

## Evidence Of SB Mayor Valdivia's Bribetaking & Graft Involvement Mounting

By Mark Gutglueck

Evidence that San Bernardino Mayor John Valdivia is on the take has mounted in recent weeks to the point that there appears to be little prospect for the continuation of his once-seemingly bright political career.

The only question at present is the degree to which revelations with regard to his bribetaking and the quid pro quo arrangements he involved



John Valdivia

himself in will envelope other powerful political personages and public officials, including exposing efforts by his associates, members of his

political machine, campaign backers, members of the city council as well as the city attorney and the police department hierarchy to protect him from prosecution.

Into the mix are indicators that Valdivia's erratic behavior by which his questionable or illegal dealings intermittently loom into stark relief is an outgrowth of his struggle with narcotic use.

One of the worst kept

secrets at what now suffices for San Bernardino City Hall is that Valdivia's advocacy on an individual's or company's behalf can be had for a price. Accounts abound relating to Valdivia taking money to influence votes or actions on city contracts, city franchises, or project approvals which are effectuated in the city's backrooms or as result of a vote of the city council. Those accounts vary as to whether

the money is ultimately reported as a donation to his electioneering fund, as income to his consulting business or whether it goes unreported altogether.

Somewhat ironically, as mayor, Valdivia under normal circumstances is not empowered to vote with the council on routine matters that come before that panel over which he serves as the presiding officer. Nevertheless, in the **See P 2**

## Upland Council & Staff Muzzle Kinley On Pension Debt Warning

Upland municipal officials, including city management and the city council, this week prevented the city's treasurer from alerting the city's 76,000 residents of the looming pension debt crisis that is threatening to bankrupt City Hall.

More than seven months after effectively moving to muzzle Larry Kinley, who in 2016 was elected to the treasurer's post by an overwhelming 62.46 percent of the vote, the city council this week for the eighth straight month prevented him from providing the city's residents with a notation of the amount of money the city's taxpayers are on the hook for to keep retirement stipends flowing to former city employees. Simultaneously, the council stopped Kinley from making a written public disclosure of the dramatic escalation in those payments that will occur in future years when the city's current workforce retires, depleting the city of the money it will need to deliver services and maintain infrastructure.

Because cities such as Upland generally create their year-to-year budgets on the basis of current operations without making any preparation or allowance for how accumulating costs will burden the city in future years, the future debt is referred to as an "unfunded liability."

For two closely related reasons, city employees and elected city officials would prefer that the city's residents ignore this unfunded pension liability. Kinley believes city officials' efforts to downplay that **See P 7**

## Short Of Acknowledging Conflict Put CDBG Funds At Risk, Rialto Mayor Abstains

After a month of intransigence on a legal issue that was putting more than \$1.2 million of federal money intended for community improvements coming to the City of Rialto this year in jeopardy and entailing the further risk of the city being forced to return hundreds of thousands of dollars it

had received in the past and passed through to a nonprofit organization headed by her daughter, Rialto Mayor Deborah Robertson Tuesday night relented and recused herself from voting on the acceptance and distribution of Community Development Block Grants provided to the city by the United States De-

partment of Housing and Urban Development.

Mayor Robertson violated the federal regulations pertaining to the provision and use of the Department of Housing and Urban Development's Community Development Block Grant Funds, according to the Los Angeles-based law firm of Manatt Phelps



Deborah Robertson

& Phillips, which was tasked to look into the

controversy after city officials late last year took stock of the implication of Robertson having voted to provide a nonprofit corporation headed by her daughter over \$200,000 in block grants entrusted by the federal government to the Rialto City Council for distribution over the last eight years. **See P 4**

## Transfers Out Of CIM As A Conavirus Precaution Halted

The strategy of sending 693 elderly or otherwise at-risk inmates at Chino's California Institution for Men to other penal institutions in the state was halted late last week after that ploy was partially actuated. The transfers were curtailed after it turned out that some of those prisoners sent elsewhere were recently determined to have tested positive with the coronavirus conta-

gion. The hold on prisoners in Chino was extended indefinitely early this week.

The planned unprecedented exodus of the nearly 700 prisoners from the Chino Institution for Men (CIM) came about because that medium security facility proved to be in late April and well into May the hot spot in the state prison system for COVID-19 outbreaks, as it **See P 3**

## State Controller Makes Ten Specific Findings Of Shortcomings In WVWD Operations

On Thursday, June 11, the West Valley Water District (WVWD) received a document from the State Controller's Office outlining shortfalls in controls for operations, financial reports, assets and proper use of public funds from July 1, 2016 to June 30, 2018.

"Prior to the release of the report, the new administration worked with the State Control-

ler's Office to conduct the report and correct many of the issues detailed in the controller's report," said the district's official spokesman, Naseem Farooqi. "Since December 19, 2019, WVWD worked extensively with a number of independent and nationally-recognized firms and organizations, including Liebert Cassidy Whitmore and the Special District

Leadership Foundation (SDLF), to help improve and conduct unbiased investigations and assessments of the WVWD operations. Many of these efforts led to the organization receiving the Special District Leadership Foundation's District Transparency Certificate of Excellence, which was also announced earlier today. The award recognizes

man Curt Hagman opposing the operation of home-based restaurants, which were legalized under Assembly Bill 626, which went into effect on January 1, 2019.

California Assembly Bill 626, authored by Assemblyman Eduardo Garcia and known as the Homemade Food Act, was signed into law by California Governor Jerry Brown on Sept 18, 2018. Under it, residents

of single family homes can operate what are referred to as micro-enterprise home kitchens, which can earn up to \$50,000 in revenue per year by cooking meals or items at their homes' kitchens. Meal sales are capped at 30 meals per day, or 60 meals per week

So-called homecooks must obtain California food handler card certification, which **See P 3**

Hawkins. "This report represents a very dark time for the water district, but I've heard our community loud and clear and that is why we're making significant improvements. From day one, since I was sworn in in December 2019, the West Valley Water District has taken swift and decisive action to increase accountability and transparen- **See P 16**

## Cashing In On SB's Coming Marijuana Bonanza Is Part Of The Opportunity Being Mayor Is Affording Valdivia

*from front page*

first nine months after he was elevated as mayor he had de facto control of the council's ruling coalition and until the beginning of this year it was yet widely assumed that the majority of the council would automatically bend to his will. To those now paying attention to the council's dynamics, it is clear that his reliable allies among the seven-member decision-making body has dwindled to two, virtually ensuring that with regard to most issues that play out before the council, his influence has been strikingly attenuated.

Still the same, following his November 2018 election as mayor and in the immediate aftermath of his swearing in to that office on December 19, 2018, his political stock had risen astronomically over what it had been during the six previous years of his political career, while he was serving as city councilman in San Bernardino's Third Ward. As the newly installed mayor he appeared to have the support of four of the council's six members at that point – First District Councilman Ted Sanchez, who had been elected in his maiden run for political office in November 2018, with Valdivia's backing; Second District Councilwoman Sandra Ibarra, who like Sanchez had struck gold in her first effort at capturing political office in November 2018, likewise with Valdivia's support; Fifth District Councilman Henry Nickel, with whom Valdivia had developed a political affinity over the five years they had been council colleagues; and Sixth Ward Councilwoman Bessine Richard, who had been elected in a hard-fought runoff election that carried over into 2016 following a tough four-way race in

2015 in which none of the candidates had managed to poll a majority of the vote. Richard was able to score a substantive victory to obtain her current berth on the council in no small measure on the strength of Valdivia's advice and direction as well as the monetary support from his own coterie of supporters he had vectored her way.

To step up to the mayor's post after his victory over incumbent Mayor Carey Davis in 2018, Valdivia was obliged to resign from his previous position on the council, that being councilman in the Third District, a position to which he had last been elected in 2015 prior to the 2016 charter change which moved San Bernardino elections from odd to even years. To fill the gap his resignation created, the city held a special election in May 2019. In that contest, Valdivia threw his backing to Juan Figueroa, who, assisted by Valdivia's political consultant Chris Jones and the substantial amount of money Valdivia managed to scare up from his own political backers, cruised to an easy victory in that race. Thereupon, Valdivia had what was widely assumed to be an absolute lock on the city council, with only Fourth District Councilman Fred Shorett and Seventh District Councilman Jim Mulvihill crosswise of his agenda.

With his political machine firmly entrenched within the city's governing structure, Valdivia was empowered to make policy and municipal authority at virtually every level in San Bernardino bend to his will.

Traditionally in Southern California, politicians on the make have achieved advancement by trading their authority for cash. These elected officials will lend the power of their office to whoever can make use of it, be they a service provider seeking a franchise conferred by the government, a vendor looking to sell a governmental entity a service or

goods, or deep-pocketed developers or land interests hoping to prosper through the suspension of a land use regulation or zoning restrictions or infrastructure building requirements or some other standard. In return, the beneficiary makes an investment in the politician or his political career in the crude form of outright bribes or kickbacks or the more refined form of legal but unseemly political donations.

Valdivia's ability to enrich himself through the sale of his office was attenuated by San Bernardino's more than two-decade-running economic death spiral that began with the shuttering of Norton Air Force Base in 1994. The declension in property values that accompanied the mass exodus of military personnel from the city, the loss of a whole class of jobs held by a strata of San Bernardino's civilian residents, the decrement of federal money from the community, the wholesale emptying of existing buildings once filled with thriving commercial establishments and businesses, and the accompanying blight has virtually eliminated the need for further development or any prospect of any semblance of economic growth in the area. The resultant steep downturn in tax revenue to the city has led, in turn, to the decay of basic infrastructure. For Valdivia, there were so few entities in the city willing to pursue development projects that there was no opportunity to shake them down for bribes or payoffs.

In only a limited number of areas was the economy in San Bernardino not stagnating. The most promising province for growth was that of the nascent cannabis industry. In 2016, the statewide passage of Proposition 64, the Adult Use of Marijuana Act, had legalized marijuana use for its intoxicative effect. The same year Measure O had been placed on the ballot in San Bernardino, calling for allowing the retail sale of mari-

juana and its derivatives and byproducts, both for medical and recreational purposes. Between 2016 and 2018, there was, despite the voter mandates statewide and within the city to liberalize marijuana policy, substantial resistance to doing so as then-Mayor Davis, as well as councilmen Shorett, Mulvihill and Henry Nickel were philosophically opposed to the marijuanification of the city, and Davis, Shorett and Mulvihill were so culturally tone deaf that they were virtually incapable of distinguishing marijuana from other types of what had been for generations considered street drugs such as heroin, cocaine, amphetamines, and barbiturates. Meanwhile, Randy Welty, who had bankrolled getting Measure O on the ballot and passed so he could open a marijuana dispensary himself, sued the city so he could proceed at once with that operation. Perhaps for valid reasons or perhaps as part of a calculated strategy of dragging the city's feet for as long as it could to delay the inevitable licensing and permitting of legalized marijuana, the lawsuit Welty brought against the city languished in the courts, providing the city with a legal rationale for delaying the creation of a permitting and licensing process for such operations while the issues under litigation were being hashed out. Meanwhile, illicit dispensaries flourished throughout the 215,000 population 61.95-square mile city, as the police department made desultory efforts to raid those establishments, shutting them down, whereupon most of those bootleg operators would simply relocate to a hole-in-the-wall elsewhere in the city to persist in their black-market entrepreneurship. In August 2017, the city came to terms with Welty, granting him a license. It then moved on to the next round of delay, undertaking to formulate an ordinance that was based upon Measure O and the refinements of city marijuana policy

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**Call (951) 567-1936**

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10808 Foothill Blvd., Suite 160-446

Rancho Cucamonga, CA 91730

SBCSentinel@yahoo.com

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that the city claimed were the byproduct of the litigation with Welty. In February 2018, the San Bernardino City Council passed an ordinance of its own creation allowing a limited number of marijuana-related commercial businesses in the city to function on limited duration permits that were to be renewed or discontinued annually, dependent upon whether their owners and operators complied with state and local law.

The ordinance allowed up to 17 cannabis-based businesses within the city limits, and was intended to supersede Measure O. The ordinance set a ratio of one cannabis-oriented business per 12,500 residents, which translates into a maximum of 17 marijuana concerns. The city thereafter began to accept applications for the licenses.

As the Davis administration was drawing to a close, a flawed and imperfect permitting/licensing process had begun, but had yet to reach its denouement, with the only permit that was issued being that for Welty's operation.

Even before Valdivia took up the mayoral gavel, an event transpired which betrayed the anti-marijuana platitudes Valdivia had mouthed earlier in his political career were mere posturing, and that behind the scenes he was cutting deals with those trafficking in the once-absolutely illegal substance in return for money, either of the sort that would fill his campaign coffer or

his own pockets.

Just eight days after his victory over incumbent Mayor Carey Davis and more than a month before he was installed as mayor, Valdivia on November 14, 2018 met with David Li, the owner of a property at 1435 North Waterman Avenue where an illicit but highly visible marijuana dispensary was located.

Li had been arrested and charged with two felonies after the dispensary, run by one of his renters, was raided thrice by the San Bernardino Police Department over the previous nine months. As a commercial real estate developer, Li had asked Valdivia to meet with him, other real estate developers interested in bringing affordable housing to the city and two groups exploring opening legal dispensaries in San Bernardino. Li believed Valdivia had enough pull to facilitate the efforts of those gathered, but it turned out Valdivia said he would be unable to act on their collective behalf, slyly leaving open the possibility he might be motivated to do something if enough silver crossed his palm. Following that "meet-and-greet," as Valdivia referred to it, and the discussion of investment opportunities ended, less than an hour after the mayor-elect departed, a masked gunman came into the commercial space at the 1435 North Waterman Avenue location that was being renovated, and demanded money. A man there who was interest-

*Continued on Page 5*

### Transferred CIM Inmates Thought To Have Spread Coronavirus To Two Other State Prisons *from front page*

led at that time all other prisons in the dubious distinction of the highest numbers of infected inmates and staff. It has since been passed in that regard by Chuckawalla State Prison in Blythe and Avenal State Prison in Kings County. More alarming was that as of June 4, Chino was the only California State Prison having registered any coronavirus deaths, and that number came in at 12.

As of earlier this week, CIM had 513 inmates who had tested positive for the malady,

and the death toll from the condition reached 13. There had been no other deaths caused by the virus elsewhere in the state correctional system.

An effort to make sure that those inmates departing from the California Institution for Men were virus-free was made; nevertheless, the testing for that purpose had been done on a majority of those prisoners roughly two weeks before officials began sending them to other prisons.

It was believed that a safe landing spot for them would be San Quentin Prison, where until two weeks ago there had been no confirmed cases of the disease. Soon after the first batch of men arrived at

the facility located on the San Francisco Bay and where California's only execution chamber is located, it was ascertained that some of them were in fact infected.

According to medical authorities, the incubation period before symptoms of COVID-19 will manifest can be up to 14 days.

California State Corrections officials had completed the transfer of 194, or just under 28 percent, of the 693 inmates that were scheduled to be moved out of the Chino prison, and were on the verge of dispatching the next installment of 125 men to various facilities in the Golden State when it was learned that 16 of those 194 had come down with the condition.

A halt was immediately imposed on the transfer plan.

According to the best information available to the *Sentinel*, some of the infected prisoners from the California Institution of Men went to San Quentin and at least one went to Corcoran State Prison.

It was suggested, though not explicitly stated, that the spread of the coronavirus into San Quentin came about exclusively because of the transfers from CIM.

Attorneys from the Prison Law Office, who have been advocating on behalf of inmates throughout the state and who had pushed for the state to take measures to protect vulnerable inmates from the po-

tentially deadly disease, said in a June 8 federal court filing that "Not surprisingly, some of those people tested positive after their arrival at the new prisons. Unfortunately, San Quentin, which was previously a COVID-free prison, now has COVID-positive inmates."

As of yesterday, all staff who had contact with the inmates during the transfer were to be tested for COVID-19 in compliance with an order by Federal Judge Jon S. Tigar.

When lawyers with the Prison Law Office sought to have those prisoners deemed most vulnerable at CIM moved out of that facility because of an outbreak in one of the housing units,

attorneys for the California Department of Correction and Rehabilitation said doing so was not advisable because it might spread the virus into the population of the prisons where they were to be transferred. The state relented, however, with regard to the elderly inmates and those with conditions that might make them vulnerable to the disease after testing revealed that all of the housing units at CIM had inmates who had contracted the disease.

It now appears that what the lawyers for the state warned of has now come to pass. State prison officials are scrambling at this point to find a solution to the dilemma.

-Mark Gutglueck

### Chino Hills Wants County To Pass Health Regulation Banning In-Home Restaurants *from front page*

can be obtained through completing online training and passing a test. Kitchens must pass an on-site inspection in order to be permitted. Under AB 626, prepared food can be picked up or sent out, as well as consumed at the home.

Chino Hills wants the San Bernardino Board of Supervisors, led by Hagman, to forbid the operation of home public kitchens everywhere in the county. Hagman is a former Chino Hills Mayor.

The county asked its public health department to look into the issues relating to home kitchens late last year. With the advent of the coronavirus crisis, that action was put on hold, as such operations were shuttered by a public health order.

If the county assents to the applicability of AB 626, or authorizes it and its provisions, all cities within the county will have to allow such operations.

The letter reads, "The City of Chino Hills is writing to oppose authorization of 'microenterprise home kitchen operations' within the county.

MEHKOs [microenterprise home kitchen operations] would allow an individual to operate a restaurant in their [sic] private home. Although we strongly support our home based businesses, MEHKOs would present new and potential serious health risks to the public and create new enforcement challenges for our staff. MEHKOs would also compete with our many small existing restaurants and could impact those existing businesses as well as the vitality of the commercial centers in which they are located."

The letter continues, "MEHKOs were authorized by by Assembly Bill AB 626 which was signed into law on September 18, 2018, and became effective January 1, 2019. The new law gives the local environmental health agencies 'full discretion to authorize the MEHKOs in their jurisdictions. For Chino Hills, the SB-CPHD [county public health department] is our environmental health agency. Consequently, if the county allows MEHKOs the City of Chino Hills must also allow them. As a MEHKO, a home restaurant would be allowed one employee in addition to family and household members. Each MEHKO could serve up to 30 meals a day or 60 meals

a week, and generate up to \$50,000 in gross sales a year. Food could be consumed at a home, picked up or delivered. MEHKOs also would be exempt from several health and safety rules placed on traditional restaurants, including having a letter grade card in the window, as well as a handwashing sink and other equipment and sanitation requirements. Home kitchens can only be inspected once a year and by appointment only, unlike the typical unannounced visits to restaurants from health inspectors."

The letter further states, "The MEHKO law is broadly written and would allow home restaurants in multifamily and accessory dwelling units. With the latest state requirements allowing two accessory dwelling units on single family lots, there could be three MEHKOs with a single family property. The city's ability to regulate or monitor MEHKOs would be limited code-enforcement violations if neighbors complain about odors, traffic, parking or noise. All the concerns noted are exacerbated by the current COVID-19 crisis. We now know more than ever the importance of good public health, and we know how devastating closures of existing small businesses

and restaurants is to our economy."

The letter concludes, "For these many reasons, the City of Chino Hills respectfully requests that the San Bernardino Board of Directors does not authorize MEHKOs within our county."

David Torres, who this and last year operated a popular home-based business on Pacific Avenue in San Bernardino

which did a booming business on Friday and Saturday nights until the issuance of the public health order in March, told the *Sentinel* he does not want the county to prevent him from serving his customers. "Especially right now during pandemic," he said. "This is the only way we can make money."

Now that health department order has been

lifted, Torres is back in business. He has been in compliance with all regulations and uses common sense in maintaining a sanitary operation, he said.

Seated at a table set up in his front yard, Torres told the *Sentinel*, "I got my permit from the city."

-Mark Gutglueck



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# San Bernardino County **Sentinel**

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## **Over The Last 7 Years, Rialto Mayor Voted To Give Nonprofit She Once Headed & Which Her Daughter Now Leads \$200,000 In CDBG Funds & Free Accommodations In City Building** *from front page*

Robertson, who has been mayor of the 103,440 population city since 2012 and is due to stand for reelection later this year, dug her heels in earlier this spring after questions emerged this past winter about her past votes as a member of the city council to approve Community Development Block Grant awards to the Bethune Center/Inland Empire National Council of Negro Women, of which she is herself a member and past president and which her daughter is currently the president. It was Robertson's contention that since neither she nor her daughter were deriving any income from the nonprofit organization which provides services for at-risk youth and low-income to moderate-income families, that she did not have a financial conflict of interest which would preclude her from voting with regard to how the federal grants were to be distributed, even if the Bethune Center/Inland Empire National Council of Negro Women was one of the recipients of that money.

Former Rialto City Attorney Fred Galante, after learning that Robertson's daughter, Milele Robertson, had been for nearly four years the president of the Bethune Center, which in addition to being a Commu-

nity Development Block Grant recipient has also been extended rent free accommodations at a city-owned building, advised Robertson that she should refrain from voting on the awarding of the grant money to the organization her daughter heads. That advice was repeated by the interim city attorney, Eric Vail, who succeeded Galante, as well as a special counsel, Randall Keen of the law firm Manatt, Phelps & Phillips, who was brought in by the city to advise it with regard to the thorny issue that grew out of the city's provision of or passing through of public funds to an entity with a relationship to one of its elected decision-makers.

Mayor Robertson, however, obdurately refused to adhere to that advice, leading to a standoff in which the remaining members of the council, fearing reprisals from the Department of Housing and Urban Development that would potentially include the federal government withdrawing all of its grant money from Rialto, cautiously delayed and then again postponed voting on the distribution of this year's allotment of Community Development Block Grants, which included money earmarked for the Bethune Center. It was only after the coun-

cil and city staff, exasperated at the mayor's unwillingness to abstain, considered excising the Bethune Center from the list of grant money recipients and councilmen Ed Scott and Joe Baca, Jr. poignantly implored her to step aside that Robertson agreed to forego voting on the matter.

On September 24, 2019, the Rialto City Council voted to retain the Riverside-based accounting firm of Teaman, Ramirez and Smith, Inc. to perform certain "independent auditing services" to augment Rialto's "2018-19 Audit and Comprehensive Annual Financial Report." According to the letter of engagement for that assignment, the areas of review to be covered by Teaman, Ramirez and Smith, Inc. were issues relating to the city's provision of post employment benefits and pensions to former employees and the impact those are having on the city's financial situation, budgetary comparison schedules, the city's financial statements, the combining of the city's financial statements, municipal financial statistics and the "schedule of expenditures of federal awards." In a side letter relating to that contract, it was stated, "An agreed upon procedure engagement is not designed to detect instances of fraud or non-compliance with laws or regulations; however, we will communicate to you any known and suspected fraud and non-compliance with laws or regula-

tions affecting the city's appropriations limit documents that come to our attention."

Indeed, that is precisely what occurred.

Among the reams of financial documents Teaman, Ramirez and Smith, Inc. auditors pored over were those relating to grant funding received by the city, of which in the 2018-19 fiscal year, \$38,475 in federal Community Development Block Grants was doled out at the discretion of the Rialto City Council to the Bethune Center-National Council of Negro Women.

Community Development Block Grants are a U.S. Department of Housing and Urban Development program in which federal money is provided to local communities, primarily cities, which can then utilize those funds as their political leadership deems fit insofar as they are applied toward the goals of providing affordable housing, anti-poverty programs, and infrastructure development. Community Development Block Grants are subject to less federal oversight than categorical grants. They are dispensed to projects and programs conducted locally at the direction of local authorities, which in the case of a city, is the city council. They are nevertheless subject to the provisions of federal law.

Milele Robertson, Mayor Robertson's daughter, is the president of the Bethune Center-National Council of Negro Women, which of-

fers what is described as job training services. Though the Bethune Center-National Council of Negro Women was formerly identified as being headquartered at 649 E. Foothill Boulevard in Rialto, it has been operating out of a city-owned building at 141 S. Riverside Avenue in Rialto for at least four years, having done so free of charge for that entire time.

Teaman, Ramirez and Smith, Inc.'s accountants delineated the federal grant funding received by the Bethune Center-National Council of Negro Women, and traced out the blood relationship between Deborah Robertson and Milele Robertson. In its draft finding, which upon further refinement was incorporated into the 2018-19 Audit and Comprehensive Annual Financial Report, Teaman, Ramirez and Smith, Inc. referenced a member of the city council who had participated in providing the Community Development Block Grant funding to the Bethune Center-National Council of Negro Women without directly identifying the mayor, though the reference, by inference, was clear. "The member of the city's governing body did not properly disclose or report the family relationship nor abstain from the selection and award of the agreement," according to the language in Teaman, Ramirez and Smith's finding.

After the report Teaman, Ramirez and Smith, Inc. had gener-

ated to augment Rialto's 2018-19 Audit and Comprehensive Annual Financial Report was assimilated by city administrators, in particular Finance Director Jessica Brown, further examination of the circumstance revealed that since 2012, the year that Robertson became mayor, the Bethune Center-National Council of Negro Women had received over \$200,000 in Community Development Block Grants distributed by the Rialto City Council.

On January 22, the city council adopted a resolution with little comment amending the city's previous conflict of interest code.

On February 11, at its regularly-scheduled city council meeting, the council added to the nine items it was scheduled to discuss in closed session prior to the public portion of the meeting three items that needed to be gone over in the executive conference outside the scrutiny of the public, on one of which City Attorney Fred Galante intimated the mayor would need to abstain. After the council's closed session discussions were concluded, Galante reported that the council had upon a 4-to-0 vote authorized City Manager Rod Foster to retain Manatt Phelps & Phillips to review and analyze any potential conflict issues as pertain to the mayor. The motion also contained a provision that Foster reassign the responsibility for the

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## For Cash Or Donations, Valdivia Promised Applicants He Would Get Them Commercial Marijuana Permits In San Bernardino; For Some, He Delivered & For Others, He Did Not *from page 2*

ed in transforming the property into a farmers market attempted to flee, at which point he was shot in the leg. The robber then made off with \$25,000 in cash he took from Li.

Concerned about what might ensue after the police department initiated an investigation in which it might learn of his presence there and from which point things might careen out of control, Valdivia himself called the police depart-



David Green

ment, arranging to make his statement to the department's acting assistant police chief, David Green, who Valdivia believed would prove to be far more discreet and sensitive to political nuance in handling an investigation in which the soon-to-be-mayor's name would surface than might a detective assigned to the matter. Valdivia insisted that he was in no way involved in the robbery that took place after his departure from the scene.

Magically, Valdivia dodged that bullet, as Green kept under wraps that the mayor-elect was present at the scene of what had once been an illegal operation while meeting with two groups of would-be cannabis entrepreneurs, as well as a man accused by the city's police department of felonious activity.

Ultimately, Li would be acquitted of the charges against him.

Having sidestepped that scandal, Valdivia came into office, ready to take advantage of the wide-open opportunity for him to profiteer, ex-

ploiting his authority and the not-fully gestated licensing regime the city was struggling to put together. The Valdivia administration had inherited from Davis's a host of marijuana/cannabis-related business licensing and permitting criteria, ones that were by no means perfect, formulated as they were under the authority of a political leader – Davis – to whom the drug culture was as foreign as the most obscure dialect of the Koro language, and which was at least in part designed to make obtaining such a license both difficult and expensive. Valdivia did not squander what was presented to him. Just two days more than two months after he became mayor, on February 21, 2019, the city council signed off on providing 16 permits to run marijuana/cannabis-related operations to 15 companies from among the 39 applications from 38 applicants for licenses. When the city council was pressed on what, precisely, had informed its decision to provide the permits to the 15 entities that were selected, the question was deflected with the assertion that the decision followed from the a staff recommendation. When staff was questioned, it was asserted that the selection process had been handled in accordance with an analysis of the applications carried out by the city's consultant, HdL. HdL proved virtually unapproachable when inquiries were made with regard to its recommendations.

Empire Connect, Pure Dispensaries, Have a Heart, JIVA, and PTRE Management were given retail licenses. All five, curiously, were located in San Bernardino's Third Ward at the extreme south end of the city, the political subdivision where Valdivia had been councilman. Equally notable was that

four of the five micro-business licenses went to businesses located within the Third Ward. A microbusiness under California law pertains to a license which allows a licensee to engage in the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, manufacturer of cannabis products and a retailer. In order to hold a microbusiness license, a licensee must engage in at least three of the four listed commercial cannabis activities. San Bernardino's microbusinesses were Orange Show Cultivators, which was to engage in cultivation, manufacturing and distribution; SOCA Farms, involving retailing, cultivation and distribution; Central Avenue Nursery, a cultivator, retailer and distributor; and Nibble This, which was to entail retailing, manufacturing and distribution. Nibble This was also provided with a second permit to open a retailing, manufacturing and distribution operation at a location in the Sixth Ward, in the northwestern corner of the city.

The simple cultivation permits that were granted were more evenly distributed geographically, with Accessible Options set to grow in the southeastern First Ward; 14 Four and GWC Real Estate Services given agricultural clearance in the Third Ward; and Organitix Orchards to raise the herb in the Sixth Ward.

AM-PM Management, located in the centrally-positioned Second Ward, was the recipient of a manufacturing permit and Blunt Brothers, a distributor, was given a permit to operate its warehouse and dispatch office in the Third Ward.

Those 16 operations run by 15 entities joined Welty as those with an entitlement to set up marijuana/cannabis-related businesses in the city. The permits were a prerequisite to, but distinct from, licensing. Each operation would need to get a state license and continue to comply with the standards the city had set. In

granting the permits, the city council had essentially certified that the businesses as proposed were in compliance with the municipal code, the city's general plan and all other applicable city regulations.

While the city council's action, no doubt, pleased the 15 companies that were winners in the permit sweepstakes, there were 23 applicants who were left on the outside looking in. That led to a hard examination of the entities that had gotten the permits.

Subsequent events would demonstrate that would demonstrate that Organitix Orchards, AM-PM Mgmt. Inc., Orange Show Cultivators, Blunt Brothers, Accessible Options and Nibble This LLC were in violation of the municipal code or general plan in at least one respect and in some cases on multiple grounds. Moreover, it was determined, in at least a handful of the 23 cases where licensing was denied, those applicants met the city's criteria.

After the permits were granted, Valdivia, without any explanation as to why, began to absent himself from the council dais when issues relating to cannabis/marijuana commercial licensing came before the council. Until December 2019, the meetings at such times were previously and currently officiated over by Councilwoman Richard, who was then the city's designated mayor pro tem. After Councilman Sanchez was designated mayor pro tem in December 2019, he thereafter would chair meetings in Valdivia's absence.

Without any clarification being forthcoming as to why it was that Valdivia was distancing himself from any action by the council relating to marijuana/cannabis-related businesses, there followed reports that, first, Mayor Valdivia was serving as a consultant to the owners of marijuana/cannabis-related business applicants in their efforts to obtain permits and licensing for their operations and, second,

that Valdivia himself has a financial interest in a cannabis-related enterprise or cannabis-related enterprises.

At the same time, there were whispers about town that HdL, upon whose advice the council had separated the 38 applicants for cannabis-related business licenses into 15 haves and 23 have-nots, was in some fashion accepting retainers on the side from applicants, and that the city's licensing process had in this way been compromised.

Ultimately, eight of those 23 applicants, SB Pharma Holdings, Inc. doing business as The Row House; Ashe Society SB, LLC; EEL Holdings, Inc., LLC; Washington, LLC; KP Investment Group, LLC; ECS Labs, Inc.; Luke LLC; and RZNHEAD, sued the city over their failure to obtain licensing.

Independent of those lawsuits, discontent among a large number of the entrepreneurs who were competing for those marijuana/cannabis-related business permits came to light. Information now coming available as a consequence of the lawsuits in many respects confirms or reinforces what was previously revealed by those who were aced out in the permit/licensing evaluation process. A picture emerges of Valdivia representing to those seeking permits that in exchange for money – be it donations to his electioneering fund or to his consulting company, AAdvantage Comm or directly into his pocket, that he would intercede on their behalf to ensure they obtained a permit.

Valdivia's was an elaborate scheme, one into which was built three layers of protection, which insulated him from potential prosecution or political mishap. The first line of separation or insulation was that Valdivia would not be in the position of actually voting on the granting of those licenses. As mayor in San Bernardino, Valdivia was not empowered to vote

under normal conditions. Only in the event of a tie could he cast a vote. His other direct influence on a matter before the council was that he had veto power, but only in cases of a 4-to-3 or 3-to-2 vote on an item. Thus, Valdivia was angling to accomplish his goals by proxy, through having the council, over whom he held sway, approve the list of applicants he favored.

There is evidence to indicate that Valdivia was able to execute, at least partially, on his game plan. There are also indications that in at least a handful of cases he failed to delivery on what he promised. This was in some measure attributable to Valdivia having overbooked the guarantees of permits. On February 21, 2019, there had been an upward limitation on the number of permits to be handed around - 16. What is evident is that Valdivia had made commitments to more than half of the 38 applicants who were in the hunt for those permits.

Failed applicants have told the *Sentinel* that in the months and weeks before the council vote on February 21, 2019, Valdivia, either as the mayor-elect or mayor, had offered those seeking permits assurances that marijuana/cannabis-related business permits and licenses would be forthcoming for those who would endow him, his company or his campaign coffers with money. It was clear from the context of these reports the *Sentinel* has received that these were outright quid pro quos.

Those accounts are corroborated by others not involved in the application process who said that at social, governmental and political functions, when Valdivia encountered anyone who expressed an interest in opening a marijuana-based or cannabis-based business or even inquired about the city's policy with regard to such operations, which for generations had been

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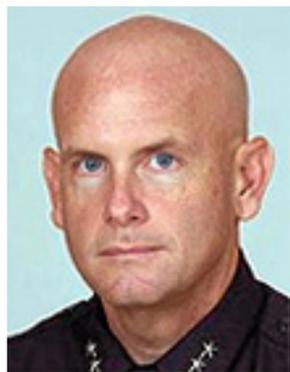
## Valdivia Has Successfully Counted On The Police Department & The City Attorney Protecting Him *from page 5*

illegal in San Bernardino as well as elsewhere in San Bernardino County and California, that as mayor he was the person to work with if the party was interested in exploring the commercial potential of growing or selling marijuana in San Bernardino.

Don Smith, who had worked on Valdivia's mayoral campaign in 2018 and then in 2019 went to work in Valdivia's office as one of his legislative field assistants, has since filed a claim, supported by sworn affidavits, against the city and Valdivia, alleging he was mistreated by Valdivia while employed with the city. Smith's claim states, "Valdivia was soliciting marijuana dispensary owners for contributions and told several of them "If you want to do business in San Bernardino, I am the guy to talk to."

A more explicit account of Valdivia shaking down permit applicants was provided by Victor Munoz, who last month made a sworn declaration relating to his experience in dealing with Valdivia in his efforts to obtain permitting/licensing for a marijuana based business while Valdivia was yet a councilman and after he became mayor. "I was introduced to Mayor John Valdivia by a mutual friend around 2017 for the purpose of obtaining a marijuana retail license within the City of San Bernardino," Munoz's declaration states. "It was explained to me by Valdivia that in order to get my license, the system was set up like a lottery point system and I had to pay for extra points to better my chances. Valdivia guaranteed me a license as long as I did what he told me to do and I donated to his campaign and to his personal needs. Based

on Valdivia's representation, I leased a large 16-acre commercial lot for the purpose of the retail marijuana license. Thereafter, I met up with Valdivia a few times for coffee or lunch to discuss the license and business plans. Valdivia always had ways of indirectly collecting funds so he would not incriminate himself." According to Munoz, on the day of the deadline for permit applications to be filed with the city, "Valdivia called me on my mobile phone and told me he needed by help and support and needed me to deposit money into his campaign fund. Based on the request by Valdivia, I



**Eric McBride**

wired \$2,500 to Valdivia's campaign fund through his website. Nevertheless, I ultimately lost my bid for the city license and found out that most of the licenses went to Valdivia's family and friends."

Shortly thereafter, Munoz confronted Valdivia about what had occurred, only to be rebuked with a vulgar insult belittling his masculinity.

Valdivia's second layer of insulation consisted of his having neutralized the police department, and removing it as a factor that might interfere in his relationships with any of the would-be marijuana/cannabis entrepreneurs who were willing to pay to play in the "lottery" for licensing, as Valdivia put it. Under California law, an elected official is not precluded from voting on or participating in a decision relating to a political donor if the donation came with no strings attached. If either side – the politician or the donor – makes the donation conditional upon a past, current or future

act of the official, a legal line is crossed, making that a quid pro quo arrangement, such that the donation is considered a de facto quid pro quo, an illegal inducement, a bribe or kickback. In multiple instances, the *Sentinel* is informed by those who were seeking permits and licensing, Valdivia made explicit representations that the city would provide permits and/or licenses to those who provided him with money. The police department, while in receipt of such reports, never conducted an effective inquiry into those reports nor examined evidence to support them. While in the course of the police department carrying out its normal and valid duties, illicit and unlicensed marijuana parlors and dispensaries were routinely shut down in the city, action which redounded to at least the potential benefit of the companies vying for licensing from the city. At the same time, the police department showed a pattern of steering clear of those who were engaging with Valdivia illicitly in the securing of city licenses. The *Sentinel* received an unverified report of one instance in which one of the companies that had succeeded in getting a permit but had yet to secure licensing was operating outside of the permitting process at a different location in the city than was specified in the permit. That company was not subjected to police department enforcement action, by virtue of protection extended to the company through Valdivia, the *Sentinel* was told.

In 2019, after the city council had settled on which companies would get the 16 marijuana/cannabis-related business operating permits, there was a push on at City Hall to up the pay of the police department's top administrators. Even after acting Police Chief Eric McBride was given an automatic annual 3.5 percent raise in August 2019 that took his annual salary to \$255,963.80, city administrators per-

sisted with a proposal to confer on McBride and acting Assistant Police Chief David Green further raises. On November 6, that initiative had been solidified to add another \$23,160 to McBride's \$255,960 pay before benefits, zooming his salary to \$279,120 per year, and to increase Green's \$234,264 annual salary before benefits by \$20,640 to \$254,904, and was brought before the city council for a vote. With the council majority reasoning that the city's financial circumstance did not permit the city to be making such payroll increase commitments, the motion to give McBride and Green those raises failed, 2-to-4, with council members Fred Shorett, Jim Mulvihill, Sandra Ibarra and Juan Figueroa in opposition and councilmen Ted Sanchez and Henry Nickel in support. In January, in one of the last acts of the city council before Valdivia found himself enveloped in a sexual harassment scandal that appears to have permanently fractured the ruling coalition on the council he once led, increases identical to what had previously been proposed, entailing adding \$23,160 to McBride's \$255,960 salary to bring it to \$279,120 per year before benefits and to increase Green's \$234,264 annual salary before benefits by \$20,640 to \$254,904, were set before the council again. Green was the member of the department to whom then-Mayor-elect John Valdivia had turned to for help on November 14, 2018 after he had become entangled in circumstances surrounding the hold-up and shooting at what had formerly been an illicit marijuana dispensary located at 1435 North Waterman Avenue. The vote taken that day to undo the November 6, 2019 vote and approve the raises for McBride and Green, done on 5-to-2 margin with councilmen Mulvihill and Fred Shorett opposed, was the last known instance of the Valdivia-led ruling coalition on the coun-

cil, consisting of council members Sanchez, Ibarra, Figueroa, Nickel and Richard, holding together.

A third layer of insulation that Valdivia has been able to rely upon was that provided by the law firm Best Best & Krieger, which acts in the capacity of San Bernardino City Attorney. Two of the firm's members are closely affiliated with the City of San Bernardino. Thomas Rice is the titular city attorney, though he rarely is publicly seen in that role. Rather, Sonia Carvalho, who is designated deputy city attorney, attends virtually all of the city council meetings



**Thomas Rice**

and serves as the city's primary legal adviser. Another lawyer formerly with Best Best & Krieger, Daniel Shimell, served as special counsel to the city in defending it against the eight lawsuits brought against it by the companies that applied for marijuana/cannabis-related business permits and were denied them in what they now maintain was a highly flawed selection process tainted by favoritism and graft. In making blanket denials of the allegations in those lawsuits, Shimell was obliged to ignore anything that might suggest the city had acted inappropriately. Thus he could admit no discourse relating to the mayor's dishonesty. Shimell has since been replaced as San Bernardino's special counsel with regard to the suits challenging the city's marijuana/cannabis-related business permitting and licensing process by another Best Best & Krieger lawyer, Christopher Moffitt.

In their capacities, Carvalho and Shimell were exposed to multiple indications that graft has

permeated the city's permitting process, and that Valdivia was a key actor in such activity. In this regard, the performance of HdL, the firm that the city had contracted with to assist in the evaluation of the marijuana/cannabis-related business permits, fell under withering scrutiny. During the first wave, then the second wave and into the third wave of criticism leveled at the city council over its approval of the 16 permits on February 21, 2019, the council members sought to deflect the burgeoning discomfiture of the applicants toward them and allay the wider public perception of something amiss or crooked in the selection process by claiming they were merely deferring to the recommendations made by HdL. HdL and its representatives, however, were less than straightforward in spelling out what criteria had been used in making the evaluations or the scorecards that were kept in the evaluation process. As time progressed, notes were traded between those applicants who had been denied licenses, lawsuits over the matter were filed and more and more information about what had occurred became public. Inconsistencies and a lack of uniformity in the evaluation process were evident and the degree to which the suspension of the city's standards had occurred grew evident. While some applicants were called in for or afforded personal contact with the evaluators, some were not. A principle the city had layered into the selection criteria was that those companies proposing to utilize their permitting and licensing to engage in cannabis-related research or product derivation that carried with it the potential, prospect or proven capability of the therapeutic value of cannabis were to be given priority over proposals that involved cultivation, warehousing, packaging wholesale or retail sales of the product intended to be

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## City Hall Establishment Had No Desire For The Public To Hear Kinley's Warning About The Escalating Municipal Pension Debt Threat *from front page*

troubling financial indicator is grossly irresponsible.

Kinley worked for Bank of America for 42 years, the last 15 of which he was a manager in the problem loan administration department dealing with borrowers with financial difficulties. After his retirement, Kinley in 2013 by chance heard that Standard and Poor's Financial Services intended to downgrade the City of Upland's credit rating. As an Upland resident, and indulging the interest and expertise he had cultivated professionally, he began looking into the situation involving his city, coming across as well an auditor's opinion from the certified public accounting firm Mayer Hoffman and McCann from 2012 stating that there were serious questions with regard to the city's solvency to the point that in a short while "it will be unable to continue as a going concern."

Delving further into the matter, Kinley discerned that the major factor forcing the city closer and closer to the fiscal abyss was its pension debt, which was then, and is yet, growing at an alarming pace. Based on his analysis, Kinley determined that the pension debt escalation grew out of the consideration that the city for decades had made what he says were unjustifiably generous commitments to pay city employees retirement benefits which are in the cases of the city's lower paid employees, three times what are provided to employees in the private sector, and in the case of the city's higher paid employees, five, six and even seven times what is a standard retirement stipend in the private sector.

At that point, Kinley

set about trying to calculate what the city's unfunded pension liability was at that time. Based on data he obtained from the California Public Employees Retirement System, with which the City of Upland is contracted to deliver pensions to its employees, what Kinley found was that as of June 30, 2012, which at that point was the last date for which figures were available, the City of Upland's unfunded pension liability for its safety [i.e., police and fire department] employees, current and future, calculated on an actuarial value of assets basis was \$33,370,136 and calculated on a market value of assets basis was \$54,213,809. Kinley further learned that as of June 30, 2012 the city of Upland's unfunded pension liability for its miscellaneous [i.e., those other than policemen and firefighters] employees, current and future, calculated on an actuarial value of assets was \$21,234,203 and calculated on a market value of assets basis was \$34,780,257.

In this way, Kinley derived a \$88,994,066 figure, using market value actuarial terms.

In 2016, when the city's then-current treasurer, Dan Morgan, opted out of running for reelection as treasurer to instead seek a seat on the city council, Kinley tossed his hat into the ring, as did Stephen Dunn, who had departed as Upland city manager that year and had served in the role of Upland's finance director prior to that. Campaigning on a platform that made reference to the unfunded pension liability while noting that Dunn was a pensioner drawing a \$104,000 annual pension who therefore might not be sensitive to the need for pension reform, Kinley handily won the 2016 election for treasurer, capturing 16,625 votes or 62.46 percent to Dunn's 9,992 votes or 37.54 percent. Kinley's performance in that election made him the top vote-getter among all of the city's elected

officials, including the council members and the mayor.

In addition to carrying out the standard duties of the city's treasurer, Kinley was resolved as well to see that he continued in his elected capacity to bring the same degree of focus to the unfunded pension liability issue as he had as a candidate. He saw this as part of an effort to get Upland's citizenry to take up and embrace the concept of pension reform, such that the burden of paying for the hefty pensions would be transferred from the taxpayers and future taxpayers to the city's employees, who would be called upon to up drastically their contribution toward sustaining the pension fund as a part of contract negotiations.

Each year, Kinley would recalculate the degree to which Upland's unfunded pension liability would increase. He also kept an eye on how much, as a percentage of the budget, payments into the retirement pool consumed money from the city's general fund. As treasurer, he approached other officials at City Hall, informing them that he wanted to kickstart the pension reform movement in Upland by having the city carve out for him an opportunity to weigh in, albeit briefly, during city council meetings, through a forum from which he could give a brief overview of the city's financial picture, perhaps from a seat provided for him on the council dais. Marty Thouvenell, Upland's former police chief, at the time Kinley came into office was serving as the city's interim city manager. Thouvenell was originally supposed to remain in that capacity for only a brief interlude while a full-fledged city manager was being recruited, but as it turned out, he remained in that post for 18 months, a duration in place that was actually longer than the tenures of the two city managers who served before him and the two who served after him.

When Kinley engaged with Thouvenell, who was a pensioner himself, and told him of his plans to spark pension reform from the bully pulpit within the council chambers as a co-equal with the rest of the city's elected leadership, Thouvenell immediately let it be known that no one was interested in hearing Kinley prattle on about how the sky was falling and City Hall would be buried under an avalanche of pension debt. There would be no forum for him as city treasurer, Thouvenell told him.

If Kinley wanted to sound his dire warnings about the unfunded pension liability at those forums, he would not be given a platform to do so as city treasurer, but had to present a speaker card to the city clerk and make his presentation from the podium provided to members of the public. On those occasions when Kinley summoned up the dignity to do so, if his message did not contain itself to the three minutes allotted to public speakers, Mayor Debbie Stone, who had received 588 fewer votes for mayor than Kinley had received for treasurer in the 2016 election and who had heard as much about the city's unfunded pension liability as she could stand, would shut off the microphone.

Kinley battled on, undercut at virtually every turn. He was able to score one significant and meaningful breakthrough, though it was grudgingly conceded to him. Using his status as city treasurer and the authority of his elected position, he arranged to have not only a reference to the unfunded pension liability made in the city's comprehensive annual financial report, but a projection of where that liability stood as of June 30, the end of each fiscal year, based upon actuarials composed of the pensions being provided to the city's retirees, their ages and current average life expectancy.

Last year, taking stock of the implication of his

calculation that at the end of Fiscal Year 2018-19 as of June 30, 2019 that Upland's unfunded pension liability had reached \$112,039,675, up from \$99,976,917 at the end of Fiscal Year 2017-18, Kinley felt it his duty to redouble his efforts to get the issue front and center before the residents of Upland. At the rate it is metastasizing, the runaway unfunded pension liability train by 2030 will monopolize 60 percent of the city's general fund, meaning the city will be paying 60 cents out of every dollar it spends to pay people who are no longer working for the city. Desperate for a forum from which to project his alarm, Kinley set his sights on the monthly treasurer's report that traditionally was posted publicly as part of the first city council meeting of each month. Treasurer's reports are a relatively common document among municipalities, one which lays out what the city has over its history up until the present salted away in terms of its surpluses garnered from revenue in excess of its expenditures in current and past budgetary cycles, and delineates how and where that money is invested. Typically a treasurer's report is current to approximately 60 days prior to its issuance, and it shows the amount of money the city has in investment funds, shared investment funds with other municipalities, interest-bearing bank accounts and change funds, securities, money market funds, government agency securities, corporate bonds and U.S. Treasury notes. Municipalities generally present their treasurer's reports to the treasurer before they are made public, so that the treasurer can inspect and sign it. Figuring that the treasurer's report is a listing of the net assets the city has, and further figuring that any indebtedness against those assets would impact the total amount of available savings, Kinley believed that the city's outstanding debt would be prop-

erly listed on the treasurer's report.

Realizing, however, that he was isolated on the issue in the city, Kinley decided against going out on a limb and simply altering the treasurer's report from what was presented to him using his own authority. Instead, he sought backing for what he was going to do by going further up the governmental evolutionary chain, getting from state financial affairs experts clearance for what he planned to do.

"I called the state treasurer's office to ask if there is something I can do to ensure I am able to fulfill my duties as I see them," Kinley previously told the *Sentinel*. "I was handed over to one of their lawyers. The first question I was asked was 'Who do you report to?' I said, 'Per the city's organizational chart, I report to the citizens of Upland. That is the only line going to anyone above me. The lines from me or to me go down to the rest of the city staff.' The lawyer's comment was, 'Therefore, since there is no one in the city with higher authority on financial issues than you, you are independent and you can add the information you deem relevant to the treasurer's report.'"

Kinley next consulted the California Government Code relating to a municipality's financial reports. California Government Code § 53646 requires and authorizes municipalities to carry out financial reporting no less frequently than quarterly. There is nothing in California Government Code § 53646 which expressly forbids a city treasurer from making mention of the city's unfunded financial liabilities in a statement of investment policy, which, California Government Code § 53646 states, "the board [i.e., the city council] shall review and approve at a public meeting."

Indeed, in subparagraph 3, California Government Code § 53646 reads, "The quarterly

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## Rialto Mayor & Her Lawyer Asserted No Financial Benefit Means No Conflict Of Interest *from page 4*

administration of the city's Community Development Block Grants, California Proposition 47 funding and Homeless Emergency Aid Program grants to the deputy city manager and finance director in conjunction with the police department, removing those programs' oversight from Community Services Director Perry Brents.

For nearly four months, as Manatt Phelps & Phillips looked into the matter, Galante and then his successor, Eric Vail, urged that the council exercise caution by having Robertson not take part in any discussion or voting with regard to the apportioning of the Community Development Block Grants, particularly if the Bethune Center was to be considered as a recipient or deemed a recipient. Earlier this month, a team of Manatt Phelps & Phillips attorneys, led by Randall Keen, generated a report on the matter.

According to Manatt Phelps & Phillips, Robertson's past action with regard to the vectoring of Community Development Block Grant money to her daughter's organization and her insistence that she is entitled to continue her involvement in that process put the city at risk of the Department of Housing and Urban

Development withholding Community Development Block Grants from Rialto in the future or that an aggrieved citizen will bring a successful legal challenge that will impose on the city the hardship of having to rescind past actions, and refund the money it had received from the federal government, leading to incalculable complications for City Hall. What Robertson had done in the past and was threatening to continue to do, Manatt Phelps & Phillips said in its report dated June 9, is very likely a violation of California's common law conflict of interest doctrine as well as a violation of the City of Rialto's conflict of interest ordinance.

The report stated, "In our opinion, the mayor's participation in awarding or administering CDBG [Community Development Block Grant] funds to IE NCNW [Inland Empire Section National Council of Negro Women, Inc.] violates CDBG conflict of interest regulations. This is due to several factors – first, that her daughter is president of the organization; second, that the mayor herself is a member of the organization, and third, that the CDBG funding appears to constitute almost 50% of the organization's total funding in the most recent filing. While it does not appear that either the mayor or her daughter have a financial interest in the grant, a published HUD [Housing and Urban Development] decision interpreting a similar regulation confirms

that the HUD regulation is not limited to financial interests. The mayor's interest and her daughter's interest in the continuing success of the IE NCNW is sufficient to set up that conflict. The mayor's previous actions could be deemed inadvertent by HUD, and HUD could consider as a mitigating factor that, as she has stated, she was unaware of and had not been advised about the regulation. However, there is also substantial risk that HUD could impose a variety of penalties on the city and/or on the mayor. If the mayor continues to refuse to recuse herself, this could weigh against any mitigating factors that HUD might consider."

Prior to delivering its June 9 report, Manatt Phelps & Phillips, in the person of Keen, had in closed session conferences with the city council told officials the city should take steps to prevent Robertson from voting on any pass-through of grant money or any funds whatsoever to the Inland Empire Section National Council of Negro Women. In the June 9 report, the law firm stated, "We continue to strongly recommend that the mayor recuse herself from participation in any discussion or votes regarding allocation of funding to or agreements with IE NCNW. We further recommend that the mayor refrain from participating in the administration of any contracts or agreements with IE NCNW."

The report stated, "It seems unlikely that the mayor will recuse herself, based upon communications from the mayor's counsel. If the mayor refuses to recuse herself, we continue to recommend that the city council not approve CDBG funding for IE NCNW unless and until guidance has been received from HUD [the Department of Housing and Urban Development] and the common law issue has been addressed."

Sometime after Teaman, Ramirez and Smith, Inc.'s uncovering of the issues pertain-

ing to the pass-through of CDBG money to the Inland Empire Section National Council of Negro Women and the consultant suggestions that the circumstances presented a potential conflict for Robertson such that she should desist from participating in any action relating to the Inland Empire Section National Council of Negro Women, Robertson conferred with her personal attorney, Allison R. Bracy of the law firm Collins, Collins, Muir and Stewart. Based upon reinforcement provided to her by Bracy, Robertson asserted that no actual conflict exists in the circumstance involving her daughter and the Bethune Center/ Inland Empire Section National Council of Negro Women.

At both its May 12 and May 26 meetings, the city council was set to vote on the distribution of \$1,295,942 in Community Development Block Grants, consisting of the \$1,214,285 the federal government has allotted to the city this year and \$81,657 in funds unspent from 2019-2020.

Staff recommended that the block grants be utilized for public service activities, capital improvements and toward the administration costs of carrying out the public service and capital improvements.

Within the category of public service activities, city staff has earmarked for Big Brothers/Big Sisters of the Inland Empire's school-based mentoring program \$12,225; the City of Rialto's senior services division \$48,500; the City of Rialto Police Department's PRIDE Platoon Boot Camp \$35,000; Rialto Family Health Services' veterans affairs assistance program \$20,000; \$21,000 for the Legal Aid Society of San Bernardino to provide legal assistance to Rialto residents; \$40,417 for the National Council of Negro Women/Bethune Center to fund its young adults academic and pre-employment skills program; and \$5,000 for the

Rialto Child Assistance League's child assistance program.

Staff's recommendations for the capital activities in Rialto to be funded in 2020-21 using CDBG money are a \$428,120 repayment of a Section 108 loan; earmarking for tenant improvements at the community center building \$439,275; and a modest \$3,548 for the city's mobile home repair program.

To bankroll administration activities related to the Community Development Block Program program in 2020-21, city staff is calling for the city council to ratify spending \$213,796 to cover staff time devoted to the program and funding the Inland Fair Housing and Mediation Board's fair housing program with an infusion of \$29,061.

In addition, the city is set to accept from the federal government \$714,324 in CDBG-CV, funds, money specifically earmarked by the federal government to cover municipal costs for dealing with the coronavirus pandemic.

For the money to actually be applied to those purposes, the council must hold a hearing at which potentially adjusting those allotments is considered, a concurrence on the final amounts to be utilized is reached by the council and a majority vote on the provision of the funds is attained.

Though the finalized Manatt Phelps & Phillips report had yet to be delivered last month, Keen had given his recommendation that Robertson steer clear of voting with regard to the provision of money to the Bethune Center/Inland Empire Section National Council of Negro Women. Robertson, however, spurned that advice.

The city council, which was anxious to proceed with the ratification of the CDBG spending at both of its May meetings, found itself stymied by the mayor's contention that she is eligible to participate in the votes. Hoping to resolve

the issue, the council at its May 12 meeting postponed its vote on the matter. On May 26, however, the mayor was no less intransigent than previously. Though the council had hoped Robertson would relent and simply step aside and either not vote at all with regard to the CDBG distribution or permit the vote relating to the funding for the National Council of Negro Women/Bethune Center to be separated from the vote with regard to the remaining allotments so that she would not participate directly in approving it, she refused, insisting no conflict exists.

"I'm not recusing myself because I think that it is not right or equitable to penalize someone by leaving them out of something," she asserted. "It's just not due process, so I am going to sit here and I will oversee and preside. I will not recuse myself."

In the defense that Bracy has constructed for Robertson, the central consideration is that there is no money for either Robertson or her daughter directly at stake in the vote. According to Bracy in an email she sent to Manatt Phelps & Phillips on June 3, she contacted a representative of the Housing and Urban Development Department, who indicated to her that "the facts presented did not trigger a conflict of interest but [the representative] wanted to confirm with [Housing and Urban Development's] legal [counsel]."

Bracy told Manatt Phelps & Phillips she "reached out to the local HUD representative who then contacted the HUD legal department. They hope to advise before the next council meeting as to whether the facts presented trigger the conflict of interest provisions under 2 CFR [Code of Federal Regulations] 200.318 and more specifically under the CBDG conflict regulation found at 24 CFR 570.611."

According to Manatt Phelps & Phillips, its inquiry turned up in-

*Continued on Page 11*

## Commercial Insurance

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**(951) 850 1223**

## Intoxicants Appear To Have Eroded SB Mayor's Judgment

from page 6

used for its intoxicative effect. What occurred, however, was the precise opposite, in which operations that were designed to be the most profitable were favored over others that did not possess as strong of a wholesale or retail component. An analysis of those companies selected indicated that a major factor in the success of the applicants vis-à-vis those that were not successful had been their willingness to coordinate with Valdivia beforehand or during an early stage of the application and evaluation process. HdL fell under suspicion, with word spreading that some of the applicants had secured the company's services as a consultant. Best Best & Krieger failed to react with alacrity to or act at all upon reports that HdL and Valdivia had been compromised in the city permitting process by money conveyed to them by some of the applicants. Soon, it was being bruited about the community that some of those applicants had likewise retained Best Best & Krieger to represent them, the suggestion being that this explained the disparities in the standards that the city was applying in the cannabis business permitting process. That rumor perpetuated itself, prompting Carvalho to state last week, "Best Best & Krieger, Daniel Shimell, Thomas Rice and Sonia Carvalho categorically deny any allegations that we have facilitated bribes, that we have ever represented any single individual or company applying for a cannabis permit in the City [of San Bernardino] or that we have in any way facilitated any type of conflict of interest."

HdL and its representatives have consistently made themselves unavailable for discussion of the factors that went

into the company's recommendations to the city on which permit applicants should be accepted. Nor would the company discuss whether Valdivia had any input on the selection process, whether he had interfered in the evaluation process by arranging for certain applicants to be provided with interviews relating to their applications or whether the input Valdivia had provided was a factor in the company's evaluation of the applicants.

As 2019 progressed, the shortcomings in HdL's analysis were becoming more and more obvious to a wider and



Ted Sanchez

wider circle of city residents, such that standing by that company became untenable for the city council. Relatively quietly, in a move timed to coincide with the Christmas season during which the public's focus on municipal issues is traditionally attenuated, the council in December ended its contractual relationship HdL for its evaluation of cannabis-related business license applications and other related services and recommendations, electing to give that assignment to SCI. In his motion to switch the city contract over to SCI, Councilman Ted Sanchez suggested the city move beyond "HdL's colorful history." Instead of that transition being effectuated on a timely basis, however, over the next six months while a number of loose ends relating to the permitting process were being dealt with and some of those companies were yet endeavoring to perfect their licensing, HdL remained as the city's consultant. This fueled yet further suspicion that some order of collusion to favor the companies that had shown generos-

ity to Valdivia was yet in play. Last week, the city council at last finalized the transition from HdL to SCI through a special act known as a "clean-up item," with city officials explaining that what was referred to as an "execution error" was the reason that the contract with HdL was extended another half year.

Of relevance is that Valdivia, either on his own or with the guidance of someone else or others, for the most part has exhibited a degree of discipline in carrying off his depredations so that he does not give himself away as engaging in a running series of violations of the public trust. Nevertheless, on occasion he has slipped up. It is as a consequence and in the aftermath of those mistakes that the apparent bribetaking he is involved in leaps into stark focus. What some of those situations and some of those close to or otherwise involved with him suggest is that he is an intermittent drug user whose periodic episodes of intoxication explain his erratic behavior.

In the vast majority of his official public appearances, such as at city council meetings, hearings and workshops, Valdivia has for the most part come across as the model of even-temperedness and probity, as articulate and disciplined, and capable of maintaining his equanimity in the face of provocations. There have been a few occasions, however, where he evinces what can perhaps best be described as an atypical extreme impatience and petulance, sometimes involving relatively minor things. Moreover, outside of his high profile public appearances, those close to him have described him as slipping into a state of obvious intoxication. Mirna Cisneros, who worked in his office as a citizen relations specialist; Karen Cervantes, who worked as his personal assistant; and Don Smith, Valdivia's legislative field representative, all recounted occasions during which the mayor

became severely intoxicated.

Cisneros said she had received phone calls during which Valdivia's state of intoxication was apparent, and that in any event he admitted while talking to her that he was drunk.

According to Cervantes, Valdivia in less formal settings was consuming alcohol himself and pressing upon others alcoholic beverages, against their wishes. Cervantes described other occasions when Valdivia evinced unreasonable impatience, anger out of proportion to the circumstance and going into an unaccountable rage on others.

Smith recollected numerous times when Valdivia was drinking heavily and became "extremely intoxicated." In such circumstances, Smith said, Valdivia exhibited poor judgment and a lack of caution. On one occasion, Smith said, "Even though he was visibly intoxicated, Valdivia got in his car and drove himself home."

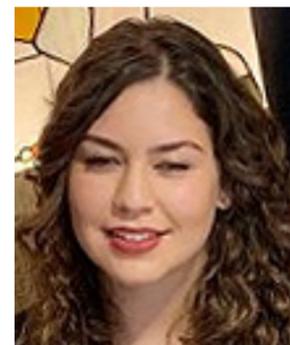
The *Sentinel* has been provided with numerous accounts of Valdivia's presence at fundraisers for himself and others, during which he reached a state of inebriation. At one of his fundraisers, the *Sentinel* was informed, while in the presence of a number of actual or potential political donors, Valdivia openly referenced while talking to a donor about having voted in favor of a lucrative deal involving that particular donor's company. Unknown was whether the indiscreet remark was a result of Valdivia's state of intoxication or whether he was trying to signal to the others present that he was willing to return favors to anyone who would back him in his political ambition.

A member of the city council, agreeing to speak to the *Sentinel* only upon an assurance of anonymity, said there were "convincing" signs that Valdivia's use of intoxicants went beyond alcohol, including classic symptomology indicat-

ing Valdivia was using some sort of stimulant, most likely cocaine or methamphetamine.

A former city official whose tenure at City Hall included more than five years while both were in constant contact with one another, related that Valdivia made no secret of his having access to prescription pain medication.

In his sworn declaration, Munoz spoke of rendezvousing with Valdivia at a "dive bar" in Irvine, some 50 miles distant from San Bernardino and Valdivia's usual haunts, and that prior to the meet-up there, which Valdivia



Karen Cervantes

had called for and during which he attempted to shake him down for more money, Valdivia insisted that he come "alone and with no one else." When Valdivia arrived, Munoz said, the mayor "appeared to be under the influence of cocaine" and gripped by an accompanying paranoia to the point that Valdivia "accused an unknown customer at the bar that was sitting on the corner of spying on him."

In 2018, while Valdivia, who is a Republican, was seeking the mayoralty in San Bernardino, he had constant interaction with Bill Essayli, another Republican who in 2018 was vying for the California Assembly in the 60<sup>th</sup> District, which lies entirely within Riverside County, but contiguous with San Bernardino County. Ultimately, Essayli would narrowly lose that election to Sabrina Cervantes, a Democrat. But prior to that, Valdivia and Essayli, two suedeshoed Republicans out in the political trenches in places where Democrats seriously outnumber members of their own

party, hit it off. Valdivia, who was doing extremely well in raising money for his mayoral campaign, transferred some of his funds to Essayli's campaign to assist him.

After he was situated in office, Valdivia hired Essayli, a lawyer, as his chief of staff. Essayli put on a valiant effort in helping Valdivia take charge of the city, even though a charter reform measure that had been passed by San Bernardino's voters in 2016 had limited the administrative authority that had resided with mayor pursuant to the city charter that had been in place for 111 years beginning in 1905. Essayli remained as chief of staff through the first six months of 2019, and was in place when Valdivia tightened his grip on the city council with the May 2019 special election to choose his successor as Third District councilman, when Valdivia's handpicked candidate for the post, Juan Figueroa, emerged victorious.

There were reports, however, of clashes between the headstrong Valdivia and the equally-driven and aggressive Essayli, including what city employees said were shouting matches between the two that could be heard through the closed door of Valdivia's office.

Essayli departed in July 2019 to return to his law practice.

A political insider told the *Sentinel* that despite a friendly familiarity between the two men as a result of the 2018 election and their involvement with the Republican Party, they did not actually know each other well when Valdivia hired Essayli. As they began working together in earnest in early 2019 and grew into a cohesive and intimate working team, Essayli was both impressed by Valdivia's glib political talent but simultaneously taken aback by some of the things he witnessed, the *Sentinel* was informed. Formerly an assistant U.S. Attorney and deputy district attorney

Continued on Page 12

Public Notices

FBN 20200004249  
 The following person is doing business as: MARWELL 1094 N. WABASH AVENUE REDLANDS, CA 92374 MARWELL CORPORATION 1094 N. WABASH AVENUE REDLANDS, CA 92374 A CALIFORNIA CORPORATION C3281898  
 Mailing Address: P.O. BOX 139 MENTONE, CA 92359  
 This Business is Conducted By: A CORPORATION  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ KATHY POWELL  
 This statement was filed with the County Clerk of San Bernardino on: 05/05/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: 04/08/2010  
 County Clerk, Deputy V0956  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/22/20, 5/29/20, 6/05/20 & 6/12/20.

Public Notices

office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/22/20, 5/29/20, 6/05/20 & 6/12/20.

FICTITIOUS BUSINESS NAME STATEMENT FILE NO- 20200004144  
 The following person(s) is(are) doing business as: Bishay Group AVPM CA2LP; AVPM CA LP Bishay Group; Bishay Group; All Valued Pet Meds, AVPM; Advanced Veterinary Pet Med, AVPM, 448 S Arrowhead Avenue, San Bernardino, CA 92408, General Dog & Cat Veterinary Hospital, 456 S Arrowhead Ave, San Bernardino, CA 92408  
 Business is Conducted By: A Corporation  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 s/ George Bishay  
 This statement was filed with the County Clerk of San Bernardino on: 4/29/20  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, s/ V0956  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
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be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 s/ Armen Bagdasarian  
 This statement was filed with the County Clerk of San Bernardino on: 4/24/20  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: 3/10/14  
 County Clerk, s/ A9730  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 5/22/20, 5/29/20, 6/5/20, 6/12/20

FBN 20200003990  
 The following person is doing business as: ONTARIO SMOG CHECK 10565 LIMONITE AVENUE SUITE 5 MIRA LOMA, CA 91752 EMISSION WORLD LLC 1310 S RIVERSIDE AVE SUITE 3F-#133 RIALTO, CA 92376  
 Mailing Address: 630 W RIALTO AVE UNIT B8 RIALTO CA 92376  
 CA CORPORATION 2020006510234  
 This Business is Conducted By: A LIMITED LIABILITY COMPANY  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 on: 04/20/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, Deputy  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/15, 5/22/20, 5/29/20, 6/05/20 & 6/12/20.

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FBN 20200003985  
 The following person is doing business as: THE NORTH SHORE INN 2402 LAKE DRIVE CRESTLINE, CA 92325 SANT&T INVESTMENT INC 129 4TH ST EU-REKA, CA 95501  
 Mailing Address: 19 FALLING LEAF CIR POMONA, CA 91766  
 CA CORPORATION C4250631  
 This Business is Conducted By: A CORPORATION  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ SAYED FARID UDDIN  
 This statement was filed with the County Clerk of San Bernardino on: 04/20/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, Deputy  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
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 Published in the San Bernardino County Sentinel on 05/29, 06/05, 6/12 & 6/19, 2020.

FBN 20200004319  
 The following person is doing business as: THE CUT SHOT 9153 LEMON AVE ALTA LOMA, CA 91701 TWILA KNIGHT POULIOT 9153 LEMON AVE ALTA LOMA, CA 91701 [and] MATTHEW R POULIOT 9153 LEMON AVE ALTA LOMA, CA 91701  
 This Business is Conducted By: A MARRIED COUPLE  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ TWILA KNIGHT POULIOT  
 This statement was filed with the County Clerk of San Bernardino on: 05/06/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, Deputy A8608  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/29/20, 6/05/20 & 6/19/20.

Public Notices

a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ MICHAEL GUTIERREZ  
 This statement was filed with the County Clerk of San Bernardino on: 05/27/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: 05/26/2020  
 County Clerk, Deputy  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 6/05, 6/12, 6/19 & 6/26, 2020.

FICTITIOUS BUSINESS NAME STATEMENT FILE NO- 20200004987  
 The following person(s) is(are) doing business as: Willy's Speed Shop, 6905 Palm Ave, Highland, CA 92346, Mailing Address: PO BOX 930, Highland, CA 92346, Kenneth M. Brana, Social Engineering, CA 6909 Center St, Highland, CA 92346  
 Business is Conducted By: A Limited Liability Company  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 s/ Kenneth Brana  
 This statement was filed with the County Clerk of San Bernardino on: 6/1/20  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, s/ D5511  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 6/5/20, 6/12/20, 6/19/20, 6/26/20

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granting of the petition, you should appear at the hearing and state your objections or file written objections with the court before the hearing. Your appearance may be in person or by your attorney.  
 IF YOU ARE A CREDITOR or a contingent creditor of the decedent, you must file your claim with the court and mail a copy to the personal representative appointed by the court within the later of either (1) four months from the date of first issuance of letters to a general personal representative, as defined in section 58(b) of the California Probate Code, or (2) 60 days from the date of mailing or personal delivery to you of a notice under Section 9052 of the California Probate Code.  
 Other California statutes and legal authority may affect your rights as a creditor. You may want to consult with an attorney knowledgeable in California law.  
 YOU MAY EXAMINE the file kept by the court. If you are a person interested in the estate, you may file with the court a Request for Special Notice (form DE-154) of the filing of an inventory and appraisal of estate assets or of any petition or account as provided in Probate Code section 1250. A Request for Special Notice form is available from the court clerk.  
 Attorney for the Petitioner: MICHAEL C. MADDUX, ESQ.  
 1894 COMMERCENTER WEST, SUITE 108 SAN BERNARDINO, CA 92408  
 Telephone No: (909) 890-2350  
 Published in the San Bernardino County Sentinel on 6/12, 6/19 & 6/26, 2020

NOTICE OF PETITION TO ADMINISTER ESTATE OF:  
 MARIA CARMEN ZELADA PUTNAM  
 NO. PROPS 2000282  
 To all heirs, beneficiaries, creditors, contingent creditors, and persons who may otherwise be interested in the will or estate, or both of MARIA CARMEN ZELADA PUTNAM aka MARIA PUTNAM A PETITION FOR PROBATE has been filed by ANDREA MARIA PUTNAM RAMIREZ in the Superior Court of California, County of SAN BERNARDINO.  
 THE PETITION FOR PROBATE requests that ANDREA MARIA PUTNAM RAMIREZ be appointed as personal representative to administer the estate of the decedent.  
 THE PETITION requests the decedent's wills and codicils, if any, be admitted to probate. The will and any codicils are available for examination in the file kept by the court.  
 THE PETITION requests authority to administer the estate under the Independent Administration of Estates Act. (This authority will allow the personal representative to take many actions without obtaining court approval. Before taking certain very important actions, however, the personal representative will be required to give notice to interested persons unless they have waived notice or consented to the proposed action.) The independent administration authority will be granted unless an interested person files an objection to the petition and shows good cause why the court should not grant the authority.  
 A hearing on the petition will be held in Dept. No. S35 at 9:00 a.m. on JULY 23, 2020 at Superior Court of California, County of San Bernardino, 247 West Third Street, San Bernardino, CA 92415, San Bernardino District.  
 IF YOU OBJECT to the granting of the petition, you should appear at the hearing and state your objections or file written objections with the court before the hearing. Your appearance may be in person or by your attorney.  
 IF YOU ARE A CREDITOR or a contingent creditor of the decedent, you must file your claim with the court and mail a copy to the personal representative appointed by the court within the later of either (1) four months from the date of first issuance of letters to a general personal representative, as defined in section 58(b) of the California Probate Code, or (2)

FBN 20200004501  
 The following person is doing business as: BEYOND BELLA SKIN CARE 10601 CHURCH ST. RANCHO CUCAMONGA, CA 91730 GINA L SMITH 542 E BONNIE BRAE CT. ONTARIO, CA 91764  
 Mailing Address: 542 E BONNIE BRAE CT. ONTARIO, CA 91764-1803  
 This Business is Conducted By: AN INDIVIDUAL  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ GINA SMITH  
 This statement was filed with the County Clerk of San Bernardino on: 05/13/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: 04/27/2020  
 County Clerk, Deputy D5511  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/22/20, 5/29/20, 6/05/20 & 6/12/20.

FBN 20200004534  
 The following person is doing business as: SACRED 485 DIAMOND CT APT D UPLAND, CA 91786 ALEXIS V LOVE 485 DIAMOND CT APT D UPLAND, CA 91786  
 This Business is Conducted By: AN INDIVIDUAL  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ ALEXIS V LOVE  
 This statement was filed with the County Clerk of San Bernardino on: 05/14/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, Deputy  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the

FBN 20200003991  
 The following person is doing business as: RIALTO SMOG CHECK 630 W RIALTO AVE UNIT B7 RIALTO CA 92376 EMISSION WORLD LLC 1310 S RIVERSIDE AVE SUITE 3F-#133 RIALTO, CA 92376  
 Mailing Address: 630 W RIALTO AVE UNIT B8 RIALTO CA 92376  
 CA CORPORATION 2020006510234  
 This Business is Conducted By: A LIMITED LIABILITY COMPANY  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ BENJAMIN A LIZAMA  
 This statement was filed with the County Clerk of San Bernardino on: 04/20/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: N/A  
 County Clerk, Deputy  
 NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).  
 Published in the San Bernardino County Sentinel on 5/15, 5/22/20, 5/29/20, 6/05/20 & 6/12/20.

FBN 20200004294  
 The following person is doing business as: STRATTON BAIL BONDS  
 6844 TIARA AVE HIGHLAND, CA 92346 MICHAEL GUTIERREZ 6844 TIARA AVE HIGHLAND, CA 92346 [and] NANCY LOZANO 6844 TIARA AVE HIGHLAND, CA 92346  
 Mailing Address: 31 W CIVIC CENTER DRIVE SANTA ANA, CA 92701  
 This Business is Conducted By: A GENERAL PARTNERSHIP  
 Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.  
 S/ MICHAEL GUTIERREZ  
 This statement was filed with the County Clerk of San Bernardino on: 05/06/2020  
 I hereby certify that this is a correct copy of the original statement on file in my office.  
 Began Transacting Business: 04/28/2020  
 County Clerk, Deputy C9754

FBN 20200004868  
 The following person is doing business as: MOSAIC SUITES 948 N. MOUNTAIN AVE. #938 SUITE 129 ONTARIO, CA 01762 JUDITH P. ZAMORA 2302 S. CALDWELL AVE. ONTARIO, CA 91761  
 Mailing Address: 2302 S. CALDWELL AVE. ONTARIO, CA 91761  
 This Business is Conducted By: AN INDIVIDUAL Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of

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**Public Notices**

60 days from the date of mailing or personal delivery to you of a notice under Section 9052 of the California Probate Code.

Other California statutes and legal authority may affect your rights as a creditor. You may want to consult with an attorney knowledgeable in California law.

YOU MAY EXAMINE the file kept by the court. If you are a person interested in the estate, you may file with the court a Request for Special Notice (form DE-154) of the filing of an inventory and appraisal of estate assets or of any petition or account as provided in Probate Code section 1250. A Request for Special Notice form is available from the court clerk.

Attorney for the Petitioner: MICHAEL C. MADDUX, ESQ.

1894 COMMERCENTER WEST, SUITE 108  
SAN BERNARDINO, CA 92408

Telephone No: (909) 890-2350

Published in the San Bernardino County Sentinel on 6/12, 6/19 & 6/26, 2020

NOTICE OF PETITION TO ADMINISTER ESTATE OF:

JOHN JULIAN KELLY  
NO. PROPS 2000288

To all heirs, beneficiaries, creditors, contingent creditors, and persons who may otherwise be interested in the

**Public Notices**

will or estate, or both of JOHN JULIAN KELLY aka JOHN J. KELLY aka JACK KELLY

A PETITION FOR PROBATE has been filed by AUDREY RACHEL KELLY in the Superior Court of California, County of SAN BERNARDINO.

THE PETITION FOR PROBATE requests that AUDREY RACHEL KELLY be appointed as personal representative to administer the estate of the decedent.

THE PETITION requests the decedent's wills and codicils, if any, be admitted to probate. The will and any codicils are available for examination in the file kept by the court.

THE PETITION requests authority to administer the estate under the Independent Administration of Estates Act. (This authority will allow the personal representative to take many actions without obtaining court approval. Before taking certain very important actions, however, the personal representative will be required to give notice to interested persons unless they have waived notice or consented to the proposed action.) The independent administration authority will be granted unless an interested person files an objection to the petition and shows good cause why the court should not grant the authority.

A hearing on the petition will be held in Dept. No. S37 at 1:30 p.m. on JULY 21, 2020 at

**Public Notices**

Superior Court of California, County of San Bernardino, 247 West Third Street, San Bernardino, CA 92415, San Bernardino District.

IF YOU OBJECT to the granting of the petition, you should appear at the hearing and state your objections or file written objections with the court before the hearing. Your appearance may be in person or by your attorney.

IF YOU ARE A CREDITOR or a contingent creditor of the decedent, you must file your claim with the court and mail a copy to the personal representative appointed by the court within the later of either (1) four months from the date of first issuance of letters to a general personal representative, as defined in section 58(b) of the California Probate Code, or (2) 60 days from the date of mailing or personal delivery to you of a notice under Section 9052 of the California Probate Code.

Other California statutes and legal authority may affect your rights as a creditor. You may want to consult with an attorney knowledgeable in California law.

YOU MAY EXAMINE the file kept by the court. If you are a person interested in the estate, you may file with the court a Request for Special Notice (form DE-154) of the filing of an inventory and appraisal of estate assets or of any petition or account as provided in Probate Code section 1250. A Re-

**Public Notices**

quest for Special Notice form is available from the court clerk.

Attorney for the Petitioner: MICHAEL C. MADDUX, ESQ.

1894 COMMERCENTER WEST, SUITE 108  
SAN BERNARDINO, CA 92408

Telephone No: (909) 890-2350

Published in the San Bernardino County Sentinel on 6/12, 6/19 & 6/26, 2020

NOTICE OF PETITION TO ADMINISTER ESTATE OF:

VIVIAN A. DIXON  
NO. PROPS 2000298

To all heirs, beneficiaries, creditors, contingent creditors, and persons who may otherwise be interested in the will or estate, or both of VIVIAN A. DIXON aka VIVIAN A. BROOKS

A PETITION FOR PROBATE has been filed by TENISHA JENKINS LIVAS in the Superior Court of California, County of SAN BERNARDINO.

THE PETITION FOR PROBATE requests that TENISHA JENKINS LIVAS be appointed as personal representative to administer the estate of the decedent.

THE PETITION requests authority to administer the estate under the Independent

**Public Notices**

Administration of Estates Act. (This authority will allow the personal representative to take many actions without obtaining court approval. Before taking certain very important actions, however, the personal representative will be required to give notice to interested persons unless they have waived notice or consented to the proposed action.) The independent administration authority will be granted unless an interested person files an objection to the petition and shows good cause why the court should not grant the authority.

A hearing on the petition will be held in Dept. No. S37 at 1:30 p.m. on JULY 16, 2020 at Superior Court of California, County of San Bernardino, 247 West Third Street, San Bernardino, CA 92415, San Bernardino District.

IF YOU OBJECT to the granting of the petition, you should appear at the hearing and state your objections or file written objections with the court before the hearing. Your appearance may be in person or by your attorney.

IF YOU ARE A CREDITOR or a contingent creditor of the decedent, you must file your claim with the court and mail a copy to the personal representative appointed by the court within the later of either (1) four months from the date of first issuance of letters to a general personal representative, as defined in section 58(b) of the

**Public Notices**

California Probate Code, or (2) 60 days from the date of mailing or personal delivery to you of a notice under Section 9052 of the California Probate Code.

Other California statutes and legal authority may affect your rights as a creditor. You may want to consult with an attorney knowledgeable in California law.

YOU MAY EXAMINE the file kept by the court. If you are a person interested in the estate, you may file with the court a Request for Special Notice (form DE-154) of the filing of an inventory and appraisal of estate assets or of any petition or account as provided in Probate Code section 1250. A Request for Special Notice form is available from the court clerk.

Attorney for the Petitioner: MICHAEL C. MADDUX, ESQ.

1894 COMMERCENTER WEST, SUITE 108  
SAN BERNARDINO, CA 92408

Telephone No: (909) 890-2350

Published in the San Bernardino County Sentinel on 6/12, 6/19 & 6/26, 2020

FICTITIOUS BUSINESS NAME	BUSINESS STATEMENT FILE NO.
20200004595	

The following person(s) is(are) doing business as: Rodriguez Courier Services, 1473 Randy St, D, Upland, CA 91786, Jose R. Rodri-

**Public Notices**

guez, 1473 Randy St. #D, Upland, CA 91786.

Business is Conducted By: An Individual

Signed: BY SIGNING BELOW, I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. A registrant who declares as true information, which he or she knows to be false, is guilty of a crime. (B&P Code 17913) I am also aware that all information on this statement becomes Public Record upon filing.

s/ Jose R Rodriguez

This statement was filed with the County Clerk of San Bernardino on: 5/15/20

I hereby certify that this is a correct copy of the original statement on file in my office.

Began Transacting Business: 06/23/15

County Clerk, s/ D5511

NOTICE- This fictitious business name statement expires five years from the date it was filed in the office of the county clerk. A new fictitious business name statement must be filed before that time. The filing of this statement does not of itself authorize the use in this state of a fictitious name in violation of the rights of another under federal, state, or common law (see section 14400 et. Seq. Business & Professions Code).

6/12/20, 6/19/20, 6/26/20, 7/3/20

**Federal, State & City Regulations Made It A Good Idea For Robertson Not To Vote On Issue Impacting Her Daughter, Lawyer Says from page 8**

formation to support Robertson's and Bracy's contention that Robertson and her daughter have no financial interest in the National Council of Negro Women/Bethune Center.

The Manatt Phelps & Phillips report stated, "according to news reports, Milele Robertson is employed by CalTrans in a management position." The report says Marlene Davis, the executive director of the National Council of Negro Women/Bethune Center since 2016, "stated in a telephone interview that Milele Robertson has not received any compensation from the organization. The organization's Forms 990 for fiscal years 2011, 2012 and 2014 reflect that previous presidents (and other officers, including Milele Robertson) were not paid. The organization's Forms 990 available on the IRS website for tax years 2016 (the year Milele Robertson became president) and 2017 are incomplete, and do not reflect the names of the organization's officers and directors, or what, if any, compensation those persons received." Further, according to the report, "Milele

Robertson stated that the position of president is not paid."

On April 6, when Manatt, Phelps & Phillips requested an interview with Mayor Robertson, Robertson said she would not speak with Keen or anyone from his firm. Subsequently, Bracy contacted Keen and Manatt, Phelps & Phillips and, after initially stating the mayor would make herself available for an interview, then requested that the questions be submitted in writing. In her responses to the questions and responses to follow-up questions, Robertson provided her answers through Bracy. Neither Keen nor anyone at Manatt, Phelps & Phillips was afforded the opportunity to directly question Robertson. In her written responses, Mayor Robertson said she has been a member of Inland Empire Section National Council of Negro Women since 1988, and that she served as an unpaid vice president and president in the late 1990s and early 2000s. She said she is presently a "Legacy Life" member. Robertson further stated that she has no financial interest in Inland Empire

Section National Council of Negro Women and has no financial relationship with anyone paid by Inland Empire Section National Council of Negro Women. In her written responses, Robertson said she was not "specifically" aware of the Community Development Block Grant conflict of interest regulation, but she understands conflict of interest standards "based on my years in public service and my long career working for the State." Robertson did not, she wrote, receive any training or advice regarding the Community Development Block Grant conflict of interest regulation prior to the votes to approve CDBG funding allocations.

The report states, "Based on the facts as we understand them, it does not appear that the mayor or her daughter have a financial interest in any award of CDBG funds to IE NCNW, as neither person receives compensation from the organization. However, both the mayor's daughter and the mayor likely have an 'other interest in or a tangible personal benefit' from an award to IE NCNW."

The report states that "In fact, it seems difficult to argue that the president, including an unpaid president, of a nonprofit organization would not have any 'tangible personal benefit'

form a funding agreement that apparently provides 50% of the organization's annual funding. Any president of a nonprofit organization would seemingly receive a tangible personal benefit by obtaining this level of annual funding for the organization."

The report continues, "This analysis extends directly to the mayor herself. In addition to the fact that the mayor's 'immediate family member' is the president of the organization, the mayor herself is a long-term member of the organization. Any member of a nonprofit organization who is able to secure funding for the organization that equals 50% of the organization's annual funding would seemingly receive a 'tangible personal benefit' form funding agreements with that organization."

The Manatt, Phelps & Phillips report cited a Housing and Urban Development decision involving what it said was "a very similar HUD conflict of interest regulation applicable to funding for a drug treatment program." The Matter of Rodriguez resulted in the HUD Board of Contract Appeals finding there was "an actual conflict of interest," the report said, "where Rodriguez, the contracting officer, had an unpaid leadership role with a nonprofit contract awardee." In

that case Abraham Rodriguez was the executive director of the Public Housing Authority of the City of Laredo. In his capacity as public housing authority chairman, Rodriguez participated in the housing authority entering into an agreement with a local nonprofit, Jobs for Progress of Southwest Texas, as an outside contractor to run some Housing and Urban Development programs for the benefit of Laredo Housing Authority residents, which was funded by Housing and Urban Development's Public Housing Drug Elimination Program. Rodriguez was also the unpaid board chairman of Jobs for Progress of Southwest Texas.

Rodriguez ran afoul of a conflict of interest regulation similar in relevant respects to the one regulating CDBG funding, the Manatt, Phelps & Phillips report states. The report quoted that regulation: "No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) The employee, officer, or agent of an ... (iv) organization which employs, or is about to employ, any of the above, has a financial or

other interest in the firm selected for award."

The principle in the Rodriguez case applies to Robertson in the matter involving the Inland Empire Section National Council of Negro Women, Manatt, Phelps & Phillips asserted.

"The situation in Rodriguez is very similar to the present one, where a contracting officer or official has dual loyalty to the public decision-making body and to the organization contracting to provide a service," the report stated. "While in Rodriguez, it was the contracting officer himself who had the role with the nonprofit, as opposed to a family member, Milele Robertson's role with the IE NCNW is imputed to the mayor, as an immediate family member, under the clear language of 2 CFR § 200.318. Here the mayor's daughter has a leadership role with IE NCNW. The mayor herself is a member." The report then borrows from the decision language in the Rodriguez case to apply it to the Robertson matter, stating, "Even though neither person stands to gain financially from the CDBG funding, their interest in 'the continuing success of [IE NCNW] is sufficient to set up that conflict.' 'The public cannot feel

*Continued on Page 14*

## Overwhelmed By The Realization Of Valdivia's Bribetaking, Best Best & Krieger Bewildered Into A State Of Utter Paralysis from page 9

in Riverside County, the straight-laced Essayli, was troubled by the non-chalance with which Valdivia would put the arm on individuals with business before the city, touching them for political donations. And Essayli was not insensitive, based on his experience as a prosecutor, to the signs of drug use. The April 2019 death of Mike Spence, a major figure in Inland Empire Republican Party politics who had descended into the abyss of methamphetamine addiction, had chastened many in the GOP. With Valdivia on what appeared to be a similar trajectory, Essayli decided it was best that he cut ties with him.

When the *Sentinel* reached Essayli this morning to ask him about Valdivia and the issues that had led to his departure, he said, "I'm not interested in commenting on anything in San Bernardino."

Valdivia presided over the February 21, 2019 special hearing of the city council to award the permits, but relatively shortly thereafter initiated a practice of absenting himself from the council dais when an issue relating to the marijuana/cannabis-based business licensing came before the council, leaving the proceedings at that point to be officiated over by the then-mayor pro tem, Councilwoman Bessine Richard. In the aftermath of Richard being succeeded by Councilman Sanchez as mayor pro tem, the meetings were and have been conducted by Sanchez in Valdivia's absence. At such times, Valdivia would precipitously leave without any public explanation as to why. Generally, after the issue relating to cannabis was concluded, Valdivia would return to his position and resume his role as the council's leader. This was widely interpreted as a sign that Valdivia had some order

of a conflict of interest with regard to the city's marijuana and cannabis issues.

Among those applicants the council had favored with its set of decisions on February 21, 2019 was Nibble This, LLC, which is owned by Kater Bilow and Raquel Origel. Indeed, the council's accommodation of Nibble This was conspicuous in that the company was given two permits for two separate locations, twice what any of the other successful applicants had achieved. This alone had raised red flags early, as 23 other applicants had been bypassed entirely. A strict requirement of both permitting and licensing in San Bernardino was that the applicant had to have an established physical location to operate out of, meaning it had outright ownership or a lease of the property shown as the location on the permit application. One of the so-called microbusiness permits Nibble was given was for an operation at 4130 West Hallmark Parkway. On November 7, 2019, Nibble This submitted a request for a zoning verification letter for an alternate location at 390 North H Street. On November 18, 2019, Nibble This was issued an approved zoning verification letter for 390 North H Street. On November 19, 2019, Nibble This submitted a commercial cannabis business application, 19-0002, seeking a change in location from 4130 West Hallmark Parkway to 390 North H Street. In the process it was revealed that Nibble This had never secured or otherwise had possession of or the right to occupy the property at 4130 West Hallmark Parkway. This brought into question how it was that Nibble This had obtained the cannabis microbusiness permit it has in the first place. This touched off an effort at

the staff level well below that of city manager to rescind the permit that Nibble This had. When word that midlevel staff was seeking to enforce the city's regulations in such a way that would reverse the provision of one of the permits and pending licenses granted to Nibble This reached the city council and Valdivia, there were convulsions in the backrooms of the city. After the issue with regard to Nibble This was put on the council's agenda on two occasions and then postponed, it came up for a hearing on February 19. Valdivia was aware that Councilman Sanchez was opposed to granting Nibble This a change in location from 4130 West Hallmark to 390 North H Street, and he recognized that were he to recuse himself and not officiate when the matter was presented to the council that Sanchez might use his authority as the mayor pro tem to conduct that portion of the meeting to sway the outcome against granting the location change. Without explanation, Valdivia broke from his pattern of leaving the dais during matters relating to the city's marijuana/cannabis policy that night. In a narrow 4-to-3 vote, the council granted Nibble This the location change.

The *Sentinel* inquired with Best Best & Krieger with regard to the issue of the mayor recusing himself and surrendering the meeting gavel to the mayor pro tem on most of the occasions when issues relating to the city's commercial marijuana/cannabis activity come before the council, whether there was a requirement or tradition of those recusing themselves from participating in the governmental decision-making process giving an explanation of the grounds for their declining to take part, as is commonly done in other jurisdictions; and whether a conflict on Valdivia's part could be imputed from his practice of leaving the dais when such issues arise. Best Best & Krieger did

not respond, nor did it explain the inconsistency in Valdivia recusing himself on most marijuana/cannabis-related business permitting decisions and his participation in the Nibble This relocation matter.

Indeed, Best Best & Krieger appears to be paralyzed by the entire circumstance relating to Valdivia and the legal conundrums he represents to the city and the law firm. The city is now in the position of fighting off four active claims against the city by current or former city employees who maintain that they were maltreat-



**Daniel Shimell**

ed while working directly for Valdivia out of the mayor's office, which included him making unwanted sexual advances toward the three of those who are women.

Previously, the city found itself besieged by SB Pharma Holdings, Inc. doing business as The Row House; Ashe Society SB, LLC; EEL Holdings, Inc., LLC; Washington, LLC; KP Investment Group, LLC; ECS Labs, Inc.; Luke LLC; and RZNHEAD, all of whom sued the city over its marijuana/cannabis-related business permitting and licensing processes. Daniel Shimell, then of Best Best & Krieger, was serving as special counsel for the city in response to any challenges of its permitting process. Initially, Shimell issued and filed standard boilerplate denials of what the first plaintiff, Washington, LLC, was alleging. But as the number of suits against the city mounted and the facts being alleged registered with him and the court, it grew clear to Shimell that this was not some garden variety contract dispute or land use case with which he had

some previous experience handling. Rather, Valdivia and his activity, including the promises he had made to many, kept to some and abrogated with others, all in exchange for campaign cash or money, loomed large. That the city did not abide by its own standards and codes in handing out the permits, that some of those granted permits did not meet the criteria and that virtually all of those who were suing the city had met the city's criteria but had been denied licenses under the city's overriding pay-for-play ethos was unhinging him. Increasingly, he begged off from having to immerse himself in the issues the case entailed and bearing the burden of having to, essentially, construct a defense of a permitting and licensing process in which the central criteria was an applicant's willingness to bribe the mayor. In response, Best Best & Krieger detailed another member of the firm, Christopher Moffitt, who had slightly more experience in the ethically slippery world or government decision-making, to spot him. It was while Shimell and Moffitt were working on constructing a plan to divert the court's attention from Valdivia's shady dealings late this winter and early this spring that the claims from the four former San Bernardino city employees underscoring Valdivia's character traits began playing out in headlines across San Bernardino County. At that point, Shimell pulled the plug and left Best Best & Krieger for another firm, Buchalter Nemer.

Moffitt is now looking to shoulder the burden that Shimell has abandoned. Having had something of a respite during the COVID-19 crisis during which most litigation has been suspended, Moffitt and the rest of the Best Best & Krieger legal team representing San Bernardino are putting their bets on a strategy of forging a global settlement with all eight plaintiffs, whose cases are being being

heard by San Bernardino County Superior Court Judge David Cohn. The plan, the *Sentinel* is given to understand, is that the city council will revisit the ordinance it previously passed and the standards that were set limiting the number of marijuana/cannabis-related establishments in the city to 17. As it now stands, in addition to Welty's Captain Jack's marijuana emporium which has been legally in place since 2017, two of the 16 businesses given permits on February 21, 2019 are now fully licensed and operating, one is at the end stage of construction and two are yet being constructed, and seven are at various stages along in the plan check process. Thus four of the 16 applicants granted licenses have made little or no progress toward actuating their proposals, are seeking capital to proceed but have not so far succeeded, or are currently looking to sell their permit to another entity. A key step in arriving at a settlement of the eight lawsuits will be to give the four businesses that have not progressed toward licensing or an opening a firm deadline to do so, declaring them dead in the water as of that date and rescinding their permits. Thereupon the council will consider and adopt a staff recommendation that it rewrite the city's existing ordinance pertaining to commercial cannabis operations that provides for a ratio of one marijuana/cannabis-oriented business per 12,500 residents, which translates into a maximum of 17 marijuana concerns, and instead put into its place one that will allow for one such business for every 10,000 population. At that point there will be room in the city for the three current operating businesses, the three nearly constructed businesses, the seven businesses now being subjected to plan check review and the eight businesses suing the city. One potential wrinkle in

*Continued on Page 15*

## Deathly Afraid Kinley Will Touch Off A Round Of Pension Reform, City Employees Using Every Ploy In The Book, And City Council's Assistance, In Trying To Muzzle Him *from page 7*

report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available."

If questioned about what he was next going to do, Kinley was prepared to contend that the city's unfunded pension liability has the potential for preventing the city from meeting future expenditure requirements.

Based on that, when the treasurer's report was next given to him, Kinley took what he calculated would be the first incremental step. "What I wanted to do in the treasurer's report was add a comment as the treasurer about the city's pension liability, to see if I could get it in there," Kinley told the *Sentinel* last year. "I wanted to provide both sides of the balance sheet, the net, if you will, which would include not just our assets but our liabilities." He handwrote onto the treasurer's report a note that showed his calculation of what the city's unfunded liability was at that point. Then he signed the report.

City Manager Rosemary Hoerning and Finance Officer Londa Bock-Helms were having none of that, however. Hoerning went to the city's finance committee, consisting of Councilwoman Janice Elliott and Councilman Rudy Zuniga, Bock-Helms and Kinley, who has essentially been disenfranchised from it. The committee made a directed determination that the language Kinley was seeking to include should not be contained within the report. He was proffered a clean version of the report for his signature and his signature only.

"I told them that if they were going to erase my input, I just wouldn't

sign the report," Kinley said. "And I didn't."

Thereafter, Hoerning and Bock-Helms changed the title of the treasurer's report to the treasury report. They now sign it in lieu of Kinley.

The degree to which Hoerning and Bock-Helms are invested in the California Public Employees Retirement System perhaps explicates why both are so adamantly opposed to Kinley's efforts to draw attention to the unfunded pension liability sword of Damocles hanging over all of Upland's citizens' heads, which might touch off a reform movement contrary to their personal interest. The California Public Employees Retirement System formula for someone in the position Hoerning holds calls for her highest annual salary times her number of years times the multiplicand of 2.5 percent. Earlier this year, the city council conferred upon Hoerning a three-year contract starting at \$230,000.04 in salary before benefits annually. Thus, were Hoerning to retire today, she would be entitled to receive a pension of \$184,000.03 annually for the remainder of her life, based upon \$230,000.04 X 32 (years) X .025. If Hoerning serves out the full three years on her contract, she will then qualify for an annual pension of \$201,250.03, based upon \$230,000.04 X 35 (years) X .025. The California Public Employees Retirement System formula for someone in the position Bock-Helms holds calls for her highest annual salary times her number of years times the multiplicand of 2.25 percent. A calculation with regard to Bock-Helms's eventual pension is less precise, given the relative dearth of publicly available information pertaining to her job history and future unknowns.

Nevertheless, what is known is that Bock-Helms in 2016 was employed with the City of Murrietta with the title of finance manager, for which she was provided an annual salary before benefits of \$113,725. She left Murrietta in 2017 to take a lesser position in Upland, bearing the title of finance officer, which entailed a salary reduction to \$105,000 per year. This year, while yet holding the title of finance officer, she is being provided with a salary before benefits of \$118,632.85. Bock-Helms is on a trajectory to promote in the relatively near term to the position of finance manager, and eventually, if she remains in Upland, to finance director, a post that now, if filled, would pay in the \$150,000 range and would be likely to top out at \$160,000 to \$175,000 by the time Bock-Helms will be eligible for retirement. Thus, if she retires with 35 years as a municipal employee, she will likely be, at the very least, eligible for a pension of \$126,000 per year, based upon \$160,000 X 35 years X .0225, annually for the remainder of her life.

The city's employee unions are among the heaviest contributors to the mayor and council members' campaign funds. Advocates pushing finance reform in the city have suggested that the council members, individually and collectively, fear that their participation in efforts to reform the city employees' pension system will result in the employees and their unions withdrawing their political support from the incumbents and bankrolling their opponents.

The slight to Kinley and the fashion in which city officials are seeking to prevent any heed being given to the ticking time bomb of Upland's unfunded pension liability made its way into the public consciousness this week, prompting Councilman Zuniga at the Monday night council meeting at which the council was set to accept the treasury report, to

say, "I'd like to ask the city manager or Londa Bock-Helms if they can explain why the city treasurer's signature is not on the document and does it need to be on the document [i.e., the treasury report], and why the PERS [California Public Employees Retirement System] liability doesn't show up on this document. I know why, but I would like it to be explained to the community."

"So, this is the treasury report, and we provide this report to the treasurer, so he does get a copy of it," Hoerning said. "In the past he, as the treasurer, has signed the report. However the reason for the signatures on the report is to certify the six items that are listed on the front of the report where the signatures are contained. It doesn't require that the treasurer sign the report. However, when the treasurer was signing the report, he would alter it, so our finance officer, Londa Helms, would sign the report as it stands, which is just reflective of all of our treasury investments, and then the treasurer would make alterations to the report and then sign it. So, it didn't have her concurrence with any corrections. The correction that he was making to the report is regarding the city's unfunded liability position, which is included in part of our CAFER [comprehensive annual financial report] document, and is indicative of information that is not necessarily germane to this particular report. That is the reason why he has elected not to sign the report."

Zuniga asked if it "is legal for the city manager to sign this report instead of the city treasurer?"

"Well, it doesn't require that the city treasurer sign the report," said Hoerning "I sign it as a matter of a second, so I'm reviewing the report that Londa has signed, so it has two official signatures on it."

Hoerning said the treasurer's report is an outline of how the city's

monetary reserves are being invested.

"Mr. Kinley has been notified that he can come up with his own type of report and produce it," Zuniga said. "He can go in front of the council and let the community know what's going on and how much is owed in this unfunded liability, and he refused to do so, correct?"

"That's correct," said Hoerning. "He always has an opportunity to speak or write a separate report and submit it to the city."

"So there's other ways he can push that communication of what's unfunded in our city, but it doesn't belong on this report," said Zuniga. "This is an investment report. That's all this one is."

Councilman Bill Velto asked, "So, Mr. Kinley is shown this report, correct?"

"That's correct," said Hoerning.

"And Mr. Kinley is not required to sign the report, correct?" Velto asked.

"He's not," said Hoerning. "He's given the opportunity to sign it, if he would like. In past practice the treasurer has signed the report, but they've signed the report without making corrections to the report or altering it."

Hoerning said she was "not aware of past treasurers making changes to the reports."

Velto asked, "The changes he chooses to

make, are they inconsistent with his role?"

The question stymied Hoerning, who made an atypical five second pause in the cadence of her speech before answering, "They are inconsistent with this particular report. This is the investment report."

During the evening's public comment session, Marjorie Mikels told the council, "We are a general law city and we have a duly elected treasurer. His name is Larry Kinley. The people voted in a man with 40 years of banking experience."

Mikels said that Mayor Debbie Stone had deliberately disenfranchised him.

"You never talk to him, Mayor Stone," she said.

The council is overstepping its authority by preventing Kinley from carrying out his function as he deems appropriate, Mikels said.

"The government code gives him certain responsibilities," Mikels, an attorney, said. "You have interfered and obstructed him in the performance of his duties as our elected treasurer. The city manager and someone called the finance manager signed off on the treasurer's report. It's illegal. You don't want Mr. Kinley to disclose the truth about the unfunded pension benefit at this time that could bankrupt this city."

-Mark Gutglueck

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## Rialto Mayor Frames Council's Effort To Head Off Federal Action On Her Conflict Of Interest As An Attack On Her *from page 11*

comfortable with such a close relationship, even if there is no personal enrichment.”

The report stated that if the Department of Housing and Urban Development comes after the city because of the conflict of interest involving the mayor and her daughter, the city might ask for special consideration by asserting that Robertson violated the conflict of interest code unknowingly, because she was previously insufficiently familiar with and not specifically aware of the regulations. Now that the matter has become a very public one in which the conflict has been pointed out to her, the report states, “The mayor’s recent refusal to recuse herself arguably cuts against any mitigation.”

Robertson has run afoul of California’s common law conflict of interest restriction and Rialto’s conflict of interest ordinance, the report maintained.

“California courts recognize a common law doctrine against conflicts of interest,” the report states. “The doctrine ‘strictly requires public officers (and employees) to avoid placing themselves in a position in which personal interest may come into conflict with their duty to the public.’”

The report quotes the City of Rialto’s conflict of interest ordinance, which reads: “No officer or employee of the city shall have any financial interest in the transaction of business in connection with the purchase of goods and services for the city. No officer or employee of the city may contract with any person related to an officer or employee of the city by blood or marriage within the third degree for supplies, services or equipment, unless the purchase is by written competitive bid and the person related submits the lowest responsible bid. No officer or em-

ployee shall participate in the procurement or selection process when such officer or employee has a relationship with a person or business entity seeking a contract under this chapter which would subject such officer or employee to the prohibition of California Government Code Section 87100 or Government Code Section 1090.”

Conceding that neither the first nor third sentence of the ordinance applies to Robertson’s case, the report stated that, “With respect to the second sentence, the mayor is undoubtedly a city ‘officer.’ As a city officer, she may not ‘contract’ in the specified circumstances. The ordinance does not define what ‘to contract’ means, but it would be more than reasonable to conclude that with respect to city officers, it includes discussion, votes on agreements, and signing agreements on behalf of the city – all of which the mayor has done with respect to the IE NCNW agreements.”

Robertson and her attorney were tempting fate by insisting that she can vote with impunity on the pass-through of Community Development Block Grant money to the nonprofit her daughter heads, Manatt, Phelps & Phillips asserted.

“The mayor’s counsel has submitted ‘public comments’ to the city council in which she has argued that the CDBG regulation only applies to financial interest because California law only addresses financial conflicts of interest,” the report stated. “This is clearly wrong. The regulation itself does not say this. There are no HUD or court decisions to support this argument.”

In its conclusion, the Manatt, Phelps & Phillips report stated, “Mayor Robertson likely has a conflict of interest with regard to funding decisions for the IE NCNW

under a combination of federal, state and local laws and regulations. Because we have not identified any evidence that the mayor has a financial interest in her daughter, Milele Robertson, or that Milele Robertson is a source of income to Mayor Robertson, the mayor likely does not have a conflict under California’s strict statutory conflict of interest provisions. However, she does have an actual or apparent common law conflict of interest. In addition, we believe her involvement in the approval, execution, and oversight of the agreements related to federal CDBG and state Proposition 47 funds is a violation of relevant federal and state conflict of interest statutes and regulations governing those programs. Finally, the mayor’s participation arguably violates the City of Rialto’s conflict of interest ordinance. We therefore recommend that the mayor recuse herself from all discussion and votes related to the IE NCNW and/or Bethune Center.”

When the city council convened on Tuesday, June 9, Robertson repeatedly made assertions that she had no intention of recusing herself.

Eric Vail, Rialto’s interim city attorney, said that during that portion of the city council’s closed session prior to the meeting from which Robertson was excluded, “The council decided to release the [Manatt, Phelps & Phillips] report publicly and provided the mayor a copy of the report. The council decided to pursue further guidance from HUD with regard to potential conflict, has decided to pursue further guidance from the California Attorney General with regard to the potential conflict, and special counsel has recommended that the mayor recuse herself from any action having to do with NCNW or Bethune. We understand on the advice of mayor’s counsel she will not be recusing herself on those items, and special counsel recommends in that

event that the council not take any action with regard to any grant of money or otherwise with regard to NCNW or Bethune.”

Thereafter, Robertson said, “I will not recuse myself from it. Council can continue to do whatever they want to do, but I will not recuse myself from it.”

Robertson leveled criticism at Manatt, Phelps & Phillips, conveying that the law firm was misapplying or misinterpreting the law in an effort to curtail her function as mayor. She suggested that the only basis for determining a conflict of interest existed would involve her having made a vote to enrich herself, which she said she had not done.

“I think the recommendations are kind of amazing that I’ve seen so far,” she said. “The items that were presented [by her attorney] for special counsel to look at, I think it has been clearly stated, and maybe I’m misstating it, that there was no financial interest that was determined.”

An impromptu debate of sorts between Keen and the mayor ensued which included a discussion of the distinction between common law and statutory law.

Keen propounded, “Federal regulation is not limited to just financial interest. It covers financial and other interests.” Keen said California conflict of interest law had been codified into statutory law, including two sections “that regulate financial interest and a common law which regulates other interests.”

Robertson suggested that under federal law, an exception had been carved out for nonprofits. “Doesn’t it address nonprofit organizations and exceptions within?” she asked. “Isn’t there some section within the federal law that speaks clearly to that nonprofit relationships are exempt?”

“Madam Mayor, we did not find anything like that,” Keen responded. “Your counsel sent us several things she wanted us to look at, and none

of them were applicable to this situation.”

Robertson suggested that Keen and Manatt, Phelps & Phillips predicated its finding of a conflict on common law was legally dubious. She suggested that the only law that could be applied to her situation was statutory law, and that once an area of the law was covered by a statute, the common law that preceded it was no longer applicable.

Keen responded, saying, “The legislature can abrogate common law by enacting statutes, and with the common law conflict of interest, they did enact two statutes with respect to financial interests but they did not abrogate the common law with respect to other interests, and it still remains in effect.”

At that point, Robertson asserted that there was no strictly defined precedent in case law to establish her matter was yet subject to common law, since the only defined law within California’s statutes pertaining to conflicts of interest hinged on a financial conflict of interest. She indicated she was willing to roll the dice by having the California Attorney General’s Office or a court consider the matter.

She said that they “might as well take it all the way to the state, because I think some people will disagree.”

Keen then suggested that if Robertson was going to insist on voting with regard to apportioning the Community Development Block Grants, that the allotment for Bethune be removed from the motion “so that we preserve the fact that you don’t violate the conflict of interest regulation.”

Councilman Ed Scott endeavored to persuade Robertson to gracefully stand down from participating in the action, saying, “I’m ready to move forward with this tonight, and I’m ready to award all this money that is earmarked here, including Bethune, but there’s an issue with a potential conflict, and

I’d like to plead with you to please recuse yourself so we can move forward and attempt to get a vote to approve all of these dollars and then let’s get an opinion from HUD, the Attorney General, whoever we need to get an opinion from, whether there’s actually a conflict or not, and if there’s not, we’re great, and if there is, then we’ll restructure our system so as not to compromise you or us. I’m asking you tonight to please recuse yourself. I know that Bethune does a great job. I know they need this money. I’ve always supported Bethune. I think this whole council has. I’m asking you to recuse yourself and let us move forward with this item in its entirety.”

Thereafter, Robertson yet expressed dismay over the city council and city staff having forced the issue by retaining Manatt, Phelps & Phillips to delve into the conflict issue. “We jumped to getting special counsel to investigate something before we even did the administrative process,” she said. “That is why I’m sitting here refusing to recuse, unless people are treated equally.” She seemed to suggest that she was concerned that the Bethune Center was going to be penalized by the council and the city because of the circumstance connecting her and her daughter to that organization. “There has been given a real negative opinion of presence or feeling to the community that they’ve done something wrong when they have complied every year,” she said. By her remarks she conveyed that she wanted to make sure that the Bethune Center received the funding recommended by staff.

She further expressed bitterness at the investigation targeting her and what it implied. “It has been an amazing Gestapo-type of investigation to the point that this special counsel finally comes up at this date with a common law,” she said. “I’d like to let you [explain], the four

*Continued on Page 15*

## City Attorney's Office, Tasked With Fighting Off Lawsuits Alleging Improprieties & Graft In SB's Permitting Process, Is Consequentially Unwilling Accept, Examine Or Acknowledge Evidence Of Mayor's Bribetaking *from page 12*

that approach would be the not-very-likely prospect that Judge Cohn would refuse to condone the settlement. A slightly-more-realistic sticking point is the chance that one or more of the plaintiffs, sensing it or they could get more because of the strength of the evidence it or they possess showing San Bernardino's highest official is up to his shoulders in graft, might insist on taking the matter to trial.

Perhaps because any public documentation of Valdivia's bribetaking would obliterate the chance of the city pursuing a settlement with the eight plaintiffs, Best Best & Krieger, serving in its capacity as the city's legal authority that should be dedicated to keeping city officials on the up and up, has been put in the somewhat awkward position of avoiding the near occasion of coming into contact with any information or indication relating to Valdivia's bribetaking.

Last week, after providing the *Sentinel* with the statement asserting that Best Best & Krieger and its attorneys were not representing any of the entities who have sought or are seeking permits for a marijuana/cannabis-related business operation in San Bernardino and the firm was not engaged in facilitating any conflicts of interest, Deputy City Attorney Sonia Carvalho said she would field any further questions relating to the controversy revolving around Mayor Valdivia and the reports of his bribetaking in a follow-up phone call after she tended to a pressing matter. Thereafter, however, Carvalho steadfastly refused to engage with the *Sentinel* and did not respond to 14 separate emails, text messages and phone calls in which those questions were posed or

alluded to.

Munoz said he too had been spurned by Carvalho when he offered to provide her with evidence he possessed demonstrating that Valdivia was soliciting bribes. In his sworn declaration, Munoz said he attended



**Sonia Carvalho**

the April 3, 2019 San Bernardino City Council meeting, at which a sizable representation of those applicants for marijuana/cannabis-related business licenses who had been turned down had weighed in with objections to the city's February 21 action. According to Munoz's affidavit, when Councilman Fred

Shorett asserted the licensing procedure was proper, he stood up and verbally disputed that, making reference to Valdivia having asked him for money. As he was walking out from the meeting, which was still in progress, Munoz said, he was followed into the hallway by Carvalho and acting Police Chief Eric McBride. "Carvalho told me I could not be making such statements unless I had proof," Munoz's declaration states. "I offered to show her the text messages [of his exchange with Valdivia], but she refused to see them." Near the three hour and 52 minute and 4 second time stamp of the video of the April 3, 2019 council meeting, Munoz's remarks can be heard. Shortly thereafter at the three hour 52 minute and 45 second mark, while Shorett was still speaking, he noted that Carvalho had left the room. The city clerk then explained that Carvalho

had gone into the hallway to talk to "the guy in audience," a reference to Munoz.

Munoz's sworn declaration represents a thorny issue for the city; for Valdivia; for Councilman Juan Figueroa, who is now one of Valdivia's only two remaining allies on the council, as Ibarra, Sanchez and Nickel have abandoned him at this point; for a long list of Valdivia supporters, among whom there are many who have invested heavily in his political career; for the police chief and assistant police chief whose ascendancies were and are tied to Valdivia's; and for Best Best and Krieger.

The declaration relates a second incident of Valdivia soliciting a bribe from him than the first one related earlier in the affidavit. On March 4, 2019, according to the affidavit, the same day Munoz said Valdivia had arranged to meet him in a bar in Irvine and showed up under the influence of cocaine, "Valdivia then proceeded to tell me we were all a bunch of 'whining bitches' because we did not want to wait our turn for licenses. I told Valdivia that he 'fucked up' because I did everything Valdiv-

ia asked me to, but he never kept his promise. Instead, Valdivia gave licenses to people that were not even zoned for retail sales of marijuana. Valdivia then asked me for more money to get my license and at that point he brought in and introduced to me [soon-to-become] Council Member Juan Figueroa. Valdivia said everything will go through Figueroa, and that it was the only way I was going to get my license."

Munoz's declaration continues, "Valdivia then asked me for more money and funding in the presence of Juan Figueroa if I wanted to get my license. I got angry and told Valdivia and Figueroa I was not giving them any more money."

That provoked Valdivia, according to Munoz's declaration. "Valdivia told me I was 'cut off' and 'done,' and that he was not helping me with anything anymore. Valdivia got up and said, 'Fuck you. I don't need this shit.' After that meeting with Valdivia and Figueroa, I was blacklisted from several of the other council members and could not contact them."

Last week, at the June

3 San Bernardino City Council meeting which was conducted remotely on a video and audio hook up among the council members in a forum from which the public was excluded because of the coronavirus precautions that were being taken, Councilman Fred Shorett read a written statement from Treasure Ortiz. Ortiz referenced Munoz's declaration without mentioning him by name, saying that the accusations in the affidavit delineated "a pay-to-



**Juan Figueroa**

play scheme" and that Valdivia and Figueroa were "requesting illegal payments." She said that Valdivia's consulting business in which he represented interests in the cannabis industry represented a conflict of interest. She said neither Valdivia nor Figueroa should participate in any discussions or decision-making with regard to cannabis-involved busi-

nesses in San Bernardino.

After Shorett concluded his reading of Ortiz's comments, Valdivia said, "A lot of those allegations are untrue, but I respect Dr. Ortiz and her infinite wisdom and observations."

Referencing the California Department of Cannabis Control Code of Regulations, the *Sentinel* attempted to explore with Carvalho whether Valdivia's business interests in cannabis-based operations might necessitate his resignation or removal from office. One section of that code appears to outright prohibit an elected official in California from getting involved in the cannabis business or marijuana trade.

Under those regulations, § 5005 bears the subheading "Personnel Prohibited from Holding Licenses." Thereafter § 5005 states, "(a) A license authorized by the Act and issued by the Bureau may not be held by, or issued to, any person holding office in, or employed by, any agency of the State of California or any of its political subdivisions when the duties of such person have to do with the enforcement of *Continued on Page 16*

## Rialto Mayor At Last Relents & Recuses Herself On Vote To Fund Her Daughter's Nonprofit *from page 14*

council [members] who started this, who chose to go to closed session without even giving me the courtesy of explaining what was of concern before you leaped to go get special counsel, which is not a mere small line expenditure. I'll recuse and I'll let you guys legislate." She said that first, however, "I want to know why we put certain things into this report that has nothing to do with the general business of the allocation and disbursement of the Community Development Block Grant dollars."

After Robertson expressed her displeasure at what the council had

done to her by subjecting her and the city to the investigation by Manatt, Phelps & Phillips, Councilman Joe Baca, Jr., without dwelling on the circumstance that had necessitated the investigation, instead sought to fence mend, and used the suggestion that the council without Robertson voting would approve the full range of grant allotments as recommended by city staff, including the funding for the Inland Empire Section of the National Council of Negro Women, as an inducement to get Robertson to abstain from the vote.

Baca said he was in support of the city providing the pass-through funding to sustain the Bethune Center, and he suggested that if she did not recuse herself, the city would risk losing

CDBG funding all the way around.

"Madam Mayor, I too plead to you if you could just recuse, I'm in full support of it," Baca said. "I just don't want to jeopardize them. If we hoard it [hang onto the Community Development Block Grant money without spending it], at some time it gets taken away."

Immediately after Baca spoke, Robertson said, "Then I will agree to recuse myself, and I will turn the gavel over to the mayor pro tem. I will not cast a vote one way or another."

From that point on, Councilman Ed Scott, in his role as mayor pro tem, chaired the hearing with regard to the Community Development Block Grant funding apportionment. After members of the public

present who wanted to address the council spoke, recorded phone messages from residents relating to the funding were played aloud and City Clerk Barbara McGee read into the record letters and emails from city residents pertaining to the issue. Scott, Baca, Councilman Rafael Trujillo and Councilman Andy Carrizales then voted unanimously to approve the distribution of the Community Development Block Grant money as recommended by city staff and the city's consultants on the matter, Frank Perez and Rudy Muñoz. That apportionment included the \$40,417 for the National Council of Negro Women/Bethune Center to fund its young adults academic and pre-employment skills program.

-Mark Gutglueck

## Focus On His Bribetaking Is A Cheap & Under- handed Racist At- tack, Valdivia Says from page 15

the Act or any other penal provisions of law of this State prohibiting or regulating the sale, use, possession, transportation, distribution, testing, manufacturing, or cultivation of cannabis goods.”

In questions posed to San Bernardino City Attorney Thomas Rice, Ms. Carvalho & Shimell, the *Sentinel* asked if Best Best & Krieger had indeed determined wheth-

er Mayor Valdivia is the proprietor of a cannabis consulting firm and whether § 5005 of the California Department of Cannabis Control’s regulations prohibits Valdivia from involving himself as a consultant to an individual seeking a commercial marijuana/cannabis license generally, whether or not that license being sought was issued by the City of San Bernardino.

Neither Rice, Carvalho nor Shimell responded to the question.

The *Sentinel* further asked if California Government Code § 1090 prohibits Valdivia from involving himself as a

consultant to an individual seeking a commercial marijuana/cannabis license from the City of San Bernardino. That inquiry garnered no response.

No one with Best Best & Krieger was prepared to address the substantial gaps in the financial interest disclosure documents that Valdivia, like all elected officials in California, is required to file. Known as the California Form 700, the document is supposed to list the sources of income directly to a public official. In a clever use of sleight of hand, Valdivia lists his business, AAdvantage Comm LLC,

for which he gives “consulting” as the general description of the business, without specifying whence AAdvantage Comm draws its income. On the document he indicates an annual income of between \$10,001 and \$100,000 into AAdvantage Comm LLC, but does not disclose from whom the money originated.

It is of note that in 2015, while Valdivia was yet a councilman and during the bidding process for the city’s trash franchise, corporate officials with one of the competitors, Athens Services, reported Valdivia solicited a \$10,000 do-

nation to his campaign fund. When Athens declined, Valdivia opposed awarding the contract to Athens. Valdivia’s former legislative field representative, Don Smith, has stated in a sworn affidavit that he was present in 2018 when Valdivia was handed an envelope full of cash by Danny Alcaez, who holds one of the franchises for tow service with the City of San Bernardino. Smith characterized the money provided to Valdivia as a bribe made in exchange for Valdivia maintaining the status quo with regard to the city’s towing franchises.

Questions emailed to

Councilman Figueroa elicited no response.

In response to the *Sentinel*’s questions to him, Mayor Valdivia stated, “I have noticed that you target minority elected officials in the City of San Bernardino while conspicuously avoiding the Anglo elected officials in our city from similar attacks. To my mind, you are clearly demonstrating a racist approach that has no place in legitimate journalism.”

Accordingly, Valdivia said, “I will not dignify your racist attacks with any further response.”



## State Controller Delineates Shortcomings In WVWD’s Opera- tions & Manage- ment from front page

cy for our ratepayers.”

Chief Financial Officer Rickey S. Manbahal, MPA, stated, “Our water district has seen its turning point to ensuring financial responsibility and accountability. We are taking all the necessary steps to ensure ratepayer funds are invested responsibly. As directed by the board, I will hold our board, management and staff accountable for their actions because it’s what our ratepayers deserve.”

The California Controller’s Office used the Standards for Internal Control in the Federal Government (Green Book), established by the U.S. Government Accountability Office, to assess various aspects of the water district’s previous internal control system from fiscal years 2016-2017 and 2017-2018. The Green Book outlines fundamental components, principles and attributes of effective internal control systems. Since 2020, the West Valley Water District (WVWD) worked with the State of California and other independent firms and organizations to identify and address these shortfalls.

In its first finding, the California Controller’s Office determined that district officials overrode the established process for hiring and promoting employees.

Well prior to the California Controller’s Office’ reaching its conclusions, on December 19, 2019, the WVWD Board of Directors voted to halt all hiring due to suspected irregularities.

On January 16, 2020, the board hired an interim human resources and risk manager, Martin Piñon. During that meeting, the board unanimously approved a temporary hiring freeze resolution.

On January 16, 2020, the board informed the public that Mr. Piñon will manage all recruitments, internal transfers, promotions, salary changes and performance evaluations until new policies and procedures are implemented.

On January 16, 2020, the board ordered all documentation related to the recruitment process be retained in the human resources department.

In its second finding, the California Controller’s Office determined a costly board meeting was held outside of district boundaries.

On April 16, 2020, the board decided to cancel future meetings of this magnitude and is currently researching options that will provide the same or greater results within district

boundaries.

In its third finding, the California Controller’s Office determined the district paid directors questionable compensation for meetings. Moreover, in its fourth finding, the California Controller’s Office determined the district incurred expenditures that are excessive and questionable, and lacked proper approval.

On March 5, 2020, President Hawkins introduced a directive that board members and employees must complete expense reimbursement forms with receipts attached for all travel, conference, meals, expenses, etc. and submit them to the chief financial officer for reimbursement.

Hawkins further instructed that board members must attach a meeting agenda to each reimbursement or stipend form for every meeting for which they request reimbursement.

On March 5, 2020, Hawkins also put in place a requirement that employees must attach receipts to each expense reimbursement form, which includes all incurred expenses, including credit card purchases. These forms must be submitted to the accounting department on a monthly basis.

The CFO has been tasked to prepare new travel and reimbursement policies and a new reimbursement request form that requires sup-

porting documents for all reimbursement requests.

The CFO, human resources director and legal counsel will develop a new reimbursement policy for board of directors’ paid long-term care.

In its fifth finding, the California Controller’s Office determined the district’s credit card practices are highly susceptible to fraud, waste, and abuse.

On March 5, 2020, the board stipulated that the purchasing department and all purchasing functions will report to the CFO, and board members and employees must complete expense reimbursement forms with receipts attached for all travel, conference, meals, expenses, etc. and submit them to the CFO for reimbursement.

In its sixth finding, the California Controller’s Office determined the district incurred expenditures that are excessive and questionable, and lacked proper approval.

On December 19, 2019, Board President Hawkins called a special meeting for January 9, 2020 to review professional services contracts. The board reviewed all of the district’s professional contracts on January 9 and January 25, 2020.

On March 5, 2020, the board approved an agreement with a certified public accounting firm to prepare a new manual that includes

new accounting and purchasing policies and procedures.

In its seventh finding, the California Controller’s Office determined employees might not have been paid correctly because of inaccurate timesheets and excessive paid holidays.

This finding was based on the district’s earlier practice of processing timesheets manually, which was conducive to human error. Since then, WVWD implemented an electronic time entry and management approval process, which corrects inaccurate timesheets and excessive pay.

On March 5, 2020, the board approved an agreement with a certified public accounting firm to prepare a new manual, which includes new accounting, purchasing, time-entry and payroll policies and procedures.

Flex-time holiday excessive pay is a result of the addition of a 4/10 schedule. This schedule is designed to pay an employee for holiday pay based on his/her work schedule. If an employee is on the 4/10 schedule, he/she is paid 10 hours for district observed holidays instead of 8 hours. This policy was changed under the new human resources policies.

In its ninth finding, the California Controller’s Office determined high turnover and lack of consistent leadership

have hindered operational stability.

On December 19, 2019, the board ordered the general manager to halt all hiring until a resolution is adopted.

The hiring of Martin Piñon on January 16, 2020 into the interim human resources and risk manager position was intended to in part redress the turnover issue. During that meeting, the board unanimously approved a temporary hiring freeze resolution.

On January 16, 2020, the board gave Piñon authority to manage all recruitments, internal transfers, promotions, salary changes and performance evaluations until new policies and procedures are implemented.

On January 16, 2020, the board ordered all documentation related to the recruitment process be retained in the human resources department.

In its tenth finding, the California Controller’s Office determined that the district’s directors did not complete required ethics training.

On June 6, 2020, WVWD announced that it obtained a District Transparency Certificate of Excellence via the Special District Leadership Foundation, which requires all board members to complete ethics training and submit a certificate of completion to the foundation.