



# REDEMPTION STORY

**The EIDC's public implosion read like a movie script, but now it's trying to help save L.A.'s film i**

By [Bobbi Murray](#)

In an industry known for glitz, the nonprofit Entertainment Industry Development Corporation has a decidedly nonglamorous task - streamlining the film permit process. But the modest non-profit became notorious when the agency's chief went wildly Hollywood a couple of years ago, finally making like a character in a classic crash-and-burn movie script.

Cody Cluff, the former president of EIDC, was indicted in August, 2003 after a Los Angeles District Attorney criminal probe that turned up charges of misappropriation of some \$150,000 - funds allegedly spent on such perks as strip joints, a country club membership, yoga classes, and a baseball trip to the Dominican Republic.

Oh, but that wasn't all. Another \$47,000 went to the Pittsburgh Film Office, run by a woman with whom Cluff was romantically involved. And then there was the embarrassing \$140,000 in political contributions to Los Angeles County Supervisors and City Council members who had automatic positions on EIDC's board of directors; at least one councilman said that he had no idea he was even on it. Most gave back the money; Mayor James Hahn couldn't return his \$2,000 campaign donation because the account had been closed.

Cluff, meanwhile, faces trial and is out on \$250,000 bail. No trial date has been set.

Last week a new president, Steve MacDonald, a 15-year city government veteran, stepped in to head up the scandal-racked agency, faced with overcoming the taint of corruption and sharpening the focus on EIDC's two main tasks. Both are plenty challenging, even without an agency reputation for high-rolling high jinks. EIDC coordinates film permits, a job that requires coordinating with police and any number of city and county departments, and doing it quickly to accommodate constantly shifting production schedules. The other job is to run interference between sprawling production operations and the L.A. residents annoyed by hijacked parking spots, pre-dawn klieg lights, and other inconveniences associated with L.A.'s \$30 billion-a-year industry.

This seemingly mundane mission is set against a dramatic backdrop: the industry crisis of runaway production, which has bled skilled, high-paying blue-collar jobs from the local TV and motion picture industry - an estimated 30,000 jobs annually. Production has increasingly moved to Canada, Australia, and Eastern Europe, where a dollar buys more and governments offer lavish subsidies. Industry unions are pressing for state and federal tax incentives to close the cost-of-doing-business gap - a long slog in

financially strapped times - while a rank-and-file rump group advocates even more unlikely trade tariffs against films produced in other countries.

MacDonald speaks modestly of EIDC's role in stemming the tide; hassles in L.A. with permits or neighbors can mean delays, and that means money - one more reason to move production where the dollar stretches further and the neighbors are less jaded. "I can't influence exchange rates with Canada," says MacDonald, "but we can work on these things and that's our role." He talks like the MBA that he is about such innovations as e-permits, and setting up a standard notification process for neighbors.

Like many others, MacDonald won't speculate why the EIDC went so wildly off the rails, but says that revised by-laws and a restructuring of the board has built in accountability and oversight measures that will keep it from happening again.

The EIDC board structure is the most common target of blame in discussions about Cluff's ability to spend as he would without a peep from his putative overseers. The agency is a private nonprofit supported by industry fee payments - no government money - but was established during the mayoral administration of Richard Riordan with a massive board full of barely engaged city and county officials.

Wendy Greuel, now the City Council rep for L.A.'s District 2, was an executive at DreamWorks when she accepted a position on the EIDC board. "I thought we were the advisory board because we met once a year," she says. Real boards, she says, have regular meetings and financial oversight.

But not everyone buys that explanation. After an audit of EIDC last year conducted by a private accounting firm, City Controller Laura Chick criticized the board for being "lax in its oversight," but also passed some of the blame to the city council. Chick argued that the city should have been monitoring the agency because EIDC held a city contract to manage film permitting.

After she became a councilwoman, Greuel was instrumental in changing the EIDC board structure: reducing the size, booting off the public officials, and adding studio executives, union representatives, and neighborhood council activists. It's the new structure that MacDonald hopes will help move the EIDC forward.

Those involved in the reform of the agency - union and guild representatives, studio execs - are hopeful that EIDC is on the right track, but the agency still has something to prove to those in day-to-day production. "It's a double-edged sword - sometimes it works, sometimes it doesn't," says one location manager of the EIDC's role in smoothing relations between film crews and city agencies. He has a wait-and-see attitude about the reforms, but thinks "the permit process is gonna be what it's gonna be."

There are also new controversies brewing downtown, where the formerly bombed-out areas around Spring, Main, and Broadway are now full of pricey lofts. The industry has used the area for years to add urban grit to productions, with little interference from locals, who were mostly homeless. Now well-heeled neighbors protest the noise and interrupted sleep. Location manager Andre Gaudry wistfully recalls working on *Set It Off* in 1992: "We had three helicopters in the air, a car crash, big lights at four in the morning. You can't do that anymore." But, he reflects, "Putting too many restrictions is wrong, abusing the neighbors is wrong - the thing is where to draw the line."

MacDonald intends to figure that out. Right now the agency can't legally require production companies to use EIDC for tasks such as alerting neighbors that there will be a chase scene in their parking garage;

MacDonald is hoping the EIDC can work something out with the city. There's talk of a neighborhood-industry liaison position. Nothing big, nothing glamorous.

"We need to just kind of stick to our knitting, as the saying goes," he says, "do what we're charged to do and do our mission and do what we're good at doing."

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