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Federal Subpoena of Fresno Unified Targets District Officials Involved in No-Bid Contracts

September 8, 2015 | By Mackenzie Mays | www.fresnobee.com

EXCERPT: A federal grand jury subpoena of Fresno Unified School District records demands answers about the use of public bond money and focuses on school district officials who oversaw no-bid contracts for multimillion-dollar construction projects. ...

The investigation comes after a recent court decision said that Fresno Unified improperly used the leaseback method when it hired Harris Construction to build Gaston Middle.

Leaseback agreements were designed to allow cash-strapped districts to build schools by going outside of the traditional competitive bidding process and handpicking consultants to front the cost of a project and then be repaid by the district incrementally over time. Fresno Unified used the leaseback process even though it had the money to pay for the \$37 million project.

The investigation is probing district officials' personal emails and phone records, and asks for any information related to financial dealings between the contractors and officials, including their involvement in the passage of Measure Q and campaigns to get Fresno Unified trustees elected. Harris and its owner, Richard Spencer, were the largest donors to Measure Q, contributing \$30,000. And for the 2012 board election, Spencer, family members and company employees pitched in nearly \$10,000 to the campaigns of three trustees. ...

The subpoena does not name specific Fresno Unified officials, but requests expansive personnel records from "each present and former officer, director, employee or agent of FUSD who has or had any responsibility for, or has or had participated in formulating, proposing, recommending, establishing, approving, negotiating or otherwise working on" the contracts in question. ...

The Bush and Harris Construction firms also did not return calls.

Trustee Brooke Ashjian first said in July that the FBI was investigating the district over its use of leaseback contracts, but Superintendent Michael Hanson denied any knowledge of an investigation. ...

To read the complete article & subpoena please visit:

www.fresnobee.com/news/local/education/article34353951.html

California Supreme Court Won't Hear Fresno Unified Leaseback Case

August 26, 2015 | By Mackenzie Mays | www.fresnobee.com

EXCERPT: The California Supreme Court has denied Fresno Unified School District's request to review an appellate court decision that criticizes the district's use of a no-bid contract.

The high court announced Wednesday it will not reconsider a 5th District Court of Appeal opinion released in June that said Fresno Unified misused a leaseback contract for the construction of Rutherford B. Gaston Middle School in southwest Fresno. ...

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Kevin Carlin, attorney for Davis, said he plans to continue to push the conflict of interest issue in court and wants the millions paid to Harris Construction for the Gaston Middle School project to be returned to Fresno Unified.

"Today's Supreme Court decision accomplishes two very important things that promote good governance and protect school districts and taxpayers," Carlin said. "It prohibits school district consultants from being awarded construction contracts for projects they have consulted on, i.e. no foxes guarding the hen house; and second, it requires competitive bidding for any lease-leaseback arrangement that is not a genuine lease or does not include bona fide contractor financing." ...

Fresno Unified asked the Supreme Court to review the 5th District opinion last month, saying it hurts hundreds of school districts and contractors across the state.

Los Angeles Unified - the largest school district in California and the second largest in the country - filed a brief in support of Fresno Unified earlier this month ...

To read the complete article please visit:

www.fresnobee.com/news/local/education/article32477868.html

Pay to Play - Attorneys Late in Filing Challenge Sweetwater Contractors Slapped Down

September 8, 2015 | By Dorian Hargrove | www.sandiegoreader.com

EXCERPT: A lawsuit over the alleged pay-to-play construction scheme at Sweetwater Union High School District will move forward, according to a ruling from the Fourth District Court of Appeals.

On August 31, the appellate court found that the petitioner, San Diegans for Open Government, had proper standing to sue several contractors who were awarded large construction contracts after winning and dining district board members. ...

In 2012, public advocacy group *San Diegans for Open Government*, headed by attorney Cory Briggs, filed a lawsuit aimed at invalidating the contracts and retrieving the money paid to contractors as a result of the bribery scandal. ...

The Case - The companies are now fighting to keep the money and contracts and to dismiss San Diegans for Open Government's case. In 2013, Gilbane Construction filed a motion challenging the nonprofit group's legal standing. A judge dismissed the motion.

In November 2013, HAR Construction challenged the lawsuit under the anti-SLAPP statute, stating that the political contributions to Sweetwater officials should be regarded as "quintessential rights of free speech and petition protected by the Anti-SLAPP statute."

Attorneys for the construction company also argued that they were awarded the contract because they were the low bidder and that political donations were not a factor in winning the contracts.

Attorneys for HAR Construction filed the anti-SLAPP motion 16 months after San Diegans for Open Government filed the lawsuit. A superior court judge denied the motion, finding the lawsuit had merits and the advocacy group would likely prevail. HAR Construction then filed an appeal. On August 31, 2015, the appellate court rejected the claims. ...

The case will return to the trial court to be heard on its merits.

To read the complete article please visit:

sandiegoreader.com/news/2015/sep/08/ticker-sweetwater-contractors-slapped-down

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