

1 EDMUND G. BROWN JR.
Attorney General of California
2 DAVID S. CHANEY
Chief Assistant Attorney General
3 JONATHAN K. RENNER
Senior Assistant Attorney General
4 ZACKERY P. MORAZZINI
Supervising Deputy Attorney General
5 SUSAN K. LEACH (SBN 231575)
PETER H. CHANG (SBN 241467)
6 Deputy Attorneys General
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 445-1968
Fax: (916) 324-8835
9 E-mail: Peter.Chang@doj.ca.gov

10 *Attorneys for Plaintiffs*
11 *The People of the State of California*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14
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16 **THE PEOPLE OF THE STATE OF**
17 **CALIFORNIA ex rel EDMUND G.**
18 **BROWN JR., Attorney General of The State**
19 **of California,**

20 Plaintiffs,

21 v.

22 **ROBERT A. RIZZO, PIER' ANGELA**
23 **SPACCIA, RANDY G. ADAMS, OSCAR**
24 **HERNANDEZ, TERESA JACOBO,**
25 **GEORGE COLE, VICTOR BELLO, AND**
26 **GEORGE MIRABAL, in their official and**
27 **personal capacities, CITY OF BELL, AND**
28 **DOES 1-100, inclusive,**

Defendants.

Case No. BC445497

THE ATTORNEY GENERAL'S NOTICE
OF MOTION AND MOTION FOR
APPOINTMENT OF A MONITOR FOR
THE CITY OF BELL

Date: November 17, 2010
Time: 8:30 a.m.
Dept: 57
Judge: The Honorable Ralph W. Dau

Action Filed: September 15, 2010

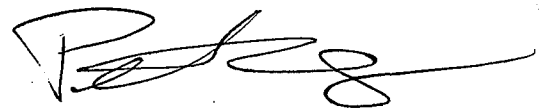
1 To Defendants Robert A. Rizzo, Pier'Angela Spaccia, Randy G. Adams, Oscar Hernandez,
2 Teresa Jacobo, George Cole, Victor Bello, and George Mirabal, City of Bell and their attorneys of
3 record:

4 PLEASE TAKE NOTICE THAT on November 17, 2010, at 8:30 a.m., or as soon thereafter
5 as the matter can be heard, in Department 57 of the above-titled Court located at 111 North Hill
6 Street, Los Angeles, California, the People of the State of California will move to appoint a
7 monitor for the City of Bell. The motion is based on the Complaint, a Memorandum of Points
8 and Authorities filed in support of the motion, a Request for Judicial Notice, the Declarations of
9 Lorenzo S. Velez, Captain Anthony Miranda, and Ali H. Saleh, and all other evidence that the
10 Court may receive at the hearing on this motion.

11
12 Dated: October 21, 2010

Respectfully Submitted,

13 EDMUND G. BROWN JR.
14 Attorney General of California
15 ZACKERY P. MORAZZINI
16 Supervising Deputy Attorney General

17 

18 PETER H. CHANG
19 Deputy Attorney General
20 *Attorneys for Plaintiffs*
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Defendants.

Case No. BC445497

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF THE
ATTORNEY GENERAL'S MOTION
FOR APPOINTMENT OF A MONITOR
FOR THE CITY OF BELL

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INTRODUCTION

Something is terribly wrong in the City of Bell. The City's Chief Administrative Officer, the City's Assistant Chief Administrative Officer, the City Attorney, the City's Police Chief, and one City Council member have all resigned. Three of the four current City Council members, including the Mayor, have been arrested, as have the former Chief Administrative Officer, the former Assistant Chief Administrative Officer, and several former City Council members. An audit by the State Controller has revealed a panoply of exorbitant City salary and benefits packages, illegal taxes, inappropriate personal loans, mismanaged bond funds, and other questionable expenditures. The present civil enforcement action, filed on behalf of the people of California by the Attorney General, accuses the majority of the current City Council and a number of former City officials of fraud, waste of public funds, and breaches of fiduciary duty. The Attorney General's civil enforcement action requests that all excessive compensation paid out be returned to the City, and going forward that all excessive compensation be enjoined.

Bell's problems will take time to resolve. In the meantime, its citizens are entitled to have some degree of assurance that the City is operating as appropriately and effectively as possible. Many of the City's programs, projects, contracts, and staff were put in place by the previous City administration. Meanwhile, the remaining City Council -- tainted as it is -- has not officially met since September 20th due to the lack of a quorum. And while some steps have now been taken to improve public access to City processes, in many important regards the activities of the current City administration, hired on an interim basis by the tainted City Council, remain shrouded in secrecy.

Ideally, the people of the City of Bell will be able on their own to take control of their city, through the democratic process, from those who have long exploited it for their own personal gains. Indeed it is the Attorney General's intention, for now, to let the political process proceed with as little outside involvement as possible. But the foundation on which the City's solid political recovery can be built must be full transparency and accountability, and governmental transparency does not yet exist in Bell. For this reason, the Attorney General requests that the

1 Court appoint a monitor with power simply to *observe* and *report* all goings-on within Bell's city
2 government.

3 Transparency may reveal that the City's governance is so irretrievably broken that nothing
4 short of takeover via judicially-controlled receivership can restore the City to proper standing
5 with its citizens. Some voices in the community are already calling for that step. But, for now,
6 the Attorney General is asking only that the Court give the citizens of Bell transparency as a tool
7 to assist them in reclaiming their city, in the hopes of avoiding the need for a more invasive
8 remedy.

9 STATEMENT OF FACTS

10 A. The People's Allegations in This Action

11 On September 15th of this year, the Attorney General filed this civil enforcement action
12 against eight individual defendants: Robert Rizzo, the former Chief Administrative Officer;
13 Pier'angela Spaccia, the former Assistant Chief Administrative Officer; Randy Adams, the former
14 Police Chief; Oscar Hernandez, the current Mayor; Teresa Jacobo, a current City Council
15 member; George Mirabal, a current City Council member; Victor Bello, a former City Council
16 member; and George Cole, a former City Council member. (Complaint, ¶¶ 10-17, 19.) The
17 Attorney General's enforcement action describes a pattern of abuse, corruption, and neglect at the
18 City.

19 Specifically, the complaint alleges that Rizzo and Spaccia received excessive salaries and
20 received and cashed out excessive vacation and sick leave, with Rizzo receiving over three times
21 the average salary of other city managers in the Los Angeles area (Complaint, ¶ 24), both
22 receiving 143 paid days off per year (Complaint, ¶¶ 29, 37), and both getting raises while the City
23 laid off employees and cut back on other services. (Complaint, ¶¶ 25, 35.) The defendants
24 successfully turned the City into a charter city in 2005 so that they could increase their own
25 salaries. (Complaint, ¶¶ 57, 58.) City Council members thus each received over \$96,000 in base
26 salary, while under state law, council members of general law cities with the City's population
27 level receive no more than \$4,800 per year. (Complaint, ¶ 51.) After the City was converted to a
28

1 charter city, Rizzo and Spaccia received raises of 47 and 42 percent, respectively. (Complaint, ¶
2 60.)

3 Moreover, the defendants took affirmative steps to hide their salaries from the public. The
4 Council members passed an ordinance in 2005 titled, in part, "AN ORDINANCE OF THE CITY
5 COUNCIL OF THE CITY OF BELL LIMITING COMPENSATION . . .," when, in fact, the
6 ordinance nearly doubled the salaries of the Council. (Complaint, ¶ 63.) This was intended to
7 deceive the public, as only the title of the ordinance, and not the text, was published in the agenda
8 and minutes of the relevant city council meetings. (Complaint, ¶ 65.) Moreover, Rizzo, Spaccia,
9 and Adams concealed their salaries by splitting them over multiple contracts. (Complaint, ¶¶ 72,
10 73, 76.) As Spaccia told Adams, "[w]e have crafted our Agreements carefully so we do not draw
11 attention to our pay." (Complaint, ¶ 78.) Finally, a memorandum was prepared for distribution to
12 members of the public who asked about the salaries of defendants. The 2008 salary
13 memorandum states that the council member defendants were paid \$673 per month (\$8,076 per
14 year) and Rizzo was paid \$15,478 per month (\$185,736 per year). (Complaint, ¶ 83.) But
15 in September 2008, the council member defendants were actually paid over \$7,600 per month
16 (over \$91,200 per year) and Rizzo was paid over \$52,000 per month (over \$624,000 per year).
17 (Complaint, ¶ 84.)

18 **B. California State Controller's September 2010 City of Bell Audit Report**

19 On September 22nd, the State Controller published a detailed audit of Bell's administrative
20 and internal accounting controls, for the period of July 1, 2008 to June 30, 2010, the results of
21 which were unacceptable: "[B]ecause the control deficiencies were so serious and pervasive, the
22 City of Bell's internal control system was virtually non-existent."

23 Based just on review of a limited sample of transactions, the State Controller identified a
24 number of conditions suggesting possible intentional abuse and misuse of city funds:

25 * The Bell City Council approved exorbitant salary and benefits for the former CAO
26 [Chief Administrative Officer] without any accountability for performance. The former
27 CAO continued this process by allowing enormous salaries for other chief administrative
28 staff.

1 * More than \$93,000 in city funds was used to repay the former CAO's personal loans,
2 apparently without any authorization or justification of public benefit. . . .

3 * Approximately \$1.5 million in loans were made to members of the Bell City Council,
4 city officials, and city employees at the sole discretion of the CAO and without any
5 justification of public benefit. . . .

6 * Payments were made to a contractor, who was also acting as the city's "Director of
7 Planning Services." Payments continued even after the contract had expired in 1997. The
8 contractor also charged the city a 10% administrative fee (profit) for any subcontractor he
9 hired, which raised questions about conflict-of-interest with his role of the Director of
10 Planning Services. Total payment to two firms owned by the contractor was in excess of
11 \$10.4 million from January 1995 through June 2010. In effect, the Director oversaw many
12 subcontractors of the city, each garnering him a 10% administrative fee (profit).

13 * The city in May 2009 purchased real property for \$4.8 million from a trust established by
14 a former Bell mayor who paid \$480,000 for it in 1981. There was no documentation
15 available to show what the property was to be used for, how the property was selected, and
16 cost analyses to justify the purchase amount. The store on the acquired site has been
17 vacated and there has not been any activity on this site.

18 (RJN, ex. 1, Chiang letter to Carrillo, pp. 1-2.)

19 One explanation of how the City administration was able to engage in such excess is
20 identified in the State Controller's finding that the City mismanaged its voter-approved Measure
21 A bond funds:

22 * The city issued \$50 million in general obligation bonds for Measure A without any
23 documented plan and timeframe to utilize the proceeds and apparent need for the funds.

24 * The 2007 series of bond proceeds of \$35 million had the former CAO assume the role of
25 fiscal agent. As such he had total control and discretion over how bond funds were to be
26 used. As of August 31, 2010, approximately \$11.5 million of the \$35 million had been
27 spent. . . .

28 * The amount of 2007 series of bond issuance (\$35 million) was far in excess of the
29 amount that was needed and thus unnecessarily increased the city's costs of borrowing. . . .

30 * Rather than depositing increased property tax proceeds in a separate Debt Service Trust
31 Account as specified in the city's paying agent agreement with the U.S. Bank National
32 Association, the funds were deposited in the General Fund, which artificially inflated the
33 General Fund cash balance. . . .

34 (RJN, ex. 1, Chiang letter to Carrillo, pp. 2-3.)

35 Another source of potentially misused funds was assessments and taxes improperly made
36 without voter approval:

37 * The Bell City Council improperly increased the assessment of the Sanitation and
38 Sewerage System District without voter approval. The estimated amount of overcharge is
39 \$621,737 for FY 2007-08 though FY 2009-10.

1 * The city improperly used \$1,143,618 in funds from four assessment districts (Sanitation
2 and Sewerage System, Refuse Collection, Recycling and Integrated Waste Management,
3 and Landscape and Lighting) to pay for portions of payments to the former CAO and the
4 Assistant CAO for regular and holiday pay, and pay in lieu of vacation. . . .

5 * Other unauthorized increases in pension assessment and business license taxes have had
6 the effect of reducing General Fund pension obligations or enhancing General Fund
7 revenues, which in turn provided greater flexibility to increase compensation. At least in
8 appearance, this raised the question of whether the decisions to increase assessments and
9 taxes were motivated by personal gain considerations. The amount of the unallowable
10 pension assessment is \$2,934,144 for FY 2007-08 through FY 2009-10. The estimated
11 overcharge to the business license taxes is \$2,105,441 for calendar years 2000 through
12 2010.

13 (RJN, ex. 1, Chiang letter to Carrillo, pp. 2-3.)

14 **C. Los Angeles District Attorney's Criminal Complaints**

15 On September 20th, the Los Angeles District Attorney filed two felony complaints against
16 current and former Bell city officials. A 53-count criminal complaint was filed against defendant
17 Rizzo, alleging misappropriation of funds, falsification of public records, and conflict of interest.
18 (See RJN, ex. 2.) Additional misappropriation of funds charges were brought against defendants
19 Spaccia, Hernandez, Jacobo, Mirabal, Cole, and Bello, and against former Council member Luis
20 Artiga. (See RJN, ex. 2 and 3.)

21 **D. Current City of Bell Operations**

22 The current process for management and direction of City operations is unclear. As for the
23 City Council, one council member has resigned, leaving just four. One of these is still in jail.
24 Two others, recently released from jail following their arrests, called in "sick" and did not attend
25 the last City Council meeting. (Declaration of Lorenzo S. Velez, ¶ 2.)

26 There is an interim Chief Administrative Officer and interim City Attorney, but it is unclear
27 how, if at all, they can be receiving oversight from the Council. According to the only
28 non-indicted City Council member, he is not being consulted by the interim Chief Administrative
29 Officer and interim City Attorney, and they are making City decisions without his input.
30 (*Id.*, ¶ 3.) He is rarely briefed on City dealings with other government offices, he did not receive
31 a timely response to a request for current City salary information, he has not received requested
32 City financial information, and his requests for items to be included on City Council meeting
33 agendas have not been honored. (*Id.*, ¶¶ 3, 5-8.)

1 Nor is it just the City Council that is in the dark. According to Captain Anthony Miranda,
2 Bell's Acting Chief of Police, there has been little to no communication between the City
3 administrators and the Bell Police Department since the current administration was put in place.
4 (Declaration of Captain Anthony Miranda, ¶ 4.) He learns of changes in City government (for
5 instance, the recent departure of the individual in charge of the City's emergency operations, who
6 served as the Police Department's liaison to state and federal emergency response operations)
7 through the media or the community. (*Id.*, ¶¶ 5-7.) The interim Chief Administrative Officer has
8 not attended standing weekly meetings established with the Police Department, and did not
9 provide any concrete information at the one Department-wide meeting with the Police
10 Department called by the interim Chief Administrative Officer on short notice. (*Id.*, ¶¶ 8-10.)

11 The public is legitimately dissatisfied with the continuing lack of transparency within the
12 City. (Declaration of Ali H. Saleh, ¶ 8.) According to a co-founder of the citizens' group Bell
13 Association to Stop the Abuse ("BASTA"), the City has responded only partially to BASTA's
14 Public Record Act requests. (*Id.*, ¶¶ 9-10.) The interim Chief Administrative Officer and interim
15 City Attorney met with BASTA representatives on October 5th, and agreed to respond within two
16 days to BASTA's written request for information on the City's finances, operations, and
17 employees, but to date no response has been provided. (*Id.*, ¶ 12.)

18 Even now, more than three months after the initial public revelations of the abuses that have
19 taken place in Bell, the status and legitimacy of the City's programs, projects, contracts, and staff
20 put in place by the previous City administration remains unclear.

21 ARGUMENT

22 The City of Bell has been systematically plundered, in a coordinated fashion, by the
23 defendants named in the Attorney General's civil enforcement action as well as others who have
24 been named as "Does." The abuses have been varied in kind and astonishing in degree. And at
25 least several of the defendants remain in a position to continue to perpetrate abuses hidden from
26 the public view, even in the face of the universal outcry that has arisen. The transparency that is
27 missing is the key to restoration of the public trust, and correspondingly is the key to the return of
28 a healthy, functioning governance in the City of Bell. But, unfortunately, transparency is not

1 developing naturally in Bell as matters presently stand. The Attorney General requests that this
2 Court appoint a monitor for the City of Bell, vested with the power to observe and report upon all
3 government activities of the City.

4 A court has "broad equitable powers" to ensure the administration of justice. (See
5 *Crawford v. Board of Education* (1976) 17 Cal.3d 280, 307 [court can use its "broad equitable
6 powers" to ensure desegregation plan would be carried out in the face of a recalcitrant school
7 board]; *Crain v. Electronic Memories & Magnetics Corp.* (1975) 50 Cal.App.3d 509, 524
8 ["courts have broad equitable powers to fashion whatever remedies are needed to redress obvious
9 wrongs"].) And in particular, in any action brought in the name of the people of the State of
10 California by the Attorney General:

11 The court may appoint a receiver, in actions in which the appointment of a receiver is
12 authorized by law, upon the application of the Attorney General if the court determines
both of the following:

13 (1) The Attorney General has a reasonable probability of prevailing on the merits at trial in
14 establishing that the defendant obtained real or personal property by any unlawful means.

15 (2) The appointment of a receiver would facilitate the maintenance, preservation, operation,
or recovery of that property for any restitutionary purpose.

16 (Gov. Code, § 12527, subd. (b).)¹ In the interest of limiting outside involvement in the City's
17 affairs, the monitor sought here is a form of receiver, but with substantially circumscribed
18 powers.

19 Both state and federal courts have appointed monitors for a variety of reasons. (See
20 *Dawson v. East Side Union High School Dist.* (1994) 28 Cal.App.4th 998, 1045 [court retains
21 jurisdiction to appoint monitor in action challenging use of commercial programming in schools];
22 see also *Ruiz v. Estelle* (5th Cir. 1982) 679 F.2d 1115, 1161-1162 [special master and monitors
23 appointed in action challenging prison conditions], modified on other grounds, 688 F.2d 266
24 (5th Cir. 1982), cert. denied, 460 U.S. 1042 (1983); *Officers for Justice v. Civil Service Com'n of*
25 *City and County of San Francisco* (9th Cir. 1982) 688 F.2d 615, 637 [court appoints monitor to
26 implement settlement and administer back pay award]; *Hoptowit v. Ray* (9th Cir. 1982) 682 F.2d

27 ¹ Code of Civil Procedure section 564, subdivision (b)(9) provides that a receiver may be
28 appointed in all cases "where necessary to preserve the property or rights of any party."

1 1237, 1259 [appointment of special master to “monitor compliance” but not to take control of
2 prison], abrogated on other grounds by *Sandin v. Conner* (1995) 515 U.S. 472.)

3 Here the recent history in Bell is one of unchecked exploitation of the City of Bell and its
4 citizens, perpetrated by those entrusted to faithfully serve the City and its people. The State
5 Controller’s audit report documents a list of exorbitant salaries and benefits provided to city
6 officials, improper personal loans, and improper city contracting. The defendants apparently
7 funded their self-dealing by looting the City’s bond proceeds and illegally increasing taxes.

8 The Attorney General filed the present civil enforcement action to obtain restitution of the
9 excess compensation paid out to the defendants, and the District Attorney has brought criminal
10 charges against most of the defendants. But even with the actions taken by the Attorney General
11 and the District Attorney, for practical purposes, the people of Bell still have no assurance that the
12 exploitation is over. Although the City has taken some basic steps to improve public access, the
13 evidence is that the interim Chief Administrative Officer and interim City Attorney (hired by the
14 tainted City Council) are not being transparent with the City Council, such as it is, are not being
15 transparent with the City’s Police Department, and are not being fully transparent with the public.
16 Accordingly, in order to facilitate the City’s transition to a position of trust and good standing
17 with its citizens, this Court’s broad equitable powers should be exercised to appoint a monitor for
18 Bell.

19 As envisioned in the proposed order submitted with this motion, the monitor would have
20 access to all matters relating to the City, including access to review all documents within the
21 possession or control of the City, the right to participate in all meetings and discussions relating to
22 the City’s affairs, and the right to examine the financial affairs of the City and all financial
23 transactions involving the City. In addition, the monitor would have the authority to investigate
24 all matters relevant to this civil enforcement action and the criminal complaints filed by the
25 District Attorney, and any other allegations of fraud, dishonesty, or mismanagement in the affairs
26 of the City.

27 The monitor would be required to hold a public forum at least once a month to take
28 questions from the public and report on City operations. In addition, the monitor would be

1 required to report as often as necessary, but at least once a month, to the offices of the Attorney
2 General and District Attorney as to any information related to their respective actions and any
3 facts concerning fraud, dishonesty, or mismanagement in the affairs of the City. The appointment
4 would be temporary, lasting until one month after the results of the City's March 2011 election
5 are certified. And the expense to the City would be capped at \$85,000.

6 It is the Attorney General's hope that the mere presence of the monitor will have a positive
7 effect on the governance of the City, and that the observations reported by the monitor will be
8 instrumental in establishing transparency as a permanent feature of City government.

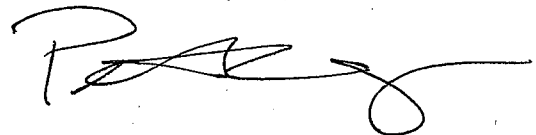
9 **CONCLUSION**

10 For all of these reasons, the People respectfully request that this Court appoint a monitor to
11 oversee city activities in the City of Bell, to report on such activities, and to help the people of
12 Bell begin the process of transitioning to a healthy and functioning City government.

13
14 Dated: October 21, 2010

Respectfully Submitted,

15 EDMUND G. BROWN JR.
16 Attorney General of California
17 ZACKERY P. MORAZZINI
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[PROPOSED] ORDER GRANTING THE
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Date: November 17, 2010
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27 The Attorney General's motion for appointment of a monitor for the City of Bell came on
28 regularly for hearing in Department 57 of this Court on November 17, 2010. Having read the

1 parties' respective papers, having considered the argument of counsel, and good cause appearing
2 therefor,

3 IT IS ORDERED that the Attorney General's motion is GRANTED, and a monitor is
4 hereby appointed for the City of Bell on the following terms.

5 1. Within five calendar days of the date of this Order, the Attorney General's office
6 shall provide the City the names of three proposed monitor nominees. Within five calendar days
7 of such notice, the City may select one of the proposed nominees to be the monitor. If none of
8 the proposed nominees is selected by the City, and if the Attorney General's office and the City
9 do not otherwise agree to another nominee to be monitor within the five calendar days following
10 the original notice of proposed nominees, the Attorney General's office shall immediately notify
11 the Court and a monitor will be chosen by the Court.

12 2. Bell shall allow the monitor:

13 a. to interview any officer, employee, or outside contractor of the City, and Bell
14 shall provide suitable facilities and shall arrange for such interviews to be conducted under
15 conditions satisfactory to the monitor;

16 b. to have complete and unfettered access to all matters relating to the City,
17 including access to review all documents within the possession or control of the City, the right to
18 participate in all meetings and discussions relating to the City's affairs, and the right to examine
19 the financial affairs of the City and all financial transactions involving the City (all officers,
20 employees, and outside contractors of the City shall advise the monitor no less than one business
21 day in advance as to all scheduled appointments); and

22 c. to investigate all matters relevant to this civil enforcement action, criminal
23 actions involving the City filed by the Los Angeles County District Attorney, and any other
24 allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or any irregularity
25 in the management of the affairs of the City, or by current or former officers, employees, or
26 outside contractors of the City, without regard to time.

27 3. At least once a month, the monitor shall hold a public meeting in the City of Bell to
28 take questions from the public and to report on City operations.

1 4. The monitor shall report to the offices of the Attorney General and the Los Angeles
2 County District Attorney with any information pertaining to their respective civil and criminal
3 actions and any other facts ascertained concerning any fraud, dishonesty, incompetence,
4 misconduct, mismanagement, or any irregularity in the management of the affairs of the City, or
5 by current or former officers, employees, or outside vendors of the City. These reports will occur
6 as soon and as often as necessary, but no less than once every month following selection of the
7 monitor.

8 5. While the monitor will have complete access to all City materials, including
9 privileged information, the monitor will not report privileged information to the offices of the
10 Attorney General and the District Attorney unless the monitor believes the privileged information
11 may relate to potentially criminal or fraudulent activity by any party involved in the privileged
12 communication. Before any privileged information is reported to the Attorney General or District
13 Attorney, the monitor shall discuss the information with the City Attorney, who may provide
14 input as to whether the information relates to fraudulent or criminal activity.

15 6. The costs of the monitor shall be limited, and shall be paid for by Bell. Within ten
16 calendar days of entry of this Order, Bell shall deposit with the California Department of Justice
17 the sum of \$20,000, which shall be held in an interest-bearing account. The Attorney General
18 shall pay the monitor's fees and reasonable expenses from this account. The Attorney General
19 shall notify Bell, in writing, any time that the balance in the account falls below \$10,000, and Bell
20 shall, within ten calendar days of receiving such notice, deliver to the California Department of
21 Justice sufficient funds to return the account's balance to \$20,000. When the monitoring period
22 specified in paragraph 8 of this Order has expired, all funds remaining in this account shall be
23 returned to Bell. The costs of the monitor shall not exceed \$85,000.

24 7. The Court shall retain jurisdiction to increase the allowable costs of the monitor for
25 good cause shown and established by the Attorney General. The Court shall also retain
26 jurisdiction to allow the monitor to engage staff to join the monitor in carrying out monitor
27 activities if reasonably necessary to fulfill the monitor's responsibilities.
28

1 8. The monitor appointed by this Order will be temporary, lasting until one month after
2 the results of the City's municipal election in March of 2011 are certified. If a majority of the
3 City Council in place following the City's March 2011 election is not new, the monitor will be
4 renewed pending the results of the next City election, with such process repeating until such time
5 as a majority of the City Council is no longer facing charges of civil and criminal misconduct
6 against the City. Upon the termination of the monitor process, the monitor shall inform the new
7 City Council as to all information given to the offices of the Attorney General and the District
8 Attorney and any other information that the new City Council requests.

9 9. Nothing in this Order shall be construed to limit the powers vested in the Attorney
10 General by the California Constitution and state statutory law, including Government Code
11 section 11180 et seq.

12
13 Dated: November __, 2010

14 The Honorable Ralph W. Dau
15 Judge of the Los Angeles Superior Court
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1 EDMUND G. BROWN JR.
Attorney General of California
2 DAVID S. CHANEY
Chief Assistant Attorney General
3 JONATHAN K. RENNER
Senior Assistant Attorney General
4 ZACKERY P. MORAZZINI
Supervising Deputy Attorney General
5 SUSAN K. LEACH (SBN 231575)
PETER H. CHANG (SBN 241467)
6 Deputy Attorneys General
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 445-1968
Fax: (916) 324-8835
9 E-mail: Peter.Chang@doj.ca.gov

10 *Attorneys for Plaintiffs*
11 *The People of the State of California*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14
15

16 **THE PEOPLE OF THE STATE OF**
17 **CALIFORNIA ex rel EDMUND G.**
18 **BROWN JR., Attorney General of The State**
19 **of California,**

20 Plaintiffs,

21 v.

22 **ROBERT A. RIZZO, PIER' ANGELA**
23 **SPACCIA, RANDY G. ADAMS, OSCAR**
24 **HERNANDEZ, TERESA JACOBO,**
25 **GEORGE COLE, VICTOR BELLO, AND**
26 **GEORGE MIRABAL, in their official and**
27 **personal capacities, CITY OF BELL, AND**
28 **DOES 1-100, inclusive,**

Defendants.

Case No. BC445497

REQUEST FOR JUDICIAL NOTICE IN
SUPPORT OF THE ATTORNEY
GENERAL'S MOTION FOR
APPOINTMENT OF A MONITOR FOR
THE CITY OF BELL

Date: November 17, 2010
Time: 8:30 a.m.
Dept: 57
Judge: The Honorable Ralph W. Dau

Action Filed: September 15, 2010

1 Plaintiff, the People of the State of California, in support of their application for a monitor,
2 request that this Court take judicial notice, pursuant to California Evidence Code sections 452(c)
3 and 452(d), of the following documents:

4 (1) The State Controller's September 2010 Audit Report of the City of Bell, examining the
5 city's finances from July 1, 2008 to June 30, 2010.

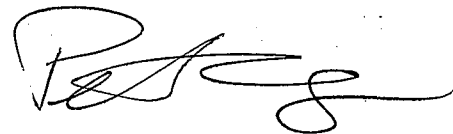
6 (2) The Felony Complaint For Arrest Warrant filed on September 20, 2010 in Los Angeles
7 Superior Court Case No. BA376026 on behalf of the People of the State of California against
8 Robert Rizzo, Pier'angela Spaccia, Luis Artiga, and Oscar Hernandez.

9 (3) The Felony Complaint For Arrest Warrant filed on September 20, 2010 in Los Angeles
10 Superior Court Case No. BA376025 on behalf of the People of the State of California against
11 Oscar Hernandez, Teresa Jacobo, George Mirabal, George Cole, Victor Bello, and Luis Artiga.

12
13 Dated: October 21, 2010

Respectfully Submitted,

14 EDMUND G. BROWN JR.
15 Attorney General of California
16 ZACKERY P. MORAZZINI
Supervising Deputy Attorney General

17 

18 PETER H. CHANG
19 Deputy Attorney General
20 *Attorneys for Plaintiffs*
21 *The People of the State of California*
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27
28

1 EDMUND G. BROWN JR.
Attorney General of California
2 DAVID S. CHANEY
Chief Assistant Attorney General
3 JONATHAN K. RENNER
Senior Assistant Attorney General
4 ZACKERY P. MORAZZINI
Supervising Deputy Attorney General
5 SUSAN K. LEACH (SBN 231575)
PETER H. CHANG (SBN 241467)
6 Deputy Attorneys General
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 445-1968
Fax: (916) 324-8835
9 E-mail: Peter.Chang@doj.ca.gov

10 *Attorneys for Plaintiffs*
11 *The People of the State of California*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14
15

16 **THE PEOPLE OF THE STATE OF**
17 **CALIFORNIA ex rel EDMUND G.**
18 **BROWN JR., Attorney General of The State**
of California,

19 Plaintiffs,

20 v.

21 **ROBERT A. RIZZO, PIER' ANGELA**
22 **SPACCIA, RANDY G. ADAMS, OSCAR**
23 **HERNANDEZ, TERESA JACOBO,**
24 **GEORGE COLE, VICTOR BELLO, AND**
GEORGE MIRABAL, in their official and
personal capacities, CITY OF BELL, AND
DOES 1-100, inclusive,

25 Defendants.
26
27
28

Case No. BC445497

DECLARATION OF LORENZO S.
VELEZ IN SUPPORT OF THE
PLAINTIFFS' MOTION FOR
APPOINTMENT OF A MONITOR FOR
THE CITY OF BELL

Dept: 57
Judge: The Honorable Ralph W. Dau

Action Filed: September 15, 2010

1 I, Lorenzo S. Velez, declare:

2 1. I am a member of the City Council of the City of Bell. I was appointed to this
3 position on October 4, 2009. I have personal knowledge of the facts in this declaration, and I
4 could and would testify about these facts if called upon to do so.

5 2. I am one of four current City Council members. A previous Councilmember resigned
6 his position earlier this month. The other three Council members were arrested in September and
7 charged with misappropriation of city funds.

8 3. The City is being operated by the interim Chief Administrative Officer Pedro
9 Carrillo. Mr. Carrillo and Mr. Casso, the interim City Attorney, have not been honest and
10 transparent with me. They rarely brief me on issues related to conversations they had with the
11 Attorney General's office, with County Supervisor Gloria Molina, or in regards to city finances.
12 This has been going on since they became interim Chief Administrative Officer and interim City
13 Attorney.

14 4. To my knowledge, Mr. Carrillo and Mr. Casso don't inform anyone of what they're
15 doing until after the fact. As far as I know, they are taking actions on their own without
16 consulting anyone on the City Council. I truly believe that they need to inform the
17 Councilmembers before they take actions that bind the City. I believe they have overstepped
18 their boundaries by not briefing the Councilmembers before sending out memos and letters.

19 5. As an example, Mr. Carrillo and Mr. Casso didn't tell me that they were responding
20 to the proposed Memorandum of Understanding from the Attorney General's office until after
21 they already did. I explicitly requested that any response binding the City be reviewed by me
22 before they send it out. They ignored my request. Attached as Exhibit A is a true and correct
23 copy of my October 8, 2010 email to them about this issue.

24 6. Additionally, I asked a month ago for list of employees and their current salary and
25 benefits. I wanted to know whether the highly paid employees had been fired or had their salary
26 reduced. I did not receive a response until a month later and only after I had had a strongly
27 worded discussion with them about them not being transparent with me.

1 7. With respect to City finances, Mr. Carrillo doesn't provide any reports to me, and
2 doesn't provide any reports to the community either.

3 8. Mr. Carrillo also won't put things on the agenda that I requested to be put on the
4 agenda. For example, in the September 20 council meeting, myself and other Councilmembers
5 instructed Mr. Carrillo to appoint an interim chief of police and submitted the name of a qualified
6 individual. But Mr. Carrillo has not appointed this person. I have asked him why this has not
7 been done, but Mr. Carrillo has not given me an adequate answer.

8 9. I feel like I am being isolated by the interim Chief Administrative Officer and interim
9 City Attorney. I believe they have their own agenda for running the City. Unfortunately, because
10 they have not been keeping me information as to what they are doing, I do not know what I am
11 missing. I believe that I am being isolated because I was the only Councilmember who did not
12 approve Mr. Carrillo's contract.

13 10. Citizens of Bell, members from my community, approach me almost every day
14 asking me why Mr. Carrillo isn't sharing information with them and why they have they only
15 been given partial answers to their questions to Mr. Carrillo. All Mr. Carrillo says is that they are
16 doing the best they can.

17 11. Someone is needed in City Hall with authority to ask questions and to monitor the
18 day-to-day business because the community, including me, is not getting the information we
19 need. We need someone who is independent and has the authority to question the actions of the
20 city's administrators.

21 12. Even with a functioning City Council, I would still want a monitor. A monitor would
22 assure the community that everything we are doing is right and that there are no conflicts of
23 interest. The community has a lot of suspicion of the city administrators and the City Council.
24 Without a monitor, the people would not trust the actions of the City Council and any decisions
25 made by the City Council. I believe a monitor should operate until there is a new City Council.

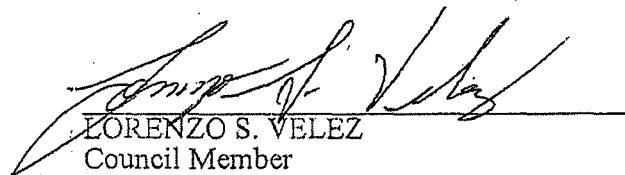
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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct.

3 Executed this nineteenth day of October 2010 at Bell, California.

4
5 
6 LORENZO S. VELEZ
7 Council Member
8 City of Bell
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The People of the State of California v. Robert A Rizzo et al.
Los Angeles County, Superior Court, Court Case No. BC44549

EXHIBIT "A"

>>> Lorenzo Velez <lsvelez1981@gmail.com> 10/8/2010 6:49 PM >>>

Jamie and Pedro...

I am disappointed again to find out that you have already sent a response to Mr. Chang regarding "The People of the State of California v. Robert Rizzo and Proposed Memorandum of Understanding" sent on 10-8-10 and clearly ignored my request that I sent to you yesterday 10/7/10 at 12:09pm to review such response.

This is a direct conflict of my request as city councilman and clearly shows once again a lack of respect and transparency towards me as a council member. This response is clearly a council policy direction and should have been reviewed not only by the city administration staff but by the city council itself.

Again, I would like to express my discontent on this matter and hope that it does not continue! We need to schedule sometime to address how communication can be improved and that instances like this do not occur in the future.

Regards...

Lorenzo Vélez, Councilmember
City of Bell

On Fri, Oct 8, 2010 at 5:23 PM, Rodell, Kathleen <krodell@meversnave.com> wrote:

From: Rodell, Kathleen
Sent: Friday, October 08, 2010 5:23 PM
To: Peter H. Chang (peter.chang@doj.ca.gov)
Cc: Casso, Jamie
Subject: People v. Robert Rizzo et al.

Attached please find a letter from James M. Casso

<<Ltr to P. Chang 100810.pdf^>>

Kathleen Rodell
Legal Secretary to James M. Casso
MEYERS NAVE
333 South Grand Avenue, Suite 1670
Los Angeles, California 90071
Phone: 213.626.2906
Fax: 213.626.0215
krodell@meversnave.com
www.meversnave.com

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Reduce. Reuse. Recycle. Re-planet.

--

Lorenzo Vélez, Councilmember
City of Bell

1 EDMUND G. BROWN JR.
Attorney General of California
2 DAVID S. CHANEY
Chief Assistant Attorney General
3 JONATHAN K. RENNER
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5 SUSAN K. LEACH (SBN 231575)
PETER H. CHANG (SBN 241467)
6 Deputy Attorneys General
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 445-1968
Fax: (916) 324-8835
9 E-mail: Peter.Chang@doj.ca.gov

10 *Attorneys for Plaintiffs*
11 *The People of the State of California*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14
15

16 **THE PEOPLE OF THE STATE OF**
17 **CALIFORNIA ex rel EDMUND G.**
18 **BROWN JR., Attorney General of The State**
19 **of California,**

20 Plaintiffs,

21 v.

22 **ROBERT A. RIZZO, PIER' ANGELA**
23 **SPACCIA, RANDY G. ADAMS, OSCAR**
24 **HERNANDEZ, TERESA JACOBO,**
25 **GEORGE COLE, VICTOR BELLO, AND**
26 **GEORGE MIRABAL, in their official and**
27 **personal capacities, CITY OF BELL, AND**
28 **DOES 1-100, inclusive,**

Defendants.

Case No. BC445497

DECLARATION OF ALI H. SALEH IN
SUPPORT OF THE PLAINTIFFS'
MOTION FOR APPOINTMENT OF A
MONITOR FOR THE CITY OF BELL

Dept: 57
Judge: The Honorable Ralph W. Dau

Action Filed: September 15, 2010

1 I, Ali H. Saleh, declare:

2 1. I have personal knowledge of the facts in this declaration, and I could and would
3 testify about these facts if called upon to do so.

4 2. I am a life-long resident of the City of Bell and a co-founder of BASTA, the Bell
5 Association to Stop the Abuse.

6 4. BASTA is a citizen's group in Bell. Currently BASTA has a leadership board of
7 14 community members, including me. BASTA holds regular community-wide meetings twice a
8 month, and usually 200 to 400 people attend. At these meetings, people from Bell raise questions
9 about the City, discuss the ongoing public disclosures concerning the abuses in Bell, and examine
10 what progress has been made. We also invite guest speakers who can address some of the issues
11 raised by the community like how recall works, compensation of officials, City financials and so
12 forth. While BASTA does not maintain an official membership list, around 1500 people in our
13 community have asked to receive information about our organization and our efforts by emails
14 and phone calls and are on our email list.

15 5. BASTA is also organizing the recall efforts in Bell. BASTA prepared the recall
16 petitions and trained volunteer signature gathers. In about 20 days, around 80 trained BASTA
17 members collected more than 4000 signatures for each of the four council members for purposes
18 of recalling them.

19 6. BASTA was formed on July 16, 2010, one day after the Los Angeles Times broke the
20 story about the \$800,000 salary that the City paid to Robert Rizzo, the former Chief
21 Administrative Officer of the City. However, even before the Los Angeles Times reported on
22 corruption within our City Hall, people in our community were already suspicious of our City
23 government because there was a complete lack of transparency. Questions raised by members of
24 the community were not getting answered. The Los Angeles Times story motivated the
25 community to take action, and one week after the first story on Rizzo's salary, BASTA organized
26 around 700 people at the City Hall for a rally. This was an empowering event and we felt the
27 time was now right to create an organization which could push to create a better government for
28 ourselves.

1 7. BASTA's main goal is to demand, on behalf of the people of Bell, good city
2 governance through transparency and accountability. We want to help keep our appointed and
3 elected officials accountable by ensuring public access to our government and information.

4 8. We believe, however, that the current city government is not providing adequate
5 access to public information. We are respectful that the city administration must maintain
6 confidentiality on certain matters. However, we believe the City is not meeting its obligations to
7 its citizens.

8 9. On July 21, 2010 we submitted our first public records request through our lawyer for
9 six matters, and supplemented it on July 29 asking for 16 other matters and also asking various
10 questions concerning incompatibility of employment and other issues which have not been
11 answered. That letter is attached to this declaration as Exhibit A. On August 9, 2010 the City
12 through the interim City Attorney responded that most of the records required additional research.

13 10. On August 23, 2010, a month after our request, the interim City Attorney responded
14 with numerous objections to disclosing many of the records requested. For example, to the
15 request for staff reports, ordinance and resolutions pertaining to tax or fee increases since July 1,
16 2007, the response was that it was not clear what documents we were requesting. We were also
17 told records could not be found or records could not be disclosed due to Evidence Code
18 privileges, and attorney client and attorney work product privileges. That letter is attached to this
19 declaration as Exhibit B. We have been told by our legal counsel that we would have to engage
20 in legal action to get these documents.

21 11. We sent a letter on October 4th to Pedro Carrillo, the interim Chief Administrative
22 Officer of the City, requesting more information about the City's finances, operations, and
23 employees. That letter is attached to this declaration as Exhibit C.

24 12. On October 5, members of BASTA met with Pedro Carrillo and James Casso, the
25 interim City Attorney, to discuss the letter. Mr. Carrillo promised that they would respond to our
26 letter in two days. Since then we have received no response from them. We have followed up
27 regularly with Mr. Carrillo and Mr. Casso by phone calls and in person at City Hall. Mr. Casso
28

1 and Mr. Carrillo would always say that they were working on it and that they would have
2 responses to us soon. They still not have provided a response to us.

3 13. The City also does not provide enough information to the community during the City
4 Council meetings. The City Council and Mr. Carrillo answer very few questions during the
5 meetings. I have attended all of the meetings since the Los Angeles Times broke the story on the
6 scandals with the City's administration in July of this year and have asked questions. After I
7 asked my questions, the mayor or the city clerk would tell me that my time was up. Then, instead
8 of answering my questions, the City Council and Mr. Carrillo would simply take the question of
9 the person after me and ignore my questions. The City Council and Mr. Carrillo answer only
10 about 1 out of every 30 questions.

11 14. At the last Council meeting, several councilmembers didn't show up. Lorenzo Velez
12 was the only councilmember there. I asked him whether he can answer questions from the public.
13 Councilmember Velez appeared to want to answer questions from the community. But Mr. Casso
14 told Councilmember Velez that he should not answer any questions relating to anything that was
15 on the agenda. Mr. Carrillo also wouldn't answer any questions, and said he was following the
16 City Attorney's advice. I have since been advised that since the meeting was occurring in public,
17 councilmember Velez was free to communicate with the public and the Brown Act would not
18 have prevented him from answering questions.

19 15. The community is suspicious of the current administration of the City even though
20 they were appointed after the crimes were discovered. They were appointed by the existing City
21 Council, and four members of the City Council have been charged with crimes based on actions
22 they took during their tenure on the Council and with mismanaging the City. (One of those
23 councilmember has since resigned.) Initially, people gave the new administrators the benefit of
24 the doubt when Mr. Carrillo proclaimed that he would fix the problems. But over time, as
25 information has not gotten out, the community is getting more frustrated.

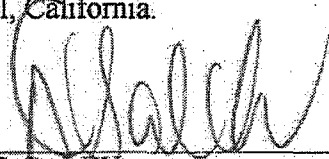
26 16. The letter we sent to the City on October 4 (Exhibit C to this declaration) shows the
27 types of questions that we have been asking the City about what has been happening in Bell. My
28 understanding of the Public Records Act is that it only allows the public to receive specific

1 documents we identify. The City does not have to answer any questions from us except to give us
2 certain specific documents that we first identify to them. And it is easy for the City to say that
3 they can't find the documents we requested or that some document is privileged. The problem of
4 this way of getting information is illustrated by the letters between BASTA's attorney and the
5 interim City Attorney. (In Exhibits A and B to this declaration.) BASTA believes that the
6 broader powers of a monitor are required to bring forward the type of information we have
7 requested.

8 17. BASTA wants a monitor to communicate regularly with the community. The current
9 problems in the City are lack of transparency and lack of communication. BASTA wants to
10 create a dialogue between Council and the public. A monitor would provide more information to
11 residents and allow residents to know what is happening in the City. The monitor should report
12 to the public regularly. The monitor should be independent and not be political, and have the
13 ability to understand City government and finances. The monitor should be bilingual. The
14 monitor should only serve until a new council is in place and should prepare a written final report
15 with findings and recommendations. The monitor can help lay the groundwork for restoring
16 honest government in Bell, which operates for the betterment of the community.

17 I declare under penalty of perjury under the laws of the State of California that the
18 foregoing is true and correct.

19 Executed this nineteenth day of October 2010 at Bell, California.

20
21 
22 ALI H. SALEH
23 Co-Founder
24 Bell Association to Stop the Abuse
25
26
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28

The People of the State of California v. Robert A Rizzo et al.
Los Angeles County, Superior Court, Court Case No. BC44549

EXHIBIT "A"



**ALESHIRE &
WYNDER, LLP**
ATTORNEYS AT LAW
www.awattorneys.com

RESPOND TO ORANGE COUNTY OFFICE

Email: daleshire@awattorneys.com
Direct Dial: (949) 250-5409

Orange County
18881 Von Karman Ave., Suite 400
Irvine, CA 92612
P 949.223.1170 • F 949.223.1180

Los Angeles
South Bay Centre, South Tower
1515 West 190th St., Suite 565
Gardena, CA 90248
P 310.527.6660 • F 310.532.7395

Sacramento
980 9th St., 16th Floor
Sacramento, CA 95814
P 916.449-9690 • F 916.449.9689

July 29, 2010

Via email: Edward.Lee@bbklaw.com

Mr. Edward Lee, City Attorney
City of Bell
c/o Best Best & Krieger
300 South Grand Avenue
25th Floor
Los Angeles, California 90017

Re: City of Bell – Resignation of City Manager Robert Rizzo, Assistant City
Manager Angela Spaccia and Police Chief Randy Adams

Dear Mr. Lee:

Aleshire & Wynder is legal counsel for an association of concerned citizens and taxpayers of the City of Bell ("Bell Association to Stop the Abuse" or "Clients"), who are extremely concerned over the actions of certain Bell councilmembers with regards to their compensation and contracts approved for certain city of Bell officials, and the recent events surrounding the resignation of City Manager Robert Rizzo, Assistant City Manager Angela Spaccia and Police Chief Randy Adams. We have been asked to contact you on their behalf to obtain some clarity for the public on this issue before you take any further action.

The resignation of these three individuals raises several legal issues. We want to independently ensure the validity and enforceability of each of the contracts. For example, were the contracts approved during a public meeting by the City Council? Were the contracts obtained by fraud or corruption? What are the terms of the contracts and what is the process for their termination? Have Mr. Rizzo, Ms. Spaccia and Chief Adams fulfilled all of their obligations under the contracts or are there grounds to void them?

It may be possible to take legal action to invalidate the contracts or obtain a disgorgement of profits. However, to determine this, more information is needed by the public. We assume that these are also matters in which the City would have an interest.



Ed Lee, City Attorney, City of Bell
July 29, 2010
Page 2

As an example of our concerns, we understand that Angela Spaccia was recently appointed as Interim City Manager of Maywood. Government Code Section 1099 states:

(a) A public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee, or other body, shall not simultaneously hold two public offices that are incompatible. Offices are incompatible when any of the following circumstances are present, unless simultaneous holding of the particular offices is compelled or expressly authorized by law:

(1) Either of the offices may audit, overrule, remove members of, dismiss employees of, or exercise supervisory powers over the other office or body.

(2) Based on the powers and jurisdiction of the offices, there is a possibility of a significant clash of duties or loyalties between the offices.

(3) Public policy considerations make it improper for one person to hold both offices. (Emphasis added).

The Cities of Bell and Maywood have been in discussions concerning various agreements between the two entities and were in such discussions while Ms. Spaccia held her positions both as Interim City Manager in Maywood and Assistant City Manager in Bell. One of these situations involved the provision of law enforcement services, including the cost of such services, level of services, retention or termination of employees, and similar issues. While the goal of a contract negotiation may be a "win-win," in fact, the parties in this case have unalterably conflicting interests. For example, while one party wants increased compensation for its services, the other wants to pay less. Where Ms. Spaccia has been and continues to be, reporting to her Bell City Manager boss, and receives all of her compensation from this employer, can she effectively represent Maywood as Chief Executive Officer? We do not believe there is any way she could serve these two masters without conflict.

Pursuant to the common law incompatibility rule, as construed by various Attorney General opinions and California Government Code Section 1099(b), we believe that when an incompatible office is assumed, in this case the office of Interim City Manager in the City of Maywood, that Ms. Spaccia immediately forfeited her office as Assistant City Manager in the City of Bell. Hence, Bell would have no further obligations to Ms. Spaccia under her excessive



Ed Lee, City Attorney, City of Bell
July 29, 2010
Page 3

contract and Bell should recover all payments made to her since she entered into the contract with Maywood.

We understand that one could argue that one or both of Ms. Spaccia's offices are "positions of employment," pursuant to California Government Code Section 1099(c) and that Section 1126 is instead applicable here and that both the Cities of Maywood and Bell waived Ms. Spaccia's conflicted activities. (However, we note that the "Assistant Administrative Officer" is referred to as an officer, and it is a position created by Bell's Charter and she, at times, acts as the Chief Administrative Officer.) In such case, we would like to see what rules the City Council adopted – a statutory mandate pursuant to California Government Code Section 1126(c) - governing the application of Section 1126. However, in the facts of this case we think there is a strong equitable case for application of the common law rule.

On July 21st, we made a request to the City of Bell's City Clerk, Rebecca Valdez, asking for several items which we have not yet received. We are supplementing this prior request with some additional items that we are now requesting pursuant to California Government Code Section 6250 *et seq*, based on the Council's further actions. The attachment includes both lists of requested documents, though the 10-day period for the response to the first set of documents continues to run from July 21st. We believe that a review of these documents by an outside independent source is critical before any payments of City funds are made to the above resigning officials.

As explained above, the documents are necessary to determine the validity of the above contracts. It has been announced that these officials have resigned without any severance payment. We would like copies of their resignation letters and the City's acceptance thereof. Moreover, we request, on behalf of the citizens of Bell, copies of all documentation relating thereto, and a legal analysis from the City Attorney disclosing the full costs to the City resulting from the resignation of the officials (back-pay, benefit payments, etc.); how this will be paid for by Bell; the validity of these contracts; whether there has been analysis of the incompatibility of offices, as well as the other questions added herein; and any severance arrangements with the resigning officials. The analysis should examine if there are any grounds, including, but not limited to, Charter Section 519 (pertaining to contracts) and Section 601 (pertaining to residency), upon which these contracts and any consideration paid thereunder could be challenged.

We also question the issue of councilmember compensation. Section 502 of the Bell City Charter appears to limit councilmember compensation to the amount provided in Government Code Section 36516 (\$400 per month for a city of this size); plus reimbursement for out of pocket expenses. No authority is provided in the Charter for councilmembers to receive



Ed Lee, City Attorney, City of Bell

July 29, 2010

Page 4

compensation as members of other bodies. Have you analyzed the legal effect of this limitation on the ability to receive such additional compensation beyond the Charter's limits?

A fresh concern has now arisen over the new interim City Manager, Pedro Cadillo, and the terms of his contract. So this is also an added part of our public records request. What other candidates were considered, and on what terms? Based on past actions, the Council should have embraced a transparent process to fill this important position.

We know you are not required to prepare any analysis as part of a public records request: it is our expectation that your office would have already performed analysis of the above for the City Council to act as it has. If it has not done so, we would hope the City Council would want such analysis performed and made public to explain its actions.

As you are fully aware, these contracts greatly exceed norms within the profession which explains why they have drawn national attention. If the City Council wishes to restore its credibility with the community and our clients, it will fully cooperate with our request for information, and will not proceed with any payments of City funds to these officials, until the City Attorney has provided the requested legal opinion and our office can independently review the matter. An independent review can either confirm the validity of the settlement arrangements or perhaps suggest grounds to challenge them, as suggested above. Further, if payments should be made to these officers without resolving the legal concerns we have raised, or without the transparency we are suggesting, you are hereby informed that our client may seek to have the City of Bell hold the firm of Best Best & Krieger liable for the reimbursement to the City of Bell for any sums subsequently determined to be improperly paid on the City Attorney's legal advice.

We very much appreciate your cooperation with these requests. The Clients are prepared to pay the reasonable cost of producing these documents, once you advise us of the costs. Although we know that you have 10 days to respond to California Public Records Act requests, we would hope that, given the extraordinary public attention to this matter, compliance with our request would be expedited. Moreover, as we note that Attorney General Jerry Brown has asked that some of these same documents to be produced within 48 hours, we would hope that the Citizens of Bell could be timely accommodated by its own City to the same degree.



Ed Lee, City Attorney, City of Bell
July 29, 2010
Page 5

If you have any questions, please do not hesitate to contact me at (949) 223-1170.

Very truly yours,

ALESHIRE & WYNDER, LLP

A handwritten signature in black ink, appearing to read 'David J. Aleshire', written over a horizontal line.

David J. Aleshire

cc: Mayor Oscar Hernandez
Vice Mayor Teresa Jacobo
Councilmembers George Mirabal, Luis Artiga, and Lorenzo Velez
Rebecca Valdez, City Clerk, City of Bell (*certified mail, return receipt requested*)
Edmund G. Brown, Jr. Attorney General
Peter H. Chang, Deputy Attorney General
David Demerjian, Deputy District Attorney, Public Integrity Division
Christina Garcia, Chair, Steering Committee Bell Association

Enclosure

**PUBLIC RECORDS ACT REQUEST
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6250 ET SEQ.**

We requested the following items in an e-mail to Rebecca Valdez on July 21, 2010:

1. The contract for City Manager Robert Rizzo and any and all amendments thereto;
2. The contract for Assistant City Manager Angela Spaccia and any and all amendments thereto;
3. The contract for Police Chief Randy Adams and any and all amendments thereto;
4. Any ordinance setting the compensation of the City Council acting in its capacity as the City Council, the Redevelopment Agency, or any other body comprised of any of the following: George Mirabal, Luis Artiga, Teresa Jacobo, Oscar Hernandez, and/or Lorenzo Velez, where any of the latter five individuals are compensated for their services to the City of Bell;
5. The City of Bell's budget for fiscal years 2009-10 and 2010-11; and
6. A copy of the charter of the City of Bell.

In addition, we would like to request the following items:

1. Any agreements between the Cities of Bell and Maywood pertaining to Angela Spaccia's contract as Interim City Manager and/or Assistant City Manager.
2. Any agreements between the Cities of Bell and Maywood since January 1, 2009.
3. All staff reports, ordinances, and/or resolutions pertaining to tax or fee increases since July 1, 2007.
4. All staff reports, ordinances, and/or resolutions pertaining to Bell's financial situation or status since July 1, 2007.
5. All legal bills billed to the City of Bell by attorney Tom Brown and/or the firm by which Mr. Brown is employed, as well as the fee agreement between Mr. Brown and the City of Bell.
6. The agenda and minutes of the meeting at which Tom Brown and/or his law firm was hired and the fee agreement.
7. Any legal analysis regarding the contracts of Robert Rizzo, Angela Spaccia and Randy Adams, including, but not limited to, any analysis addressing a potential conflict between Ms. Spaccia's positions of Interim City Manager of Maywood and her position of Assistant City Manager of Bell. This would include any requests for opinions by the Fair Political Practices Commission.

8. Any legal analysis disclosing the full costs to the City resulting from the resignation of Mr. Rizzo, Ms. Spaccia, or Randy Adams (back-pay, benefit payments, etc.) and/or pertaining to the validity of these contracts.
9. Any legal analysis of councilmember compensation, including whether such compensation complies with the City of Bell's Charter and California State law.
- 10.. Any severance arrangements with Mr. Rizzo, Ms. Spaccia, or Randy Adams.
11. The agenda and minutes of the meeting(s) pertaining to the approval of the contracts and contract amendments of Mr. Rizzo, Ms. Spaccia and Randy Adams.
12. The fee agreement for any media consultant and/or public relations consultant hired by the City of Bell since June 1, 2010 and any sums paid to such consultant.
13. The agenda and minutes approving the hiring of any media consultant and/or public relations consultant for the City of Bell.
14. All fee agreements and billing statements between the City of Bell and Pedro Carillo and/or his firm Urban Associates, Inc. dating back to June 1, 2010 and any sums paid to such consultant.
15. A list of all candidates considered for the position of Interim City Manager other than Pedro Carillo.
16. The resignation letters and all other documentation relating to such resignations of Mr. Rizzo, Ms. Spaccia and Randy Adams,

The People of the State of California v. Robert A Rizzo et al.
Los Angeles County, Superior Court, Court Case No. BC44549

EXHIBIT "B"

VIA ELECTRONIC TRANSMISSION AND U.S. MAIL

August 23, 2010

David J. Aleshire
Aleshire & Wynder, LLP
18881 Von Karman Avenue
Suite 400
Irvine CA, 92612

Re: California Public Records Request

Dear Mr. Aleshire:

I write in response to your July 29, 2010 letter requesting the following records pursuant to the California Public Records Act, Government Code § 6250, *et seq.* ("the Act"):

1. The contract for City Manager Robert Rizzo and any and all amendments thereto;
2. The contract for Assistant City Manager Angela Spaccia and any and all amendments thereto;
3. The contract for Police Chief Randy Adams and any and all amendments thereto;
4. Any ordinance setting the compensation of the City Council acting in its capacity as the City Council, the Redevelopment Agency, or any other body comprised of any of the following: George Mirabal, Luis Artiga, Teresa Jacobo, Oscar Hernandez, and/or Lorenzo Velez, where any of the latter five individuals are compensated for their services to the City of Bell;
5. The City of Bell's budget for fiscal years 2009-10 and 2010-11; and
6. A copy of the charter of the City of Bell.
7. Any agreements between the Cities of Bell and Maywood pertaining to Angela Spaccia's contract as Interim City Manager and/or Assistant City Manager.
8. Any agreements between the Cities of Bell and Maywood since January 1, 2009.
9. All staff reports, ordinances, and/or resolutions pertaining to tax or fee increases since July 1, 2007.

10. All staff reports, ordinances, and/or resolutions pertaining to Bell's financial situation or status since July 1, 2007.
11. All legal bills billed to the City of Bell by attorney Tom Brown and/or the firm by which Mr. Brown is employed, as well as the fee agreement between Mr. Brown and the City of Bell.
12. The agenda and minutes of the meeting at which Tom Brown and/or his law firm was hired and the fee agreement.
13. Any legal analysis regarding the contracts of Robert Rizzo, Angela Spaccia and Randy Adams, including, but not limited to, any analysis addressing a potential conflict between Ms. Spaccia's positions of Interim City Manager of Maywood and her position of Assistant City Manager of Bell. This would include any requests for opinions by the Fair Political Practices Commission.
14. Any legal analysis disclosing the full costs to the City resulting from the resignation of Mr. Rizzo, Ms. Spaccia, or Randy Adams (back-pay, benefit payments, etc.) and/or pertaining to the validity of these contracts.
15. Any legal analysis of councilmember compensation, including whether such compensation complies with the City of Bell's Charter and California State law.
16. Any severance arrangements with Mr. Rizzo, Ms. Spaccia, or Randy Adams.
17. The agenda and minutes of the meeting(s) pertaining to the approval of the contracts and contract amendments of Mr. Rizzo, Ms. Spaccia and Randy Adams.
18. The fee agreement for any media consultant and/or public relations consultant hired by the City of Bell since June 1, 2010 and any sums paid to such consultant.
19. The agenda and minutes approving the hiring of any media consultant and/or public relations consultant for the City of Bell.
20. All fee agreements and billing statements between the City of Bell and Pedro Carillo and/or his firm Urban Associates, Inc. dating back to June 1, 2010 and any sums paid to such consultant.
21. A list of all candidates considered for the position of Interim City Manager other than Pedro Carillo.
22. The resignation letters and all other documentation relating to such resignations of Mr. Rizzo, Ms. Spaccia and Randy Adams.

On August 13, 2010, we provided you with records responsive to your Requests Nos. 1-6.

The City responds to the balance of requests as follows:

Requests Nos. 7 and 8: The City has made a diligent search and the responsive, non-exempt records have been assembled.

Request No. 9: The City appreciates your request for information, it is unclear as to what documents you are requesting. The City would like to assist you with your inquiry. I ask that you please clarify the scope of your request by providing additional insight as to what type of City taxes or fees you seek information about.

Request No. 10: The City has not located any staff report, ordinance or resolution specifically pertaining to the City's "financial situation or status since July 1, 2007." The City staff is, however, in the process of identifying and compiling records pertaining to the City's budget amendment during the requested time period. We anticipate that by August 31, 2010, the City will identify and assemble the responsive documents, if any.

Request No. 11 and 12: The City staff, in consultation with our office, has identified some records responsive to your request. Please be advised that the responsive records contain information exempt from disclosure pursuant to Government Code § 6254(k). Section 6254(k) protects from disclosure "[r]ecords, the disclosure of which is exempted or prohibited pursuant to federal or State law, including, but not limited to, provisions of the Evidence Code relating to privilege." (See Evidence Code § 954; *Roberts v. City of Palmdale*, 5 Cal. 4th 363, 370-371 (1993).) The City asserts the attorney-client and attorney work product privileges pursuant to the Evidence Code § 954 as it applies to the records and information requested which contain confidential communications between the City and its legal counsel. The exempt information has been redacted from the enclosed records. Please be further advised, that the City staff continues to search for, identify and compiling any additional records responsive to your Requests Nos. 11 and 12. We anticipate that non-exempt responsive records will be identified and assembled by August 31, 2010.

Request No. 13 and 14: We have not found any non-exempt records as to this category. Government Code § 6254(k). (See also Evidence Code § 954; *Roberts v. City of Palmdale*, 5 Cal. 4th 363, 370-371 (1993).) The City asserts the attorney-client and attorney work product privileges pursuant to the Evidence Code § 954 as it applies to the records and information requested which contain confidential communications between the City and its legal counsel.

Requests No. 15: The report for the City Council's July 26, 2010 meeting is the only non-exempt record responsive to your request.

Request Nos. 16: The only record responsive to your request is the Council's report out of closed session of July 22, 2010.

Request Nos. 18, 19, 21: The City is not in possession of records responsive to these requests.

Request No. 20: Responsive, non-exempt records are enclosed. Please be advised that certain responsive records are exempt from disclosure pursuant to Government Code § 6254(k). (See also Evidence Code § 954; *Roberts v. City of Palmdale*, 5 Cal. 4th 363, 370-371 (1993).) The City asserts the attorney-client and attorney work product privileges pursuant to the Evidence Code § 954 as it applies to the records and information requested which contain confidential communications between the City and its legal counsel. Additionally, please be advised that certain exempt and private information, specifically account numbers, have been redacted from the responsive records.

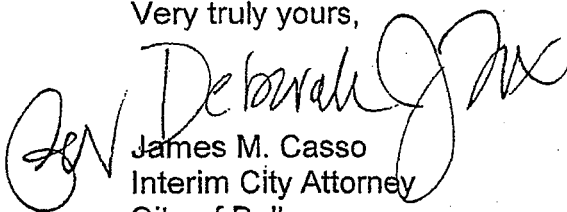
Request No. 22: The City has made a diligent search and the only responsive documents found are provided.

A total of 72 pages of responsive, non-exempt records have been assembled. This response completes your Requests Nos. 7, 8, 15 - 22. The total cost for duplication of these records is \$7.20. The City has applied \$3.30 from your previous payment towards the duplication of 33 pages of responsive records. However, the outstanding balance for the assembled records is \$3.90. You may render a payment in person or by mailing a check to Rebecca Valdez, City Clerk, City Clerk, 6330 Pine Avenue, Bell, California 90201. The check should be made payable to City of Bell. Please also notify Ms. Valdez if you would like these records mailed to you, upon payment for the photocopying costs.

Please be advised that we will notify once any additional records, as indicated above, have been identified and assembled. The City will notify you of the total amount due for duplication of responsive, non-exempt records, as these records become available.

Please rest assured that the City is committed to meeting its obligations under the Act and will work diligently to do so.

Very truly yours,


James M. Casso
Interim City Attorney
City of Bell

Enclosures

cc: Pedro Carrillo, Interim City Administrator, City of Bell (via e-mail w/out enclosures)
Rebecca Valdez, City Clerk, City of Bell (via e-mail w/out enclosures)

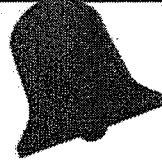
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The People of the State of California v. Robert A Rizzo et al.
Los Angeles County, Superior Court, Court Case No. BC44549

EXHIBIT "C"

BASTA

BELL ASSOCIATION TO STOP THE ABUSE



BELL ASOCIACIÓN PARA FRENAR EL ABUSO

Dear Mr Carrillo,

10/4/10

You have stated that with Rizzo gone, it is a new day in Bell and the Council is directing the new administration to establish transparency in all of the operations of the City of Bell. Further, you have said that you want to encourage good communications with the community.

BASTA feels that inadequate efforts are being made in this direction. With the weekly new public revelations about matters which the public knows nothing about, there is a need to institutionalize a better process of public communication.

We believe that a wholly new way of doing business is in order. We believe that there should be an item on every Council agenda called "Community Questions." We believe that BASTA and others should be able to submit questions two weeks in advance of your meetings, and that a staff report should be prepared answering the questions, and the questions should be listed on the agenda. Then, staff should give the staff report at the meeting with the questions.

We have an initial set of questions. Some of the questions may be harder to answer than others and we will understand if all the questions cannot be answered at each meeting. Still, we need to start answering the questions that the public has in a clear and authoritative manner. Your governance will be judged by your ability to get these questions answered. Your staff should take your directions, or you should get staff who will. We are asking that these questions be answered at or before the next council meeting.

1 Reserves: What were the City's total reserves at the end of FY 2007-8? FY 2008-9? What are they currently? What do you project them to be at the end of FY 2010-11? What is the reason for the decline?

2 Bond Default: It is reported that there may be a bond default of \$35 million by the end of the year for the property off Bandini and Atlantic. Please explain the circumstances. Has the City's credit rating declined and why? What is being done to prevent any default and restore our credit rating?

3 Defense of Councilmembers: BASTA legal counsel has sent the City Attorney a letter dated Sep 2 2010 which states that the City may not pay for the legal cost of defense of the Councilmembers concerning the Attorney General's lawsuit or the District Attorney's criminal charges. We have received no response. Does the City agree with this letter and is there any intent to pay for the defense of the public officials charged in these actions?

4 Loan Program: Please list all employees who received loans from the City, the amount and time of the loan, loan terms, whether any defaults occurred, when it was repaid, any outstanding balance. Please provide who approved the loans and any documentation as to whether the program was ever authorized by the Council and how it was to work.

5 Compensation: Reporting compensation as recently requested by the State Comptroller, please list all employees currently making in excess of \$100,000 per year. Please list all compensation of the public officials included in the AG Lawsuit paid in each of the last 3 years.

6 Pensions: Please list all retirement payments exceeding \$75,000 paid annually in each of the last 3 years to former Bell employees, including both from PERS and any special pension funds of City (and designate the amount from each fund), and also project the future annual pension payments to all persons who have retired this year and not yet received payments.

7 Contractors: Please list all city vendors who have received compensation over \$50,000 annually for each of the last 3 years. Also please inform us if their contracts are current, when they expire, how much their contract is worth, and who approved them.

8 Manager/Attorney: Please list all compensation paid to the prior City Atty (BB&K) in each of the last 3 years. Please list all the compensation charged by or paid monthly to Mr Carrillo and his firm Urban Associates since he became CM, and same for Mr Casso and Meyers Nave.

9 Please list the names and positions of the 41 people referred to in the LA Times who received supplemental pension plans and what is the city doing to correct this abuse?

10 Please disclose total compensation in a clear and comprehensive manner. For example, Hermosa Beach provides the following information employers: Full Name, Position, Home Department, Base Salary, Hourly Rate, Part Time, Overtime, Premium Merit, Leave Cash outs, Def Comp, Taxable Life Insurance, Allowances, Total.

11 Please provide job description for all personnel.

12 What's going on with the sports complex on Florence and Walker? Is that project still under way and if so how is the city paying for it?

13 Are the following individuals still employed or under contract with the city? If so what is the city doing to terminate their relationship with them? A timeline of when residents can expect to see them no longer associated with the city. If they have been terminated, please provide documentation of their termination and the terms of termination.

Eric Eggena, Director of General Services \$421,402

Loudres Garcia, Director of Administrative Services \$ 422,707

Annette Peretz, Director of Community Services \$273,542

Luis Ramirez, Deputy Engineer \$247,573

Ricardo Gonzalez, Business Development Coordinator \$195,628

D&J Engineering (Dennis Tarango) \$10.5 since 1995

(Average of \$800,000 plus a year)

14 AB 900 was signed into law last month, but according to the Los Angeles County Assessor's office, they are still waiting for the City of Bell to transfer the money so they can begin to process the reimbursements. When does the city plan to transfer the money to the County?

15 Property Taxes, Business Taxes, Business Licenses: It was reported that the city was illegally overcharging property owner and business in Bell, have the taxes and license fees been adjusted to be in compliance with state law?

1 EDMUND G. BROWN JR.
Attorney General of California
2 DAVID S. CHANEY
Chief Assistant Attorney General
3 JONATHAN K. RENNER
Senior Assistant Attorney General
4 ZACKERY P. MORAZZINI
Supervising Deputy Attorney General
5 SUSAN K. LEACH (SBN 231575)
PETER H. CHANG (SBN 241467)
6 Deputy Attorneys General
1300 I Street, Suite 125
7 P.O. Box 944255
Sacramento, CA 94244-2550
8 Telephone: (916) 445-1968
Fax: (916) 324-8835
9 E-mail: Peter.Chang@doj.ca.gov

10 *Attorneys for Plaintiffs*
11 *The People of the State of California*

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF LOS ANGELES
14
15

16 **THE PEOPLE OF THE STATE OF**
17 **CALIFORNIA ex rel EDMUND G.**
18 **BROWN JR., Attorney General of The State**
19 **of California,**

20 Plaintiffs,

21 v.

22 **ROBERT A. RIZZO, PIER' ANGELA**
23 **SPACCIA, RANDY G. ADAMS, OSCAR**
24 **HERNANDEZ, TERESA JACOBO,**
25 **GEORGE COLE, VICTOR BELLO, AND**
26 **GEORGE MIRABAL, in their official and**
27 **personal capacities, CITY OF BELL, AND**
28 **DOES 1-100, inclusive,**

Defendants.

Case No. BC445497

DECLARATION OF CAPTAIN
ANTHONY MIRANDA IN SUPPORT OF
THE PLAINTIFFS' MOTION FOR
APPOINTMENT OF A MONITOR FOR
THE CITY OF BELL

Dept: 57
Judge: The Honorable Ralph W. Dau

Action Filed: September 15, 2010

1 I, Anthony Miranda, declare:

2 1. I am a captain in the City of Bell Police Department. I have held this position since
3 2005. I have personal knowledge of the facts in this declaration, and I could and would testify
4 about these facts if called upon to do so.

5 2. On July 22, 2010 after the Los Angeles Times broke the news about the salary
6 scandal in the City of Bell, the interim Chief Administrative Officer, Pedro Carrillo, appointed me
7 to be the Bell Police Department's liaison with the City administrators and also to outside
8 agencies. Functionally and operationally, I have been the Acting Chief of the Bell Police
9 Department since the previous Chief of the department resigned and no replacement has been
10 named.

11 3. I was asked by Peter Chang, a deputy attorney general with the Attorney General's
12 Office, about how I believe the level of communication has been between the City administrators
13 and the Bell Police Department.

14 4. There has been little to no communication between the City administrators and the
15 Bell Police Department. Since Pedro Carrillo took over as the interim Chief Administrative
16 Officer, there have been a lot of changes at City Hall. But the changes have either not been
17 communicated to me and the rest of the Bell Police Department, or the changes have been
18 communicated poorly.

19 5. The Bell Police Department has been learning of the changes to the City government
20 the same way as everyone else, through articles by the Los Angeles Times.

21 6. The lack of communication is bad for the safety of the City. For example, the City
22 released Ricardo Gonzalez last week. Mr. Gonzalez was in charge of the emergency operations
23 of the City. In case of an emergency, Mr. Gonzalez would have been the police department's
24 liaison to state and federal emergency response operations. His release was not communicated to
25 Bell Police Department by the City administrators.

26 7. The Bell Police Department learned of Mr. Gonzalez's release from the City when it
27 was reported by the Los Angeles Times and also by the citizen's group BASTA. Soon after the
28 department learned of this, we appointed a lieutenant to be our liaison with the state and federal

1 response operations in case of an emergency. If we had not learned of this through public
2 sources, and if we did not step up and appoint one of our own lieutenants to be the liaison, and an
3 emergency happened, there might have been confusion with state and federal emergency response
4 teams.

5 8. The Bell Police Department has been kept in the dark by the administrators of the
6 City as far as the operation of the City goes and also as to the City's plans with respect to the
7 future of the Bell Police Department. More than six weeks ago, the Bell Police Department had
8 asked the city's administrators to meet and we had arranged for a standing meeting every
9 Tuesday. Pedro Carrillo, however, never showed up to any of those meetings. He didn't cancel
10 them, he just didn't show up.


11 9. Finally, Pedro Carrillo called a department-wide meeting last Thursday, with less
12 than a 24-hour notice even though I had asked for a 72-hour notice in advance of any meetings.
13 Given the short notice, only some of the officers were able to attend. I was one of them.

14 10. At the meeting, Mr. Carrillo did not provide any concrete information and rather only
15 gave some vague statements.

16 11. I support the appointment of a monitor to watch over the operation of the City if it
17 means that the governance of the City will be more transparent. I believe that an independent
18 third party who can provide oversight for the administration of the City is what is needed to bring
19 more transparency to our city government.

20 I declare under penalty of perjury under the laws of the State of California that the
21 foregoing is true and correct.

22 Executed this nineteenth day of October 2010 at Bell, California.

23
24 
25 CAPT. ANTHONY MIRANDA
26 Bell Police Department
27 City of Bell
28