovered that the report, prepared by city staff, is full of bogus information. The Bee found that "three of the five localities listed ... as charging processing fees for new or altered accounts actually charge fees much less than those listed by staff": The report said that Roseville charges a \$75 fee for new or changed accounts. Not so. Roseville does not charge for new accounts, unless a customer wants the account activated on the same day the request is made, in which case a \$25 charge is imposed; the report said that Anaheim charges a \$40 processing fee. Nope. Anaheim officials told The Bee that they charge only \$10 for new accounts. And that fee pays for a worker to go to the payer's home and manually turn on the power and water, as opposed to Sacramento's much larger exaction that is described as covering administrative costs only; the report said that Modesto charges a \$24 processing fee. Wrong again. The city doesn't charge anything for new or changed accounts. It charges \$4.35 for late payments. Rather than apologize for the misinformation, the business services manager for the city Utilities Department defended the report. "While it may not have every detail, it provides council and the public a great base of knowledge," the manager said.

Region: C. Valley

Jurisdiction: City

Source: The Sacramento Bee - March 12, 2009

Riverside County Officials Discuss Dire Finances, Then Buy Expensive Vehicles With Taxpayers' Money

Dollar Amount: Unknown

The Riverside Press-Enterprise reports: "Riverside County Supervisor Marion Ashley warned in October that no one in county government would be immune from dire budget cutbacks. One week later, he got himself a 2009 Toyota Highlander Hybrid that cost taxpayers almost \$53,000, county documents show." The paper also reported that Supervisor John Tavaglione, who has repeatedly called for county agencies to cut spending, "had the county buy him a 2008 GMC Yukon hybrid that cost nearly \$54,000 with a rear-seat DVD player, Bose speakers, leather seats and other features." Two of the supervisors drive vehicles that do not meet the minimum fuel-efficiency guidelines that the supervisors themselves recently approved – a requirement that county vehicles get at least 25 miles per gallon of fuel. Not all supervisors have splurged on new vehicles, however. Supervisor Bob Buster, who drives a 2002 Chevrolet Impala, said: "To be using public funds to get a big impressive status-symbol car, I think that is the wrong message to send out at this time. We need to be saving that money in these hard times."

Region: So. California

Jurisdiction: County

Source: Riverside Press-Enterprise - February 23, 2009

Congressional Aide Stole Thousands From Taxpayers

Dollar Amount: Unknown

This is a "good news, bad news" story. First, the bad news: Caroline Valdez, a former executive assistant to Congresswoman Loretta Sanchez, used her House of Representatives credit card to buy airline tickets for herself and family members, and to buy pizza and groceries for her personal use. She also forged her boss' signature in order to give herself \$6,000 in bonus salary, and she inflated the cost of her taxi fare reimbursements in order to make a profit. This went on for two years. Now, the good news: On May 18, she pleaded guilty in federal court. She faces up to six months in prison when she is sentenced in September.

Region: Statewide

Jurisdiction: State

Source: Associated Press - May 18, 2009

Public Pension Officers Urged to Junket

Dollar Amount: Unknown

San Jose's pension officials were "strongly encouraged" to pack their bags, trek about the state, and visit fund managers and investment properties as often as possible, the San Jose Mercury News reports. David Bacigalupi, chair of the seven-member board that oversees the city's police and fire pensions, said in a recent letter that "due diligence" trips are "very informative," and help board members fulfill their role as trustees. However, such trips have been the main focus of critical audits on the city's pension system. In August 2008, an audit documented cases of over-billing pension funds for ineligible travel expenses, such as \$6,300 in excessive meals and costs that officials never incurred. The audit also found that from July 2005 to February 2008, officials failed to document \$50,000 in travel reimbursements. Since the audit report was released, several pension board members with questionable travel expenses are no longer serving on the board, and pension officials' travel has been limited. Before the August audit, the San Jose Mercury News reported that during business trips, city pension officials often stay in \$400-a-night luxury hotels, while nearby hotels cost half as much. During such trips, fund managers socialized with trustees to "develop personal relationships with trustees that will then carry the money-management firm through bad periods of performance," said Retirement Director Russell Crosby, who posts the board's travel plans and expenses online. Mr. Crosby also noted that as relationships develop between fund managers and pension officials, it makes it "very difficult to terminate the money manager, where a professional staff would look at the manager and say, 'You're under performing, you're out of here.'" Mr. Bacigalupi has a long history of excessive travel reimbursements, so much so that when the San Jose City Council appointed him in January, Councilman Pete Constant cautioned the council about his travel expenses. Prior to his appointment as chair of the pension board, Mr. Bacigalupi served on the board from 1994 to 2002, during which time he traveled to Ireland in 1996 at a cost of \$8,500, twice to Hawaii in 2000 at a cost of \$7,600, and to New York and London in 2001 for \$3,280. With the recent market crash and recession, San Jose's city employee pension system has lost more than \$1 billion, most of which is expected to be made up through San Jose's operating budget. On June 4, the pension trustees failed to approve a motion to limit travel, and the Mercury News said the trustees "appeared unlikely" to do so when they resume discussion of the issue at their next meeting. The motion to limit travel failed on a 3-3 vote, with one trustee absent.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - June 2, 2009

L.A. Non-Profit's Executives Draw Huge Salaries at Taxpayers' Expense

Dollar Amount: Unknown

A recent article in the Los Angeles Times reported that executives at a Los Angeles area drug treatment facility that relies on government contracts are receiving huge salaries. The Tarzana Treatment Center, by far the largest user of public funds for drug treatment in Los Angeles County, draws 85 percent of its \$45-million-a-year budget from taxpayers. Chief operating officer Albert Senella received a salary of \$428,057 in 2007, well above the highest paid county employee – the medical director of Harbor UCLA Medical Center, which has a budget 12 times the size of Tarzana's. Chief executive Scott Taylor made \$330,732 working 32 hours a week. Both men also collected thousands of dollars more in deferred compensation. Mr. Taylor is also a lawyer with a long-standing contract to provide Tarzana with legal counsel. Tax filings show the deal paid him \$237,956 in 2007 – on top of his salary. Mr. Taylor, Mr. Senella and two other board members also have ownership stakes in six properties that Tarzana leases as its headquarters and treatment sites. In 2007, the four men collected rent of more than \$2.27 million. The pay, they said, reflects decades of success achieved by chasing government grants and expanding services. Although the business is non-profit, Mr. Senella said, "We are allowed to make money as individuals."

Region: So. California

Jurisdiction: City

Source: Los Angeles Times - June 11, 2009

A Million Dollars for San Diego Pension Fund Official

Dollar Amount: Unknown

A majority on the San Diego County pension fund not only agreed to pay the next person hired as chief investment officer more than \$1 million, but they tried to prohibit discussion. Board member Garry Sobeck acted to stifle discussion by an immediate call for the question. Board member David Myers objected, saying, "I think we should continue to discuss it because we're talking about a huge amount of money." He was outvoted 6-3, with County Supervisor Dianne Jacob and Treasurer/Tax Collector Dan McAllister joining him. The three also voted against the pay package. David Deutsch, the prior chief investment officer, was paid \$209,000 a year. The board also met in closed session to discuss who will get the million-dollar job, but later reported that no action was taken.

Region: So. California

Jurisdiction: City

Source: San Diego Union-Tribune -August 21, 2009

No Authorization Found for Placer County Court Executive's Massive Pay Hikes

Dollar Amount: Unknown

In California, courts have flexibility in setting their own systems of salary and compensation. A special audit by the Judicial Council found that John Mendes, former executive officer of the Placer County Superior Court, received more than \$470,000 in apparently unauthorized compensation from July 2001 to March 2009. According to The Sacramento Bee, he received salary or benefit increases for which there were no records of written authorization. The presiding judges at the time have no recollection of approving the generous pay hikes. Since 2002, Mr. Mendes received about \$114,000 in bonuses under a management incentive program. By 2008, his compensation was \$304,862. Mr. Mendes' attorney, Barbara Lawless, said just because there are questions doesn't mean anything was improper. All of the raises were approved either orally or in writing, she said. She blamed the allegations on judges' faulty record-keeping. The audit also questioned the amount of management leave time that Mr. Mendes accrued. He should have been eligible for 130 hours of management leave in 2008, according to the audit. Instead, he accrued 455 hours – about 12 weeks of paid time off, worth about \$42,000. He was able to get the time at the beginning of the fiscal year and cash it out immediately, the audit stated. Ms. Lawless said her client believes he was authorized to increase his management leave by 30 hours every year. The audit also found that Mr. Mendes started a program that allowed him to convert unused sick leave to paid time off. Employees can't cash out sick leave, but they can cash out paid time off. "In effect, the cash-out option gave the CEO the ability to cash out accrued sick leave," the audit said. "Once this (paid time off) and cash-out policy took effect, the CEO began cashing out significant amounts of (paid time off)." From April 2006 through July 2008, Mendes cashed out 1,279 hours of paid time off worth \$104,527, auditors found. Mr. Mendes is now working as chief financial officer for the Yolo County Superior Court.

Region: C. Valley

Jurisdiction: County

Source: The Sacramento Bee - June 16, 2009

San Mateo County Supervisor Spends Lavishly

Dollar Amount: Unknown

In less than two weeks, after feasting at the Four Seasons, jetting to the Beltway and walkin' about Dixie, San Mateo County Supervisor Rose Jacobs Gibson spent \$4,220 – more than any other supervisor spent in all of 2008. Entering into the summer, San Mateo County is preparing to cut millions from its \$1.7 billion budget, and while the county's total supervisor expenses amounted to only \$21,741 last year, Ms. Jacobs Gibson's latest travels abandon the image of a guardian watching over public funds. "If there was going to be a policy change that said we only want to spend so much money, we would cut it down," Ms. Jacobs Gibson said of her travel expenses. "But at this point, it's allowable. I have the expense and I chose to represent the county on the committees. If I didn't think it was worth it, I really wouldn't do it because I really do care about being responsible to the constituents." For Ms. Jacobs Gibson, traveling to conferences meant bringing San Mateo County to a wider audience. For former supervisor Jerry Hill, such conferences are "junkets." Mr. Hill, who was invited to attend a number of events held at various locations throughout the state by the California Air Resources Board, said he usually declined such invitations. "I did not go on any trips. I always call them 'junkets,' but that's just my interpretation of them," Mr. Hill said. "I frankly don't know the benefits you get from a lot of them." Most of Mr. Hill's expenses were spent on meals at official county business events, such as local chambers of commerce luncheons. Mr. Hill said that such meals are "important if you want to understand the county." He added: "You need to understand the people and the issues. The way we do that is to get out and do it." Supervisors Rich Gordon, Mark Church and Adrienne Tissier agreed with those comments, and all sought reimbursement for official meals. In contrast, Ms. Jacobs Gibson never sought reimbursement for official meals, and could not recall any specific community events she attended. Instead, she charged the county for many private meals, on more than 18 occasions since January. She treated union officials to lunch in Redwood City, and dined with elected officials in East Palo Alto, members of the Assembly, and members of her staff in New Orleans. Ms. Jacobs Gibson noted that it is her "style" to converse with individuals one-on-one, out of the office, rather than in "big meetings."

Region: Bay Area

Jurisdiction: County

Source: Palo Alto Daily News - June 16, 2009

San Jose's Police and Firefighter Pension Cost Up 167 Percent in Eight Years

Dollar Amount: Unknown

Pensions costs for police officers and firefighters in the city of San Jose have increased 167 percent since 2000 – twice the rate of the increase in pension costs for the city's civilian workforce, and far outpacing the 3.4 percent increase in staffing and the 23 percent increase in the Consumer Price Index for the Bay Area during the same period. Still, the city's police officers' union is pushing for enhanced retirement benefits, saying they are crucial to recruitment and retention. The city's contribution rate for the police pensions has increased from 15.7 percent of payroll to 25.8 percent since 2000. For firefighters, the rate is 28.3 percent. The rates that the officers and firefighters put in themselves are less than half of those amounts. Under the maximum pension, these workers can receive 90 percent of their salary when they retire, and the pension automatically increases 3 percent a year (thanks to a 2002 change in which the annual increase replaced an adjustment based on the Consumer Price Index). Compounding the problem is the fact that the city's pension funds have lost more than \$1 billion – about a quarter of their value – in recent months. While the police officers' union maintains that new benefits are needed to keep officers on the job, the city's director of employee relations told the San Jose Mercury News that new pension benefits could actually provide more incentive for officers to retire early.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - January 13, 2009

Sacramento City Officials Offer Misleading Salary Information

Dollar Amount: Unknown

The Sacramento Business Journal recently published lists of the top earners among city officials in the newspaper's circulation area, with salary amounts provided primarily by city representatives. Sacramento's city officials apparently aren't eager for taxpayers to know what they are making, as their pay is listed in salary ranges, rather than specific salaries for specific employees. For example, City Manager Ray Kerridge, ranked as the top-paid city employee, is listed as receiving somewhere between \$187,357 and \$281,035 – a range of more than \$93,000! City Attorney Eileen Teacher receives either a low of \$157,708 or a high of \$236,562, or possibly somewhere in the Grand Canyon-sized area in between. Several other cities also provided ranges so large as to render their listings completely meaningless, while others respected the taxpayers and provided solid amounts for each employee.

Region: C. Valley

Jurisdiction: City

Source: Sacramento Business Journal - January 2, 2009

Vallejo Officials Get Generous, Retroactive Raises While City Is in Bankruptcy

Dollar Amount: Unknown

Three city workers in Vallejo are getting sizeable raises despite the fact that the city has declared bankruptcy. Fire Chief Russ Sherman is getting a 4.67 increase in base salary, retroactive for eight months, while City Engineer David Kleinschmidt and Building Official Gary West each will enjoy a 12.5 percent pay hike, retroactive to July 1, 2008. Vallejo's mayor and City Council members said they do not approve of the raises and, in fact, did not know about them until they were contacted by the media. The raises apparently were approved under a labor union contract that was enacted earlier this year. "When a particular position is determined to be substantially under the average, our agreement gives us the opportunity to request that the city look at that and make that adjustment," Mr. Kleinschmidt said.

Region: Bay Area

Jurisdiction: City

Source: Vallejo Times-Herald - June 19, 2009

Orange County Public Guardian Accused of Mismanagement

Dollar Amount: Unknown

The Orange County Register reports: "Orange County's elected Public Administrator and Public Guardian John Williams has continued to expand his already bloated management staff and engage in questionable personnel practices despite warnings from a grand jury report earlier this year." That assessment came from a new grand jury report released June 30. Grand jury foreman Jim Perez said the panel received a deluge of letters and calls complaining about Mr. Williams' department after the first report came out. "They basically went on to do the same thing in spite of our report," Mr. Perez said. "It's chutzpah." The grand jury's report said salary growth in the office's management classification has increased 118 percent over the last four years. The report also stated: "The personnel issues highlighted in the first 2008-2009 Grand Jury report on this matter have increased unabated. Management has continued to add to its ranks. In 2005 there were seven individuals in the management classification. The Grand Jury's previous report stated the number had increased to ten. Now, that number is 11, even while the total PA/PG staff remains at 67." Specifically, the grand jury criticized the hiring of two highly paid "chief deputies" who do not appear to be needed. Further, the grand jury found that temporary promotions were handed out and rescinded on a regular basis, as part of a system to deal with conflicts and gain loyalty from certain employees. "It is important to note that a person can be reduced in grade from a supervisory position and yet later receive rapid promotions, all in a matter of months," the report said. "It is difficult to understand how the organizational needs have been served with those types of personnel practices." The report concluded: "During a time of unparalleled financial stress, the office of the PA/PG continues to add to its management ranks thereby increasing its operating costs. The need for change is apparent and compelling."

Region: So. California

Jurisdiction: State

Source: Orange County Register - June 30, 2009

Thousands of Retired Government Workers Receive Six-Figure Pensions

Dollar Amount: Unknown

An Orange County Register examination of the state's pension records found that 4,817 of the 476,000 state and local government retirees in the system make more than \$100,000 in pension income, and 24 have pensions in excess of \$200,000. Critics cited by the paper noted that many of the high-dollar pensions are going to managers who shepherded large pay raises for their employees through the political process, and then collected raises of their own. Of the 351 Orange County retirees who make more than \$100,000 in retirement, nearly two-thirds were public safety workers, the newspaper reported. Some highlights of the Register's findings: The 5.5-square-mile Los Angeles County city of Vernon, population 110, paid a politically connected insider, Bruce Malkenhorst Sr., \$600,000 a year to serve in six different capacities at once, spiking his pension to \$499,674 – the highest pension in the state's system. Mr. Malkenhorst is currently fighting a criminal indictment charging him with embezzling \$60,000 for such things as massages. Generous years-of-service clauses allow officials to ring up huge pensions; then retire and take another government job while drawing the pension. An example is former Anaheim City Manager Jim Ruth, who retired in 2001 on a pension of \$219,045, then went on to serve another year as a consultant to the city for \$192,000. Mr. Ruth later did a stint as Orange County's chief executive and, currently, is the county sanitation district chief. His annual salary is \$225,000, but between retirement and salary, he makes \$444,000. Retirement deals often are used as escape hatches when officials run into trouble. For instance, Art Simonian, 28-year city manager of Yorba Linda, was suspended in August 1999 amid accusations by the City council that he doled out \$600,000 in unapproved bonuses to himself and others. After a bitter 10-month feud, he agreed to resign with \$200,293 in severance. He continues to receive \$173,204 in retirement pay.

Region: Statewide

Jurisdiction: State

Source: Orange County Register - May 15, 2009

Los Angeles Probation Staff Routinely Exceeds Overtime Limits

Dollar Amount: \$9,800,000

A Los Angeles County audit reveals that the county's probation workers routinely exceed their department's overtime limits, resulting in the overtime budget being 126 percent higher than it should have been in each of the last five years. The Los Angeles Times reports that the excessive overtime costs \$9.8 million per year. "What's troubling is the culture that would allow that to happen," Supervisor Mike Antonovich told the newspaper. "Millions of dollars that could have been spent on youth are now padding pockets." One probation employee worked 220 hours of overtime a month for five months, the Times reported. The department's official policy is that overtime is limited to 24 hours per week, and staffers are not supposed to call other offices to "shop" for overtime work. But the Times reported that "auditors found that probation staff routinely exceeded the 24-hour limit, shopped for additional hours, filled in for positions outside their job descriptions and even held contests to see who could work the most overtime."

Region: So. California

Jurisdiction: City

Source: Los Angeles Times - June 10, 2009

Contra Costa County Slush Fund Pays for Executive Perks

Dollar Amount: \$750,000

Contra Costa County supervisors and top executives are enjoying life at the taxpayers' expense. Since 2007, the county has spent \$750,000 out of a slush fund for goodies for those in high places. According to the Contra Costa Times, "Large digital TV screens, a GPS navigation system, a digital camera and a laptop are among the items Contra Costa elected leaders have purchased with the county's 'professional development' perk." Former county administrator John Cullen bought a new computer system one month before he retired. All items purchased belong to the individual, not the county. Kris Hunt, executive director of the Contra Costa Taxpayers Association, said: "Clearly, this is a well-intentioned policy that has run amok and needs more oversight. What is the criteria here? There may be some justification for computers. But I am having trouble with the idea of a television as a professional development tool." All county supervisors except Mary Piepho have purchased items for themselves in the last 18 months. Meanwhile, the county, with a huge deficit, is cutting programs that serve its residents.

Region: Bay Area

Jurisdiction: County

Source: Contra Costa Time - June 21, 2009

San Jose Paying Big Bucks to Employees

Dollar Amount: \$7,800,000

Cash-outs of sick leave by San Jose government employees cost taxpayers an additional \$7.8 million in 2008, up from \$5.5 million in 2007. The San Jose Mercury News notes that this is one-tenth of the city's projected \$78 million deficit. City officials say the benefit exceeds what other jurisdictions are providing, and far exceeds private-sector pay-outs. Employee Relations Director Alex Gurza said, "We are the most generous in sick leave pay-outs among cities." Some examples: Former San Jose Deputy Fire Chief James H. Carter got an extra \$285,000 last year – a check that exceeded the total pay of any of the city's top-ranked officials; Former Assistant Police Chief Charles Younis, who now serves as chief in Los Altos, collected more than \$243,000 on top of his salary and pension. Two other San Jose police officials last year took home checks for more than \$200,000 each. Further, according to the Mercury News, the number of San Jose city employees whose total earnings topped \$200,000 nearly doubled from 2007 to 2008, from 37 to 66. In addition, the number of city employees whose total earnings topped \$100,000 totaled 2,663 – more than a third of the city's total work force.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - April 12, 2009

State-Funded Non-Profit Hands Out Generous Bonuses

Dollar Amount: \$500,000

San Francisco Chronicle columnists Phillip Matier and Andrew Ross, who frequently uncover examples of government waste, reported this example on July 13: "Even as government programs are being slashed across California, a Fresno non-profit for the developmentally disabled – largely funded with state money – handed out \$500,000 in bonuses to its 350 administrative employees." The bonuses, described by the director of the Central Valley Regional Center as "one-time salary adjustments," averaged about \$1,400 a person. The payments were based on a formula that included length of service. However, negative public reaction to the bonuses may have an impact. The columnists reported that a state senator called for a full explanation or a return of the money. "And, lo and behold, the center's board announced late last week that it was rescinding the bonuses," they wrote. "But just how the agency plans to get back the money is unclear, given that some employees have already spent their cut."

Region: Bay Area

Jurisdiction: State

Source: San Francisco Chronicle - July 13, 2009

Provision Authorizing Extra Pay for L.A. Judges Is Slipped Into Budget

Dollar Amount: \$47,726

Without any public hearings or notification, legislators slipped a huge perk for Los Angeles judges into the state budget. The just-approved budget includes language authorizing Los Angeles County to provide extra payments to L.A. Superior Court judges – a formal authorization of a practice that has been going on for years, but was ruled illegal last year by a state appellate court. The payments, totaling \$47,726 per year for each judge, on top of their \$178,789 salary and very generous health and retirement benefits, were ruled illegal because the state sets salaries for judges – a provision intended to prevent judges from being bribed by or beholden to local officials. With the new legislation giving the state's blessing to the payments, the Los Angeles County officials can legally continue giving the extra pay. Political columnist Dan Walters, writing in The Sacramento Bee, said: "One wonders how Los Angeles County's taxpayers would have reacted had they known that the Legislature was approving extra judicial payments while the county's supervisors are staring at a \$200 million budget deficit and contemplating steep cuts in services, especially those to the poor and unemployed, in a county with a jobless rate of nearly 11 percent."

Region: So. California

Jurisdiction: State

Source: The Sacramento Bee - March 4, 2009

Orange County Managers Take \$4.4 Million in Cash Perk

Dollar Amount: \$4,400,000

Orange County has laid off 210 social services workers, and more layoffs are expected, but that hasn't kept county administrators from accepting more than \$4.4 million in cash bonuses through the county's "optional benefit plan." The money is meant to be used to pay for education and career improvement courses, but instead is being used as a cash bonus, with recipients failing to disclose how the cash has been spent. Rick Berardino, head of the Orange County Employees Association, complained that the county should be cutting perks before people. "They're scamming," he said. "It's more management manipulation to line their pockets." Mr. Berardino estimated that the perks would have covered the salaries of nearly half the laid-off social workers. Orange County Executive Director Thomas Mauk said the "optional benefit plan" was negotiated into the management contract as a legitimate way to help administrators pay for uncovered medical, educational and child-care costs. "It helps our employees deal with their individual issues," Mauk said.

Region: So. California

Jurisdiction: County

Source: Orange County Register - January 7, 2009

Firefighters Return Raises Received Based on Fake College Degrees

Dollar Amount: \$37,000

Seven firefighters in the American Canyon Fire Protection District (in Napa County) have indicated they will return pay raises they received after obtaining fake college degrees. Four other firefighters received raises based on phony degrees, but no longer work for the district, and may not have to return the money. The fire district and the firefighters' union agreed that the public employees would pay back more than \$37,000. Meanwhile, the city spent \$43,000 on one investigative report and additional funds on another report and attorney fees. The firefighters paid \$499 each for online degrees from Alameda University, based on "life experiences" rather than any classes or additional training.

Region: Bay Area

Jurisdiction: County

Source: Vallejo Times-Herald - February 26, 2009

State Pays \$335,000 Settlement for Carole Migden's Motoring Mishap

Dollar Amount: \$335,000

The state has reached a settlement with a Vallejo woman who was rear-ended by Carole Migden in 2007, when Ms. Migden was a member of the state Senate. Ms. Migden, who was behind the wheel of her state-issued SUV at the time of the collision, had been driving so erratically that she left a trail of people calling 911 to report her as a danger. Ms. Migden ran for re-election in 2008, but was defeated by Mark Leno in the Democratic primary. She now serves on the California Integrated Waste Management Board.

Region: Statewide

Jurisdiction: State

Source: SF Weekly - July 6, 2009

Why \$335,000 in Tax Dollars Were Spent to Settle Suit From Carole Migden's Driving

Dollar Amount: \$335,000

In the last issue of the Cal-Taxletter, we reported that taxpayers will have to pay \$335,000 to settle a lawsuit stemming from former Senator Carole Migden's crash when she was driving under the influence. The initial reports did not indicate why taxpayers were being forced to pay for a legislator's personal driving problems. Here is the answer: She was on "state business." Who decided she was on state business? She did. According to Jim Evans, a spokesman for Senator President Pro Tempore Darrell Steinberg, "She was the one who filed the claim, and she represented she was on state business." What state business was she on? According to her attorney, Cris Arguedas, she was on her way to meet with Assemblyman Joe Nation to talk about San Quentin Prison. However, Mr. Nation said he did not recall anything about San Quentin, and said the meeting was scheduled for political purposes (and thus would not count as state business). "It was very clear that she was trying to get my endorsement (for re-election to the Senate, which she lost)," Mr. Nation said.

Region: Bay Area

Jurisdiction: State

Source: San Francisco Chronicle - July 15, 2009

Legislature Added 336 Workers to Payroll, Gave Pay Raises as Budget Was Slashed

Dollar Amount: \$14,400,000

Despite the state's budget problems, the Legislature has been hiring new workers and giving out pay raises to existing employees, according to two newspaper reports. "While state lawmakers were contemplating deep cuts to education, children's health care and welfare payments, the legislators were also busy restocking their offices with new employees this year," the San Francisco Chronicle found. The paper reported: "State lawmakers hired 336 employees – about 15 percent of the Legislature's workforce – between January and the end of July, the (Legislature's) records show. The payroll of the new hires totals more than \$1.2 million a month or about \$14.4 million a year. The positions include a student intern in the Senate mailroom who makes \$1,500 a month and a lawmaker's former chief of staff returning as a consultant with a \$125,004 annual salary. Some of the newcomers work for committees that have not held a hearing this year." The Associated Press reported that at least 87 Assembly staffers recently received pay raises totaling more than \$430,000 on an annualized basis, and nine staffers in the Senate received raises worth \$152,000 a year. During the first six months of the year, Assemblywoman Lori Saldana awarded a total of \$41,000 in pay increases to her staff – the highest total increase for any member of the Legislature. That included 20 percent raises for three of her employees and a 15 percent increase for her chief of staff.

Region: Statewide

Jurisdiction: State

Source: San Francisco Chronicle - August 9, 2009

Half Moon Bay City Council Approves Raises for Top City Officials

Dollar Amount: \$12,000

While seeking a \$10 million no-interest loan from the state, the Half Moon Bay City Council on June 16 voted 4-1 to give city manager Michael Dolder a raise from \$150,000 to \$186,000. The same generous council voted to raise his monthly expense reimbursement from \$2,500 to \$3,500 (a \$12,000 yearly increase). Finance Director Hector Lwin also got a bump, from a maximum of \$100,800 to a maximum of \$105,600. Councilman Jim Grady said, "I can't support an increase when we've just laid folks off."

Region: Bay Area

Jurisdiction: City

Source: Half Moon Bay Review -June 17, 2009

Resigned Assessor Accused of Trying to Hide Pay-Off

Dollar Amount: \$100,000

Bill Postmus, who recently resigned as San Bernardino County's assessor after admitting to drug abuse, allegedly set up political action committees to hide a \$100,000 pay-off for helping a developer obtain a settlement when he was a county supervisor. The claim is included in newly released court records, and reportedly is based on information provided by former Assistant Assessor Adam Aleman, who is assisting prosecutors in their case against Mr. Postmus in return for leniency for his own corruption case. Mr. Postmus called the claims "lies, lies and more lies."

Region: So. California

Jurisdiction: County

Source: Victor Valley Daily Press - August 25, 2009

Sacramento Managers Get Huge Payouts for Unused Sick Leave

Dollar Amount: \$1,900,000

Sacramento County employees who work in management positions are given a special perk that is not enjoyed by rank-and-file workers or many private-sector workers: they are allowed to bank unused sick days and cash in the unused days when they retire. From January 2008 through March 2009, the county paid \$1.9 million to retiring managers for unused sick leave, The Sacramento Bee reported. A former water quality manager received a \$126,000 payout, while the former chief deputy sheriff got \$114,000. Some former managers defended the practice, saying they are at-will employees who put in long hours but do not receive overtime pay. Critics of the system pointed out that managers are allowed to take "management time" off, with pay, ostensibly in recognition of the long hours they work, and the county does not keep records of how much "management time" is used. Thus, under the current system, managers can use "management time" when they are sick, so they can keep their unused sick days in the bank, accruing for a big payout at retirement.

Region: C. Valley

Jurisdiction: City

Source: The Sacramento Bee - May 7, 2009

City of San Diego Partied With Money Intended to Help the Poor

Dollar Amount: \$1,800,000

The city of San Diego may have to repay the federal government more than \$1.8 million, as auditors have found that the city mismanaged grant money intended to help poor residents. The San Diego Union-Tribune reported that money was spent inappropriately, including one case in which "\$4,118 was spent for a festival to celebrate a shopping center, instead of on planning." Government officials also spent money on property acquisition when it was intended for project planning. Federal auditors recommended that the city repay \$1.8 million, plus interest, and they also asked for documentation for another \$11 million that the city did not justify to their satisfaction. Jay Goldstone, San Diego's chief operating officer, said city officials hope to meet with federal officials to negotiate a settlement. San Diego currently faces an estimated \$54 million deficit in the fiscal year that will begin in July.

Region: So. California

Jurisdiction: City

Source: San Diego Union-Tribune - January 6, 2009

Public Employment

Berkeley Running Out of Money, but City Gives Huge Raise to City Manager **Dollar Amount: Unknown**

The Berkeley Daily Planet reports that while Berkeley city officials are predicting "some difficult choices, as budget cuts are unavoidable," that hasn't stopped Mayor Tom Bates and the City Council from giving an 8 percent raise to City Manager Phil Kamlarz. Effective February 8, the city manager will receive \$232,020 a year. The rationale, according to the city, is to bring his salary "to the median of City Managers in comparable cities in the Bay Area." The mayor argued that without the raise, Mr. Kamlarz would be working for the same amount of money he could get from his pension if he retired. "Basically, he's working as a volunteer," the mayor said. The Daily Planet noted that the mayor actually is pushing for a raise of even more than 8 percent – he wants to reclassify the position to allow even higher pay. And city documents reviewed by the paper reveal that his salary plus benefits already comes to \$241,156 per year, before next month's raise. To top it off, Mr. Kamlarz will receive an automatic 2 percent to 2.5 percent increase on June 28, just four months after getting his big raise. The vote for the pay increase was 6-2, with one council member abstaining.

Region: Bay Area

Jurisdiction: City

Source: Berkeley Daily Planet - January 21, 2009

Los Angeles City Employee Car Use Under Fire

Dollar Amount: Unknown

Los Angeles City Controller Laura Chick, in reports released January 22, hammered questionable employee use of city-owned cars. Also, Ms. Chick said a portion of the 2,000 cars assigned to city departments are not used regularly. Ms. Chick said: "What is crystal clear is that no one is minding the store. First, we need to ask and answer why each and every take-home and pool-vehicle is needed. Secondly, we need to do a much better job in being vigilant to guarantee these cars are being used for the purposes they are intended." Among her findings: No one is monitoring the use of the city's fleet vehicles to ensure that they are being used only for city business; Gas credit cards issued to elected officials, staff and general managers have a \$1,500-per-month line of credit (in case of emergency). There is no way to determine if these cards are used only for city cars; Until approximately the time that the audit began, the city did not monitor usage of cards to fill up five-gallon gas cans. Since that time, there has been a 41 percent drop in usage; The city does not have sound standards to determine how many vehicles are really needed. The city's answer to this question is to buy more cars; Since April 2008, the city's former car auctioneer has owed the city \$2.1 million. The city continued to use this auctioneer even after he stopped reimbursing the city. The city attorney is now preparing a letter to collect the monies owed; The Department of General Services does not issue reports on either mileage or fuel usage, despite spending millions on a system that it has had since 1999. It is impossible for departments to fully monitor vehicle use without this information; While the auditor found, an excess of 30 cars and vans in the central motor pool, there is a budget allocation to buy new vehicles; and the Los Angeles Police Department increased its fleet of drive-home vehicles by 40 percent in the last five years. In response, Los Angeles Mayor Antonio Villaraigosa placed a freeze on new issues of take-home vehicles, suspended purchases of most new city vehicles and halted the use of city credit cards to buy fuel at non-city facilities.

Region: So. California

Jurisdiction: City

Source: Los Angeles Daily News - January 23, 2009

Public Facilities

State Parks Ban Dogs Unless Trails Are Paved

Dollar Amount: Unknown

A bizarre state parks policy has users of the Hatton Canyon State Park barking mad. For years, the park in Monterey County has been an area where people go to walk their dogs, as long as the canines are kept on leashes. But the park recently banned dogs, leashed or unleashed, with this explanation from a state parks official: "According to state parks regulations, dogs are not allowed in undeveloped areas and trails. Hatton Canyon is considered to be an undeveloped area. In state parks, dogs are only allowed in parking lots and paved areas." Now, people who walk the dogs in the park may be cited for a misdemeanor. One local who has been walking his dog in the park for years said he will be forced to walk his dog along Highway 1, which will be much more dangerous for him, the pooch and passing motorists. Officials said the ban will be lifted when a 1.7-mile paved path is completed. That process may take a while, though. Construction of the path is scheduled to begin in December, and is estimated to take approximately five months.

Region: Statewide

Jurisdiction: State

Source: Carmel Pine Cone - March 13, 2009

San Jose Replacing Street Lights, at \$1,000 Per Lamp

Dollar Amount: \$62,000

The city of San Jose wants to replace its 62,000 yellow street lights. The lights were put in place in the early 1980s to cut energy costs and reduce glare caused by the previous high-pressure sodium lights. The cost for replacement: about \$1,000 per lamp for new light-emitting diodes with white, warm glows. The city said the yellow street lights sometimes confuse motorists, and the police and motorists have lodged complaints. To power the new lights, the city intends to put solar panels on light poles, on canopies over sidewalks, etc. The city will start this costly change with 100 lamps in the spring, and hopes to finish by 2022.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - February 9, 2009

Riverside County District Attorney Moving Into \$129 Million New Building

Dollar Amount: \$129,000,000

This is a good news, bad news story. The good news is that when the Riverside County District Attorney's Office moves to its new headquarters, offices will be equipped with used furniture rather than brand new desks, chairs, etc. Buying used furniture will save approximately \$5.1 million, the county reported. District Attorney Rod Pacheco had advocated saving even more by simply moving the office furniture from the existing offices, but county facilities managers decided that the old furniture is in such bad condition it could break, and the time frame for the installation of furniture is very tight. The bad news is that during a time when all levels of government should be tightening their belts, the District Attorney's Office is moving into a \$129 million new building with lots of marble. County supervisors voted in October to purchase the new structure, and they hope to move employees into the building in mid-November.

Region: So. California

Jurisdiction: City

Source: Riverside Press-Enterprise - July 20, 2009

Public Utilities

More Government Officials Caught Wasting Water After Ordering Conservation Measures

Dollar Amount: Unknown

Last week, we reported on the city of Sacramento ordering residents not to water their lawns on certain days, even as the city itself was increasing its water usage dramatically. Now come similar reports from San Jose and Los Angeles. The San Jose Mercury News reports: "Parched by a third year of drought, San Jose residents have been told to ease off the tap. They've suffered through the summer with wilting lawns, shorter showers and fewer loads of wash. But over at City Hall, gallons of drinking water are gushing into the air from a decorative feature that some say mocks their sacrifice with a cool mist." City officials said the fine spray from decorative misting vanes accounts for 230 gallons during the six months they operate. They say that is equivalent to three flushes of a modern, low-flow toilet every week. But residents, who have been ordered to try to reduce consumption 15 percent, aren't all convinced. "I wish I could use that to water my lawn," one resident told the newspaper. "It's turning brown." In Los Angeles, the Daily News reported that Mayor Antonio Villaraigosa "had to concede ... that he's been violating the city's tough watering restrictions at his Getty House mansion." The mayor blamed a "glitch" in his irrigation system for turning on the sprinklers on nights other than Mondays and Thursdays – the two days allowed under city-imposed mandatory conservation measures. The mayor's spokeswoman said she didn't know whether the Department of Water and Power would issue the mayor a citation for violating the water regulations, but noted that the agency usually issues a warning for the first offense.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - August 25, 2009

Orange County Water District Appoints Director Rather Than Hold Election

Dollar Amount: Unknown

The Municipal Water District of Orange County has opted to appoint a member to fill a vacancy left by a recent resignation, rather than hold an election. The Orange County Register's OC Watchdog blog reported: "This comes just weeks after the Orange County Grand Jury scolded water districts for regularly bypassing direct democracy – essentially gaming the political process so that water powerbrokers are handpicked by other water board members (via appointment) rather than actually elected by the people." The district, which serves 2.3 million residents, said an election would be too costly, at an estimated \$700,000. The newspaper's blogger noted that the water board vacancy occurred after the Register reported that a board member didn't live in the district he was supposed to represent, and that an airplane owned by the Metropolitan Water District of Southern California picked up the board member near his Riverside County home "to whisk him to a switch-flipping ceremony in Temecula." That member, Ergun Bakall, resigned days after the report was published.

Region: So. California

Jurisdiction: County

Source: Orange County Register's OC Watchdog blog - July 20, 2009

Sacramento's City Government Increases Water Use While Ordering Residents to Conserve

Dollar Amount: Unknown

Sacramento residents have been ordered not to water their lawns or wash their cars on certain days or at certain times of day, due to a water shortage caused by a combination of Mother Nature and government decisions. But city officials have not been practicing what they preach. The Sacramento Bee examined three years' worth of water metering records and found that the city government itself was the "top water scofflaw." The Historic City Cemetery's consumption increased 76 percent from 2006 to 2008, the newspaper found. "Such bad habits are the norm at city agencies," The Bee wrote. "Overall water use shot up by 22 percent in those three drought years." The investigation also found that the city's water records are inadequate. "The data contain many blatant gaps, errors and ambiguities, but the Department of Utilities said it did not have the staffing to answer many key questions about them," the paper reported. Discussing the woeful data, the paper continued: "The first words on the city's online 2008 water quality report are 'Tradition of Excellence.' It goes on to detail city efforts to 'conserve and preserve our water sources.' The page, however, was published upside down. Though small, that glitch seems emblematic of shortcomings in the way the city gathers, manages and reports water data, and notifies customers of possible problems."

Region: C. Valley

Jurisdiction: City

Source: Sacramento Bee - August 9, 2009

With Unemployment Rising, Turlock Water District Gives Salary Increases

Dollar Amount: \$492,000

The Turlock Irrigation District Board of Directors has rewarded its top management with \$492,000 in salary increases, less than two months after stiffing its customers with a rate hike to offset a \$57 million budget deficit. Board Member Rob Santos, who cast the lone "no" vote, said: "It is a small drop in the bucket of the overall budget of TID, but it's pretty symbolic in these economic times. People are losing their wages, benefits and jobs."

Region: C. Valley

Jurisdiction: City

Source: Turlock Journal - March 4, 2009

Already Facing Deficit, LA Supes Vote to Spend Millions on a TV Studio

Dollar Amount: \$4,500,000

The Inland Valley Daily Bulletin report says it all: "Already facing the potential loss of more than \$1 billion in state funding, Los Angeles County supervisors voted Tuesday to set aside \$2 million to build a \$4.5 million county television studio. The 4-1 vote, which was opposed by Supervisor Gloria Molina, comes as the county faces increased demands for welfare, health and other services as people lose their homes and jobs in the economic crisis." The county faces a \$173 million gap between proposed spending and anticipated revenue in coming months, on top of the state potentially withholding \$1 billion as it runs out of cash next month. Kris Vosburgh, executive director of the Howard Jarvis Taxpayers Association, said, "What it comes down to is a TV station is a vanity item for the supervisors." The project will require final approval from the supervisors before construction begins later this year. Under the plan, the studio would be constructed inside the press corps area at the downtown county Hall of Administration, eliminating a number of press offices.

Region: So. California

Jurisdiction: City

Source: Inland Valley Daily Bulletin - January 28, 2009

State Agencies

Nursing Board's Ineffectiveness Prompts Changes

Dollar Amount: Unknown

The bad news is that California's Board of Registered Nursing has been so ineffective that it takes an average of three years and five months to investigate and close complaints against nurses, leaving incompetent nurses free to practice during that time. The good news is that thanks to solid reporting by the Los Angeles Times and the non-profit news organization ProPublica, along with immediate follow-up by Governor Arnold Schwarzenegger, the problem has been addressed. The publications reported the nursing board's problems July 12. The next day, the governor replaced most of the nursing board's members, and he personally swore in the new appointees on July 15. The media investigation found nurses accused of incompetence, violence, criminal convictions, theft and drug abuse who were still working – with no record of wrongdoing that would alert potential employers – because the board failed to take action in a timely manner. "It is absolutely unacceptable that it takes years to investigate such outrageous allegations of misconduct against licensed health professionals whom the public rely on for their health and well-being," the governor said.

Region: Statewide

Jurisdiction: State

Source: Los Angeles Times - July 14, 2009

Sacramento Flood Control Agency Considering Pay Raises of 127 Percent

Dollar Amount: Unknown

The Sacramento Bee reports: "Despite the economic crisis that has spurred drastic cuts in state and local government spending, the Sacramento Area Flood Control Agency plans to boost salaries for professional employees by up to 127 percent in the coming fiscal year." The agency's board had the pay hikes on its April 16 agenda as a "consent" item, indicating there would be no debate or dissent. However, The Bee's story may have changed things, as the board ended up debating the issue for nearly two hours and then postponing a decision. The board will take up the issue at its May 7 meeting, after members consider alternatives. Executive Director Stein Buer told The Bee that the raises are needed to ensure fair treatment of employees and to maintain the agency's ability to attract employees. Mr. Buer's salary already has been awarded a raise that took his salary from \$153,254 to \$210,000 – a 36 percent increase. The Bee's exclusive story on the raises also indicated that "in most cases under the proposal, employees would change job titles but retain the same duties." In one instance, the agency's director of planning would receive a 67 percent raise – to \$186,175 – even though his job recently was split in two to ease his workload. Supporters of the salary increases pointed to a salary-comparison study performed by private consultants. The consultants, who were paid \$17,000 for their work, did not include benefits in their comparisons. State taxpayers fund nearly 75 percent of the agency's \$245 million annual budget. Comments left on the newspaper's website indicated that many taxpayers are less than pleased about the raises. Here is a representative comment: "Yeah, with double-digit unemployment I'm sure finding people to fill positions is a real hardship. More public employee logic. This is a major contributor to what got us here. It goes on in EVERY department. Fire them all and take back their retirement. That would send a strong message to the rest of entitlement class public employees. But only CEO types are greedy, right?"

Region: C. Valley

Jurisdiction: State

Source: The Sacramento Bee - April 16, 2009

Problems With Sacramento's Child Protective Services Led to Four Deaths **Dollar Amount: Unknown**

The Sacramento Bee, which began investigating problems within Sacramento County's Child Protective Services system last year, reported March 25 that the program's internal problems "are so deep and severe that at least four children died of abuse and neglect after CPS bungled their cases and missed 'clear opportunities' to remove them from danger, a draft of an independent report has concluded." The newspaper said the audit found "organizational, policy, procedural, and staffing problems throughout the division." Among the problems are: failure to respond quickly to reports of abuse or neglect; low morale; high absenteeism; repeated failure to adopt new policies or change old ones, even after the agency has told investigative agencies that changes need to be made; caseload increases that are not being properly addressed by management; and struggles by social workers and supervisors to cope with a system that "places a higher emphasis on documentation and deskwork than on children and fieldwork." The Bee also reported the audit found a lack of discipline, "even in extreme cases, such as when employees have been caught lying, stealing supplies meant for families or children, or falsifying case documents." In recent weeks, The Bee has published the results of its latest investigation into the troubled program, reporting that 7 percent of the CPS workers in Sacramento have criminal records. The newspaper identified 68 workers with criminal histories, including convictions for such crimes as possession of heroin for sale, theft, embezzlement, spousal abuse, prostitution and identity theft.

Region: C. Valley **Jurisdiction:** State **Source:** The Sacramento Bee - March 25, 2009

Cal-OSHA Board Member Misses 75 Percent of Meetings **Dollar Amount: Unknown**

Jose Moreno, a member of the California Occupational Safety and Health Standards Board who was appointed to represent labor unions, has missed 27 meetings and attended just nine since his appointment in 2002. An editorial in the Cal-OSHA Reporter said: "The occasional absence of a board member does not adversely affect Standards Board business. But the consistent absence makes it not only impossible for the Board to function properly but impossible for the missing member to understand with institutional knowledge and perspective what the underlying issues really are. One has no choice but to ask if the missing Mr. Moreno actually cares." The editorial noted that Mr. Moreno missed a recent meeting at which an emergency heat illness regulation, supported by labor, failed on a tie vote.

Region: Statewide **Jurisdiction:** State **Source:** Cal-OSHA Reporter - July 30, 2009

Governor Reports That 78 Percent of Welfare Recipients Aren't Trying to Find Jobs **Dollar Amount: Unknown**

The CalWorks program is designed to give low-income Californians a helping hand, temporarily, as they get back on their feet. Of the approximately 525,000 cases that currently involve cash assistance from CalWorks, only 22 percent meet the minimum program requirements. That means 78 percent of the recipients aren't trying to get on their feet at all. They're not working, not looking for work, not seeking job training, not performing community service and not pursuing an education. Governor Arnold Schwarzenegger has proposed a common-sense reform: Make sure every Californian getting a CalWorks check has to check in just twice a year so a supervisor can keep tabs on his or her progress. If a welfare recipient makes zero progress, benefits will run out after two years rather than the current five. By doing this, the state could save \$850 million over the next two budget years, and ultimately \$1.5 billion per year, and the program would continue helping those who truly are in need.

Region: Statewide **Jurisdiction:** State **Source:** Governor Arnold Schwarzenegger -July 3, 2009

Waste, Fraud and Mismanagement Discovered in Many State Agencies

Dollar Amount: Unknown

In addition to the items listed above, the state auditor found the following examples of government waste during its investigation into improper activities by state employees from July to December 2008: An employee of the State Compensation Insurance Fund failed to report 427 hours of absences, and thus received \$8,314 for hours that she did not work; A high-ranking official with the Department of Social Services circumvented state civil service laws by arranging for the selection of a specific individual for a vacant position. Social Services also violated civil service laws by appointing the employee to an analyst position even though she performed the duties of a lower-level position. As a result, Social Services paid the employee \$6,444 more than the amount permitted by the state for the lower-level duties; A Department of Parks and Recreation supervisor did not solicit competitive price quotes for a purchase, and ended up overpaying by at least \$1,253 – for goods costing \$4,987; A Department of Justice employee failed to properly report her time worked and leave taken, and claimed reimbursement for travel expenses that she did not incur. Further, the employee's manager failed to ensure that her time-reporting and expense claims were accurate. As a result, the employee received \$1,145 for unearned compensation and travel expenses not incurred; An employee of the Employment Development Department misused his state computer and his e-mail account to send personal messages. The misuse included sending inappropriate messages to other state employees. Although management at the department had noted similar conduct by this employee for several years, it failed to take appropriate action to correct the employee's behavior; The Department of Finance circumvented state law when it protected a vacant position by preventing that position from being abolished.

Region: Statewide

Jurisdiction: State

Source: California State Auditor Report I2009-1 - April 2009

State Employees Suggest Ways to Cut Waste

Dollar Amount: Unknown

In response to a meeting with Governor Arnold Schwarzenegger, The Sacramento Bee asked state employees to identify areas where they believe the state can cut waste from the budget. Here are some of the ideas submitted: Furlough Days: The state should consider enforcing a mandatory no-work day, where all state employees for a specific state agency are furloughed – all on one day, rather than using a furlough system in which individual workers choose their days off. This approach would allow a state agency to close its doors, and would increase budget savings in terms of electricity, liability and fuel; Job Openings and Raises: The state should freeze all job openings and stop merit-based salary adjustments, which would reduce the cost of state employees; Additional Positions: In the late 1990s, California hired additional employees to expand programs due to additional highway dollars. The state should consider cutting the additional positions; Non-Essential Funds: At the end of each year, managers for state agencies are told to spend their remaining budgets on technology items, and are instructed that such funds will not be available next year. Instead, non-essential funds should be available for future projects, or returned to the general fund; Inefficiency: The state should consolidate departments, eliminate redundant processes and modify regulations to develop more efficient and streamlined government agencies; Purchasing Practices: Currently, state agencies give priority to businesses classified as being owned by minorities, women or disabled people, as long as their bids are within 5 percent of the lowest bid. Instead, state agencies should eliminate this purchasing practice and go with the lowest responsible bid from any vendor; Overtime Pay: The state should review its payment of overtime compensation. Currently, overtime goes to employees with the most seniority, which means they are often the highest paid employees for their particular position.

Region: Statewide

Jurisdiction: State

Source: The Sacramento Bee - June 14, 2009

Big Medi-Cal Fraud Bust Announced

Dollar Amount: \$4,600,000

Twenty Southern California individuals were arrested July 9 for Medi-Cal fraud, and 22 others were named in a federal grand jury indictment. They are alleged to have defrauded Medi-Cal of \$4.6 million for in-home licensed services – though the service was performed by unlicensed individuals. Some had no medical training and were told to lie about their qualifications.

Region: So. California

Jurisdiction: State

Source: Orange County Register - July 9, 2009

Department of General Services Spent \$3,000 on Contracts for Services That Other Agencies Provide for Free

Dollar Amount: \$3,000

A state auditor's investigation found that the Department of General Services "wasted \$3,000 when it contracted with and paid a private vendor to provide emergency preparedness training in a state building in Los Angeles in October 2005 even though the California Highway Patrol could have provided the same services at no cost."

Region: Statewide

Jurisdiction: State

Source: California State Auditor Report I2009-1 - April 2009

Avocado Commission Misused as Much as \$2 Million, Audit Finds

Dollar Amount: \$2,000,000

State auditors have uncovered as much as \$2 million in questionable spending by the California Avocado Commission during just a three-year period. During the brief time examined by auditors, the 18 employees of the Irvine-based commission used official credit cards to pay for more than \$1.5 million in home remodeling, sports tickets, health club memberships and delivery of restaurant meals. The spending included \$123,227 spent on season tickets to the Anaheim Ducks hockey games and the Los Angeles Angels of Anaheim baseball games between 2005 and 2008 – an amount that equates to more than \$41,000 a year for tickets that often were used by the commission's employees. On commission ledgers, the tickets were listed under "merchandising, retail performance programs." The employees also ran up charges for \$850-a-night hotel rooms at resorts, and bought clothes from high-end retailers, characterizing the apparel as "uniforms" in their expense reports. Mark Affleck, who recently resigned from his \$300,000-a-year post after serving for 20 years as chief executive of the commission, used commission money to make \$17,000 worth of permanent improvements to his home, reportedly so he could telecommute. Commission board members, family members, guests and employees received "massages, nail service, facials and body treatments" during meetings at luxury resorts, the auditors found. The items and services "may be considered gifts of public funds," the auditors' report said. Commission board Chairman Rick Shade said most perks at the commission have been cut back and officials are seeking reimbursement from employees for some expenditures. He said the state audit resulted from findings reported by the board's own internal audit. The commission is funded by mandatory exactions collected from the state's 6,000 avocado growers. Its activities are overseen by the California Department of Food and Agriculture, which referred the spending audit to California Attorney General Jerry Brown's office for further investigation.

Region: Statewide

Jurisdiction: State

Source: The Sacramento Bee's State Worker blog - January 13, 2009

State-Funded Non-Profit Plans to Move to Luxury Office

Dollar Amount: \$1,000,000

Another eye-opening item from San Francisco Chronicle columnists Phillip Matier and Andrew Ross: The Regional Center of the East Bay, which receives state funds through the California Department of Developmental Services, "is going ahead with plans to relocate from Oakland to new high-end offices in San Leandro – at \$1 million more a year than what the agency would have paid had it stayed put."

Region: Statewide

Jurisdiction: State

Source: San Francisco Chronicle - July 13, 2009

Transportation

Grand Jury Says Valley Transportation Authority "Taking Taxpayers for a Ride" Dollar Amount: Unknown

A scathing report released June 1 by the Santa Clara County civil grand jury concludes that the Valley Transportation Authority is "corrupt," "lacks responsiveness" and is mismanaged. "Recent events demonstrate that there remains a lack of responsiveness and accountability to the public," the grand jury reported. "Existing policies and procedures have been corrupted, circumvented, or otherwise rendered ineffective. VTA has failed time and again to encourage dialog, has obscured facts and occasionally even stifled debate. The more one learns about how VTA executes its mission, the lower the confidence level in the Board's ability to manage the agency." The report was an overview of the VTA board, the committee structure, membership on the board, and management of past ballot measures approved by voters. In 2000, Santa Clara County voters approved a 0.5 percent sales tax increase to fund nine transit projects. The grand jury report showed that the VTA is facing a \$2 billion shortfall, and will not be able to complete the projects. Additional funding provided by a 0.125 percent sales tax increase, approved in 2008, will help fund transit projects. The funding shortfall was not made known to voters until after the election. The grand jury noted that had voters known of the shortfall, they may have rejected the ballot measure. A sample of the grand jury's findings: VTA board members often have no prior experience on transportation policies. By the time a board member is familiar with the issues, he or she is termed out; most board members work full-time and do not have time to consume detailed studies provided by the board's staff, which results in members relying upon the staff. The grand jury noted that in some cases, the board followed a staff-prepared script, and may have been discouraged from independent thinking; the Citizen Advisory Committee and Citizens Watchdog Committee, both of which provide oversight for the VTA, often are left uninformed about VTA plans and decisions. Also, members of both committees are appointed by the VTA board. The grand jury determined that the term watchdog was a "misnomer," because the committees are prevented from performing an actual watchdog function, and often fail to provide the public with reliable information. In response to the report, VTA spokeswoman Jennie Loft told the Hollister Free Lance that the report contains no new information and is factually inaccurate. "The report is filled with restatements from anti-VTA and anti-BART (Bay Area Rapid Transit) rhetoric, and that rhetoric was rejected by the voters in November," Ms. Loft said in reference to the voter-approved sales tax increase. "If you look through the report you see opinions about the VTA or opinions about BART that are not based on fact." The grand jury report cites previous reports that also were critical of the VTA. Ms. Loft said the board has reviewed all reports on the VTA and has implemented some recommendations.

Region: Bay Area

Jurisdiction: County

Source: San Jose Mercury News - June 1, 2009

Agency Uses Federal Money to Buy Foreign-Made Wheel Polishers Dollar Amount: Unknown

The Foothill Transit bus line in Southern California has approved spending \$259,141 in federal stimulus funds to buy a pair of automated wheel polishers from a company in Australia. The agency said it put out a bid for the polishers, and the Australian firm was the only one to respond. A spokesman said polishing bus wheels makes it easier to identify cracks in the wheels. Tom Schatz, president of Citizens Against Government Waste, said the spending does not seem necessary. "If we were to look at the highest priorities ..., I don't know that this would fit," he said.

Region: So. California

Jurisdiction: City

Source: San Gabriel Valley Tribune - July 4, 2009

More Cost Overruns for the San Francisco Bay Bridge

Dollar Amount: Unknown

Delays caused by questions about Chinese welds are expected to add tens of millions of dollars to the price tag for reconstruction of the San Francisco Bay Bridge, the San Francisco Chronicle reported. The cost of the bridge already is stratospheric compared with the estimate made before the project started. Inspectors hired by Caltrans to monitor the fabrication of steel girders reported finding cracks in welds made at a Chinese steel plant. Caltrans pooh-pooed the findings and fired the inspection firm. Steve Heminger, executive director of the Metropolitan Commission, said, "I can understand people being worked up about safety and the quality of the welds, but we're concerned about being on schedule because we are racing against the next earthquake." Officials predict they still will finish by the 2013 completion date. Zhenhua Port Machinery Company of Shanghai is fabricating most of the steel for the \$1.4 billion tower that helps suspend the bridge. In December, Caltrans dropped the inspection firm, MacTec Engineering and Consulting, that had reported a number of welds failed to meet specifications. Caltrans Director Will Kempton said MacTec lost its job when its contract expired. Caltrans officials now say that a few minor cracks are okay.

Region: Bay Area

Jurisdiction: City

Source: Matier and Ross, San Francisco Chronicle - January 26, 2009

Caltrans Steered \$29 Million in Contracts to Former Employee's Firm

Dollar Amount: \$29,000,000

The Los Angeles Times reports: "State transportation officials steered \$29 million in contracts to a company at which one of their former colleagues is an executive, raising questions about favoritism in the purchasing process, according to a legislative report." The contracts involved the purchase of traffic-counting devices built with technology that the California Department of Transportation helped develop. At a legislative committee hearing, lawmakers discussed Caltrans e-mails illustrating an effort by an executive to pressure local district offices to purchase items from the former colleague's business, and to discourage them from considering other suppliers. Caltrans says no laws were broken, but officials said they will make changes to add independent oversight to the contracting process.

Region: Statewide

Jurisdiction: State

Source: Los Angeles Times - May 13, 2009
