



Dear Linda ,

## San Diego County - 232 Criminal Charges in South Bay Corruption Case

Jan 8, 2013 | Wendy Fry & Lauren Steussy | [www.nbcsandiego.com](http://www.nbcsandiego.com)

**EXCERPT:** ... Fifteen defendants were listed in the criminal probe and 12 appeared in court Monday. The corruption investigation has expanded in recent days to include new defendants from those originally charged with criminal complaints last year.

The defendants are current and former school officials, elected trustees, and contractors who did work at San Ysidro schools, the Sweetwater school district and Southwestern College.

... The Grand Jury began meeting in early November in a major "pay-to-play" public corruption case that now stretches across three South Bay school districts.

More than 60 witnesses testified in the case, and the evidence consisted of more than 1,400 documents. Prosecutors said the school officials traded their votes on multi-million dollar construction contracts for gifts and other favors.

The 15 defendants face hundreds of charges including bribery, perjury and filing a false instrument. *(See article for the 15 defendants details)...*

Southwestern College released a statement Monday that the community college district has taken steps to eliminate pay to play. Those steps include a more stringent procurement process than required by law and a \$1,000 limit on campaign contributions to board members. ...

To read the complete article, please visit: [www.nbcsandiego.com/news/local/232-Criminal-Charges-in-South-Bay-Corruption-Case--185959492.html](http://www.nbcsandiego.com/news/local/232-Criminal-Charges-in-South-Bay-Corruption-Case--185959492.html)

**Southwestern Indictments PDF**, 61 Charges  
**Sweetwater Indictments PDF**, 162 Charges

## Lease/Leaseback Deals - No Bid Contracts

### Fresno Construction Company Sues Fresno Unified

Nov. 27, 2012 | By John Ellis | [www.FresnoBee.com](http://www.FresnoBee.com)

**EXCERPT:** The president of a local construction company is suing Fresno Unified over its no-bid method of choosing contractors, saying the district improperly picked Harris Construction Co. Inc. to build a new middle school.

... "We think this contract is illegal," said San Diego attorney Kevin Carlin, who filed the suit and who is involved in a similar legal battle with a San Diego County district.

The lawsuit not only seeks to stop Fresno Unified from paying more money to Harris for building the middle school, it also asks that Harris repay any money already paid to it by the district for the project.

Fresno Unified awarded the middle school construction contract not by the traditional practice of choosing the lowest bid, but instead by a method called lease/leaseback.

Under lease/leaseback, a district leases land to a developer for a nominal amount, typically \$1 a year. A school is then built, and the district pays the developer for it over an extended period of time. ...

... Davis' suit -- which he filed as an individual Fresno Unified taxpayer and not as president of Davis. Moreno -- alleges that the district violated state law because the middle school project was not competitively bid.

In addition, the suit says district officials did not comply with conflict of interest requirements under state law.

Those requirements came into play, Carlin said, because of donations made by Harris Construction and its owner, Richard Spencer, to Measure Q, Fresno Unified's \$280 million bond measure that passed in 2010.

Harris Construction has received most of Fresno Unified's construction business since the district started using lease/leaseback in May 2011. Since then, Harris has been awarded seven contracts totaling about \$78 million. ...

... The lawsuit says the district's lease/leaseback contracts are illegal because they violate state law that says when a school district pays someone for construction, the contract must be given "to the lowest responsible bidder."

Carlin said lease/leaseback is a growing trend among California school districts that is being pushed by "a small group of consultants and general contractors (who) are profiting tremendously" from the process. ...

The change, he said, is "effectively shutting out the vast majority of general contractors and subcontractors that would ordinarily bid on school work in the open market and driving up construction costs for school districts due to reduced competition." ... **To read the complete article please visit:** [www.fresnobee.com/2012/11/27/3081059/fusd-contracts-contested.html](http://www.fresnobee.com/2012/11/27/3081059/fusd-contracts-contested.html)

-- **FUSD Contracting Lawsuit PDF:**  
<http://media.fresnobee.com/smedia/2012/11/27/20/45/gNmYb.So.8.pdf>  
-- **Carlin Law Group:** <http://carlinlawgroup.com>

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[Pay to Play Corruption Case Indictment PDF Links](#)

[Lease/Leaseback - No Bid Contracts Challenged](#)

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CaLBOC Board Meeting Schedule:  
February 8, 2013  
May 10, 2013  
August 9, 2013  
November 15, 2013

## 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.

## Archived CaLBOC Newsletters

To view with topics visit:

[calboc.org/reviews.html](http://calboc.org/reviews.html)

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[ISSUE 29 - Oct 24, 2012](#)

[ISSUE 28 - Oct 17, 2012](#)

[ISSUE 27 - Oct 10, 2012](#)

## Operation Standards CBOC Best Practices

This 9 page document provides a basis for CBOCs to do a self-assessment of their operations and identify training needs.

1. Legally Required
  2. Best Practices
  3. Local Requirements
- [calboc.org/docs/BestPractices\\_5.09.pdf](http://calboc.org/docs/BestPractices_5.09.pdf)

## Reviewing Financial & Performance Audits

It is the responsibility of members of CBOCs to alert the public to any waste or improper expenditure of bond money. *3 page PDF covers:*

1. Accountability requirements
2. Understanding the audit
3. Sample questions to ask

[PerformanceAudits.pdf](#)