



STORMY WEATHER

The race for mayor could end up a repeat of Hahn vs. Villaraigosa, unless a slew of investigations b

By [Bobbi Murray](#)

It was a tough house for Councilman Antonio Villaraigosa. The past-and-present top challenger for mayor of Los Angeles stood before at least 100 animal welfare activists at a Holiday Inn in North Hollywood on Sunday morning as the rain pounded down outside and media reports warned of mudslides and flooded streets. But the councilman faced other dangers.

"Let me speak about the big elephant under the rug," Villaraigosa said from the podium, daring to use a metaphor that could be loaded for this particular crowd. But he had to put it out there. Villaraigosa's was one of 15 city council votes in favor of the recently confirmed general manager of the city's Department of Animal Services, Guerdon Stuckey, a civil servant from Rockville, Maryland, with little experience in animal issues. Stuckey was an unpopular choice with activists, who have been waging a shrill civil protest campaign to change the city's 2004 kill rate of some 44,000 unwanted cats and dogs.

"Get those boos out there," Villaraigosa encouraged a gaggle of those who were already doing that. There were hisses as he explained why he voted to approve Mayor James Hahn's choice - the bottom line being: "When I'm mayor of Los Angeles, Gerald Stuckey will not be head of Animal Services."

Despite the boos (and the catcalls for misstating Stuckey's first name), Villaraigosa ended up winning over a portion of the crowd. The assembled Citizens for a Humane Los Angeles later voted on an endorsement for mayor, and gave Villaraigosa 39 votes. But Walter Moore, a Republican lawyer who has plowed \$100,000 of his own money into his campaign, won the endorsement, after other candidates - state Senator Richard Alarcón, former Assembly Speaker Bob Hertzberg, and Councilman Bernard Parks - also came out to make

their pitch.

Incumbent Mayor Hahn, still a favorite in the March 8 primary, was a no-show - his campaign said he had a scheduling conflict. That was all the better for hizzoner: The animal rights crowd was rough on Villaraigosa, but they've recently saved their special ire for Hahn and would probably have eaten him alive, veganism and vegetarianism notwithstanding. The mayor's contentious history with animal activists was touched off when, early in his administration, he fired the politic and experienced Dan Knapp as head of animal services. So the vibe in the room whenever Hahn's name came up was feisty if not downright hostile, and the other candidates bashed him for promising a no-kill shelter and then not moving forward with a plan.

But if Hahn was on the griddle in absentia at this soiree, it's only a fraction of the heat he may soon feel from the swirl of scandals wafting around his administration.

~ The Invisible Scandal ~

Mayor Hahn's tenure at City Hall has been marked by a certain invisibility - no big charisma, no major initiatives - so it's tough to know if voters really know or care about his record. But, with the mayoral primary only eight weeks away, Hahn could easily veer off the road into his very own mudslide as the investigations into his administration pile up. His contacts and appointees now show up in local papers virtually once a week, as stories include reports of a joint federal-county criminal investigation of money-laundering charges against some of his supporters.

On the other hand, he could outrun the muck.

"Scandals," observes Cal State Fullerton political scientist Raphael Sonenshein, "take a long time to build. Sometimes they peter out. And sometimes they become fatal."

The incumbent mayor runs against a field of 40 candidates in the March 8 primary, four of them anointed as contenders by virtue of fundraising and visibility. Hahn enjoys a mighty lead in fundraising; the latest campaign statements released Monday showed him with \$2,434,893 in cash on hand, with Hertzberg at \$1,604,589 and Villaraigosa at \$1,614,498. Parks and Alarcón's cash-on-hand is in the \$400,000 range.

The drumbeat of possible scandal follows Hahn wherever he pops up, but nothing has stuck and political observers say the mayor isn't yet wounded with the electorate. Indeed, though many of Hahn's appointees have bowed out of his administration and allegations have emerged that appointees demanded contributions from contractors to Hahn's campaigns before being awarded city contracts, it's still hard to prove an explicit quid pro quo.

As it stands now, Hahn is likely to win a hefty percentage of votes in the primary, but not a majority; a May run-off between Hahn and another leading vote-getter - perhaps Villaraigosa again - is virtually assured.

Unless one of the scandals explodes. There's reason to wonder if the mayor and his staff have a sense of driving around a campaign bus with nitroglycerine rattling around in the spare-tire well, hoping they don't hit the bump that blows the campaign sky-high. A sampling of the volatile material:

- Two joint criminal county-federal investigations are looking into allegations that commissioners for three of the city's three proprietary departments - the airport, the Port of Los Angeles, and the Department of Water and Power (DWP) - pressured contractors to kick into Hahn's campaigns in order to obtain lucrative

contracts. Also under investigation are other so-called "pay-to-play" contracting practices that give the appearance of trading contributions for access.

- In April, deputy mayor and former chief Hahn campaign fundraiser Troy Edwards and Airport Commissioner Ted Stein both resigned, following more "pay-to-play" allegations. The URS Corporation told federal prosecutors that it lost a contract worth millions after refusing to contribute to a Hahn campaign, and charged that Stein was involved in seeking the donation. Edwards was appointed deputy mayor and liaison between the mayor's office and the airport, the Port of Los Angeles, and the DWP - making him someone with a database of the mayor's donors and knowledge of contracts out for bid.
- Then there's an investigation by the Los Angeles District Attorney's office into possible campaign money-laundering by a Hahn supporter, Westside developer Mark Abrams, himself the target of an FBI probe for allegedly inflating mortgages and skimming millions. Associates of Abrams and his partner Charles Elliot Fitzgerald have said that Abrams engaged in what's delicately called "contribution laundering," the solicitation of campaign donations from employees and others followed by their re-imburement with his own funds - possibly to get around legal campaign funding limits while still building a political presence with the Hahn administration. Hahn did appoint Abrams's real estate attorney to the Planning Commission, which subsequently allowed the construction of previously forbidden 30-foot retaining walls. This helped out a troubled multi-million-dollar Bel-Air development by Abrams; a mayoral team also waded in to help Abrams out of a jam on that particular project. City ethics officials this week accused Abrams of 48 violations of campaign laws regarding \$90,000 in campaign donations. The matter is under review by the five-member Ethics Commission, which could impose tens of thousands of dollars in civil penalties.
- A City Ethics Commission in July accused attorney Pierce O'Donnell of 26 violations of ethics laws by making so-called "assumed name" contributions to Hahn's 2001 primary campaign. The matter is under review by an administrative hearing officer, and the result may have criminal implications.
- The executive director of the Port of Los Angeles, Larry Keller, resigned under pressure in September and is a witness in the federal investigation involving yet more alleged "pay-to-play" city contracting practices. That didn't stop him from winning a \$540,000 contract in October to do marketing work for the port - a decision defended by Hahn.
- Then there are the 71 law firms that got \$18.9 million in 2003 doing city business, this despite the city's permanent legal team, otherwise known as the City Attorney. Funny thing: 50 of the firms and attorneys contributed a total of \$244,675 to Hahn's 2001 mayor's race, and \$77,500 to his must-win anti-San Fernando Valley secession campaign in 2002. The three proprietary departments emerge as trouble spots again - as the departments that were the focus of the bulk of the outside legal work.
- In July, 2004, David Murdock, billionaire owner of Dole Food Company, developer of Castle and Cooke, and one of the biggest donors to Hahn's anti-secession campaign, won a bid to operate a 7.3-acre jet center site at Van Nuys Airport. Two competitors filed formal protests with the City Attorney and Airport Commission charging that the Murdock bid failed to meet city guidelines. The rent offered was 75 percent less than that of other bidders.
- And, perhaps the most spectacular item, and one of the likeliest to generate political spatter - the Fleishman-Hillard scandal, or scandals - related to the PR giant's \$3 million annual contract with the DWP. It's just the kind of combination pay-to-play and ratepayer chiseling that reflects poorly on the Hahn administration.

The high-powered Fleishman-Hillard PR firm was retained by the DWP as state deregulation went into effect during the Richard Riordan administration to promote the department in anticipation of consumers being allowed to choose their power providers. But the contract was extended by the board in 2003, long after any threat from deregulation. The DWP commission, all Hahn appointees, even gave the DWP's general manager, also a Hahn appointee, sole authority to renew the contract.

While Fleishman-Hillard was putatively hired at rate-payer expense to promote the DWP, it was also promoting Hahn, via photo ops, news conferences, and with some press releases even sent out on stationery from the mayor's office - not the DWP. The Los Angeles Times broke the story of collaboration between Fleishman and the mayor's office, including constant contact between Hahn's staff and the PR firm. If the PR firm was planning a DWP event, the mayor's office got a heads-up to see if Hahn could be shoehorned into it.

Copley News Service turned up such nuggets as the \$169.74 Fleishman charged for an employee to read newspaper coverage of a Hahn speech in a local paper. The employee, Shannon Murphy, later left Fleishman to become Hahn's communications director. (A Hahn fundraiser-turned-deputy-mayor, Matt Middlebrook, had already done the reverse revolving-door two-step, leaving City Hall for Fleishman-Hillard's corporate suites.) And four Fleishman employees charged a total of \$2,870 to "staff," as the City Hall verb goes, Hahn's two and a half-hour State of the Harbor speech.

The PR-mayor relationship appears to have grown out of a strategy by the former head of Fleishman's L.A. office, ex-newsman Douglas Dowie, to cultivate the association by providing pro bono work. The whole set-up was enough to raise eyebrows, and last year the DA's office launched a criminal investigation in concert with federal authorities and the DWP/Fleishman-Hillard contract was terminated in April. Then a November audit by City Controller Laura Chick accused the high-powered PR firm of over-charging the DWP by \$4.2 million.

And after several months of paid leave, Dowie parted company with the firm, along with two top vice-presidents. The conditions were not disclosed. Dowie had been relieved of his duties in July but retained on Fleishman-Hillard's payroll until his exit this month. Speculation around City Hall is that criminal investigations are heating up and the firm seeks distance.

Another emblematic wrinkle in the pay-to-play allegations is the role of Hahn associate Dominick W. Rubalcava, appointed to the DWP board by the mayor and currently its president. Rubalcava was a heavy-hitter in the mayoral administrations of Tom Bradley, Riordan, and now Hahn, and has been on a number of commissions, including the fire and airport boards. Rubalcava has also donated \$4,500 to Hahn's election campaigns, and was on the DWP board when the Fleishman-Hillard contract was renewed. According to ethics commission documents, Rubalcava's clients include Wal-Mart and he worked until June for Landrum and Brown, a Cincinnati-based airport-planning firm that donated \$1,500 to Hahn's campaigns in 2001 and in 2002 held a substantial contract in the \$11 billion LAX redesign that Hahn championed. Landrum and Brown continues to bid on airport contracts, and the company's executives have donated to Hahn during this mayoral go-round.

There's no law against a commissioner also serving as a lobbyist, although that's an idea now under consideration by the City Council. "It's an issue that comes up periodically and has been discussed," explained City Ethics Commissioner LeeAnn Pelham, who adds that the mayor has sent what she calls a five-prong ethics package, which includes contracting and lobbying fundraising bans, to the City Council

for consideration.

~ Follow the Money ~

"I don't know why I'm so hyper today," says City Controller Laura Chick, bouncing up from her chair in a conference room in City Hall East. Out the window is the stately granite of the main City Hall, home of the mayor's office. Her audits of his departments have brought to light a lot of these pay-to-play allegations, and are likely the source of her current restlessness.

Her investigations of the Port of Los Angeles and the airport led directly to the ongoing criminal investigations into contracts-for-contributions deals. She informed the mayor that she had found a trail suggesting that commissioners were steering allies to fat contracts, but, she says, "He allowed those contracts to go forward."

Chick endorsed Hahn earlier this year, but has since withdrawn her support. She says that Hahn could have stopped questionable practices with one phone call to his commissioners, but chose not to. Chick leans forward on a conference table for emphasis: "He's the CEO of the city."

Chick's indignation has yet to catch on with the public. Campaign insiders say that the scandals have registered with some voters but many don't yet consider it a deal-breaker in a vote for Hahn. The phrase "pay-to-play" may just be catching on after Hahn's opponents have hammered on it repeatedly in two televised, but barely watched debates.

Part of the problem, says political analyst Sherry Bebitch-Jeffe, who teaches public policy at USC, is a "sense of exhaustion" among L.A. city voters who are facing the fifth election in five years. The other trend she notes is a fragmented city.

"Civic society is turning away from formalized institutions," she says. The PTA, Internet user groups, neighborhood councils - "that's where we do our politics." Those coffee-klatch scenes are hardly the arenas for discussing the Byzantine vagueries of all these complicated possible scandals. The public is more likely to be well occupied with big-picture concerns like Southland mudslides or the South Asian tsunami, she says.

Jaime Regalado, director of the Edmund "Pat" Brown Institute for Public Affairs at Cal State Los Angeles, says recent political events have drained the local electorate's energy and enthusiasm. When you consider the war in Iraq and what he calls "a dangerous administration" as the head of the world's sole superpower, "Where do you stack up the mayor's race in this very complex political time?" he asks. "Unless there's an indictment before the election, Hahn stands a reasonably good chance of survival."

Besides the investigations of the city ethics commission and the DA's office, two grand juries are looking into whether or not pay-to-play allegations should result in criminal indictments. Sources also claim to have seen a grand jury meeting on the Fleishman-Hillard matter. Speculation about indictments has floated through political circles for months, with no indication as to whether or not they might touch Hahn. More recently, observers close to the contribution-laundering allegations have been relaying tales of deals being offered to bit-players in the case of accused developer Mark Abrams, who is also under suspicion in the alleged \$70 million mortgage-skimming conspiracy.

One bit of fallout from all the Enron and WorldCom scandals is the development of much stiffer federal

penalties for financial crimes - or complicity with them - than ever before. Small-fries being squeezed on the mortgage-skimming case, under pressure to spell out details or face at least 12 years behind bars, could be inclined to make deals and cough up information, including anything related to the elections. And that's just one of the nitroglycerine tubes in the Hahn campaign bus that could explode, should it hit the wrong pothole.

Not that there's any known criminal involvement or complicity on the mayor's part, but an indictment in the Abrams case would have an incendiary effect on his reelection hopes. The other possible danger to his campaign is the joint county-federal probe, though it's entirely possible that any indictments related to pay-to-play for big-money contracts, or contribution-washing, or mortgage-skimming won't emerge until after the election. The DA's office will only say that investigations are ongoing.

~ Watching the Numbers ~

Barring any explosion, the handicapping goes something like this:

A look at the internal polling of the campaigns show Hahn and Villaraigosa mostly neck-and-neck in the high 20 percents for the March 8 primary. That's good for Villaraigosa, who led Hahn in the 2001 mayoral primary but lost in the June run-off. For Hahn, however, the numbers should be unsettling. He ought to be topping 30 percent - itself a low number, but the field is primarily divided between the five top candidates big enough to show up on the polling radar screen - Hahn, Alarcón, Hertzberg, Parks, and Villaraigosa - so the pie is divvied up between them.

So Hahn's problems, ephemeral as they are on the political landscape, have had some effect. "It's already shaped the race and probably encouraged more mayoral candidates to run," says Fullerton's Sonenshein.

That may be the case with Walter Moore, the only viable Republican candidate, who'll need more than just the endorsement of the Citizens for a Humane Los Angeles in order to be competitive in March. It's a good bet that former Los Angeles Police Chief Bernard Parks, fired by Hahn to be replaced by the mayor's strongest suit in the election, LAPD chief Bill Bratton, is emboldened by the toll of allegations against his one-time boss. Well, that and his own acrimony. Parks pulls in the low 20s in some internal polls, just points behind Villaraigosa and Hahn, which makes him a strong third-place contender.

Further back, Hertzberg and Alarcón still drag in the single digits, despite some energy and good-humor that reaches past the more-rehearsed political styles of the front-runners.

Pundits are analyzing this primary mostly in terms of the alliances formed by Hahn and Villaraigosa in 2001, coalitions that have fractured during intervening years. Hahn was propelled into office by an unlikely juxtaposition of voter blocks. Older African-American voters had known and fervently supported his father, Kenneth Hahn, one of the few white political leaders of his era who lived in South L.A. and tended to the black voters there. And they turned out for Jim.

White voters in the San Fernando Valley were another leg of Hahn's victory, who for whatever reason did not feel comfortable electing L.A.'s first Latino mayor in over 100 years, bucking the city's 45 percent Latino population. During his tenure, however, Hahn has irked many African-American voters with his ouster of Parks and annoyed Valley voters with his anti-secession stand, voters that could peel off to Hertzberg.

In 2001, Villaraigosa won the support of L.A.'s County Federation of Labor, plus white liberal Westside voters. But this time around, he's already lost the County Fed endorsement to Hahn, possibly because of his opposition on the LAX redevelopment, which will be a gargantuan boon to union jobs.

So all the 2001 voting blocks have come undone. How it's all shaking out now is still unclear - and maybe won't clarify until a run-off.

"They both - Hahn and Villaraigosa - have evaporating coalitions," says the Pat Brown Institute's Regalado.

Even eight weeks out, the primary looks as if it will be hard-fought. Unless.

"It could work against Hahn," says Bebitch-Jeffe, "if the scandals play out negatively."

Back at City Hall East, Laura Chick considers the essence of the scandals. "From the time I took office as City Controller, I've been saying that L.A.'s dirty little secret has been how certain contracts are awarded to 'friends of.' Our version of pay-to-play isn't as blatantly corrupt as some of the eastern cities. It's not about putting money in the politicians personal pocket." She smooths her scarf thoughtfully out on the table before her, and adds, "it's you know, 'Help me win, and I'll see to it you get business.' It isn't spoken - people here are smart.

"But it's an understanding."

Published: [01/13/2005](#)

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