



April 10, 2014

ISSUE 52



Friday May 9, 2014 - Sacramento
Third Annual CalBOC Statewide Conference
Citizen's Oversight: Protecting Integrity and Value

Keynote Speaker:
State Controller John Chang

Includes panel discussions on:

- Use of Capital Improvement debt structures to pay for short term operating expenses
- Pay-to-Play: What is the impact when those who pay for a campaign are rewarded with professional services contracts
- How County offices of Education can help Districts and BOCs do their job better

CalBOC "Friend to Oversight" Awards to:
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**Third Annual CalBOC
Statewide
Conference
Friday May 9th
2014
Sacramento**

Keynote Speaker:
**State Controller
John Chang**

Location:
University of California
Sacramento Center
1130 K Street
Sacramento, CA 95814

**Individual
tickets \$50**

Table & Sponsorships
Available

Includes Lunch and
Refreshments

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**Information from the
May 10, 2013
CalBOC Conference**
www.calboc.org/may10.html

Mission Statement

To promote school district accountability by improving the training and resources available to California's Proposition 39 School Bond Oversight Committees and educating the state legislature, local school boards and the public about the oversight and reporting powers these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a state level, where appropriate, on issues of common concern to all CBOCs.

San Diego Grand Jury

Sweetwater & Southwestern - South County transcripts - By Ricky Young
www.utsandiego.com
U-T Watchdog has been covering the release of grand jury transcripts in the South County corruption case brought by District Attorney Bonnie Dumanis involving more than 200 charges against 15 officials and contractors at two school districts and one community college.
utsandiego.com/news/2013/jun/17/south-county-grand-jury-transcripts-compiled
INDEX: GJ_Index.pdf

Archived Newsletters

To view all with topics visit:
calboc.org/reviews.html

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School district ethics at issue - Form 700

Law firm says bond oversight committees don't need to file disclosure forms

Jan. 22, 2014 | Melody Peterson and Mike Reicher | www.ocregister.com

EXCERPT: ... Jones Hall, one of the state's largest law firms specializing in school bond deals, recently advised Magnolia School District in Anaheim that the members of a committee who monitor how bond funds are spent no longer have to disclose gifts and other payments they receive. That disclosure is a key requirement of the state's ethics law, which is designed to stop public officials from being co-opted by anyone seeking government business.

Last week, the Orange County Board of Supervisors expressed alarm at Magnolia's proposal to drop the gift and income reporting requirement. The school district needs the supervisors' approval to move ahead with their plan.

Supervisor Todd Spitzer said he is worried that with the loss of the disclosure "there's no way to see if those people are independent." ...

...Whether or not the oversight committees are covered by the ethics rules reporting to be a gray area in the law. But state watchdogs say the reporting requirements would raise questions about how much oversight the committees actually provide.

"You want independent people to objectively review the expenses," explained Alicia Minyen, a board member of the [California League of Bond Oversight Committees](#). "If you receive a gift, you may not have the incentive to scrutinize the costs billed by that company. The integrity of the oversight could be compromised." ...

... Among the [bond oversight] committee's duties: make sure the district does not pay too much to law firms, banks and other professionals working on the bonds.

Jones Hall is among the firms that have tried to court California school officials by paying for rounds of golf, dinners and cocktail parties at conferences such as the Coalition for Adequate School Housing, also known as CASH.

Some districts that have hired those companies later agreed to bond deals that left taxpayers with exorbitant bills.

In 2011, Magnolia paid Jones Hall and two other firms to complete a deal that included a \$3.2 million borrowing that will cost taxpayers \$22.5 million to repay. The extraordinary cost of that borrowing is because it was designed as a "capital appreciation bond" that delays repayments for as long as 30 years. ...

... In December, a Jones Hall lawyer advised Magnolia officials in a letter that the bond oversight committee's members were not required to file the annual disclosure form required by the state Political Reform Act. The disclosure, known as Form 700, requires officials to detail gifts of more than \$50, travel reimbursements and other payments received from companies and other private parties. It also requires a detail of the official's financial investments, including real estate. ... Jones did not respond to several calls and emails from the Register. ...

To read the complete article see the video please visit:
www.ocregister.com/articles/bond-598261-oversight-law.html

San Diego County - South Bay School Districts Update

Ex-Sweetwater officials plead guilty

April 4, 2014 | By Greg Moran | www.utsandiego.com

EXCERPT: The former leader of the Sweetwater school district and an ex-school trustee each pleaded guilty to felony charges Friday as the corruption investigation that swept through three South County school district continued to wind down.

Both Jesus Gandara, who was superintendent from 2006 to his ouster in 2011, and Gregory Sandoval pleaded guilty to a felony conspiracy charge, and a charge of failing to report gifts they received on disclosure forms required under state law.

Gandara admitted to taking \$4,500 in gifts from contractor Rene Flores in 2008 - more than 10 times the \$420 amount allowed under state law.

Sandoval admitted accepting \$2,770 in gifts in 2008 from contractor Henry Amigable, who pleaded guilty early in the case and cooperated with prosecutors. Both he and Gandara also admitted not reporting those gifts on state forms. ...

... Gandara and Sandoval, who left the South County Courthouse in Chula Vista without commenting after entering their pleas, are the latest of 18 administrators, contractors and elected officials who were charged in a wide-ranging investigation in three school districts.

All but three have pled guilty to various crimes.

Charges are still pending against Sweetwater Union High School District trustees Bertha Lopez and James Cartmill and construction sweetwater Jeffrey Flores. The string of guilty pleas has all but crippled the Sweetwater board. Two trustees - Pearl Quinones and Arlie Ricassa - have pleaded guilty and resigned from the board.

If Cartmill and Lopez also plead guilty before trial, only one elected trustee would remain. State law allows the president of the county board of education to appoint members so the board can function until replacements are elected. The Sweetwater district has been at an impasse in contract negotiations with the teachers union, which has authorized a strike.

The corruption probe focused on what District Attorney Bonnie Dumanis described as a "pay-to-play" culture, where contractors angling for business from school bond construction projects gave administrators and board members gifts, trips and campaign cash in return for favorable treatment. ...

... Court records say that Gandara lobbied construction firms to donate thousands of dollars to the campaigns of board members. ...

To read the complete article, please visit:
www.utsandiego.com/news/2014/Apr/04/sweetwater-guilty-pleas-gandara-sandoval

www.CalBOC.org

California League of Bond Oversight Committees - calboc@mail.com