

Press Reports and Audits on Governmental Waste, Fraud and Mismanagement

Compiled by the California Taxpayers' Association

Public Facilities

San Francisco 49ers Hoping to Strike Mother Lode in Tax Dollars

Dollar Amount: \$200,000,000

The San Francisco 49ers are planning to ask Santa Clara taxpayers for as much as \$200 million for a new stadium near the Great America theme park, San Francisco Chronicle columnists Phillip Matier and Andrew Ross report. Citing "sources close to the team," Matier and Ross write that "the Niners have their eye on two chunks of public land and tens of millions in cash reserves from the city's self-run electric utility, Silicon Valley Power." The utility's director doesn't like the idea, and since using the cash reserves would require a change in the city charter, voters would get the final say, possibly as early as November. In January, the Niners said a new stadium should be a public-private partnership, and that it will not result in tax increases and will not affect Santa Clara's general fund. A group known as Santa Clarans for Fiscal Responsibility is working to make sure there is no unnecessary roughing of taxpayers, vowing to keep public money from being used for the football team's new digs. (Cal-Tax: If public financing of football teams continues, at what point will the huddles be subject to the Brown Act?) (Source: San Francisco Chronicle, March 19.)

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - March 19, 2007

L.A. Neglects Parks

Dollar Amount: \$84,000,000

According to a city controller's audit, the Los Angeles Department of Recreation and Parks has neglected its assets, failing to maintain 54 swimming pools. Six had closed and 24 were in serious disrepair, and the department lacks the \$4 million to \$6 million needed to replace the substandard pools. Furthermore, the audit found it would cost \$78 million to properly restore all of the city's 13 golf courses. "We are building new parks but not taking care of the ones we have," said Controller Laura Chick. (Caltaxletter: 1/13/06 from L.A. Times, 1/10/06.)

Region: So. California

Jurisdiction: City

Source: LA Times - Jan. 10, 2006

Alameda County's Taj Mahal

Dollar Amount: \$20,000,000

Alameda County's property manager, C. Candace Fitzgerald, says the county is paying Taj Majal prices for its new welfare offices in downtown Oakland. Her whistleblower suit said the building is costing taxpayers millions more than comparable space in some of the Bay Area's most luxurious skyscrapers. She charged the county, in a \$51.7 million no-bid deal, is paying way over market for the space, and won't even own the building after paying \$136 million over 30 years, just an option to buy for \$19 million. Taxpayers are paying \$44.35 per square foot, compared to \$27.60 for top-flight spots in the heart of downtown Oakland. Even the Bank of America tower in San Francisco goes for \$32 a square foot. (Caltaxletter: 4/7/06 from San Francisco Chronicle, 4/3/07.)

Region: Bay Area

Jurisdiction: County

Source: SF Chronicle - Apr. 3, 2006

Taxpayers Pay Big Bucks for Park They Cannot Use

Dollar Amount: \$12,000,000

From Proposition 117 bond funds, the state spent \$12 million to acquire Point Lobos Ranch near Carmel in Monterey County. However, state parks officials told the Carmel Pine Cone that they have no plans to open the property to the public in the foreseeable future. "In order to have hiking access, we need a general plan or initial general use plan," said Matt Fuzie, Monterey district superintendent. He added, "There hasn't been any public outcry to open the park." (Source: Carmel Pine Cone, November 2.)

Region: Bay Area

Jurisdiction: City

Source: Carmel Pine Cone - Nov. 2, 2007

L.A. Wastes New Equipment, Audit Says

Dollar Amount: \$11,400,000

A surprise inventory of city of Los Angeles warehouses in March found \$11.4 million worth of new motor vehicles -- 272 of them -- in storage, including 99 police cars that were still warehoused four to 18 months after they were delivered. City Controller Laura Chick reported that the city may be buying more vehicles than it needs or can be put into productive use in a reasonable time, reported the Los Angeles Times (August 27, 2004). Six of the patrol cars were vandalized with graffiti as they were not protected, the audit found. The controller ordered the audit after city employee unions claimed city equipment worth millions of dollars was sitting in storage.

Region: So. California

Jurisdiction: City

Source: Los Angeles Times - Aug. 27, 2004

Paper Says San Jose Overspent for Purchase of Salt Pond

Dollar Amount: \$11,000,000

Despite reports that the price was too steep, the San Jose City Council on May 20 voted to spend \$13.5 million (or \$15,775 an acre) to buy an 856-acre salt pond owned by Cargill Salt. According to the San Jose Mercury-News, the city paid more per acre than the state and federal government did for similar real estate. And the paper said the state may have over-paid because it relied on outdated economic assumptions. The state and federal government paid \$6,000 an acre in March, using an appraisal that based much of the value on an assumption that the San Francisco and Oakland airports would be extended into the bay (projects which have been shelved). According to the paper, the appraisal said the value of the ponds for making salt is only \$3,000 an acre.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - May 20, 2004

San Jose Hotel

Dollar Amount: \$6,100,000

Taxpayers' cost to move and spruce up the historic Montgomery Hotel in San Jose has ballooned by \$6.1 million. The San Jose Mercury News reported on October 17 that Redevelopment Agency Executive Director Susan Shick received preliminary City Council approval for the additional money. That's in addition to the \$12.7 million already spent or set aside for last January's move of the building 186 feet down South First Street, and its seismic upgrading. Ms. Shick informed the council last June 15 that no additional tax dollars would be needed for the project. Ms. Shick said the additional money was requested by developer Divco West Properties and partners to make it "financially feasible." The plan is to convert the building into an 83-room luxury hotel with a ground-floor restaurant. (2000)

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - Oct. 17, 2000

Judge Says Building Fees too High

Dollar Amount: \$4,500,000

Orange County Superior Court Judge C. Robert Jameson has ruled that Orange County's Planning Department overcharged builders and could not justify how the money – \$4.5 million from 1999 to 2002 – was spent. The judge ordered the county to reduce future planning and building fees by that amount. The suit was filed by Barratt American Inc., alleging that the county went on a spending spree to consume excess fee revenue. Judge Jameson also ruled that the county must pay the Barratt American attorney, Walter McNeill of Redding, \$1.2 million for his successful challenge of the county's building inspection fees. (Los Angeles Times, January 6, 2005, and April 14, 2005.)

Region: So. California

Jurisdiction: County

Source: LA Times - Jan. 6, 2005

Historic Buildings

Dollar Amount: \$4,300,000

Sacramento taxpayers have been taken to the cleaners, according to Sacramento Bee columnist Diana Griego Erwin (September 30). She says the investment of tax dollars to restore a Victorian mansion could be worth every penny (\$5.7 million), but the problem is it could have been done for a fourth of that amount. Most of the money didn't go toward saving the structure. The city needs the building's site for a new civic administration building, so the 300-ton structure will be moved one block. Developers bought it for \$1.2 million, and sold it to the city for \$2.2 million. It is to be used as a youth hostel. The developers, Ms. Erwin, wrote, may have paid some taxes and taken some write-offs, but now they are \$2.2 million richer. She questioned why the city didn't buy the building in the first place. Thus "preservationists are happy, the youth hostel has its home and developers are rid of their empty money pit," wrote the columnist. "The only one skunked is the city (taxpayers)." (2001)

Region: C. Valley

Jurisdiction: City

Source: Sacramento Bee - Diana Griego, Sept. 30, 2001

San Jose's Money Losing Center

Dollar Amount: \$4,000,000

San Jose's McEnery Convention Center lost at least \$4 million last year, at least in part because of unusually high labor costs, the San Jose Mercury News reported (May 29, 2003). The center is losing money six times faster than comparable convention facilities in the nation, the paper said, citing a report by an independent consultant, Strategic Advisory Group. The economy also is a cause of the convention center problem, but the report said the city could save up to \$5.1 million a year within five years through better management of the center. The report's conclusion that using city employees to staff the center means a higher, less-flexible payroll than if the city contracted with a private company.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - May 29, 2003

Audit: "Horrendous Abuse" of Tax Dollars

Dollar Amount: \$2,900,000

In what Los Angeles County Supervisor Gloria Molina called "horrendous abuse" of tax dollars, auditors say contractors overbilled the county as much as 62 percent for immigrant refugee job-training programs. The Los Angeles Daily News (October 5, 2004) reported that problems were found in 10 of 11 job programs for nearly 4,400 immigrant refugees, mostly from Armenia, Vietnam, Cambodia, China and Russia. "Some of these agencies owe us a lot of money," Supervisor Molina said. "There is no doubt that we can't blame everybody because we are as much at fault. But the reality is there is \$2.9 million outstanding." The audit is part of a yearlong investigation into misuse of funds spent by the county on contracts for senior and welfare services.

Region: So. California

Jurisdiction: County

Source: LA Daily News - Oct. 5, 2004

Sacramento County Financial SNAFU Leaves Homeless Fund Short

Dollar Amount: \$2,000,000

The Sacramento County Department of Human Assistance repeatedly made accounting mistakes over a 10-year period, leaving a fund for the homeless and poor almost \$2 million short, according to county budget documents. The department asked for the \$2 million in annual budget negotiations. Susan Priest, department finance chief, said the department will do a better job in following up on bills to make sure the errors don't happen again. County Supervisor Roger Dickinson said, "Frankly, it was sloppy. I can't remember another instance off-hand when we've gone through this length of time with money not being reconciled." (Sacramento Bee, September 10, 2005.)

Region: C. Valley

Jurisdiction: County

Source: Sacramento Bee - Sept. 10, 2005

A Rusty Elephant

Dollar Amount: \$1,700,000

Every city seems to have its "white elephant." Leave it to San Francisco to have a rusty elephant as well. It is a rusting, 60-year-old dry dock that, according to a San Francisco Chronicle report June 1, 2003 by Phillip Matier and Andrew Ross, is sinking the city in red ink. The costs of dealing with it could amount to \$4 million. The dock broke from its moorings last November and drifted halfway across the bay to Yerba Buena Island. Getting the 654-foot vessel off the island has already set the city back \$1.7 million. The city wanted to sell it for scrap, but the only offers were to charge the city \$800,000 to remove it. Meanwhile, it has been moved to Pier 70, which is owned by the city but nonetheless costing taxpayers \$300 a day to lease the space. That's because the pier space was leased to a private dry dock company. Now the city budget analyst says it will cost \$120,000 to figure what environmental problems might crop up if the city decides to scuttle the vessel or move it. It could be an additional \$1.5 million to junk it. Someone at City Hall told the columnists: "To sum it up, it's a comedy of errors."

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - June 1, 2003

Oakland Marina Snafu

Dollar Amount: \$1,500,000

According to the Oakland Tribune (October 29), an apparent snafu that likely will cost taxpayers \$1.5 million has angered some boaters and local business people. It's the revelation of the need to remove about half of the new Jack London Square marina less than two years after the Port of Oakland invested \$10 million in building the new facility. The work is needed to accommodate an earthquake retrofit project that is part of a \$52 million Caltrans project to shore up underground tunnels connecting Oakland to Alameda. The Caltrans project had been planned for several years. "Why they didn't figure this out is beyond me," said Gary Jones, a boat sales company owner. Caltrans (taxpayers) will pay for removing and reinstalling the marina, costing up to \$1.5 million, and will also reimburse the port for lost rent from boaters, which could amount to more than \$200,000. The entire project could take two to three years, which will really hurt restaurants that just got over the effects of 18 months of construction for the new marina. (2001)

Region: Bay Area

Jurisdiction: City

Source: Oakland Tribune - Oct. 29, 2001

Baseball Stadium Hits Fresno General Fund

Dollar Amount: \$1,000,000

Fresno's new baseball stadium, built for the Grizzlies of the Pacific Coast League, is costing Fresno's general fund about \$1 million per year for repayment of bonds. The general fund backfill is caused by faulty estimates that were made when financing deals were struck five years ago. City officials estimated parking fees for stadium events would produce \$620,500 a year, but the fees fell 25 percent short this year. Further, the city estimated that city-sponsored events at the stadium would generate \$250,000. To date, they have generated not a cent. The team has managed so far to make its \$1.5 million-per-year lease payments to the city. Otherwise the general fund hit would be even more. However, the team is \$1 million in debt, after borrowing money to pay operating expenses. Grizzlies officials contend the lease "is terrible for the baseball team because it's way too expensive." (The Fresno Bee, August 21, 2005.)

Region: C. Valley

Jurisdiction: City

Source: Fresno Bee - Aug. 21, 2005

Pricey Public Potty

Dollar Amount: \$1,000,000

Santa Barbara apparently is going to spend upwards to \$1 million to design and build a downtown public restroom, if the program set in motion by the City Council's approval of \$95,542 to design the facility is carried through. Preliminary estimates of construction are about \$655,030, but some feel that is a low-balled figure. Earlier estimates have been as much as \$830,000 to construct it. Council Member Brian Barnwell, who voted for the design work, was quoted in the Santa Barbara News Press (November 17, 2004) that the city's restroom plan should be a "Santa Barbara program -- Cadillac all the way." He believes the city has mismanaged downtown bathrooms, which involves paying three businesses \$200 a month to keep their restroom doors open to the public. That is an insultingly low amount, he said. The new facility is to be next to Borders Music Books & Café (where there is a bathroom facility available to the public if they come into the store). The study also is to look into another bathroom facility at a downtown parking lot.

Region: So. California

Jurisdiction: City

Source: Santa Barbara News-Press - Nov. 17, 2004

Gas Tanks are Unused at City Hall

Dollar Amount: \$1,000,000

Three 8,800-gallon underground gasoline tanks that cost Los Angeles taxpayers \$1 million have no permits and remain unusable four years after the \$300 million renovation of City Hall. And officials want to spend at least \$800,000 to have the tanks removed. This had Councilman Dennis Zine seeking answers: "How on earth could we have spent so much money on City Hall and not taken care of a simple thing like making sure we were in compliance with all the regulations? Here we are, as a council, trying to scrape together money to hire police officers and firefighters, to keep parks open, and we are wasting almost \$2 million to install tanks we could never use and now to remove them. This just doesn't make sense." (Los Angeles Daily News, July 27, 2005).

Region: So. California

Jurisdiction: City

Source: LA Daily News - July 27, 2005

Pricey Artwork

Dollar Amount: \$1,000,000

A \$1 million "Golden State" art project is a major attraction of the state's new East End Project, reported The Sacramento Bee (April 16, 2003). Lita Albuquerque's two-block sculpture, as described by The Bee's Bob Sylva, is the most ambitious and expensive piece of public art in Sacramento history. The \$392 million East End Project takes in five city blocks and will house 6,000 public employees to the east of Capitol Park. It was approved during better economic times, Mr. Sylva notes, and he adds that public art, at best, creates a public fuss. The project is called "GoldenState" and features a small amphitheater, a 25-foot-tall "Rain Curtain," and a constellation of 54 "Star Sculptures." These represent the alignment of the sun, five planets and various stars on September 9, 1850 – the day of California's statehood.

Region: C. Valley

Jurisdiction: State

Source: Sacramento Bee, April 16, 2003

Through the Roof

Dollar Amount: \$800,000

Los Angeles Deputy Mayor Matt Middlebrook says luckily it doesn't rain much in sunny Southern California, or there'd be even more embarrassment at City Hall. The Los Angeles Daily News reported (September 10) that the \$300 million spent to renovate City Hall did not include fixing a leaky roof. The monstrous renovation project was to retrofit the 70-year-old building to make it safer if there is an earthquake, and to remodel the interior. Discovering that the roof was not fixed, city officials merely pulled \$800,000 out of the maintenance budget to hire a contractor and get the work done. However, some City Council members are upset that they were not informed. "Anytime we spend money, I think we should learn about it," said Dennis Zine, who sits on the council committee that oversees building maintenance. "If we spent \$300 million to retrofit and renovate this City Hall, I would think the roof would be a part of it. This is the first I've heard of it." (2001)

Region: So. California

Jurisdiction: City

Source: LA Daily News - Sept. 10, 2001

S.F. Now Dead Runway Project is Costly

Dollar Amount: \$742,000

San Francisco Budget Analyst Harvey Rose has issued a report critical of the now-dead, \$75 million project to expand runways at San Francisco International Airport. He found lavish spending on consultants, reported the San Jose Mercury News (May 22, 2004), including \$4,000 flights to the East Coast, \$500 hotel rooms and \$16,000 computer work stations. The report also found that premature spending on land amounted to \$742,000. Kandace Bender, spokesperson for the airport, said the project was "completely on the up and up." She said, for example, that an \$800 meal involved a working dinner attended by more than a dozen people, and \$4,700 in phone charges accounted for conference calls with experts.

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - May 22, 2004

Big Overtime Bill for Rush Job in Van Nuys

Dollar Amount: \$700,000

At least \$700,000 in overtime was authorized to complete the restoration of the Van Nuys City Hall. Dozens of carpenters, plumbers, electricians and painters were getting \$103 an hour as they were pushed to finish the job before the May 17 mayoral runoff election. The project, once estimated to cost \$18 million, now carries a \$22 million pricetag. Most of the time sheets for workers describe the overtime as necessary to meet a deadline, and several City Hall sources, as well as construction workers speaking off the record, have made it clear that the rush job was to allow Mayor James Hahn to use the dedication in his re-election campaign. A spokesman for the mayor denied there was any pressure from the mayor's office to push the project and the mayor was unaware of overtime costs. Deputy Mayor Doane Liu said he has been told that the overtime was needed to close up the building against winter rains and to move rent-paying tenants to the new facility on schedule. (Los Angeles Daily News, April 22, 2005.)

Region: So. California

Jurisdiction: City

Source: LA Daily News - April 22, 2005

Pricey Potty

Dollar Amount: \$400,000

The national FOX cable channel reported on the city of San Francisco spending \$400,000 to replace a single four-toilet restroom in Golden Gate Park – the first of 50 upgrades that could cost taxpayers \$20 million. In an on-camera interview in front of the California Taxpayers' Association logo, Director of Communications David Kline says: "We're not convinced that it requires \$400,000 to get a clean bathroom. Clearly, it could be done for less. People build homes for much less, with multiple bathrooms and marble countertops." (Source: FOX News Channel, September 14.)

Region: Bay Area

Jurisdiction: City

Source: Fox News - Sept. 14, 2007

Over-Analyzed?

Dollar Amount: \$300,000

Since 1987, the city of Berkeley has spent \$300,000 analyzing 24 sites for a new courthouse. All were ultimately rejected. It was to be a \$52 million structure, but over time the pricetag increased to \$85 million, and, on May 25, the Alameda County commission considering the facility decided it was too expensive to build. The San Francisco Chronicle reported on June 10, quoting Ronald Overholt, county superior court executive officer: "Ten or 12 years ago, when we first started looking at this, it was probably entirely doable. But at today's dollars ... it priced itself out of the market." (1999)

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - June 10, 2001

Sound Wall Art

Dollar Amount: \$275,000

Archway etchings, metal cutouts of swallows and other decorations for a freeway wall are costing taxpayers \$275,000, which has some residents of San Juan Capistrano calling it a waste of money, while others appreciate the aesthetics, reported the Orange County Register (June 21, 2003). Caltrans said the concrete wall, up to six feet high, is needed to prevent cars from running off the San Diego Freeway onto Camino Capistrano. The wall, with a total cost of \$1.38 million, is due to be finished in October. Caltrans spokesperson Pam Gorniak said that the city supported the extra work, which is afforded through cost savings during the design stage. Council Member David Swerdlin said such art work "breaks up the monotony" for motorists. Tony Forster, San Juan Capistrano Historical Society president, told the paper: "We need to leave the historical stuff to the historical people. It's not the state's job – they should fix the freeways they have. I just hit three potholes on the freeway, and it annoys me that our freeway system is falling apart and Governor Gray Davis is paying money for art in public places."

Region: So. California

Jurisdiction: City

Source: OC Register - June 21, 2003

Bow-Wow!

Dollar Amount: \$124,000

The San Diego City Council in February approved \$124,000 for an "off-leash dog park" consultant, reports the San Diego County Taxpayers Association. The consultant is to gather public input on a dog park project, a park in Pacific Beach designed with significant canine components, Scott Barnett, association executive director, wrote in his June 8 E-newsletter. The entire park is to cost \$1.7 million, including \$385,000 for city administrative costs. "What a bowser!" declared Mr. Barnett, who added that having separately fenced areas for dogs – furry quadrupeds that don't pay taxes, chase cars, jump, defecate and attack old ladies and "my kids" – is a good idea. He thinks dog owners should foot the bill through fees and licenses. "I for one am dog tired trying to track this issue, which should come to the City Council by the dog days of summer ..." (2001)

Region: So. California

Jurisdiction: City

Source: San Diego Taxpayers Association - Feb. 2001

Compton Mayor's Sunday School Teacher Gets \$90,000 Consulting Contract **Dollar Amount: \$90,000**

The Compton City Council has hired the mayor's Sunday school teacher for \$90,000 to serve as a consultant to address "high priority projects that require immediate attention." The consultant, Verna Porter, will address four issues: improving the city's street lighting, which is said by Mayor Eric Perrodin to be sub-par; ensuring compliance with open-space requirements; disaster preparedness; and ensuring that all buildings have clearly visible addresses. Compton resident Robert Ray questioned the spending at the November 20 City Council meeting where the contract was approved, saying: "I'm really surprised that we don't have any city engineers already on board with the city that can handle some of the things that this person is supposed to do. What it boils down to, when I think about it: Does it really take \$90,000 to tell somebody how to change a light bulb?" The Compton Bulletin reports: "It is not the first time the mayor has spearheaded the city's granting contracts to family members and friends. His brother, Percy Perrodin, is paid \$90,000 a year to provide consulting services to the Municipal Law Enforcement Services Department. His best friend, Mark Woods, and Woods' company (receive) roughly \$250,000 to \$300,000 a year to provide multi-media services for Channel 36. And another friend, Harless Cowan, was paid \$90,000 over a year to handle press relations and improve the city's public image. A Bulletin investigation in June 2006 discovered that Cowan had over-billed and double-billed the city under that contract and did not fulfill its terms." (Source: The Compton Bulletin, December 12.)

Region: So. California

Jurisdiction: City

Source: The Compton Bulletin - Dec. 12, 2007

BART's "Vertical Toilet"

Dollar Amount: \$80,000

The Bay Area Rapid Transit District's \$510,000 sculpture-elevator sits broken with boarded-up doors next to the Powell Street station, hardly a statement of modern art and convenience. As the San Francisco Chronicle reported (October 1), the elevator is a statement of modern urbanity – for all the wrong reasons. Built in 1997, after a disability rights activist complained, the elevator was covered with an expensive steel sculpture, doubling its cost. In August, it was closed after a homeless drunk was stuck inside when the doors automatically locked at 8 p.m. closing time. Firefighters were called to rescue the drunk, ripping apart the shiny doors with the "jaws of life." As a result, there was one freed drunk and \$18,000 in damage to the doors. Now repair costs are estimated at \$80,000, but it'll take three months for parts to arrive. That's because of the corrosion of the elevator's working parts caused by human waste. Mohammed Nuru of the Department of Public Works said they've tried all the chemicals they have without succeeding in deodorizing the elevator. By the way, there is a pay toilet just a couple of feet away that is free to the homeless. (2001)

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - Oct. 1, 2001

A \$30,000 Flusher

Dollar Amount: \$30,000

From the Santa Barbara News-Press: "Flushed with pride, Carpinteria city officials and downtown business representatives dedicated a new public restroom on Thursday. What more fitting way to christen a water closet at Ninth Street and Yucca Lane, just off Linden Avenue, than with what else? A toilet-paper cutting ceremony. 'I get so flushed at these events,' said Mayor Brad Stein... He and his son Kevin shared the ceremonial first flush." Last summer the city approved \$30,000 for the cost of the facility. It will cost \$3,000 per year to maintain.

Region: So. California

Jurisdiction: City

Source: Santa Barbara News-Press - 1999

Sacramento Parks Didn't Guard the Piggy Bank, Audit Finds

Dollar Amount: \$15,000

The Sacramento Department of Parks and Recreation has not properly tracked incoming money, according to an audit performed after \$15,000 went missing. An auditor found that it was difficult to trace whether money paid for recreation classes at several community centers went into the bank, or into employees' pockets. In response, city officials said oversight has been tightened, and that one employee has been fired and another has resigned over suspected theft. Information has been turned over to police, they said. The \$15,000 in missing funds also prompted the city to pay \$50,000 to a consulting firm for recommendations on financial oversight and internal cash controls. (Cal-Tax: Doesn't the city already have someone on its taxpayer-funded payroll with experience in oversight and cash controls? If not, additional audits may be in order.) (Source: The Sacramento Bee, April 4.)

Region: C. Valley

Jurisdiction: City

Source: Sacramento Bee - April 4, 2007

Library Contractor Accused of Cooking the Books

Dollar Amount: \$12,500

A contractor hired by the Sacramento Public Library appears to have padded its bills for handyman work, adding 100 hours for work that wasn't performed, The Sacramento Bee reported. The newspaper analyzed records and discovered that Hagginwood Services Inc. overbilled for more than 60 jobs just since December, charging taxpayers \$12,500 for services that apparently were not provided. The firm's owner, who is married to the library's security chief, has denied wrongdoing. The company has billed the library for more than \$1 million since April 2004 – with the work arranged through no-bid contracts – but has been suspended from working at the library while officials investigate billing issues. The Bee reported that in some cases, the firm hired a subcontractor, then charged the library three times what the subcontractor was paid to do the work. Another problem: the firm does not have a contractor's license. (Source: The Sacramento Bee, June 26.)

Region: C. Valley

Jurisdiction: County

Source: Sacramento Bee - June 26, 2007

Misspelled Names are Corrected

Dollar Amount: \$6,000

The infamous Livermore library artwork – which made national headlines because the artist misspelled 11 of the 175 names and words – was fixed this week at a taxpayer cost of \$6,000. With curious onlookers fenced off, Maria Alquilar of Miami used power tools to remove the offending tiles and replace them with those that had been closely examined for spelling accuracy by library employees. Ms. Alquilar originally agreed to fix the errors, including misspellings of Einstein, Michelangelo and Shakespeare, in the \$40,000 mosaic that was unveiled in March 2004. However, when news of the episode spread across the country, she backed away, saying her reputation had been besmirched. Library patrons were pleased to see the corrective tiles in place, but not happy about having taxpayers pay for it. (Tri-Valley Herald, August 10, 2005.)

Region: Bay Area

Jurisdiction: City

Source: Tri-Valley Herald - Aug. 10, 2005

For Eight Years, Antioch Paid for Unused Phone Line

Dollar Amount: \$1,344

The city of Antioch recently quit paying for its City Council members' phone lines, and switched to a flat-rate stipend. Still, a telephone charge continued to show up on the council's budget. An investigation found that a phone line had been installed in a city building at least eight years ago, possibly for a former elected official, and nobody canceled the service when it ceased to be used by the city. So the taxpayers have been paying \$168 a year for eight years for a line that nobody seemed to know about. (Source: Contra Costa Times' Politics Blog, June 25.) (Cal-Tax: The amount in question is small – \$1,344 over eight years – but there's a lesson to be learned. Government officials should be more watchful over our tax dollars. When it comes to oversight of the public treasury, public servants shouldn't just phone it in.)

Region: Bay Area

Jurisdiction: City

Source: Contra Costa Times - June 25, 2007

Santa Clara Water Board Member Collects Pay for Softball Games Classified as Meetings **Dollar Amount:**

Directors of the Santa Clara Valley Water District have been charging taxpayers for softball games, YWCA luncheons, NAACP banquets and other events by classifying the events as official meetings. Members of the board do not receive salaries, but are paid \$236 per meeting, up to 10 meetings per month (the rate last year, when some of the questionable charges were submitted, was \$225 per meeting). "The problem," writes the San Jose Mercury News, "is that there aren't enough ordinary board meetings, or even subcommittee meetings, to make this very rewarding. So the board members have come up with a liberal definition of meeting." For example, when a member returns a call from a newspaper reporter, he claims more than \$200 for a "meeting." Richard Santos, a board member since 2000, billed the taxpayers \$817 for four softball "meetings." He also was paid for volunteering as an oral examiner for the San Jose Fire Department, for having lunch with a TV reporter, and for attending an event where Christmas gifts were given to poor children. The board's responsibility is to govern the water district, with an eye toward flood control, managing reservoirs and buying water. The Mercury News also uncovered salary information for the board, and reported that about 310 of the district's 795 employees are paid more than \$100,000 a year, including 11 who made more than \$200,000. (Source: San Jose Mercury News, September 4 and September 6.) (Cal-Tax: Expect to see many more stories about government salaries, now that the state Supreme Court has ruled that the public is entitled to know what they are paying their workers. Be forewarned, however, that there may be unintended consequences – Ken Mandler, a columnist for the Capitol Weekly newspaper, which has been printing the salaries of state government employees for many years, writes in a September 6 column that the court's ruling is "a boon for government employees," because it will give lower-paid employees more information to use to justify requests for raises. "The data is there – use it for your benefit," Mr. Mandler writes.)

Region: Bay Area

Jurisdiction: City

Source: San Jose Mercury News - Sept. 4, 2007

San Francisco Wasting Millions on Computers and Information Technology **Dollar Amount:**

An audit by San Francisco Budget Analyst Harvey Rose, released October 3, found the city is wasting millions of dollars due to the absence of central oversight and planning in the purchases of computers and information technology. Further, a large-scale project to consolidate criminal data bases used by the courts and law enforcement is years behind schedule. Mr. Rose made 32 recommendations to improve operations. Mayor Gavin Newsom said many of the problems stem from a lack of money, as information technology has never been a priority. Supervisor Tom Ammiano said, "It's pretty devastating. There doesn't seem to be anyone in charge of the store." An example of the waste: the city bought 1,000 software licenses from Oracle when there were only 500 users of the product. (Source: San Francisco Chronicle, October 4.)

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - Oct. 4, 2007

Is San Francisco Failing to Maintain Major Asset?

Dollar Amount:

Is San Francisco failing to maintain assets paid for by taxpayers? The San Francisco 49ers think so and have sued the city over the decrepit state of Monster (aka Candlestick) Park. Among the problems: leaks in luxury suites, rusty light towers, cracked walkways, clogged drains, broken escalators and elevators, and collapse of equipment into areas where fans could have been injured. The 49ers state that the city has failed to meet lease obligations. The team pays \$6.5 million in rent and \$2.5 million in other taxes and revenue. The city has \$3.5 million budgeted to operate the stadium, which includes maintenance. (Source: San Francisco Chronicle, January 30.)

Region: Bay Area

Jurisdiction: City

Source: SF Chronicle - Jan. 30, 2007

Money is Only Thing Being Flushed Down LA's Fancy Public Toilets

Dollar Amount:

It seemed like a good idea: Install approximately 150 upscale public toilets in Los Angeles to serve the needs of tourists, homeless people and others who must answer nature's call, and sell ads on the structures to raise revenue for the city. But 2½ years after the installation of the toilets began, only seven have been placed – and of those, only one actually works. Under a 20-year contract, private companies are paying for what the Los Angeles Times describes as "luxury loos," and the city is guaranteed \$150 million in ad revenue over the course of the agreement. But before the city can become flush with money, the toilets have to be in service. So far, the city has paid an undisclosed amount to oversee installation; to run sewer, power and water lines to the structures; and to inspect the sites and issue permits. The involved parties blame the delays on lack of communication between city departments and utilities. (Source: Los Angeles Times, May 3.)

Region: So. California

Jurisdiction: City

Source: LA Times - May 3, 2007

Firehouse Elevator

Dollar Amount:

The Carmel Pine Cone (December 10, 2004) reported that the Carmel city attorney has advised the City Council that an elevator is required in the firehouse by the Americans with Disabilities Act. The newspaper, in an editorial, noted that the elevator will lead to a part of the station only used by able-bodied firefighters while on duty. Since the area is not open to the public, the Pine Cone asked, "If (the ADA's) 'reasonable accommodation' to 'public accommodations' requires elevators in firehouses, what's next? Braille in the cockpits of commercial airliners?"

Region: Bay Area

Jurisdiction: City

Source: The Carmel Pine Cone - Dec. 10, 2004
