

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

**FILED**  
Clerk of the Superior Court

JAN 11 2013

PEOPLE OF THE STATE OF  
CALIFORNIA,

PLAINTIFF,

VS.

NICHOLAS CARL ALIOTO, GARY  
ALLEN CABELLO, RAJ KUMAR CHOPRA,  
JORGE DOMINGUEZ, JEFFREY  
STEVEN FLORES, YOLANDA SALCIDO  
JOHN MERRILL WILSON,

DEFENDANTS.

A. Albanese

**GRAND JURY**

CASE NO. SCD235445

DA NO. ADH258

GRAND JURY NO. 12-09

**VOLUME 12**

PAGES 1802 THROUGH 1918,  
INCLUSIVE

REPORTER'S TRANSCRIPT OF PROCEEDINGS

NOVEMBER 28, 2012

SAN DIEGO, CALIFORNIA

APPEARANCES:

FOR THE PLAINTIFF:

BONNIE DUMANIS  
DISTRICT ATTORNEY  
BY: LEON H. SCHORR  
BY: FREDERIC G. LUDWIG, III  
DISTRICT ATTORNEYS  
TIFFANY SCOTT  
CERTIFIED LEGAL INTERN  
330 WEST BROADWAY  
SAN DIEGO, CALIFORNIA 92101

BETTY J. ASHE, CSR NO. 4844  
OFFICIAL COURT REPORTER  
SAN DIEGO SUPERIOR COURT

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1 SAN DIEGO, CALIFORNIA; WEDNESDAY, NOVEMBER 28, 2012; 9:12 A.M.

2 \* \* \*

3 P R O C E E D I N G S

4 \* \* \*

5 MR. SCHORR: MR. SECRETARY, HOW ARE YOU DOING ON NUMBERS?

6 GRAND JURY SECRETARY: WE HAVE ALL 16 GRAND JURORS PRESENT.

7 MR. SCHORR: THIS MORNING I INDICATED BEFORE WE STARTED  
8 WE'LL LIKELY HAVE TWO WITNESSES. FIRST WILL BE MR. ORTIZ, WHO  
9 WILL BE ON FIRST. THEN WE'LL TAKE A QUICK BREAK WITH HIM. WE'LL  
10 PUT ON MR. YOUNG MIN FOR A SHORT TIME AND PUT MR. ORTIZ BACK ON.

11 MR. ORTIZ IS HERE AND HE'S GOING TO COME IN AND WE'LL START  
12 THE PROCESS.

13 GRAND JUROR NO. 16: IS HE A COOPERATING INDIVIDUAL?

14 MR. SCHORR: YES. I'M SORRY. HE IS, MR. ORTIZ IS. MR. MIN  
15 IS NOT. HE'S NOT A CHARGED WITNESS. HE'S JUST A WITNESS. YEAH,  
16 MR. ORTIZ IS COOPERATING IN THAT, AS WE HEARD YESTERDAY,  
17 MR. FLORES, RENÉ FLORES PLEAD AND PART OF HIS PLEA AGREEMENT WAS  
18 THAT MR. ORTIZ WOULD NOT BE CHARGED. AS I BELIEVE I INDICATED  
19 YESTERDAY, AT THE END OF THE DAY, IF MR. ORTIZ IS NOT COOPERATING  
20 OR NOT TRUTHFUL, THEN THAT COULD THWART HIS DEAL AND HE COULD BE  
21 CHARGED AS WELL, IF THAT MAKES SENSE.

22 GRAND JUROR NO. 16: UH-HUH.

23 MR. LUDWIG: MR. ORTIZ, WE'RE GOING TO SWEAR YOU IN FIRST.

24 THE WITNESS: DO I HAVE TO STAND UP?

25 MR. LUDWIG: PLEASE.

26 GRAND JURY FOREPERSON: PLEASE RAISE YOUR RIGHT HAND.

27 DO YOU SOLEMNLY SWEAR THAT THE EVIDENCE YOU SHALL GIVE IN  
28 THE MATTER NOW PENDING BEFORE THIS GRAND JURY SHALL BE THE TRUTH,

1 THE WHOLE TRUTH, AND NOTHING BUT THE TRUTH, SO HELP YOU GOD?

2 THE WITNESS: I DO.

3 GRAND JURY FOREPERSON: THANK YOU.

4  
5 JAIME ORTIZ,

6 GRAND JURY WITNESS, HAVING BEEN DULY SWORN, WAS EXAMINED AND  
7 TESTIFIED AS FOLLOWS:

8  
9 EXAMINATION

10 BY MR. LUDWIG:

11 Q. GOOD MORNING, SIR. THANKS, FOR BEING HERE TODAY.

12 A. THANK YOU.

13 Q. DO YOU MIND STARTING US OFF AND STATING AND SPELLING  
14 YOUR FULL NAME FOR THE RECORD.

15 A. MY NAME IS JAIME ORTIZ. SPELLED J-A-I-M-E, O-R-T-I-Z.

16 Q. THANKS, MR. ORTIZ. DO YOU MIND TELLING US WHAT YOU DO  
17 FOR A LIVING.

18 A. I WORK FOR SGI CONSTRUCTION MANAGEMENT. WE ARE A  
19 PROGRAM AND CONSTRUCTION MANAGEMENT FIRM PRIMARILY FOR K-12  
20 SCHOOL DISTRICTS IN CALIFORNIA, AND WE MANAGE BOND PROGRAMS AND  
21 CONSTRUCTION PROJECTS FOR SCHOOL DISTRICTS.

22 Q. HOW LONG HAVE YOU BEEN WITH SGI?

23 A. ABOUT EIGHT YEARS.

24 Q. HOW ABOUT DESCRIBING, IF YOU WOULDN'T MIND, YOUR  
25 EDUCATION PRIOR TO GOING INTO THE WORK FORCE AND THEN THE JOBS  
26 YOU'VE HAD MAYBE, IF ANY, BEFORE SGI.

27 A. UH-HUH. UM, I -- AS PART OF MY EDUCATION, I WENT TO  
28 HIGH SCHOOL HERE IN SAN DIEGO, AND WENT TO UNIVERSITY IN

1 MONTEREY, MEXICO. I GRADUATED WITH AN ARCHITECTURE DEGREE  
2 FROM -- MONTEREY TECH IS THE TRANSLATION OF THE UNIVERSITY NAME.

3 DURING -- AS AN INTERNSHIP, I WORKED AT BUFETE INDUSTRIAL IN  
4 MONTEREY. THEY ARE A LARGE ENGINEERING CONSTRUCTION COMPANY. I  
5 WORKED THERE FOR ABOUT TWO YEARS. THEN WORKED FOR LATIN ADVISOR,  
6 WHICH WAS A DOT COM COMPANY THAT FOCUSED ON -- KIND OF AN AUCTION  
7 FOR THE CONSTRUCTION INDUSTRY IN LATIN AMERICA.

8 AFTER THAT I WORKED AT CEMIX WHICH IS A CONSTRUCTION  
9 MATERIAL MANUFACTURER. MOSTLY CEMENTITIOUS PRODUCTS LIKE TILE  
10 SETTING MATERIALS AND STUCCOS AND THINGS LIKE THAT, AND AFTER  
11 THAT I CAME BACK TO THE UNITED STATES AND WORKED WITH SGI.

12 Q. WHEN YOU STARTED WITH SGI IN 2004 -- IS THAT ABOUT  
13 RIGHT? EIGHT YEARS AGO?

14 A. YEAH.

15 Q. WHAT WAS YOUR POSITION THEN?

16 A. I STARTED OUT AS A PROJECT ENGINEER AT THE WEST CONTRA  
17 COSTA UNIFIED BOND PROGRAM. I WAS THERE FOR ABOUT TWO YEARS OR  
18 SO MANAGING SEVERAL -- THREE PROJECTS WITHIN THE DISTRICT AT  
19 THREE DIFFERENT SCHOOLS. AFTER THAT, AT EASTSIDE UNION HIGH  
20 SCHOOL DISTRICT IN SAN JOSE. WE WERE MANAGING THAT PROGRAM AS  
21 WELL. I MOVED INTO A DESIGN MANAGEMENT ROLE AND EVENTUALLY A  
22 DEPUTY PROGRAM MANAGER ROLE. AND IN 2007, MOVED DOWN TO SAN  
23 DIEGO TO MANAGE THE SWEETWATER PROGRAM.

24 Q. SO LET'S TALK ABOUT THAT, PROBABLY FOR THE REST OF THE  
25 DAY. WHO WAS YOUR SUPERVISOR AT THE TIME WHEN YOU CAME DOWN TO  
26 SAN DIEGO WITH SWEETWATER?

27 A. UM, CHUCK TERHUNE. HE WAS THE VICE PRESIDENT FOR THE  
28 COMPANY, AND ABOVE HIM WAS JIM MCCONNELL, WHO WAS THE PRESIDENT.

1 Q. DO YOU KNOW WHO RENÉ FLORES IS?

2 A. YES.

3 Q. WHAT WAS YOUR CONNECTION WITH RENÉ FLORES?

4 A. HE'S THE OWNER OF THE COMPANY AND THE ULTIMATE BOSS, I  
5 GUESS YOU CAN CALL IT.

6 Q. DID YOU HAVE A LOT OF INTERACTION WITH MR. FLORES?

7 A. YES, I DID.

8 Q. WHEN YOU CAME TO SAN DIEGO TO WORK WITH SWEETWATER,  
9 WHAT WAS THE STATUS OF SGI'S -- STRIKE THAT.

10 WHEN WE SAY "SWEETWATER," ARE YOU REFERRING TO THE  
11 SWEETWATER UNION HIGH SCHOOL DISTRICT?

12 A. YES.

13 Q. WHAT WAS THE STATUS OF SGI'S RELATIONSHIP WITH  
14 SWEETWATER WHEN YOU FIRST CAME TO SAN DIEGO IN 2007?

15 A. WE WERE AWARDED THE CONTRACT TO MANAGE PROP O.

16 Q. WHAT WAS PROP O?

17 A. THE BOND -- IT'S A \$644 MILLION BOND THAT WAS APPROVED  
18 BY THE VOTERS IN 2006, NOVEMBER OF 2006, TO IMPROVE THE SCHOOLS  
19 THROUGHOUT THE DISTRICT.

20 Q. DID YOU HAVE ANY INVOLVEMENT IN SGI'S APPLICATION TO  
21 ATTAIN A POSITION OF PROGRAM MANAGER OR CONSTRUCTION MANAGEMENT  
22 OF PROP O?

23 A. MY INVOLVEMENT WAS FAIRLY LIMITED. I PARTICIPATED IN  
24 THE INTERVIEW PROCESS. I PARTICIPATED IN A LIMITED FORM IN THE  
25 CREATION OF THE SUBMITTAL PACKAGE THAT WE -- OR THE SUBMITTAL OF  
26 QUALIFICATIONS TO THE DISTRICT. BUT I DID PARTICIPATE IN THE  
27 INTERVIEW PROCESS.

28 Q. I ASSUME THAT THE INTERVIEW PROCESS INVOLVED MEMBERS OF

1 THE SWEETWATER DISTRICT, THE BOARD OR EMPLOYEES?

2 A. IT WAS MOSTLY EMPLOYEE -- WELL, NOT MOSTLY. THERE  
3 WASN'T ANY BOARD MEMBERS THERE, THAT I RECALL. THERE WAS A FEW  
4 EMPLOYEES, CERTAIN OUTSIDE PERSONNEL FROM OUTSIDE OF THE DISTRICT  
5 AND THE DISTRICT'S LEGAL TEAM.

6 Q. SO WHO WITHIN SWEETWATER DID YOU DEAL WITH IN  
7 CONNECTION WITH THE APPLICATION AND THE INTERVIEW PROCESS?

8 A. WELL, I DIDN'T DEAL WITH ANYBODY. AS A TEAM WE WENT  
9 IN, ALONG WITH MANY OTHER TEAMS, TO INTERVIEW. FIRST WE  
10 SUBMITTED THE PROPOSAL. THERE WAS SEVERAL FIRMS SHORT LISTED FOR  
11 THE INTERVIEW PROCESS. AND I ASSISTED AS PART OF OUR TEAM TO THE  
12 INTERVIEW PROCESS AND WE SAT ACROSS THE TABLE FROM SIX, SEVEN  
13 PEOPLE AND CONDUCTED THE INTERVIEW.

14 Q. DO YOU KNOW WHO WAS THERE AT THAT INTERVIEW?

15 A. THERE WERE TWO INTERVIEWS. THE FIRST INTERVIEW -- I  
16 DON'T RECALL EXACTLY WHO WAS AT WHICH ONES BUT -- I DON'T RECALL  
17 WHO WAS AT THE FIRST ONE AND WHO WAS AT THE SECOND ONE,  
18 SPECIFICALLY. I CAN TELL YOU --

19 Q. JUST GENERALLY WHO.

20 A. KATY WRIGHT, RAMÓN LEYBA, RALPH MUÑOZ, LOU SMITH, JESUS  
21 GANDARA WAS AT THE SECOND ONE, I BELIEVE. I'M NOT SURE IF DIANNE  
22 RUSSO WAS AT ONE. I DON'T KNOW IF I MENTIONED HER.

23 Q. THIS IS ALL OCCURRING IN 2007, SOMETIME AFTER  
24 APRIL 2007; IS THAT RIGHT?

25 A. YES.

26 Q. HAD YOU -- UP TO THIS POINT, HAD YOU MET ANY OF THE  
27 BOARD MEMBERS OF SWEETWATER?

28 A. NO.



1 Q. AND DURING THIS PROCESS, DID YOU MEET ANY OF THE BOARD  
2 MEMBERS AT SWEETWATER?

3 A. NO.

4 Q. WAS -- ARE YOU AWARE OF WHETHER OR NOT SWEETWATER HAD  
5 AN EXISTING BOND OR CONSTRUCTION PROGRAM THAT HAD BEEN IN PLACE  
6 BEFORE PROP O CAME ALONG?

7 A. THEY DID. THEY HAD PROP BB.

8 Q. WAS THERE ANOTHER ENTITY SIMILAR TO SGI INVOLVED WITH  
9 PROGRAM MANAGEMENT?

10 A. IT WAS HARRIS AND GAFCON, WHICH WAS AN ALLEGED  
11 PARTNERSHIP.

12 Q. SO AS PART OF THE PROCESS FOR SGI -- WAS IT SGI'S GOAL  
13 THEN TO TRY TO SUPPLANT HARRIS/GAFCON AND TAKE OVER THAT WORK IN  
14 CONNECTION WITH PROP O?

15 A. WELL, OF COURSE. THEY WERE -- THEY WERE THE  
16 INCUMBENTS. AND YEAH, GOING AFTER A JOB, THE INCUMBENTS ARE  
17 THERE, THEY HAVE KNOWLEDGE OF IT, AND YOU ALWAYS TRY -- IF YOU  
18 ARE GOING AFTER A JOB THAT HAS SOMEBODY ALREADY THERE DOING IT,  
19 YOU TRY TO TAKE THEIR PLACE, SURE.

20 Q. AS PART OF THE INTERVIEW PROCESS AND YOUR INTERACTION  
21 WITH MEMBERS OF SWEETWATER, WERE YOU MADE AWARE OF WHETHER OR NOT  
22 SWEETWATER WAS UNHAPPY IN ANY WAY WITH HARRIS?

23 A. UM, JUST FOR THE FACT THAT THEY WERE GOING OUT FOR A  
24 NEW PROGRAM MANAGER I THINK IS AN INDICATOR THAT THEY ARE NOT  
25 ENTIRELY HAPPY WITH THEIR CURRENT TEAM.

26 Q. DID ANYONE AT SWEETWATER EVER PROVIDE TO YOU  
27 SPECIFICALLY ANY INFORMATION OR SUGGESTIONS OR ADVICE ON MAYBE  
28 HOW TO INTERVIEW BETTER OR IMPROVE SGI'S CHANCES OF PREVAILING IN

1 THE SELECTION PROCESS?

2 A. NOT TO ME DIRECTLY.

3 Q. ARE YOU AWARE THAT SOMETHING SIMILAR HAPPENED TO  
4 SOMEONE AT SGI?

5 A. I SAW AN EMAIL THAT WAS SENT. I DON'T REMEMBER WHO  
6 SENT IT.

7 Q. WHAT DO YOU REMEMBER ABOUT THAT EMAIL?

8 A. THAT I THINK IT HIGHLIGHTED SPECIFIC THINGS THAT HARRIS  
9 OR GAFCON WERE WEAK ON, I BELIEVE.

10 Q. DO YOU RECALL IF IT CAME FROM SOMEONE AT SWEETWATER?

11 A. I DON'T REMEMBER. I DON'T REMEMBER. I WOULD ASSUME  
12 SO.

13 Q. OKAY. IN YOUR EXPERIENCE WITH SGI, HAVE YOU SEEN THAT  
14 TYPE OF THING HAPPEN BEFORE IN OTHER DISTRICTS WHERE SOMEONE FROM  
15 INSIDE THE DISTRICT WOULD PROVIDE ADVICE ON THE PROCESS AND HOW  
16 SGI COULD WIN?

17 A. THE REALITY IS I HAVEN'T BEEN INVOLVED IN MANY  
18 SOLICITATION PROCESSES PRIOR TO THIS ONE, OR IF I HAD, IT HAD  
19 BEEN AT A VERY SUPPORTING ROLE, BUT NOT AT THIS LEVEL. SO THE  
20 ANSWER IS NO.

21 Q. DID SGI ULTIMATELY WIN THE SELECTION PROCESS AND GET  
22 THE JOB AS PROJECT MANAGER?

23 A. YES.

24 Q. WHAT DID THAT ENTAIL? WHAT WERE THE DUTIES?

25 LET'S STOP THERE. WE'RE GOING TO SWITCH WITNESSES.

26 A. OKAY.

27 Q. AS WE MENTIONED IN THE HALLWAY OUTSIDE, WE'LL BRIEFLY  
28 GET YOU STARTED AND THEN PULL THE RUG OUT FROM UNDERNEATH YOU,

1 PUT ANOTHER WITNESS ON, AND CALL YOU BACK IN.

2 A. OKAY.

3 Q. BEFORE WE DO THAT, THE FOREPERSON HAS AN ADMONITION SHE  
4 HAS TO READ TO YOU. AND THEN WE'LL HAVE YOU STEP DOWN FOR A FEW  
5 MINUTES AND COME BACK IN A MOMENT.

6 A. OKAY.

7 GRAND JURY FOREPERSON: GRAND JURY PROCEEDINGS AND  
8 INVESTIGATIONS ARE SECRET. YOU ARE, THEREFORE, ADMONISHED ON  
9 BEHALF OF THE SAN DIEGO SUPERIOR COURT AND THE CRIMINAL GRAND  
10 JURY NOT TO DISCLOSE YOUR GRAND JURY SUBPOENA OR YOUR GRAND JURY  
11 APPEARANCE TO ANYONE, AND NOT TO REVEAL TO ANY PERSON ANY  
12 QUESTIONS ASKED, OR ANY RESPONSES GIVEN, IN THE GRAND JURY, OR  
13 ANY OTHER MATTERS CONCERNING THE NATURE OR SUBJECT OF THE GRAND  
14 JURY'S INVESTIGATION, WHICH YOU LEARNED ABOUT BY YOUR GRAND JURY  
15 SUBPOENA OR DURING YOUR GRAND JURY APPEARANCE, EXCEPT TO YOUR OWN  
16 LEGAL COUNSEL. THIS ADMONITION CONTINUES UNTIL SUCH TIME AS THE  
17 TRANSCRIPT OF THE GRAND JURY PROCEEDING IS MADE PUBLIC, OR UNTIL  
18 DISCLOSURE IS OTHERWISE AUTHORIZED BY THE COURT OR BY OPERATION  
19 OF LAW. VIOLATION OF THIS ADMONITION IS PUNISHABLE AS CONTEMPT  
20 OF COURT.

21 MR. LUDWIG: MR. ORTIZ, DO YOU UNDERSTAND THE ADMONITION AS  
22 READ TO YOU BY THE FOREPERSON?

23 THE WITNESS: YES.

24 MR. LUDWIG: DO YOU AGREE TO ABIDE BY IT?

25 THE WITNESS: YES.

26 MR. LUDWIG: THE OTHER WITNESS IS WAITING OUTSIDE AND THEN  
27 WE'LL CALL YOU BACK SHORTLY.

28 MR. SCHORR: REMAIN STANDING FOR A MOMENT. YOU'LL BE SWORN

1 IN BY THE FOREPERSON AND YOU'LL TAKE YOUR SEAT.

2 GRAND JURY FOREPERSON: PLEASE RAISE YOUR RIGHT HAND.

3 DO YOU SOLEMNLY STATE THAT THE EVIDENCE YOU SHALL GIVE IN  
4 THIS MATTER SHALL BE THE TRUTH, THE WHOLE TRUTH, AND NOTHING BUT  
5 THE TRUTH, SO HELP YOU GOD?

6 THE WITNESS: I DO.

7 GRAND JURY FOREPERSON: THANK YOU.

8  
9 YOUNG MIN,

10 GRAND JURY WITNESS, HAVING BEEN DULY SWORN, WAS EXAMINED AND  
11 TESTIFIED AS FOLLOWS:

12  
13 EXAMINATION

14 BY MR. SCHORR:

15 Q. THANK YOU, SIR. IF YOU COULD TAKE A SEAT. AND ONCE  
16 YOU ARE SITUATED, STATE YOUR FULL NAME, SPELLING YOUR FIRST AND  
17 LAST NAME FOR THE RECORD.

18 A. MY NAME IS YOUNG MIN, Y-O-U-N-G, M-I-N.

19 Q. IF YOU COULD JUST EXPLAIN FOR THE JURY A LITTLE BIT  
20 ABOUT YOUR EDUCATIONAL BACKGROUND, THE JOB THAT YOU CURRENTLY  
21 HOLD, AND HOW THROUGH THE PROCESS OF YOUR EDUCATION AND WORK  
22 EXPERIENCE YOU GOT TO BE IN THE POSITION YOU ARE IN.

23 A. CURRENTLY I WORK WITH A FIRM CALLED LPA, INCORPORATED.  
24 IT IS AN ARCHITECTURAL FIRM BASED OUT OF IRVINE. I AM EDUCATED  
25 AND TRAINED AS AN ARCHITECT. I AM CURRENTLY A LICENSED ARCHITECT  
26 PRACTICING IN THE STATE OF CALIFORNIA. I'VE BEEN DOING --  
27 PRACTICING ARCHITECTURE SINCE 1987. SO I'VE BEEN DOING THIS FOR  
28 A LITTLE WHILE AND MY CURRENT POSITION AT PLA IS A PROJECT

1 MANAGER IN CHARGE OF HANDLING THEIR HIGHER EDUCATION MARKET  
2 DIVISION, WHICH I BELONG TO.

3 Q. AND IN YOUR POSITION -- I'M GOING TO BE CONCENTRATING  
4 MORE ON SOME OCCURRENCES BACK IN 2010. BUT BACK IN 2010, WERE  
5 YOU STILL WORKING AT LPA?

6 A. YES, I WAS.

7 Q. DID YOU HAVE OPPORTUNITIES TO PUT IN RESPONSES TO  
8 REQUESTS FOR PROPOSALS?

9 A. THAT IS CORRECT.

10 Q. CAN YOU EXPLAIN TO US HOW IT WOULD BE THAT YOU'D FIND  
11 OUT ABOUT THESE TYPES OF REQUESTS FOR PROPOSALS, WHAT IT WOULD BE  
12 YOU'D BE PUTTING IN FOR, WHAT TYPE OF SERVICES YOUR COMPANY WOULD  
13 BE PROVIDING, AND HOW THAT PROCESS WOULD WORK.

14 A. NORMALLY -- HIGHER EDUCATION IN CALIFORNIA BELONGS TO  
15 PUBLIC SECTOR WORKS. SO A LOT OF PUBLIC WORKS ARE PUBLISHED IN A  
16 GENERAL DATABASE, IF YOU WILL. AND ALSO DEPENDING UPON THE PRIOR  
17 RELATIONSHIPS THAT WE HAD WITH THE DISTRICTS, THEY MAY ACTUALLY  
18 INVITE YOU ON AN INVITED LIST FOR -- TO ANSWER, MOST OF THE TIME,  
19 THE RFQ, WHICH IS THE REQUEST FOR QUALIFICATIONS, WHICH WILL BE  
20 FOLLOWED BY A RFP, WHICH IS REQUEST FOR PROPOSALS. AND, AGAIN,  
21 THAT WE FOLLOW BY INTERVIEWS TO DETERMINE IF THE DISTRICT WOULD  
22 LIKE TO ENTER INTO A CONTRACT WITH OUR OFFICE.

23 SO A LOT OF TIMES WHAT HAPPENS, ESPECIALLY NOW WITH --  
24 INSTEAD OF CALIFORNIA, WHEN THEY ARE PASSING A LOT OF BONDS AND  
25 THINGS LIKE THAT BECAUSE THE STATE OF CALIFORNIA'S FINANCIAL  
26 SITUATION IS NOT THAT GOOD. NORMALLY, WHEN THEY ISSUE BONDS AND  
27 WHEN THE VOTERS APPROVE THEM, THEY USUALLY ENGAGE IN A RFQ  
28 PROCESS FOR QUALIFIED ARCHITECTS TO HELP THEM MANAGE THEIR BONDS

1 AND TO FIGURE OUT WHAT THE BUILDING REQUIREMENTS WOULD BE.

2 SO AT THE VERY BEGINNING, THOSE DISTRICTS WOULD COME TO OUR  
3 OFFICE OR OTHER ARCHITECTURAL OFFICES, SOLICITING FOR A REQUEST  
4 FOR QUALIFICATIONS TO BASICALLY WORK ON THEIR MASTER PLANS TO  
5 HELP THEM FIGURE OUT HOW TO SPEND AND HOW TO BUILD THEIR DISTRICT  
6 FACILITIES.

7 Q. DO DISTRICTS OFTENTIMES HAVE ARCHITECTS ON THEIR STAFF  
8 THAT ARE PART OF THEIR, YOU KNOW, ACTUAL -- WORKING FOR THE  
9 DISTRICT THEMSELVES OR ARE THEY LOOKING FOR SERVICES OUTSIDE OF  
10 THEIR OWN STAFF?

11 A. UM, MOST OF THE DISTRICTS HAVE FACILITY PERSONNEL  
12 WITHIN THEIR PAID STAFF. AND THESE ARE THE PEOPLE WHO ACTUALLY  
13 MANAGE AND OVERSEE THE DISTRICT OFFICES AND THE FACILITIES THEY  
14 HAVE, BUT THEY DO NOT HAVE PAID ARCHITECTS AS PART OF THEIR PAID  
15 STAFF. NORMALLY, THEY WOULD ENGAGE A REQUEST FOR PROPOSAL FROM  
16 THE ARCHITECTURAL COMMUNITY TO HELP THEM WITH THEIR ARCHITECTURAL  
17 NEEDS.

18 Q. DID YOU BECOME AWARE OF THE RFP OR RFQ TAKING PLACE AT  
19 SOUTHWESTERN COLLEGE IN 2009/2010 TIME PERIOD RELATED TO YOUR  
20 INDUSTRY, ARCHITECTURE?

21 A. WELL, ACTUALLY, FOR THAT SPECIFIC DISTRICT, WE HAVE HAD  
22 A LONG WORKING RELATIONSHIP WITH THEM BEFORE THEY HAD THEIR BOND  
23 SO WE KNEW THAT THE DISTRICT WAS GOING OUT FOR A BOND. AND WE  
24 ALSO KNEW WHAT THE MAKEUP OF THE BOND BUILDING PROGRAM WAS. AND  
25 WHEN IT WAS PASSED, THEY SENT OUT A RFP -- RFQ PROCESS, AND WHAT  
26 THEY WERE TRYING TO DO IS -- BECAUSE THEIR BOND WAS FAIRLY LARGE,  
27 THEY WERE TRYING TO SELECT A GROUP OF ARCHITECTS TO BASICALLY  
28 WORK ON THE ENTIRE BOND PACKAGE.

1 THE REASON WHY DISTRICTS DO THAT IS IF THEY ARE TO GO  
2 THROUGH THAT PROCESS EVERY TIME THEY WANTED TO BUILD A  
3 BUILDING -- IT'S A LONG AND DRAWN-OUT AND TIME-CONSUMING PROCESS,  
4 WHICH ALSO COSTS THE DISTRICT MONEY. SO WHAT THEY DO IS THEY ASK  
5 FOR AN RFQ FROM ALL THE ARCHITECTURE COMMUNITIES AND THEY SELECT  
6 BETWEEN FIVE, SIX, SEVEN FIRMS TO BASICALLY WORK ON THE BOND  
7 PROGRAM ITSELF. AND WHEN IT COMES DOWN TO INDIVIDUAL PROJECTS,  
8 THEN THEY JUST HAVE TO GET THE PROPOSALS FROM THESE PRESELECTED  
9 SEVEN ARCHITECTS, AND THAT CUTS DOWN GREATLY ON THEIR SIDE BOTH  
10 TIME AND COST WISE.

11 SO SPECIFIC TO YOUR QUESTIONS, YES, BECAUSE WE KNEW WHAT THE  
12 PROCESS WAS AND WE HAD A WORKING RELATIONSHIP WITH THEM, WE WERE  
13 ANSWERING THEIR PROPOSALS.

14 Q. YOU TALKED ABOUT THE COSTS AND TIME INVOLVED FOR THE  
15 DISTRICT SIDE OF IT, FOR THEM TO PUT OUT THE RFP AND RFQ'S. WHAT  
16 TYPES OF TIME AND COSTS IS IT ON YOUR SIDE IN TERMS OF RESPONDING  
17 TO SHOWING OFF WHAT YOU CAN DO?

18 A. THE RFQ IS AN EASIER DOCUMENT FOR US TO PREPARE, BUT  
19 THAT'S AN INITIAL KIND OF A THING WHICH IS FOLLOWED BY A RFP, AND  
20 THEN YOU PROCEED INTO THE INTERVIEW PROCESS. FOR A COMPANY LIKE  
21 LPA TO ANSWER BOTH THE RFP AND THE RFQ AND ATTEND THE INTERVIEW  
22 PROCESS, I WOULD IMAGINE IT WOULD BE ABOUT \$10,000 OF OUR EFFORT  
23 AND TIME THAT WE'LL BE COMMITTING TO PURSUE A PROJECT.

24 Q. DO YOU RECALL SENDING AN EMAIL IN FEBRUARY OF 2010, TO  
25 A JEFF FLORES, WHO WAS THE OWNER, PRESIDENT OF SCS DOWN AT  
26 SOUTHWESTERN?

27 A. YES, I DO.

28 Q. DO YOU WANT TO EXPLAIN THE EMAIL? WE CAN PULL UP THE

1 EMAIL IN FRONT OF YOU IF IT WOULD HELP TO REFRESH YOUR MEMORY.

2 A. WELL, THE EMAIL IS A SANDWICH IN BETWEEN A PHONE  
3 CONVERSATION I HAD WITH MR. FLORES, AND I WROTE THE EMAIL AND  
4 THERE WAS A FOLLOW-UP PHONE CALL WITH MR. FLORES.

5 Q. WHY DON'T YOU SET THE STAGE WITH THE FIRST PHONE CALL  
6 AND THEN WE'LL SHOW THE EMAIL AND THEN WE CAN EXPLAIN THE NEXT.

7 A. OKAY. LET ME JUST GIVE YOU A LITTLE BIT OF BACKGROUND  
8 INFORMATION SO THAT THESE EVENTS SORT OF MAKE SENSE TO YOU.

9 Q. THANK YOU.

10 A. AS I MENTIONED EARLIER, THE DISTRICT ISSUED THE RFQ FOR  
11 THE POOL OF ARCHITECTS AND THE CORNERSTONE OF THE DISTRICT'S  
12 BUILDING PROGRAM IS WHAT THEY CALL THE CORNER PROJECT. THE  
13 REASON WHY IT WAS -- EVERYBODY WAS CHASING THAT IS BECAUSE IT WAS  
14 THE LARGEST PROJECT ON THEIR BOND PROGRAM AND, OF COURSE,  
15 EVERYBODY WANTS TO WORK ON THE LARGEST PROJECT.

16 SO THE DISTRICT, THOUGH, HAVE DECIDED THAT THE POOL OF  
17 ARCHITECTS WOULD COMPETE FOR THE PROJECT AND THE COMPETITION  
18 INVOLVED A DESIGN PROCESS. SO IT WAS A DESIGN COMPETITION SO THE  
19 DISTRICT WOULD SELECT THE BEST DESIGN. SO THEY COULD MOVE  
20 FORWARD WITH WHOEVER PRODUCED THE BEST DESIGN, AND THAT, IN  
21 ITSELF, IS RELATIVELY COMMON. I MEAN, YOU AS A DISTRICT, IF YOU  
22 WANT TO SPEND THAT MUCH MONEY, WHY WOULDN'T YOU WANT TO GO  
23 THROUGH THAT PROCESS.

24 Q. IF I CAN STOP YOU THERE JUST TO GET SOME CLARIFICATION.  
25 IN A DESIGN COMPETITION PROCESS, DO THE COMPETITORS GET PAID FOR  
26 THEIR -- THE DESIGN THAT THEY ARE SUBMITTING? EVEN IF YOU DON'T  
27 WIN, ARE THEY PAID FOR THEIR TIME? AND DID THAT HAPPEN HERE?

28 A. IN THIS CASE, THERE WAS NO PAYMENT TO THE PARTICIPANTS.



1 I THINK IF YOU WON THE DESIGN COMPETITION, YOUR PAYMENT --  
2 ACTUALLY, YOUR REWARD WOULD BE ACTUALLY WORKING ON THE PROJECT.  
3 BUT THERE WAS NO STIPEND AS SOME OTHER DISTRICT WOULD PAY YOU  
4 FOR. AND IT'S ACTUALLY A MINIMUM COST, EVEN IF THEY PAID YOU,  
5 BUT IN OUR CASE THERE WAS NO PAYMENT.

6 Q. IF YOU CAN EXPLAIN FURTHER THE PROCESS AND WHAT ENDED  
7 UP LEADING TO YOUR INITIAL PHONE CALL.

8 A. WELL, WHEN WE WERE WORKING TOWARDS TRYING TO GET OUR  
9 OFFICE SET UP FOR THE DESIGN COMPETITION -- TO ENTER DESIGN  
10 COMPETITIONS ARE A LITTLE BIT DIFFERENT THAN A RFQ AND A RFP  
11 PROCESS BECAUSE RFQ AND RFP PROCESS FOR US IS JUST HAVING A  
12 MANAGING PRINCIPAL OR A PROJECT MANAGER LIKE MYSELF PUT THE  
13 DOCUMENT AND THE BACKGROUND INFORMATION TOGETHER AND MOST OF THE  
14 WORK IT DONE BY OUR BUSINESS DEVELOPMENT PEOPLE.

15 DESIGN COMPETITION IS SOMETHING THAT IS VERY DIFFERENT. WE  
16 AS A COMPANY NOW NEED THE DEVOTE OUR RESOURCES, DESIGNERS,  
17 STRUCTURAL ENGINEERS, LANDSCAPE ARCHITECTS, AND IT'S A LONG,  
18 DRAWN-OUT PROCESS, AND IT ACTUALLY COSTS A WHOLE HECK OF A LOT  
19 MORE FOR US TO BE INVOLVED IN THESE KIND OF PROCESSES.

20 SO WHAT I WANTED TO DO WAS TO MAKE SURE -- BECAUSE SOME OF  
21 THE THINGS THAT I WAS HEARING OUTSIDE, THERE ARE A LOT OF RUMORS  
22 AND SECONDHAND INFORMATION THAT WAS FLOATING AROUND, IS -- WHAT I  
23 WAS HEARING WAS NOT CONSISTENT WITH THE DISTRICT'S POSITION OF  
24 THE COMPETITION AT THE TIME.

25 Q. WHAT WERE YOUR CONCERNS?

26 A. MY CONCERNS WERE THE FAIRNESS OF THE COMPETITION. I  
27 WANTED TO MAKE SURE -- BECAUSE IF LPA WAS GOING TO BE COMMITTING  
28 50-, 60-, \$70,000 FOR THIS EFFORT, THEN I NEEDED TO MAKE SURE

1 THAT THE -- IT WAS OPEN, FAIR, AND THAT EVERYBODY HAD A FAIR SHOT  
2 OF WINNING THIS THING. BECAUSE IT'S ONE THING FOR US TO GO INTO  
3 IT KNOWING FULL WELL THAT IT'S FAIR AND OPEN AND US TO MAKE A  
4 BUSINESS DECISION AND LET'S SPEND THE MONEY AND CHASE THE  
5 PROJECT. IF WE GET THE PROJECT, THEN WE GET TO WORK ON THIS HUGE  
6 PROJECT. IF WE DON'T WIN, WE GAVE IT OUR FAIR SHOT. BUT IF I'M  
7 HEARING THINGS THAT ARE BIASED TOWARDS ANOTHER INDIVIDUAL OR  
8 ANOTHER FIRM IN THIS CASE, WHICH I WAS HEARING, THEN I BEGAN TO  
9 HAVE CONCERNS BECAUSE GOING IN, FOR ME, AT LEAST IN MY PERSONAL  
10 OPINION, WE'RE CHASING A LOSER. WE'RE THROWING MONEY AWAY. AND  
11 I DON'T THINK THAT'S FAIR.

12 Q. SO DID YOU END UP HAVING A PHONE CONVERSATION BASED  
13 UPON YOUR CONCERNS THEN?

14 A. YEAH. I CALLED JEFF FLORES AT SEVILLE CONSTRUCTION  
15 SERVICES.

16 Q. I'M SORRY FOR CUTTING YOU OFF.

17 IF YOU CAN SET THE STAGE. WHAT JEFF FLORES'S ROLE WAS, WHY  
18 WOULD YOU BE CALLING HIM TO ADDRESS CONCERNS, HOW HE'S INVOLVED  
19 IN THE SELECTION PROCESS, IF YOU KNOW.

20 A. JEFF FLORES IS THE OWNER AND PRESIDENT OF SEVILLE  
21 CONSTRUCTION SERVICES. BEFORE THEY WERE GOING OUT FOR THE  
22 SELECTION OF THE ARCHITECTS, I THINK THE DISTRICT WENT OUT AND  
23 HIRED A PROGRAM MANAGER, AND THEY HIRED SEVILLE CONSTRUCTION  
24 SERVICES AS THAT PROGRAM MANAGER. NOW, THE GENTLEMAN THEY PUT  
25 DOWN AT THE DISTRICT, I BELIEVE HIS NAME IS HENRY --

26 Q. AMIGABLE?

27 A. YES. AND BASICALLY, JEFF IS HENRY'S BOSS. AND I HAD A  
28 PRIOR RELATIONSHIP WITH JEFF BECAUSE SEVILLE CONSTRUCTION

1 SERVICES BUILT A SCIENCE BUILDING FOR ANOTHER DISTRICT, WHICH I  
2 WAS INVOLVED WITH. SO WHEN I WAS HEARING RUMORS AND THINGS ABOUT  
3 THE COMPETITION AND WHAT BASICALLY, IN THIS CASE, BCA ARCHITECT  
4 WAS DOING WITH THE DISTRICT AND HENRY, I DIDN'T THINK IT WAS  
5 APPROPRIATE, FOR ONE. I THOUGHT HE WAS BEING UNFAIR TO THE OTHER  
6 PARTICIPANTS.

7 SO I CALLED JEFF FLORES AND I BASICALLY ASKED HIM, AND I  
8 SAID LOOK, WE'RE GOING TO BE ENTERING INTO A DESIGN COMPETITION  
9 FOR THIS PROJECT. I WANTED TO MAKE SURE THAT EVERYTHING IS FAIR.  
10 SO I NEED YOU TO TELL ME HOW IS IT GOING TO GO.

11 BASICALLY, I WANTED TO KNOW TWO THINGS. ONE, I WANTED TO  
12 KNOW WHO THE PLAYERS ARE GOING TO BE WHO ARE GOING TO BE MAKING  
13 THE DECISIONS TO ULTIMATELY DECIDE WHO WINS AND LOSES THE  
14 COMPETITION. AND SECONDLY, I NEEDED TO KNOW WHAT THE  
15 RELATIONSHIP BETWEEN BCA ARCHITECTS WAS WITH HENRY AND NICK AT  
16 THE DISTRICT.

17 Q. IS THAT NICK ALIOTO?

18 A. YES. SO THE FIRST PHONE CALL I MADE TO JEFF, IT WASN'T  
19 VERY LONG, BUT I BASICALLY SAID, "LOOK, HOW IS IT GOING TO GO?  
20 WHO IS GOING TO MAKE THE DECISION?" HE STEPPED BACK AND HE SAID,  
21 "I'M NOT THE RIGHT PERSON FOR YOU TO TALK TO. MAYBE YOU NEED TO  
22 GO DOWN TO SOUTHWESTERN COLLEGE AND MEET WITH HENRY AND MEET WITH  
23 NICK. MAYBE YOU NEED TO HAVE A DINNER WITH THEM AND HAVE A DRINK  
24 AND MAYBE YOU NEED TO GET THE INFORMATION DIRECTLY FROM THEM."

25 FOR ME THAT DIDN'T SETTLE VERY WELL BECAUSE ALL THE RUMORS  
26 AND EVERYTHING ELSE WAS ABOUT THEM. I WASN'T GOING TO GO DOWN  
27 AND TALK TO THE PEOPLE WHO I KNEW IS GOING TO SAY NO, EVERYTHING  
28 IS GOING TO BE FINE. TO ME, I THOUGHT BECAUSE JEFF WAS A LITTLE

1 BIT REMOVED, MAYBE HE COULD EXPLAIN THAT TO ME, BUT HE DIDN'T DO  
2 THAT. SO I GOT A LITTLE FRUSTRATED.

3 I WROTE THE EMAIL THAT BASICALLY SAYS, LOOK, THERE ARE THESE  
4 RUMORS THAT ARE FLOATING AROUND THAT BCA ARCHITECTS ARE ALREADY  
5 WORKING ON THE PROJECT. EVERY INFORMATION THAT WE'RE GETTING IN  
6 OUR OFFICE HAS BCA ARCHITECTS' LOGO WRITTEN ALL OVER IT. SO I  
7 JUST NEED YOU TO ADDRESS THAT THIS IS GOING TO BE A FAIR AND OPEN  
8 COMPETITION AND THAT EVERYBODY WAS GOING TO HAVE A FAIR SHOT AT  
9 WINNING THIS THING. BECAUSE IF YOU'RE GOING TO HAVE THESE KIND  
10 OF OUTSIDE RELATIONSHIPS -- OUTSIDE OF PROFESSIONAL  
11 RELATIONSHIPS, I SHOULD SAY, THEN THE OTHER PEOPLE WHO ARE NOT  
12 HAVING THOSE KIND OF RELATIONSHIPS, TO ME, IS AT A DISADVANTAGE.  
13 AND THAT WAS MY PRIMARY CONCERN.

14 Q. LET ME SHOW YOU A COPY OF THE EMAIL. IT STARTS ON ONE  
15 PAGE, WHICH IS 3176. AND AT THE VERY BOTTOM IT INDICATES A TITLE  
16 "TO" AND IT SAYS "JEFF" AND THEN IT FOLLOWS. SO AT THE VERY  
17 BOTTOM ON THE PAGE -- WE'RE GOING TO BLOW UP. IT'S FROM THE NEXT  
18 PAGE. IT SAYS, "JEFF," AND THEN WE MOVE ON TO THE NEXT PAGE,  
19 WHICH IS 3177. AND AT THE TOP OF THE PAGE WE HAVE THE EMAIL.

20 THE EMAIL ESSENTIALLY SAYS -- OR IT SAYS, "THERE'S A DESIGN  
21 COMPETITION FOR THE CORNER LOT. WE HAVE ALREADY TALKED TO JOHN,  
22 BUT CAN YOU TELL ME SOME INSIGHTS ON HOW WE CAN GET THE JOB? I  
23 DON'T MIND COMPETING FOR IT, BUT BCA APPEARS TO BE ALREADY  
24 WORKING ON IT. THEIR LOGO IS ALREADY ON MANY OF THE DOCUMENTS.  
25 IF THAT IS THE CASE, HOW FAIR IS THE COMPETITION? WORD IS HENRY  
26 IS CLOSE TO BCA AND THAT IS NOT FAIR EITHER. IT APPEARS THAT  
27 JOHN, NICK, AND HENRY WILL MAKE THE SELECTION. CALL ME TO  
28 DISCUSS ON MONDAY. I WILL ACTUALLY BE OUT AT THE SEVILLE TRAILER

1 ON MONDAY." AND THEN IT APPEARS TO BE SIGNED BY YOU.

2 IS THAT A COPY OF THE EMAIL YOU WROTE?

3 A. THAT IS CORRECT.

4 Q. ANY FURTHER INFORMATION OR EXPLANATION IN TERMS OF --  
5 IS IT NORMAL OR ABNORMAL FOR, FOR INSTANCE, ANOTHER ARCHITECT'S  
6 NAME TO BE ON A PROJECT WHEN IT'S GOING OUT? CAN THAT OCCUR AND  
7 CAN YOU EXPLAIN THE CIRCUMSTANCES?

8 A. YES. AS I MENTIONED EARLIER, THE DISTRICTS DON'T HAVE  
9 PAID -- AS PART OF THEIR PAID STAFF ARCHITECTS WORKING FOR THE  
10 DISTRICT. AND IN THIS DISTRICT'S CASE -- ACTUALLY, IN MOST  
11 DISTRICTS' CASE, AFTER THEY PASS A BOND THEY CREATE MASS PLANNING  
12 DOCUMENTS BASED ON THE ARCHITECTS THEY SELECT. AND BECAUSE THEY  
13 ARE THE ARCHITECTS WHO WORKED ON IT, THE MASTER PLAN INFORMATION  
14 WOULD CONTAIN THE ARCHITECT'S LOGO AND THE INFORMATION.

15 AND SOMETIMES WHAT THEY DO FOR INDIVIDUAL BUILDING PROJECTS  
16 IS THEY WILL TAKE EXCERPTS OF THE MASTER PLAN AND THEY WILL  
17 ACTUALLY INCLUDE IT IN THE DOCUMENT THEY SEND OUT TO OTHER  
18 ARCHITECTS FOR THEM TO ACTUALLY WORK OR PROVIDE PROPOSALS FOR.

19 SO, I MEAN, EVEN IN LPA'S CASE, WE'VE DONE THAT FOR OTHER  
20 DISTRICTS AND WHEN THEY WANTED A PROPOSAL FOR OTHER BUILDINGS,  
21 WHICH WE WERE ALSO ALLOWED TO COM FOR, THEN OUR LOGO ALSO  
22 APPEARS. BUT IT SORT OF KIND OF STOPS THERE. BUT SOME OF THE  
23 INFORMATION THAT WE WERE -- WELL, AT LEAST I WAS HEARING, WASN'T  
24 THAT. AS THE EMAIL MENTIONED, THERE ARE OTHER THINGS THAT I WAS  
25 HEARING, NOT NECESSARILY COMING IN A WRITTEN FORMAT.

26 Q. INSIDE YOUR WORK COMMUNITY OF OTHER ARCHITECTS AND  
27 OTHER FIRMS AND OTHER PROGRAM MANAGERS, IS THERE A LOT OF  
28 CONVERSATION ABOUT WHAT IS GOING ON IN DIFFERENT DISTRICTS OR

1 AREAS?

2 A. YES. YOU KNOW, WHEN I FIRST GOT INTO THIS BUSINESS I  
3 THOUGHT IT WAS A HUGE INDUSTRY. THE BUILDING -- YOU KNOW, YOU  
4 HAVE SO MANY CONTRACTORS, YOU HAVE SO MANY CITIES, INSPECTORS,  
5 ARCHITECTS. BUT AS YOU WORK MORE AND MORE IN THIS INDUSTRY YOU  
6 FIND THAT IT'S A VERY TIGHTLY KNIT GROUP OF PEOPLE WHO BASICALLY  
7 COMPETE FOR EVERYTHING YOU WORK AT.

8 SO EVERY TIME A BOND PASSES, BECAUSE THAT'S BASICALLY WHERE  
9 THE WORK IS, EVERYBODY TALKS ABOUT THAT AND EVERYBODY WONDERS  
10 ABOUT WHAT THAT IS. AND THERE'S A LOT MORE INFORMATION THAT IS  
11 ACTUALLY PUT OUT TO THE PUBLIC BECAUSE IT'S A PUBLIC INSTITUTION.  
12 AND BY LAW EVERYTHING NEEDS TO BE TRANSPARENT FOR THEM TO  
13 ACTUALLY GO AND CONDUCT THEIR BUSINESS.

14 SO THERE ARE AN AWFUL LOT OF THINGS THAT ARE WRITTEN ABOUT  
15 THE PROCESS, THE THINGS THAT THEY ARE LOOKING FOR, AND THE WAY  
16 THEY WANT TO GO ABOUT DOING THAT. NOW, IF THEY ACTUALLY GO ABOUT  
17 IT -- DOING IT THE RIGHT WAY, EVERYBODY TALKS ABOUT IT THAT WAY.  
18 BUT IF THEY SEE SOMETHING THAT IS IMPROPER, INAPPROPRIATE, OR  
19 SOMEBODY IS TRYING TO GET A LEG UP ON SOMEBODY ELSE, WE ALSO HEAR  
20 ABOUT THAT AS WELL.

21 Q. IN YOUR EMAIL YOU MENTION THE NAME JOHN, NICK, AND  
22 HENRY. WE HAVE ALREADY TALKED ABOUT NICK. NICK IS NICK ALIOTO;  
23 IS THAT CORRECT?

24 A. YES.

25 Q. HENRY IS HENRY AMIGABLE?

26 A. YES.

27 Q. AND JOHN, IS THAT JOHN WILSON?

28 A. THAT IS JOHN WILSON.

1 Q. IT APPEARS YOU ARE CONCERNED WITH THE RELATIONSHIP OF  
2 THOSE THREE INDIVIDUALS WITH BCA?

3 A. NO. I'M MORE WORRIED -- JOHN -- BECAUSE WE HAD A PRIOR  
4 RELATIONSHIP WITH THEM -- OUR OFFICE ACTUALLY DID THEIR LIBRARY  
5 BEFORE JOHN RETIRED. SO JOHN RETIRED AND I BELIEVE HENRY WAS HIS  
6 REPLACEMENT. SO JOHN WAS BEING MORE OF A CONSULTANT. I WASN'T  
7 HEARING ANYTHING ABOUT WHAT JOHN WAS DOING OR NOT DOING BECAUSE  
8 HE WAS MORE IN AN ADVISORY ROLE AT THE TIME, AT LEAST THAT'S HOW  
9 I UNDERSTOOD IT TO BE.

10 IT WAS MORE ABOUT HENRY AND NICK, WHO ARE ACTUALLY THE  
11 PEOPLE IN CHARGE, NOT SO MUCH HENRY, BUT MORE SO NICK BECAUSE  
12 NICK REPRESENTS THE DISTRICT AND HENRY IS A HIRED CONSULTANT TO  
13 THE DISTRICT. BUT ULTIMATELY I WAS BEING TOLD THAT THEY WOULD BE  
14 MAKING THE DECISIONS.

15 Q. AND BCA, IS THAT A FIRM THAT IS OWNED BY PAUL BUNTON?

16 A. I ONLY KNOW THE NAME. I DON'T KNOW ANY OF THE PEOPLE  
17 WHO IS ASSOCIATED WITH BCA ARCHITECTS.

18 Q. OKAY. IN TERMS OF THIS EMAIL THAT YOU WROTE, IS IT  
19 COMMON FOR YOU TO WRITE AN EMAIL LIKE THIS TO OTHER DISTRICTS OR  
20 INDIVIDUALS IF YOU HAVE CONCERNS ABOUT THE PROCESS?

21 A. NO.

22 Q. HOW MANY TIMES HAVE YOU WRITTEN AN EMAIL LIKE THIS?

23 A. IN MY ENTIRE CAREER, THIS WAS THE ONLY ONE THAT I HAVE  
24 EVER WRITTEN.

25 Q. AND THEN YOU INDICATED -- I DON'T MEAN TO RUSH ON FROM  
26 THE EMAIL. IF THERE'S ANYTHING ELSE RELEVANT TO YOU, WE'D LIKE  
27 TO HEAR IT. IF NOT, WE'D LIKE TO HEAR -- YOU INDICATED THERE'S A  
28 PHONE CALL THAT TOOK PLACE AFTERWARDS?

1           A.    YES.

2           Q.    CAN YOU EXPLAIN THAT TO US.

3           A.    WELL, THIS EMAIL WAS BETWEEN ME AND JEFF.  AND I SAID,  
4 "JEFF, THE EMAIL WAS OUR CONCERN TO YOU AS OWNER OF SEVILLE  
5 CONSTRUCTION SERVICES."  BUT LET ME BACK UP A LITTLE BIT.

6           BEFORE THAT, WHAT HAD TRANSPIRED WAS I'D GOTTEN A CALL FROM  
7 MY BOSS AT LPA WHEN I WAS WORKING -- HIS NAME IS CHRIS TORREY.  
8 HE CALLED ME AND SAID, "HEY, DID YOU SEND OFF AN EMAIL TO JEFF  
9 FLORES?"  AND I SAID, "YES, I DID."  "WELL, DID YOU COMPLAIN THAT  
10 THIS THING MIGHT NOT BE A VERY OPEN AND FAIR COMPETITION?"  AND I  
11 SAID, "YES, I DID."  AND HE SAID, "OKAY, THAT EXPLAINS THE PHONE  
12 CALL TO ME FROM NICK."

13           BASICALLY, WHAT HAD TRANSPIRED WAS I WROTE THIS EMAIL TO  
14 JEFF AND JEFF CALLED HENRY AND FORWARDED THE EMAIL TO HENRY.  HE  
15 GOT VERY UPSET.  BECAUSE BASICALLY, I'M ACCUSING THEM OF NOT  
16 BEING VERY FAIR.  AND HE FORWARDED IT OFF TO NICK WHO GOT UPSET  
17 AND CALLED MY BOSS TO COMPLAIN ABOUT ME.

18           Q.    AND --

19           A.    AND, QUITE FRANKLY, I DON'T KNOW WHO MADE THE INITIAL  
20 CALL.  I DON'T KNOW IF I CALLED THEM.  I DON'T REMEMBER IF HE  
21 CALLED ME.  BUT THE CONVERSATION SORT OF STARTED WITH ME  
22 COMPLAINING TO HIM, SAYING "LOOK, THIS WAS ME TRYING TO DETERMINE  
23 IF THE THINGS ARE GOING TO BE FAIR.  I NEEDED YOU TO PROVIDE THAT  
24 INFORMATION FOR ME."  AND WHAT HE SAID WAS "LOOK, I APOLOGIZE.  I  
25 CALLED HENRY AND I ASKED HIM TO KEEP IT CONFIDENTIAL BETWEEN JUST  
26 HIMSELF BECAUSE WE AND SOME OF THE OTHER PEOPLE WERE COMPLAINING  
27 ABOUT THE FAIRNESS OF THE COMPETITION AND THAT THERE MIGHT BE  
28 SOME ISSUES.  BUT HENRY DIDN'T DO THAT.  HE FORWARDED IT OFF.  I



1 SAID "LOOK, THIS IS NOT THE WAY THAT I WANTED THIS THING TO GO.  
2 I WANTED IT TO BE IN A FAIR AND OPEN COMPETITION."

3 AGAIN, HE SAID, "MAYBE YOU NEED TO GO DOWN AND MEET WITH  
4 HENRY AND NICK AND HAVE DINNER AND MAYBE HAVE A DRINK WITH THEM."  
5 I SAID, "NO, THAT'S NOT WHAT I WANT TO DO." HE KIND OF SAID,  
6 "LOOK, YOU AND LPA DOESN'T SEEM TO DO THAT." I SAID, "DO WHAT?"  
7 "YOU NEED TO TAKE PEOPLE OUT TO DINNERS AND GOLF COURSES. THIS  
8 IS A NEW TIMES. THIS IS A NEW WAY OF GETTING BUSINESS." AND HE  
9 SAID, "THIS IS CALLED A PRE-SALE AND YOU HAVE TO DO THAT  
10 OTHERWISE YOU'RE NOT GOING TO BE AS BUSY." AND THAT'S WHEN I  
11 SAID, "THANK YOU, JEFF." AND WE HUNG UP THE PHONE. AND THAT WAS  
12 THE LAST TIME I TALKED TO JEFF FLORES.

13 Q. I WANTED TO SHOW YOU ON 3176, THIS WAS THE FIRST PART  
14 OF THE EMAIL. IT SAYS TO JEFF, BUT AS WE GO UP YOU'LL NOTICE  
15 THAT JEFF APPEARS -- JEFF FLORES FORWARDS THAT EMAIL ON TO HENRY  
16 AMIGABLE, AS YOU INDICATED. AS YOU GO UP, IT APPEARS THAT HENRY  
17 AMIGABLE FORWARDS THAT EMAIL ON TO NICK. AND THEN WE GO TO 3175  
18 AND UP TO 3174. AT THE BOTTOM IT SAYS TO CHRIS. IT APPEARS TO  
19 BE CHRIS TORREY. AND THEN WE'LL GO BACK TO 3175.

20 WERE YOU SHOWN A COPY OF THIS EMAIL RESPONSE THAT WAS FROM  
21 NICK ALIOTO? DID YOUR BOSS FORWARD THIS ON TO YOU?

22 A. NO. THE ONLY THING THAT I HAVE IN MY POSSESSION IS THE  
23 EMAIL THAT I WROTE. I DON'T -- I HAVEN'T SEEN THE REST OF THIS.

24 Q. I WANT TO INFORM YOU, THIS IS FROM NICK ALIOTO. YOU  
25 ARE INDICATING THAT YOU DIDN'T SEE IT. PART OF MY JOB HERE,  
26 BESIDES THE PROSECUTOR ROLE, IS ALSO, BECAUSE THERE'S NO DEFENSE  
27 COUNSEL HERE, IS ALSO THE DEFENSE COUNSEL ROLE. IF I KNOW OF ANY  
28 INFORMATION THAT MIGHT BE BENEFICIAL TOWARDS ANY OF THE POTENTIAL

1 DEFENDANTS AND, FOR INSTANCE, AN EXPLANATION OF SOMETHING THAT  
2 THEY BELIEVE OCCURRED, THEN I HAVE A DUTY TO PRESENT THAT ON TO  
3 DEFENSE COUNSEL -- OR, EXCUSE ME, TO THE GRAND JURY.

4 SO I'M GOING TO GO THROUGH THIS AND SEE WHETHER OR NOT YOU  
5 HAVE ANY COMMENT ON IT OR IT HELPS TO REFRESH YOUR MEMORY. IF  
6 NOT, IT WILL BE SOMETHING FOR THE GRAND JURY TO HEAR AS IT  
7 RELATES TO NICK ALIOTO'S EXPLANATION OF THE PROCESS.

8 AND IT INDICATES, I'M GLAD -- THIS IS AN EMAIL TO MR. TORREY  
9 FROM YOURSELF -- AND WE CAN GO BACK. IT'S CC'D TO NUMEROUS  
10 DIFFERENT PEOPLE. IF WE CAN GO BACK TO THAT. I'M SORRY. 3174.  
11 I'LL HAVE YOU LOOK AT THE LIST OF CC'S AND SEE IF YOU RECOGNIZE  
12 ANY OF THE DIFFERENT NAMES. IT STARTS OFF, OF COURSE,  
13 MR. TORREY, MR. AMIGABLE, MR. FLORES, RICHARD NOWICKY, JOHN  
14 MCMURRAY, JODY CHRISTOPHER, JUDY CHAN, SCOTT O. BENJAMIN, PAUL  
15 BUNTON, MATT SOMMERS, ROBERT SIMMONS, BRYCE OSBOURNE, JOHN  
16 MCMURRAY, RAJESH CHOPRA. DO YOU RECOGNIZE ANY OF THOSE NAMES?

17 A. YES. THEY ARE ALL MY COMPETITORS. THEY WORK FOR OTHER  
18 ARCHITECTS. MATT SOMMERS, FOR INSTANCE, HE AND I WORKED TOGETHER  
19 ON ORANGE COAST COLLEGE. I KNOW JODY CHRISTOPHER-JOHNSON AND A  
20 FEW OF THE OTHER NAMES. I DO RECOGNIZE THEM, YES.

21 Q. ARE THEY IN A SIMILAR POSITION TO EITHER MR. TORREY OR  
22 YOURSELF IN TERMS OF ROLE?

23 A. YES.

24 Q. GOING BACK DOWN TO THE EMAIL AGAIN, IT INDICATES -- NOW  
25 WE'RE LOOKING AT 3175. "I'M GLAD WE'RE ABLE TO TALK TODAY AND  
26 CLEAR THIS MATTER UP. AS I SAID, THIS COMPETITION IS OPEN AND  
27 THERE ARE EQUALLY VALID CRITICISMS THAT LPA AND ITS LOGO ARE ALL  
28 OVER SWC DOCUMENTS. IN FACT, I'M ALSO TOLD BY SOME THAT HENRY

1 GOT LPA INTO SWEETWATER AND HAS A RELATIONSHIP WITH YOUR FIRM, AS  
 2 WELL. GIVEN HIS OCCUPATION, I CERTAINLY HOPE THAT HE HAS  
 3 RELATIONSHIPS WITH MANY OF YOU.

4 "THE FACT IS THAT LPA AND BCA WERE BOTH INVOLVED IN THE WORK  
 5 THAT LED UP TO SUCCESSFUL PASSAGES OF PROP R AND SO, IN MOST  
 6 PEOPLE'S PERSPECTIVE, YOU LIKELY HAVE AN ADVANTAGE OVER THE OTHER  
 7 FIRMS AND CRITICISMS BY EITHER OF YOUR FIRMS IS SOMEWHAT  
 8 HUMOROUS.

9 "THERE ARE OTHERS WHO BELIEVE THAT NTD" -- WHO'S NTD?

10 A. NEPTUNE THOMAS DAVIS. THEY ARE ARCHITECTS.

11 Q. "AND/OR TBP" --

12 A. TBP, THEY ARE, AGAIN, ARCHITECTS. THEY USED TO BE  
 13 THOMAS BLUROCK PARTNERSHIP, BUT THEY ARE LIKE US NOW, THEY GO BY  
 14 THE ACRONYMS. ALL OF THEM DO.

15 Q. -- "ARE THE INSIDE TRACKS BECAUSE OF THEIR PAST  
 16 RELATIONSHIP WITH JOHN WILSON AND ALL THE WORK THEY ARE DOING AND  
 17 HAVE DONE ON CAMPUS." IT CONTINUES ON. "I EXPECT AN IMMEDIATE  
 18 END TO THIS NONSENSE BY ALL PARTIES. YOU WILL ALL GET A CHANCE  
 19 TO SHOWCASE YOUR BEST THINKING AND CREATIVITY. WORRY LESS ABOUT  
 20 DREAMING OF OBSTACLES TO YOUR SUCCESS AND MORE ABOUT COMING UP  
 21 WITH A DESIGN THAT DAZZLES AND IMPRESSES THE DOZEN VERY DIFFICULT  
 22 PEOPLE TO GET TO AGREE ON A COMMON DIRECTION. ANYONE WITH ANY  
 23 PERCEPTIVE SKILL AT ALL SHOULD HAVE NOTICED THAT NOT EVERYONE AT  
 24 THE TABLE YESTERDAY AGREES OR EVEN GETS ALONG WELL TOGETHER."

25 DO YOU KNOW WHAT THAT TABLE THEY ARE TALKING ABOUT IS?

26 A. NO, I DO NOT.

27 Q. "I'M COPYING ALL PARTIES TO THIS NOT TO CAUSE ANY  
 28 EMBARRASSMENT BUT SO THAT YOU ALL GET THE SAME MESSAGE. THERE

1 ARE NO FAVORITES HERE. I DON'T CARE WHO HENRY OR JOHN HAVE OR  
2 HAVE NOT WORKED WITH. I AM FROM 2,000 MILES AWAY AND HAVE NEVER  
3 WORKED WITH ANY OF THE SEVEN FIRMS. MY RECOMMENDATION IS MADE TO  
4 OUR PRESIDENT AND WILL BE BACKED UP BY LOGICAL, SOUND RATIONALE.

5 "I LOOK FORWARD TO OUR NEXT CONFERENCE CALL. NICK."

6 SO YOU HADN'T SEEN THIS EMAIL BEFORE?

7 A. I HAVE NOT.

8 Q. AFTER YOUR SECOND CALL WITH MR. FLORES, DID YOUR FIRM  
9 END UP GOING AHEAD AND SUBMITTING FOR THE DESIGN COMPETITION?

10 A. YES, WE DID.

11 Q. DO YOU KNOW WHO EVENTUALLY WON THE DESIGN COMPETITION?

12 A. WHO I THOUGHT AT THE TIME WON THE COMPETITION AND WHO  
13 EVENTUALLY WORKED ON THE DESIGN IS TWO DIFFERENT THINGS. BECAUSE  
14 AFTER WE ENTERED THE COMPETITION, OUR DESIGN PRINCIPAL, WHO  
15 WAS -- WHO WENT TO THE DISTRICT, PRESENTED OUR DESIGNS SOLUTION,  
16 AND WAS PRIVY TO ALL THE OTHER DESIGN SOLUTIONS, CAME BACK AND  
17 SAID TO ME, WE, LPA, OUR SOLUTION WASN'T AS GOOD AS ANOTHER  
18 FIRM'S DESIGN SOLUTION. I SAID, OH, AND HE SAID GENSLER, ANOTHER  
19 DESIGN ARCHITECT, WHO IS ALSO INVOLVED IN THE DISTRICT -- HE  
20 THOUGHT THEIR DESIGN SOLUTION WAS FAR BETTER THAN OURS. IF WE  
21 LOST TO THEM, WE LOST FAIR AND SQUARE. WE HAD NOTHING TO CRY  
22 ABOUT BECAUSE OUR DESIGN SOLUTION WASN'T, QUITE FRANKLY, AS GOOD.

23 Q. SOMETIMES THAT HAPPENS.

24 A. IT HAPPENS A LOT. YOU CAN'T WIN THEM ALL. YOU CHASE  
25 THEM. SO -- AND AT THAT TIME, QUITE FRANKLY, I HAVE TO ADMIT I  
26 THOUGHT, WELL, OKAY, MAYBE WHAT NICK TOLD CHRIS TORREY WAS TRUE.  
27 BECAUSE, BASICALLY, AFTER HE COMPLAINED ABOUT ME AND EXPLAINED TO  
28 HIM ANYWAY, THAT IT WOULD BE FAIR. SO I THOUGHT MAYBE, OKAY,

1 THEN WE LOST TO GENSLER. AND SINCE THE DESIGN COMPETITION WAS  
2 OVER, I CLOSED THE BOOK ON THAT CHAPTER AND MOVED ON.

3 OF COURSE, THREE OR FOUR MONTHS LATER I BEGAN TO HEAR RUMORS  
4 ABOUT IT WASN'T GENSLER WHO WON THE PROJECT. IT WAS BCA THAT WON  
5 THE PROJECT. IT WAS THE SAME SCENARIO I WORRIED ABOUT. I DIDN'T  
6 HEAR SO MUCH ABOUT BCA'S DESIGN SOLUTION AND I DON'T KNOW ABOUT  
7 WHAT THAT ENTAILED, BUT IT WASN'T GENSLER, WHO I THOUGHT WON THE  
8 PROJECT.

9 Q. IN FAIRNESS, YOU WEREN'T THE ONE THAT WAS THERE THAT  
10 EVALUATED ALL THE OTHER DESIGNS?

11 A. THAT IS CORRECT.

12 Q. YOU KNEW OF YOUR DESIGN YOU DIDN'T MAKE ANY COMPARISON  
13 BETWEEN BCA OR GENSLER'S DESIGN YOURSELF; IS THAT FAIR TO SAY?

14 A. NOT AT THE TIME, BUT, AGAIN, BECAUSE THIS IS A PUBLIC  
15 INSTITUTION, THEY ARE OBLIGATED TO POST THESE. SO AFTERWARDS  
16 THEY POSTED ALL THOSE AND THEN I WAS ABLE TO LOOK AT THEM, BUT BY  
17 THEN THE DISTRICT HAS ALREADY MOVED ON AND SELECTED THE  
18 ARCHITECTS.

19 Q. DID YOU HAVE AN OPPORTUNITY TO LOOK AT GENSLER'S  
20 DESIGNS?

21 A. YES. AND I AGREED WITH MY DESIGN PRINCIPAL. THEIRS  
22 WAS FAR SUPERIOR.

23 Q. TO YOURSELF AS WELL AS BCA?

24 A. THAT'S KIND OF HARD TO SAY BECAUSE I -- I ONLY COMPARE  
25 OUR SOLUTIONS TO OTHER ARCHITECTS. I DON'T COMPARE OTHER  
26 ARCHITECTS TO ANOTHER ARCHITECT BECAUSE IT DOESN'T REALLY BENEFIT  
27 US OR -- NOR DO I HAVE TOO MUCH -- IT WOULD BE HARSH IF I SAID I  
28 DIDN'T CARE, BUT THAT'S WHERE MY MIND WAS AT THE TIME.

1 Q. IN YOUR COMPARISON, IT'S GENSLER TO LPA?

2 A. TO LPA, THAT'S CORRECT.

3 Q. AS I MIGHT HAVE INDICATED TO YOU, WE DO SOMETIMES GET  
4 QUESTIONS FROM THE GRAND JUROR, WHICH I THEN ASK TO YOU. THIS  
5 QUESTION IS GRAND JUROR NO. 17. IT ASKS FOR CLARIFICATION.  
6 "SOUTHWESTERN COMMUNITY COLLEGE WANTS YOUR FIRM TO USE THESE  
7 OTHER COMPANIES' MASTER PLANS AND INCORPORATE INTO YOUR DESIGN  
8 PLAN? IS THAT HOW THAT WORKS?

9 A. UM, THE MASTER PLAN -- LET ME EXPLAIN JUST BRIEFLY.  
10 THE MASTER PLAN IS A LIVING DOCUMENT. AS THE COLLEGES START  
11 BUILDING THEIR BUILDING PROGRAM WITH THE BOND MONEY THEY GOT, THE  
12 MASTER PLAN ALSO EVOLVES WITH NEW CONSTRUCTION BECAUSE THE MASTER  
13 PLANNER AT THE TIME OF THE MASTER PLANNING EFFORTS IS NOT FULLY  
14 AWARE OF ALL THE DETAILS AND NITTY-GRITTY ABOUT WHAT THAT  
15 BUILDING IS GOING TO BE. AND THE OTHER THING THAT IS KIND OF  
16 HARD FOR THE MASTER PLANNER TO GRASP AT THE TIME IS BECAUSE THEY  
17 ARE NOT THE PHYSICALLY THE PEOPLE WHO ARE GOING TO BE WORKING ON  
18 THAT SPECIFIC BUILDING, AND THAT SPECIFIC BUILDING MIGHT HAVE  
19 EVOLVED A LITTLE BIT BECAUSE WHEN YOU INVOLVE USER GROUPS TO PLAN  
20 THAT BUILDING, THE PLAN -- THE BUILDING INEVITABLY GROWS A LITTLE  
21 BIT. THEY ALWAYS DO.

22 SO WHAT -- SOMETIMES WHAT THAT FORCE IS IS THE BUILDING NEXT  
23 TO IT NEEDS TO NOW MOVE OR IT NEEDS TO GET PICKED UP AND PUT IT  
24 INTO ANOTHER LOCATION WHERE IT WILL FIT BETTER. SO TO THAT END,  
25 WE MODIFY THE MASTER PLAN -- MASTER PLANNER'S SITE PLAN, SO THAT  
26 GETS FED BACK TO THE MASTER PLAN ARCHITECT, WHO TAKES THAT  
27 INFORMATION, MODIFIES THE MASTER PLAN AND REISSUES THE MASTER  
28 PLAN. THAT'S WHY IT'S CALLED A LIVING DOCUMENT BECAUSE IT EBBS

1 AND FLOWS THROUGH THE ENTIRE PROCESS.

2 SO THE MASTER PLANS ARE USUALLY CREATED ON A CERTAIN DATE  
3 WITH AN EXPECTATION OF COMPLETION SAY 10, 15, 20 YEARS FROM THAT  
4 DATE. AND SINCE NOBODY REALLY KNOWS WHAT WILL TAKE PLACE 15,  
5 20 YEARS FROM THAT DATE, THE MASTER PLANNING ITSELF IS THE BEST  
6 GUESS OF WHAT THE MASTER PLANNERS ARE THINKING AT THAT TIME GIVEN  
7 THE INFORMATION THEY HAVE AT THAT TIME.

8 Q. THAT WAS QUESTION NO. 90. UNLESS THERE'S ADDITIONAL  
9 FOLLOW-UP ON THAT QUESTION, IT'S ANSWERED. A COUPLE MORE THINGS.

10 DID YOU OR ANYONE AT LPA, THAT YOU ARE AWARE OF, EVER TAKE  
11 MR. AMIGABLE, MR. WILSON, MR. ALIOTO OUT TO ANY DINNERS OR MEALS  
12 RELATED TO THIS TIME PERIOD?

13 A. NO.

14 Q. WHAT ABOUT ANY BOARD MEMBERS OR TRUSTEES OR MR. CHOPRA?

15 A. NO. OUR COMPANY IS -- WELL, OUR COMPANY PROHIBITS THAT  
16 THROUGHOUT OUR PROJECT MANAGERS AND PRINCIPALS. ONE OF THE  
17 THINGS THAT WE VALUE HIGHLY IN OUR OFFICE IS OUR PROFESSIONALISM  
18 AND OUR ABILITY TO GET REPEAT WORK BASED UPON PREVIOUS WORK  
19 EXPERIENCE AND HOW WE PERFORMED. AND THAT'S ONE OF THE BIG  
20 SELLING POINTS THAT LPA ALWAYS HAS. WE TAKE THAT AND WE ACTUALLY  
21 MARKET THAT WITH GREAT PRIDE AND AS ONE OF OUR CORE STATEMENTS.

22 AND LPA, IF YOU COME AND VISIT OUR OFFICE, THERE IS CORE  
23 VALUES WHICH ARE PHYSICALLY WRITTEN UP AND WE POST IT ON THE WALL  
24 FOR EVERYBODY TO SEE. AND ONE OF THE WORDS THAT WE POSTED UP  
25 THERE IS THE WORD INTEGRITY. AND AS PART OF THAT, WE DON'T PAY  
26 TO PLAY. WE DON'T TAKE PEOPLE OUT. WE DON'T TRY TO COME IN  
27 THROUGH THE BACK END. BECAUSE IT'S OUR ABILITY TO GET THE JOB  
28 BASED UPON WHAT WE KNOW AND HOW WE DO THE JOB THAT'S MORE

1       IMPORTANT THAN IF WE GET THE JOB OR NOT.  EVERYTHING ELSE IS  
2       SECONDARY AND, QUITE FRANKLY, IT'S NOT FAIR TO EVERYBODY ELSE,  
3       ESPECIALLY IN A PUBLIC REALM WHERE WE'RE USING TAXPAYERS' MONEY.  
4       WE CAN'T DO THAT.  QUITE FRANKLY, I BELIEVE THAT'S AGAINST THE  
5       LAW.

6           Q.     WE WANT TO THANK YOU FOR COMING DOWN.  I'LL DO MY  
7       USUAL.  I INDICATE THAT IF WE HAVE SOMEONE THAT IS FROM OUT OF  
8       TOWN, WE WANT TO MAKE SURE WE GET ALL THE QUESTIONS ASKED.

9           QUESTION NO. 91 IS FROM GRAND JUROR NO. 9.  "HAS YOUR  
10      COMPANY RECEIVED ANY REQUESTS FOR CAMPAIGN DONATIONS?"  ARE YOU  
11      INVOLVED WITH DONATING TO CAMPAIGNS, IF YOU KNOW, SPECIFICALLY TO  
12      SOUTHWESTERN?  AND IF YOU KNOW THE POLICY OF WHAT YOUR COMPANY  
13      DOES.

14          A.     I'M NOT INVOLVED WITH THAT TOO MUCH SO I DON'T KNOW  
15      WHAT THAT IS.  I KNOW SOMETIMES THEY ASK FOR -- WELL, THE TWO  
16      SPECIFIC DISTRICTS THAT WE WORK WITH AS PART OF THE BOND  
17      ISSUANCE, THEY SOMETIMES COME TO US AND SAY, LOOK, WE'RE THINKING  
18      ABOUT A BOND ISSUANCE OF THIS SIZE.  AND IF WE'RE LOOKING FOR  
19      THIS MUCH MONEY, IN YOUR OPINION, HOW MANY BUILDINGS AND WHAT  
20      COULD WE BUILD WITH IT, AND CAN YOU GIVE US A SCHEDULE OF WHAT  
21      THAT IS GOING TO TAKE AND HOW LONG THAT IS?

22          NORMALLY, WE PUT TOGETHER A BOND FACILITIES WISH LIST, IF  
23      YOU WILL.  AND WE THROW THE CONSTRUCTION COSTS AT EACH PROJECT SO  
24      WE CAN KIND OF REAFFIRM TO THE DISTRICT, YES, YOUR BOND AMOUNT IS  
25      ABOUT CORRECT FOR WHAT YOU WANT TO DO.

26          AND SPECIFIC TO YOUR QUESTION ABOUT DO WE MAKE MONEY  
27      CONTRIBUTIONS TO A DISTRICT FOR THEIR BOND CAMPAIGNS AND THINGS  
28      LIKE THAT?  WE DO RECEIVE THEM BUT I DON'T KNOW IF WE HAVE EVER



1 MADE ANY OF THOSE CONTRIBUTIONS OR NOT.

2 Q. YOU ARE NOT PERSONALLY INVOLVED IN THAT PROCESS?

3 A. I AM NOT, NO. THAT GOES A LITTLE BIT ABOVE MY HEAD.

4 Q. OKAY. QUESTION NO. 92 INDICATES, "YOU STATED THAT LPA  
5 OR YOU WITH LPA WORKED AT THE EASTSIDE UNION HIGH SCHOOL  
6 DISTRICT." AND THAT PERSON INDICATES, "I WENT TO PIEDMONT HILLS  
7 HIGH." DID YOU DESIGN THAT SCHOOL?

8 A. I DON'T THINK WE WORKED ON THAT.

9 Q. OKAY.

10 A. I'M SORRY.

11 Q. ANY ADDITIONAL QUESTIONS FROM MEMBERS OF THE GRAND  
12 JURY? WE APPRECIATE YOU TAKING THE TIME TO COME IN AND MEET WITH  
13 US. AND AT THIS POINT WE'RE GOING TO READ AN ADMONITION. IT'S  
14 SIMPLY STATES THAT YOU ARE NOT TO SPEAK TO ANYONE ABOUT THE  
15 QUESTIONS THAT WE ASK OR THE ANSWERS THAT YOU HAVE GIVEN BESIDES  
16 YOUR ATTORNEY, IF YOU HAVE ONE, UNTIL AND IF THIS PROCESS BECOMES  
17 PUBLIC.

18 IF YOU'LL READ THE ADMONITION.

19 GRAND JURY FOREPERSON: GRAND JURY PROCEEDINGS AND  
20 INVESTIGATIONS ARE SECRET. YOU ARE, THEREFORE, ADMONISHED ON  
21 BEHALF OF THE SAN DIEGO SUPERIOR COURT AND THE CRIMINAL GRAND  
22 JURY NOT TO DISCLOSE YOUR GRAND JURY SUBPOENA OR YOUR GRAND JURY  
23 APPEARANCE TO ANYONE, AND NOT TO REVEAL TO ANY PERSON ANY  
24 QUESTIONS ASKED, OR ANY RESPONSES GIVEN, IN THE GRAND JURY, OR  
25 ANY OTHER MATTERS CONCERNING THE NATURE OR SUBJECT OF THE GRAND  
26 JURY'S INVESTIGATION, WHICH YOU LEARNED ABOUT BY YOUR GRAND JURY  
27 SUBPOENA OR DURING YOUR GRAND JURY APPEARANCE, EXCEPT TO YOUR OWN  
28 LEGAL COUNSEL. THIS ADMONITION CONTINUES UNTIL SUCH TIME AS THE

1 TRANSCRIPT OF THE GRAND JURY PROCEEDING IS MADE PUBLIC, OR UNTIL  
2 DISCLOSURE IS OTHERWISE AUTHORIZED BY THE COURT OR BY OPERATION  
3 OF LAW. VIOLATION OF THIS ADMONITION IS PUNISHABLE AS CONTEMPT  
4 OF COURT.

5 MR. SCHORR: DO YOU UNDERSTAND THE ADMONITION AND AGREE TO  
6 ABIDE BY IT?

7 THE WITNESS: YES, I DO.

8 MR. SCHORR: THANK YOU, SIR. AT THIS POINT YOU ARE EXCUSED.  
9 I'M GOING TO BRING IN THE NEXT WITNESS, WHICH WAS ALSO OUR  
10 PREVIOUS WITNESS.

11  
12 JAIME ORTIZ,  
13 GRAND JURY WITNESS, HAVING BEEN PREVIOUSLY SWORN, WAS EXAMINED  
14 AND TESTIFIED AS FOLLOWS:

15  
16 EXAMINATION

17 BY MR. LUDWIG:

18 Q. WELCOME BACK, MR. ORTIZ. YOU ARE STILL UNDER OATH. WE  
19 WERE TALKING ABOUT, I THINK, THE SELECTION PROCESS WITH SGI. AND  
20 YOU SAY THAT SGI WAS ULTIMATELY GIVEN THE JOB AS -- WAS IT  
21 PROJECT MANAGEMENT OR CONSTRUCTION MANAGEMENT?

22 A. IT'S THREE PARTS, REALLY. IT'S PROGRAM, PROJECT, AND  
23 CONSTRUCTION MANAGEMENT.

24 Q. DID SGI GET ALL THREE PARTS IN CONNECTION WITH  
25 SWEETWATER?

26 A. YES. INITIALLY IT WAS JUST PROGRAM.

27 Q. LET'S START EXPLAINING WHAT THAT WAS, THE PROGRAM SIDE  
28 OF IT, WHEN SGI WAS AWARDED THAT TASK. WHAT DOES THAT ENTAIL?

1           A.     PROGRAM MANAGEMENT IS THE MANAGEMENT OF MANY PROJECTS.  
2     A PROJECT CAN BE AS LARGE AS A NEW HIGH SCHOOL OR IT CAN BE AS  
3     SMALL AS, YOU KNOW, CHANGING OUT WINDOWS AT AN EXISTING BUILDING.  
4     SO PROGRAM MANAGEMENT IS THE MANAGEMENT OF THE FINANCES, THE  
5     MANAGEMENT OF -- GLOBALLY MANAGING THE PROGRAM AND WORKING  
6     THROUGH CASH FLOWS AND MAKING SURE THAT THE FUNDING SOURCES ARE  
7     APPROPRIATELY ACCOUNTED FOR. ALL THE FINANCES, SETTING UP  
8     PROCESSES AND PROCEDURES TO MAKE SURE THAT INDIVIDUAL PROJECTS  
9     CAN FUNCTION EFFICIENTLY WITHIN THE OVERALL FRAMEWORK OF THE  
10    PROGRAM, AND IN BEING ABLE TO ESTABLISH THESE PROCESSES AND  
11    PROCEDURES TO BE ABLE TO REPORT ON THE INDIVIDUAL EXPENDITURES  
12    AND INDIVIDUAL ISSUES THAT EACH PROJECT INHERENTLY HAS.

13           Q.     DESPITE THE BREADTH OF THAT -- THE TASKS, IT DOESN'T  
14    ACTUALLY INVOLVE HAMMERING NAILS?

15           A.     CORRECT, WE DON'T BUILD.

16           Q.     WHAT WAS YOUR ROLE THEN IN CONNECTION WITH PROJECT  
17    MANAGEMENT AT SWEETWATER?

18           A.     I WAS RESPONSIBLE FOR THE OVERALL MANAGEMENT OF THE  
19    ENTIRE PROGRAM. ESSENTIALLY EVERYTHING THAT WENT WRONG WITH IT  
20    WAS MY FAULT. AND EVERYTHING THAT WAS FUNCTIONING CORRECTLY WAS  
21    THE EFFORT OF THE ENTIRE TEAM. BUT I WAS RESPONSIBLE FOR THE  
22    ENTIRETY. YOU KNOW THIS, BUT INITIALLY WE WERE JOINT VENTURED  
23    WITH GILBANE AND HENRY WAS MY COUNTERPART AS PRINCIPAL IN CHARGE  
24    AND I WAS THE PROGRAM MANAGER.

25           Q.     I WAS GOING TO GET INTO THAT. FIRST OFF, WHAT IS  
26    GILBANE?

27           A.     GILBANE BUILDING COMPANY IS A PRETTY LARGE CONSTRUCTION  
28    COMPANY OUT OF RHODE ISLAND. THEY ARE A NATIONAL FIRM AND THEY

1 WERE OUR JOINT VENTURE PARTNER FOR THE FIRST PART OF PROP O.

2 Q. HOW DID GILBANE AND SGI INTERACT IN CONNECTION WITH  
3 THIS INITIAL PROGRAM MANAGEMENT TASK?

4 A. THEY WERE -- WE HAD A JOINT VENTURE AGREEMENT AND THEY  
5 HAD 51 PERCENT OF THE PARTNERSHIP, WE HAD 49. OR I DON'T KNOW IF  
6 THAT WAS EXACTLY THE PERCENTAGE. IT MIGHT BE 50.1 OR SOMETHING  
7 LIKE THAT, BUT THEY WERE -- THEY WERE MAJORITY PARTNERS, IF YOU  
8 WILL. AND IN THE AGREEMENT WAS THAT WE PROVIDED -- THAT BOTH  
9 COMPANIES WOULD PROVIDE HALF OF THE STAFF NEEDED TO RUN THE  
10 PROGRAM AND ROUGHLY EARN HALF OF THE REVENUE EACH.

11 Q. DO YOU KNOW WHY THIS TEAMING ARRANGEMENT CAME ABOUT AND  
12 IT WASN'T EXCLUSIVELY GILBANE OR EXCLUSIVELY SGI AS PROGRAM  
13 MANAGEMENT?

14 A. I'VE HEARD OF WHY IT CAME ABOUT. I HAVEN'T -- I  
15 DON'T...

16 Q. WHAT WAS YOUR UNDERSTANDING?

17 A. IN VARIOUS CONVERSATIONS WITH GREG SANDOVAL HE HAD  
18 MENTIONED THAT THE SUPERINTENDENT WANTED A LARGE CONSTRUCTION  
19 COMPANY TO BE INVOLVED IN THIS PROGRAM. AND I BELIEVE THAT THE  
20 BOARD'S INTENT WAS TO HAVE MORE OF A MINORITY-OWNED, REGIONAL  
21 COMPANY INVOLVED. SO I BELIEVE THAT GREG MENTIONED TO  
22 DR. GANDARA THAT HE KNEW OF A LARGE COMPANY, AS WELL, WHICH WAS  
23 GILBANE, THROUGH HENRY, I GUESS.

24 Q. SO IF I GET THE NAMES CORRECT, DR. GANDARA IS THE  
25 SUPERINTENDENT OF SWEETWATER; IS THAT RIGHT? YES?

26 A. YES.

27 Q. AND IT'S -- THE REASON I SAY THAT IS BECAUSE THE COURT  
28 REPORTER IN FRONT OF YOU CAN'T TAKE DOWN THE NODDING OF YOUR HEAD

1 OR SHAKING. I'LL TRY TO ELICIT RESPONSES SO SHE DOESN'T GIVE ME  
2 THE EVIL EYE. SHE DOES THAT ENOUGH ALREADY. AS I MENTIONED --  
3 LET ME FINISH MY TRAIN OF THOUGHT HERE. GREG SANDOVAL IS A BOARD  
4 MEMBER; IS THAT RIGHT?

5 A. THAT'S CORRECT.

6 Q. WHEN YOU SAY "HENRY," THAT'S HENRY AMIGABLE OF GILBANE?

7 A. YES.

8 MR. LUDWIG: THIS IS QUESTION 92; IS THAT RIGHT?

9 GRAND JURY SECRETARY: 93.

10 BY MR. LUDWIG:

11 Q. FROM JUROR NO. 9. "AS PROGRAM MANAGER, WHAT ARE YOUR  
12 DUTIES AND RESPONSIBILITIES?" HAVE YOU HAD PRIOR EXPERIENCE IN  
13 THIS ROLE?

14 IT SEEMS JUROR NO. 9 WAS DOING MY JOB FOR ME. I WAS ABOUT  
15 TO GET THERE.

16 A. AS PROGRAM MANAGER, MY RESPONSIBILITY WAS OVERALL TO  
17 MAKE SURE THAT THE OVERALL PROGRAM WAS RUNNING SMOOTHLY, THAT WE  
18 WERE GETTING OUR PROJECTS BUILT WITHIN THE ESTABLISHED BUDGET AND  
19 WITHIN THE GENERAL TIME FRAMES, MAKING SURE THAT THE DIFFERENT  
20 STAKEHOLDERS HAD INPUT INTO THE DESIGN PROCESS, MAKING SURE THAT  
21 WE WERE MANAGING THIS PROGRAM IN A HIGH PERFORMANCE TYPE OF  
22 FASHION. THERE'S SO MANY DAY-TO-DAY ACTIVITIES THAT I DID. I  
23 CAN GO INTO SPECIFICS, IF YOU WISH, BUT IT'S JUST SO BROAD.

24 Q. I DON'T THINK WE NEED SPECIFICS AT THAT LEVEL JUST YET.  
25 I'M SURE SOME OF THOSE THINGS WILL COME OUT DURING TESTIMONY AS  
26 WE DISCUSS WHAT WAS GOING ON OVER A PERIOD OF TIME. I'M SURE IF  
27 THE MEMBERS OF THE GRAND JURY HAVE QUESTIONS WITH THAT  
28 PARTICULARITY THEY WILL SUBMIT QUESTIONS AND ASK THOSE THINGS.

1 A. OKAY.

2 Q. BACK TO GILBANE AND SGI, DID YOU -- DID YOU, AND IF SO,  
3 HOW DID YOU SHARE THOSE RESPONSIBILITIES YOU JUST MENTIONED WITH  
4 MR. AMIGABLE?

5 A. HENRY INITIALLY WAS MORE GLOBAL IN HIS INVOLVEMENT. I  
6 WAS MANAGING THE DAY-TO-DAY OPERATIONS AND HENRY WAS MOSTLY  
7 INVOLVED WITH POLITICS OF IT ALL. AND AS FAR AS THE -- AND  
8 UNUSUALLY WE WERE -- A LOT OF FOCUS WAS ON HOW WERE WE GOING TO  
9 ESTABLISH THE ORGANIZATIONAL CHART WHERE BOTH COMPANIES CAN  
10 OPERATE COHESIVELY AND IN ONE -- AND AS ONE TEAM.

11 THE WAY WE DID THAT WAS TO MAKE SURE THAT EVERY PART OF OUR  
12 CONVERSATION HAD BOTH COMPANIES INVOLVED IN IT, WHETHER IT BE A  
13 GILBANE PERSON REPORTING TO SGI, OR GILBANE PROJECT ENGINEER  
14 REPORTING TO A SGI PROJECT MANAGER BUT REPORTED TO -- YOU KNOW,  
15 IT WAS A COMPLETELY INTEGRATED ORGANIZATION AND WE DID THAT  
16 STRATEGICALLY TO MAKE SURE THAT IT WASN'T AN US VERSUS THEM TYPE  
17 OF APPROACH INTERNALLY.

18 Q. DID YOU HAVE AN OFFICE LOCATED ON OR NEAR ANY  
19 SWEETWATER OFFICES?

20 A. YES. WE HAD OFFICES AT THE DISTRICT. THE DISTRICT  
21 PROVIDED OFFICES FOR OUR TEAM.

22 Q. TRAILER-TYPE OFFICES?

23 A. YES.

24 Q. TRAILERS. WERE THEY IN THE SAME COMPLEX AS DR. GANDARA  
25 AND OTHER OFFICIALS FROM THE DISTRICT WERE ALSO LOCATED?

26 A. YES, IN THE SAME GENERAL SITE.

27 Q. OKAY. WHEN YOU ARRIVED TO TAKE OVER THE DUTIES AS  
28 PROGRAM MANAGER OR JOINT PROGRAM MANAGER WITH GILBANE, DID YOU

1 HAVE OCCASION TO REVIEW WHAT HAD BEEN DONE UP TO THAT POINT AS  
2 FAR AS CONSTRUCTION MANAGEMENT WITH HARRIS AND GAFCON?

3 A. WE DID.

4 Q. DID YOU SEE ANYTHING DEFICIENT IN ANYTHING THAT HARRIS  
5 DID?

6 A. WE DID. THE TRANSITION FROM THEIR TEAM TO OURS WAS  
7 ALMOST NONEXISTENT. WE FOUND SIGNED CONTRACTS IN THE RECYCLE  
8 BINS. THEY REFUSED TO HAND OVER FINANCIAL STATEMENTS AND EXPLAIN  
9 THE PROCESS OF HOW THEY WERE CAPTURING INFORMATION FOR INVOICING  
10 AND IT WAS A VERY DIFFICULT TRANSITION. A LOT OF IT WAS FOR LACK  
11 OF WILLINGNESS TO EXPLAIN THE EXISTING PROCESSES. SOME OF THE  
12 CONSTRUCTION THAT WE SAW WAS -- WASN'T OF THE BEST QUALITY.

13 Q. THIS IS QUESTION 94, FROM JUROR NO. 8. IT GETS INTO A  
14 CONCEPT WE HAVEN'T DISCUSSED YET. I'LL LET YOU EXPLAIN IT. "WHO  
15 WAS RESPONSIBLE FOR THE FINAL APPROVAL OF CHANGE ORDERS AND WHAT  
16 IS INVOLVED IN THIS PROCESS?"

17 IF YOU DON'T MIND, MR. ORTIZ, START BY EXPLAINING WHAT A  
18 CHANGE ORDER IS AND ANSWER WHO IS RESPONSIBLE FOR FINAL APPROVAL.

19 A. A CHANGE ORDER IS A CHANGE TO THE CONTRACT DOCUMENTS.  
20 THE CONTRACT DOCUMENTS ARE PLANS THAT THE ARCHITECTS CREATE TO  
21 BUILD A PROJECT, AND THOSE PLANS ARE DIRECTIONS TO THE CONTRACTOR  
22 ON EXACTLY HOW TO BUILD THE SPECIFIC COMPONENTS OF THE PROJECT,  
23 TO BUILD THE ENTIRETY OF IT.

24 AND SPECIFICATIONS, WHICH IS THICK TEXT DOCUMENTS THAT  
25 OUTLINE SPECIFIC DETAILS, THEY ARE DIVIDED INTO 14 SECTIONS. AND  
26 THOSE SECTIONS ARE, YOU KNOW, CONCRETE AND MASONRY WORK, AND IT  
27 TELLS IF YOU'LL USE -- FOR THIS APPLICATION, THIS CONCRETES NEEDS  
28 TO BE OF THIS CERTAIN MAKE AND COMPRESSION STRENGTH AND HAS TO

1 HAVE CERTAIN TYPES OF AGGREGATES TO BE ABLE TO FUNCTION THE WAY  
2 THE ARCHITECT AND DESIGN TEAM HAS ORIGINALLY ENVISIONED TO CREATE  
3 THE PROJECT, AND LIKE THAT, OR MANY OTHER EXAMPLES. SO THE PLANS  
4 AND SPECS ARE A RECIPE OF EXACTLY HOW THESE CONTRACTORS ARE GOING  
5 TO BUILD THE PROJECT.

6 IN A HARD BID --

7 SO THESE PLANS AND SPECS ARE TAKEN BY THE CONTRACTOR, THEY  
8 ARE PRICED OUT BY THEIR DIFFERENT SUBCONTRACTORS, AND ARE -- THEY  
9 ARE EITHER AGREED WITH THE DISTRICT AND THE CONTRACTOR TO A  
10 GUARANTEED MAXIMUM PRICE OF I WILL CHARGE YOU X AMOUNT OF  
11 MILLIONS OF DOLLARS FOR THIS PROJECT PER THESE PLANS AND SPECS.

12 ANOTHER DELIVERY METHOD IS HARD BID OR DESIGN BY BUILD WHERE  
13 YOU BID OUT THESE PLANS AND SPECS TO THE CONTRACTORS AND THEY IN  
14 TURN BID IT OUT TO THEIR SUBCONTRACTORS. THEY GET -- THEY TOTAL  
15 ALL THEIR SUBCONTRACTORS' BID PRICES, ADD THEIR FEES AND  
16 INSURANCE AND GENERAL CONDITIONS COSTS AND THEY GIVE THE DISTRICT  
17 A PRICE. AND THESE ARE SEALED PRICES. AND ANYWHERE FROM TWO TO  
18 20 CONTRACTORS BID ON THE SAME PLANS AND SPECS, AND YOU OPEN THEM  
19 AND WHOEVER GETS THE LOWEST BID IS THE ONE WHO IS GIVEN THE  
20 CONTRACT, IF THE BID IS RESPONSIVE AND THEY MEET ALL THE  
21 INSURANCE REQUIREMENTS AND ALL THESE OTHER REQUIREMENTS THAT WE  
22 HAVE. AND ALL OF THAT IS STIPULATED ON THE CALIFORNIA PUBLIC  
23 CONTRACT CODE.

24 SO A CHANGE ORDER HAPPENS WHEN YOU ARE IN THE FIELD AND THEY  
25 ARE ACTUALLY CONSTRUCTING THE PROJECT AND -- YOU KNOW, TO GIVE AN  
26 EXAMPLE, THE FRAMING PLAN OUTLINES THAT THE WINDOW NEEDS TO BE A  
27 CERTAIN WIDTH AND A CERTAIN HEIGHT AND THE FRAMING CONTRACTOR  
28 BUILDS THAT WINDOW TO THAT CERTAIN HEIGHT AND WIDTH PER THE



1 PLANS. AND THEN IN THE WINDOW AND THE GLAZING PLANS, WHICH IS  
2 ANOTHER CONTRACTOR, HAS TO PROVIDE A WINDOW AND THE WINDOW THAT  
3 IS SPECIFIED FOR THAT OPENING IS A LITTLE BIT SMALLER OR A LITTLE  
4 BIT LARGER. SO THROUGH NO FAULT OF THE CONTRACTOR, THE PLANS AND  
5 SPECS WERE WRONG. AND THAT HAPPENS FREQUENTLY. THERE'S NOT A  
6 SINGLE PROJECT OUT THERE THAT DOESN'T HAVE CHANGE ORDERS BECAUSE  
7 THE DRAWINGS AND SPECS ARE CREATED BY HUMANS AND THROUGH  
8 COMPUTERS.

9 BUT ULTIMATELY THERE'S THOUSANDS -- HUNDREDS OF THOUSANDS OF  
10 MOVING PARTS IN ANY GIVEN CONSTRUCTION PROJECT AND HUNDREDS OF  
11 PEOPLE COLLABORATE TO BUILD THAT PLANS AND SPECS WITH DIFFERENT  
12 DESIGN TEAMS FROM DIFFERENT OFFICES ACROSS THE COUNTRY ARE  
13 COLLABORATING. AND THINGS GET MISSED AND DETAILS DON'T ALWAYS  
14 GET COORDINATED PERFECTLY. SO WHEN THAT HAPPENS THE CONTRACTOR  
15 SAYS, HEY, THERE'S AN ISSUE HERE. THE WINDOW DOESN'T MATCH UP  
16 WITH THE OPENING THAT WE BUILT. SO WE SAY, YOU NEED TO GET  
17 ANOTHER WINDOW OR YOU NEED CHANGE THE OPENING OR WHATEVER. YOU  
18 NEED TO FIND A SOLUTION. AND THAT COSTS MONEY.

19 THAT'S WHEN A CHANGE ORDER IS CREATED. A CONTRACTOR CREATES  
20 A CHANGE ORDER REQUEST THAT SAYS, HEY, YOU KNOW, THE WINDOW HERE  
21 IS LARGER THAN WHAT WAS SPECIFIED. WE NEED \$2,000 TO ORDER A NEW  
22 WINDOW OR FIX IT OR WHATEVER. AND THAT CHANGE ORDER REQUEST IS  
23 REVIEWED BY OUR -- THAT'S SUBMITTED TO THE PROJECT MANAGEMENT,  
24 WHO IS EITHER GILBANE OR SGI EMPLOYEE. WE REVIEW THAT TYPICALLY  
25 IN THE WEEKLY CONSTRUCTION MEETINGS THAT EVERY PROJECT HAS. THAT  
26 INCLUDES A REPRESENTATIVE FROM THE OWNER, AND THE ARCHITECT  
27 REVIEWS IT. THE ARCHITECT ULTIMATELY HAS TO -- IF OUR PROJECT  
28 MANAGER REVIEWS THE REQUEST AND GOES AND LOOKS AT THE PLAN AND

1 SAYS, YOU ARE RIGHT, THERE IS A MISMATCH HERE, YOU ARE OWED THIS  
2 MONEY.

3 AND ONE THING THAT I ALWAYS ASK OUR PROJECT MANAGER TO DO IS  
4 MAKE SURE THAT THEY REVIEW THE PRICES THAT THEY GOT FROM THE  
5 CONTRACTOR. AND THEY HAVE TO BE FIRM BUT FAIR. THEY HAVE TO  
6 MAKE SURE THAT THE DISTRICT WAS GETTING -- THAT THE CONTRACTOR  
7 WAS PROVIDING A FAIR PRICE. IF IT WAS FAIR AND IF THE CONTRACT  
8 DOCUMENTS WERE -- IF THE CHANGE ORDER WAS APPROPRIATE, THEN THEY  
9 PASS IT ALONG TO THE DISTRICT'S OWNER'S REPRESENTATIVE, TO THE  
10 ARCHITECT. THE ARCHITECT ULTIMATELY HAS TO SIGN OFF ON IT  
11 BECAUSE HE'S THE ONE WHO'S SIGNING THE DOCUMENTS IN FRONT OF THE  
12 STATE. THEY ARE THE ONES RESPONSIBLE BECAUSE THEY CREATED THE  
13 DOCUMENT. SO THE ARCHITECT HAS TO SIGN OFF OF IT.

14 THE INSPECTOR OF RECORD IS THERE AND HE HAS TO SIGN OFF ON  
15 IT. THE OWNER'S REPRESENTATIVE, THE PROJECT MANAGER HAS TO SIGN  
16 OFF ON IT. WHEN ALL THESE PEOPLE SIGN OFF ON IT, THEN WE CREATE  
17 A CHANGE ORDER. WE GIVE IT TO THE CONTRACTOR. HE SIGNS OFF ON  
18 IT. IT'S A VERY LONG, COMPLICATED, CUMBERSOME PROCESS. BUT  
19 THESE ARE PUBLIC FUNDS AND I THINK IT'S APPROPRIATE.

20 SO ONCE THE CHANGE ORDER IS APPROVED, IT GOES TO THE BOARD  
21 OF TRUSTEES FOR ULTIMATE APPROVAL OF THE CHANGE ORDER, AND THEY  
22 ARE THE ONES WHO ARE RESPONSIBLE FOR APPROVING CHANGE ORDERS, THE  
23 BOARD OF TRUSTEES. AT ANY GIVEN BOARD MEETING, WE HAD -- AGAIN,  
24 WE HAD NINE SIGNIFICANT PROJECTS GOING ON AT ONE TIME. THERE'S  
25 10, 20, 30 DIFFERENT CHANGE ORDERS FROM DIFFERENT PROJECTS GOING  
26 TO THE BOARD. AND ALL OF THEM -- EACH ONE OF THOSE CHANGE ORDERS  
27 HAVE FOLLOWED THE PROCESS THAT I EXPLAINED, MORE OR LESS. SO A  
28 CHANGE ORDER GOES THROUGH MANY, MANY LAYERS OF REVIEW AND

1 APPROVAL PROCESS TO MAKE SURE THAT THEY ARE APPROPRIATE.

2 DOES THAT COVER IT?

3 Q. I BELIEVE SO. THANK YOU, VERY MUCH.

4 I KNOW YOU JUST TOOK THE STAND AGAIN, BUT MADAM COURT  
5 REPORTER HAS BEEN TYPING FOR ABOUT AN HOUR AND A HALF. WE  
6 USUALLY TAKE A BREAK MIDMORNING AND AFTERNOON EVERY DAY. WE'LL  
7 BREAK NOW FOR 15 MINUTES OR SO. MADAM FOREPERSON WILL REMIND YOU  
8 THAT YOU ARE STILL UNDER OATH AS WELL AS ADMONISHED.

9 GRAND JURY FOREPERSON: YOU ARE REMINDED THAT YOU ARE STILL  
10 ADMONISHED.

11 MR. LUDWIG: THERE YOU GO. WE'LL WRAP IT UP HERE AND COME  
12 BACK IN A FEW MINUTES.

13 (RECESS.)

14 GRAND JURY SECRETARY: WE HAVE ALL 16 GRAND JURORS PRESENT.

15 MR. LUDWIG: BEFORE WE GET BACK WITH MR. ORTIZ, TWO OF YOU  
16 STOPPED ME IN THE HALLWAY AND MENTIONED IT'S SOMEONE'S BIRTHDAY.  
17 JUROR NO. --

18 JUROR NO. 13: NINE.

19 MR. LUDWIG: ALL RIGHT. THERE WAS SOME DISCUSSION ABOUT  
20 ADJUSTING THE SCHEDULE ACCORDINGLY. I THINK WHAT WE CAN DO IS  
21 INSTEAD OF OUR HOUR-LONG BREAK WE'VE BEEN TAKING FOR THE LAST FEW  
22 SESSIONS, NOON TO 1:00, WE WILL BREAK FROM NOON TO 1:30. AND  
23 THEN EVEN THOUGH WE KIND OF MAKE UP THAT HALF HOUR BY ENDING AT  
24 4:30, WE'LL GO FROM 1:30 TO 4:00. WE MAY THEN STILL BE ABLE TO  
25 MAKE UP THAT HALF HOUR AT SOME OTHER POINT IN TIME. WE'LL JUST  
26 END ACCORDING TO PLAN AT 4:00 O'CLOCK WITH THE LONG LUNCH.

27 GRAND JUROR NO. 13: YOU ARE MY FAVORITE PERSON EVER.

28 MR. LUDWIG: I GET THAT A LOT. THANKS.

1 MR. SCHORR: I NEVER GET THAT.

2 GRAND JURY NO. 13: LEON DOESN'T GET ANYTHING.

3 MR. LUDWIG: WE HAVE A LOT OF GROUND TO COVER. THERE'S TWO  
4 OF THESE BINDERS FOR MR. ORTIZ --

5 GRAND JURY NO. 13: GO. OKAY. WE'RE BEING REALLY QUIET.

6 MR. LUDWIG: IT MAY COME TO PASS THAT WE HAVE TO, LIKE,  
7 MR. AMIGABLE, STOP AND BRING MR. ORTIZ BACK IN AND OUT OF ORDER.

8 GRAND JUROR NO. 13: THANK YOU.

9 GRAND JUROR NO. 9: THANK YOU.

10 MR. LUDWIG: WELCOME BACK ONE MORE TIME, MR. ORTIZ.

11 THE WITNESS: THANK YOU.

12 MR. LUDWIG: WE JUST FINISHED ANSWERING QUESTION NO. 94; IS  
13 THAT RIGHT?

14 GRAND JURY SECRETARY: THAT'S RIGHT.

15 BY MR. LUDWIG:

16 Q. WE HAVE QUESTION NO. 95, WHICH WAS SUBMITTED BEFORE THE  
17 BREAK. THIS IS FROM JUROR NO. 7. CAN YOU GIVE SPECIFIC EXAMPLES  
18 OF FAULTY CONSTRUCTION BY HARRIS? AND LET ME QUALIFY THAT  
19 BECAUSE HARRIS WAS NOT RESPONSIBLE FOR CONSTRUCTION. CORRECT?

20 A. CORRECT.

21 Q. THEY OVERSAW THOSE WHO WERE?

22 A. YES.

23 Q. ARE YOU ABLE TO PROVIDE SOME EXAMPLES OF DEFICIENCIES  
24 IN THE CONSTRUCTION THAT WAS OVERSEEN BY HARRIS?

25 A. THERE WAS CERTAIN DEFICIENCIES, BUT I GUESS I WANT TO  
26 QUALIFY WHAT I SAID EARLIER. IT WAS MORE IN THE DESIGN AND SCOPE  
27 OF THE PROJECTS THAT WE OVERSAW. FOR EXAMPLE, A CERTAIN PIPING  
28 FOR EITHER HOT WATER OR -- I FORGET WHICH ONE -- AT SWEETWATER

1 HIGH SCHOOL WHERE THE PIPES WERE OUTSIDE OF THE BUILDING INSTEAD  
2 OF HIDDEN IN THE WALLS WHERE THEY BELONG AND IT'S VERY EASY TO  
3 HIDE IT. CERTAIN AESTHETIC ISSUES LIKE THAT.

4 AT MONTGOMERY MIDDLE SCHOOL THERE WAS A COLUMN, A SOLE  
5 COLUMN, ON THE OTHER SIDE OF THE WALKWAY THAT WAS HIDING -- AND  
6 I'M NOT SURE WHAT KIND OF PIPE IT WAS, GOING UP AND AROUND INTO  
7 THE BUILDING.

8 THE STUCCO PATCHING AROUND WINDOWS WHERE THEY REPLACED THE  
9 WINDOW IN THE EXISTING BUILDING AND THE STUCCO WAS CLEARLY  
10 DIFFERENT THAN THE EXISTING BUILDING. SO WHEN YOU LOOK AT IT,  
11 YOU COULD TELL THAT THERE WAS JUST A BAD PATCH AROUND THE WINDOW  
12 WHERE THEY REPLACED THE WINDOW. AND THEY DIDN'T DO A VERY GOOD  
13 JOB OVERSEEING THE CONTRACTOR AND THE INSPECTOR AND ACCEPTING  
14 THAT KIND OF WORK. SO IT WAS A LOT OF MODERNIZATION WORK THAT  
15 WAS JUST POORLY THOUGHT OUT AND GAVE THE APPEARANCE OF POOR  
16 QUALITY.

17 Q. WAS IT NECESSARY TO COMPLETELY REDO THOSE TYPES OF  
18 THINGS?

19 A. IN SOME CASES.

20 Q. THE WINDOWS AND THE PIPING?

21 A. IN SOME CASES. THERE --

22 Q. GO AHEAD.

23 A. THERE WAS ONE MORE EXAMPLE AT SOUTHWEST MIDDLE SCHOOL  
24 WHERE THERE WAS A SEWER PIPE THAT REALLY DIDN'T CONNECT TO THE  
25 SEWER. IT WENT INTO THE GROUND AND THEN STOPPED. SO IT WAS BAD.

26 Q. THAT SOUNDS BAD. YOU'VE ALREADY MENTIONED DR. GANDARA  
27 AND MR. SANDOVAL. AT WHAT POINT DID YOU COME TO KNOW ANY AND ALL  
28 OF THE BOARD MEMBERS FROM SWEETWATER AS WELL AS THE

1 SUPERINTENDENT?

2 A. I GOT TO KNOW THE SUPERINTENDENT -- MY FIRST MEETING  
3 WITH HIM WAS THE DAY AFTER THEY AWARDED US THE PROGRAM MANAGEMENT  
4 CONTRACT, AND I REMEMBER BECAUSE I HAD PLANNED PRIOR TO STARTING  
5 AT SWEETWATER -- I WAS AT SAN JOSE AT THE TIME. I THOUGHT WE  
6 WOULD HAVE A WEEK, TWO WEEKS, AND I SAID I'LL TAKE A VACATION,  
7 CLEAR MY MIND AND BE READY TO START THIS BIG PROJECT.

8 SO THE DAY OF THE BOARD MEETING WHEN WE WERE AWARDED THE  
9 CONTRACT, HENRY AND I DECIDED, WELL, LET'S SHOW UP TO  
10 DR. GANDARA'S OFFICE TOMORROW AND JUST THANK HIM AND FIND OUT  
11 WHEN HE WANTS US TO SHOW UP FOR WORK. WHEN WE GOT THERE, HE  
12 SAID, "I'M GLAD YOU ARE HERE. YOU HAVE A MEETING IN HALF AN  
13 HOUR," AND THERE YOU GO, AND NEVER LEFT SINCE. SO THAT WAS MY  
14 FIRST MEETING WITH DR. GANDARA.

15 WHEN DID I GET TO KNOW THE BOARD MEMBERS? IT WAS PROBABLY  
16 INDIVIDUALLY AT DIFFERENT EVENTS, AND I DON'T KNOW EXACTLY WHEN  
17 MY FIRST MEETINGS WITH THEM WERE. I'M SURE YOU GUYS PROBABLY DO.  
18 I DO REMEMBER MY FIRST ONE WITH GREG BECAUSE I WAS IN L.A. WHEN  
19 HE CALLED AND HE WANTED TO GO TO A LUAU OR SOMETHING.

20 Q. IS THAT MR. SANDOVAL?

21 A. YES. THERE WAS A LUAU AT A HOTEL NEAR PACIFIC BEACH  
22 THAT LOOKS INTO THE OCEAN, AND HE WANTED TO KNOW IF MY WIFE AND I  
23 WANTED TO GO WITH HIM. SO WE SAID YES. AND I WAS IN L.A. AND I  
24 REMEMBER I FLEW FROM L.A. TO SAN DIEGO BECAUSE IT WAS, LIKE, IN  
25 TWO HOURS AND I'D TAKEN THE TRAIN UP OR SOMETHING. SO WE WENT TO  
26 THAT. THAT WAS THE FIRST TIME I WENT OUT WITH GREG.

27 Q. WAS THERE COST ASSOCIATED WITH THAT AS WELL?

28 A. YES.

1 Q. DO YOU KNOW WHO PAID FOR IT?

2 A. I DID. THE COMPANY DID.

3 Q. THE COMPANY PAID FOR MR. SANDOVAL AS WELL?

4 A. YES.

5 Q. DID MR. SANDOVAL HAVE ANYONE WITH HIM?

6 A. HIS WIFE.

7 Q. WAS IT THE FIRST TIME YOU'D HAD ANY TYPE OF MEETING OR  
8 OUTING WITH MR. SANDOVAL IN AN ENTERTAINMENT, NON-BUSINESS  
9 SETTING?

10 A. YES.

11 Q. WAS IT IMPORTANT TO YOU AS STARTING OUT YOUR JOB AS  
12 JOINT PROGRAM MANAGER WITH GILBANE, WAS IT IMPORTANT TO YOU TO  
13 ESTABLISH PERSONAL RELATIONSHIPS WITH BOARD MEMBERS AND  
14 DR. GANDARA?

15 A. I THOUGHT IT WAS ESSENTIAL.

16 Q. WHY DID YOU THINK THAT?

17 A. THE WAY I THOUGHT ABOUT IT WAS THESE PEOPLE ARE IN  
18 CHARGE OF MANY, MANY MILLIONS OF DOLLARS, \$644 MILLION, AND THEY  
19 ARE HIRING A COMPANY LIKE OURS TO MANAGE THAT FOR THEM. SO IF  
20 YOU GUYS HAD A LARGE SUM OF MONEY, YOU'D WANT TO KNOW WHO YOU ARE  
21 ENTRUSTING THIS MONEY TO AND WANT TO KNOW THEM AND UNDERSTAND  
22 THEIR THOUGHT PROCESS AND HOW THEY ARE AND THEIR DECISION-MAKING  
23 PROCESS. SO I THOUGHT IT VERY IMPORTANT FOR THEM TO KNOW ME  
24 PERSONALLY SO THEY CAN HAVE TRUST IN WHAT I DO AND MAKE SURE THAT  
25 I'M PROVIDING THE SERVICE THAT THEY WANT AND UNDERSTAND WHAT  
26 THEIR -- THEIR DESIRES ARE IN TERMS OF THE PROGRAM AND WHAT THEY  
27 WANT TO ACCOMPLISH WITH THIS BOND PROGRAM. AND I THOUGHT THAT  
28 VERY IMPORTANT.

1           BECAUSE IF YOU ARE GOING DOWN A ROUTE AND YOU'RE DOING --  
2 YOU'RE PRIORITIZING CERTAIN PROJECTS AHEAD OF OTHERS THAT YOU  
3 KNOW THAT THESE SPECIFIC BOARD MEMBERS HAVE A VERY STRONG  
4 INTEREST IN, IT'S JUST -- I THINK IT'S -- I THOUGHT IT WAS GOOD  
5 BUSINESS PRACTICE TO UNDERSTAND THEIR THOUGHT PROCESS AND HAVE  
6 THEM UNDERSTAND MINE AND MAKE SURE THAT WE ARE PROVIDING THE  
7 SERVICE THAT THEY WANT -- NOT THE SERVICE, BUT WE'RE PRIORITIZING  
8 THINGS THAT SHOULD BE PRIORITIZED ACCORDING TO THE BOARD AND THE  
9 SUPERINTENDENT. SO I THOUGHT IT WAS IMPORTANT TO ESTABLISH A  
10 PERSONAL RELATIONSHIP WITH THEM.

11           Q.     IN THAT REGARD, DID YOU DEVELOP OR DID YOU HAVE A  
12 PRACTICE OR A STRATEGY ON HOW BEST TO GET TO KNOW THESE FOLKS AND  
13 BUILD THAT PERSONAL RELATIONSHIP?

14           A.     IT WAS GETTING TO KNOW THEM SOCIALLY AND BECOMING  
15 FRIENDS WITH THEM. THE -- THAT WAS THROUGH DIFFERENT OUTING  
16 EVENTS AND FOUNDATION DINNERS THAT THEY HAD AND DIFFERENT  
17 OPPORTUNITIES TO INTERACT WITH THEM SOCIALLY. AND THAT WAS --  
18 RENÉ AND JIM SAID SPECIFICALLY THAT WE NEED TO BREAK BREAD WITH  
19 THEM AND WE NEED TO INTERACT WITH THEM SOCIALLY.

20           Q.     WHY BREAK BREAD AND INTERACT SOCIALLY RATHER THAN  
21 SIMPLY SCHEDULE FREQUENT MEETINGS, MAYBE IN AN OFFICE ENVIRONMENT  
22 AT SWEETWATER HEADQUARTERS OR IN A CONFERENCE ROOM? WHY THE SORT  
23 OF AFTER-HOURS ACTIVITY?

24           A.     THERE WERE THOSE MEETINGS, THOUGH MUCH MORE INFREQUENT,  
25 AND THEY WERE -- I DON'T KNOW. THAT'S JUST THE WAY IT WAS, AND  
26 IT WAS AT THEIR REQUEST THE MAJORITY OF THE TIME.

27           Q.     WHAT DO YOU MEAN BY THAT, IT WAS AT THEIR REQUEST? WHO  
28 IS "THEY," THE BOARD MEMBERS?



1           A.    THE BOARD MEMBERS OR THE SUPERINTENDENT.  LET'S GO OUT  
2 HERE AND LET'S DO THIS, AND IT WAS AN OPPORTUNITY TO BUILD THAT  
3 RELATIONSHIP AND CONTINUE BUILDING THAT RELATIONSHIP.

4           Q.    YOU MENTIONED THE LUAU THAT HAPPENED, I ASSUME SOMETIME  
5 CLOSE TO THE SELECTION OF SGI.  WOULD THAT BE RIGHT?

6           A.    I WOULD ASSUME SO.  I DON'T RECALL THE EXACT DATE.

7           Q.    FROM THAT POINT, WAS THERE A CONSISTENT PATTERN, WOULD  
8 YOU SAY, OF BOARD MEMBERS CALLING YOU AND ASKING TO MEET UP FOR  
9 DINNER OR OTHER SOCIAL FUNCTIONS?

10          A.    UH-HUH, OR THE SUPERINTENDENT BROKERING IT AND SAYING  
11 LET'S GO OUT WITH THAT BOARD MEMBER OR THAT BOARD MEMBER AND HE'D  
12 COME ALONG AND HIS WIFE AS WELL.

13          Q.    DID THOSE TYPES OF REQUESTS, DID THEY STAY CONSTANT OR  
14 DID YOU NOTICE OVER TIME AN INCREASE OR DECREASE IN THE SPECIFIC  
15 REQUESTS?

16          A.    DEPENDS ON THE BOARD MEMBER.

17          Q.    HELP US UNDERSTAND THAT.  HOW DID IT BREAK DOWN BY  
18 BOARD MEMBER?

19          A.    I THINK GREG STAYED CONSTANT FOR THE MOST PART  
20 THROUGHOUT HIS TENURE ON THE BOARD, PERHAPS GRADUALLY INCREASED  
21 AS IT WENT ALONG, BUT FOR THE MOST PART IT WAS JUST PERPETUAL.  
22 THE SUPERINTENDENT WAS CONSTANT AS WELL.  ARLIE --

23          Q.    WOULD THAT BE ARLIE RICASA?

24          A.    YES.  SPORADIC BUT IT DID HAPPEN.  JIM CARTMILL, LESS  
25 SO.  PEARL, THAT'S THE ONE --

26          Q.    QUIÑONES?

27          A.    -- THAT WENT UP AND DOWN.  CERTAIN TIMES IT WAS PRETTY  
28 INTENSE.  OTHER TIMES WE GOT THE COLD SHOULDER.

1 Q. WHO WAS PAYING, PARTICULARLY FOR THESE OUTINGS WHEN A  
2 BOARD MEMBER OR SEVERAL BOARD MEMBERS OR THE SUPERINTENDENT WOULD  
3 CALL AND ASK FOR A MEETING AT A RESTAURANT?

4 A. THE COMPANY.

5 Q. THE COMPANY WOULD PAY. WAS THERE EVER A TIME WHEN YOU  
6 CAN RECALL THAT A BOARD MEMBER PAID OR EVEN OFFERED TO PAY FOR  
7 THESE OUTINGS?

8 A. NO. YOU KNOW, TRY TO REACH FOR THEIR WALLETS BUT THAT  
9 WAS ABOUT IT.

10 Q. DID -- WELL, WOULD YOU SAY THAT -- DID YOU TAKE THAT AS  
11 A SINCERE GESTURE?

12 A. NO.

13 Q. WHAT MAKES YOU SAY THAT?

14 A. BECAUSE IT WAS CLEAR THAT THEY WERE -- IT WAS CLEAR  
15 THAT IT WAS EXPECTED FOR US TO PAY. THAT'S THE WAY IT WAS.

16 Q. WAS THAT EXPERIENCE THAT YOU ARE DESCRIBING WHERE BOARD  
17 MEMBERS WOULD CONTACT YOU AND ASK TO MEET FOR DINNER OR A SPORT  
18 EVENT WITH THE EXPECTATION THAT SGI WOULD PAY, WAS THAT  
19 CONSISTENT WITH YOUR EXPERIENCE IN OTHER JURISDICTIONS, SAY IN  
20 SAN JOSE?

21 A. IT WASN'T, BUT I WASN'T AT THE LEVEL BEFORE WHERE I WAS  
22 INTERACTING WITH BOARD MEMBERS. I INTERACTED WITH THE  
23 SUPERINTENDENT IN SAN JOSE BUT IT WAS -- IT WAS DIFFERENT.

24 Q. SWEETWATER WAS A PROMOTION FOR YOU THEN?

25 A. IT WAS, YES.

26 Q. ARE YOU AWARE WHEN YOU WERE AT SAN JOSE OR OTHER  
27 DISTRICTS OF SIMILAR ACTIVITY TRANSPILING, WHERE ELECTED  
28 OFFICIALS OR BOARD MEMBERS FROM THOSE DISTRICTS WOULD HAVE SGI

1 PERSONNEL TAKE THEM OUT TO ENTERTAIN THEM?

2 A. I WASN'T AWARE OF IT, NO.

3 MR. LUDWIG: SO THIS IS QUESTION 96?

4 GRAND JURY SECRETARY: 96, YES.

5 BY MR. LUDWIG:

6 Q. AND, AGAIN, THE GRAND JURY IS READING MY OUTLINE,  
7 APPARENTLY. I WAS GOING TO GET TO THIS ONE. FROM JUROR NO. 13.  
8 "WHAT INTERACTION DID YOU HAVE IN A SOCIAL SETTING ENVIRONMENT  
9 WITH JAIME MERCADO?"

10 A. VERY LIMITED. I MIGHT HAVE BUMPED INTO HIM AT  
11 FOUNDATION EVENTS, EITHER THE MARIACHI SCHOLARSHIP FOUNDATION OR  
12 THE SWEETWATER EDUCATION FOUNDATION. BUT I DON'T RECALL HAVING  
13 INTERACTIONS WITH HIM SOCIALLY. I DON'T THINK HE LIKED US VERY  
14 MUCH.

15 Q. ANY REASON IN PARTICULAR THAT MAKES YOU SAY THAT?

16 A. JUST HIS Demeanor.

17 Q. QUESTION 97, FROM JUROR NO. 16. "WHY DID YOU FEEL THE  
18 NEED TO PAY WHEN THEY WERE ASKING YOU TO GO OUT? I NORMALLY PAY  
19 WHEN I ASK SOMEONE TO GO OUT."

20 WE'RE ALL GOING TO DINNER WITH JUROR NO. 16.

21 A. IT WAS EXPECTED. I MEAN, WE WERE THE CONSULTANT. IT'S  
22 JUST -- IT WAS EXPECTED THAT WE PAY. I DON'T REMEMBER EXACTLY A  
23 TIME WHERE -- I KNOW THAT THEY DIDN'T SAY SPECIFICALLY YOU NEED  
24 TO PAY FOR THIS, BUT WHENEVER I'VE -- JUST A COURTESY.

25 Q. DID YOU HAVE A BUDGET FROM SGI PERTAINING TO  
26 ENTERTAINING AND EXPENSES FOR BOARD MEMBERS?

27 A. NOT REALLY.

28 Q. DOES -- WAS THAT EFFECTIVELY ANY CHARGE YOU INCURRED

1 ENTERTAINING A BOARD MEMBER WOULD BE AUTHORIZED OR REIMBURSED?

2 A. WELL, WITHIN REASON. WHAT IS REASON? DINNERS AND  
3 SPORTING EVENTS AND THINGS LIKE THAT WERE ALL UNDERSTOOD THAT  
4 THAT WAS HAPPENING. I KEPT RENÉ ABREAST OF EVERYTHING THAT WAS  
5 GOING ON SO HE KNEW ABOUT IT. HE KNEW THEM. SO IT WAS -- IT  
6 WASN'T A SURPRISE AS FAR AS WHEN A CHARGE CAME IN.

7 Q. WE'LL GET INTO THE SPECIFIC EVENTS AND FUNCTIONS AND  
8 DINNERS HERE SHORTLY. BUT OVERALL, WHEN YOU WOULD GO AND YOU'D  
9 MEET WITH THE BOARD MEMBER OR SUPERINTENDENT AFTER HOURS AT A  
10 RESTAURANT OR SOME OTHER SOCIAL SETTING, WAS IT TYPICALLY THAT  
11 MR. AMIGABLE OR A GILBANE REPRESENTATIVE WAS IN ATTENDANCE AS  
12 WELL? OR DID YOU CHOOSE SEPARATELY TO ENTERTAIN SWEETWATER  
13 OFFICIALS AFTER HOURS?

14 A. THERE WERE BOTH CASES. BUT FOR THE MOST PART, IT WAS  
15 SEPARATE ENTERTAINING. AND THAT MIGHT HAVE INCENTIVIZED --  
16 WANTED TO MAKE SURE THAT -- I GUESS BOTH COMPANIES WANTED TO MAKE  
17 SURE THAT WE WERE IN GOOD GRACES WITH THE BOARD. SO WE WANTED TO  
18 MAKE SURE THAT THOSE RELATIONSHIPS WERE CONTINUING.

19 Q. WHY WAS IT SO IMPORTANT TO MAINTAIN GOOD GRACES?

20 A. BECAUSE THEY ARE YOUR BOSSES.

21 Q. DID YOU HAVE AN UNDERSTANDING OF THE TERMINATION  
22 PROVISIONS RELATED TO SGI'S JOB AS PROGRAM MANAGER WITH  
23 SWEETWATER?

24 A. TERMINATION PROVISIONS?

25 Q. THE CONTRACT. THE SGI CONTRACT FOR THE BOARD. DID THE  
26 CONTRACT, ARE YOU AWARE, CONTAIN PROVISIONS AND LANGUAGE  
27 GOVERNING TERMINATION OF SGI EMPLOYMENT?

28 A. YES.

1 Q. SO IF IT WANTED THE ABILITY TO SEVER TIES WITH SGI OR  
2 FIRE SGI, DID IT HAVE THAT TYPE OF LANGUAGE?

3 A. ANY CONTRACT WITH CONSULTING FIRMS OR CONSULTANTS HAVE  
4 CLAUSES THAT THEY CAN FIRE US FOR CAUSE OR WITHOUT CAUSE.

5 Q. ARE YOU AWARE OF THE PARTICULAR TERMS OF THE  
6 SGI/SWEETWATER CONTRACT?

7 A. I CAN'T TELL IT TO YOU OFF THE TOP OF MY HEAD, BUT I'VE  
8 READ THEM, YES.

9 Q. DO YOU KNOW IF IT WAS A SITUATION WHERE SWEETWATER  
10 COULD TERMINATE SGI WITH OR WITHOUT CAUSE?

11 A. YES, THEY COULD TERMINATE US WITHOUT CAUSE.

12 Q. WAS THAT WITH 30 DAYS NOTICE?

13 A. YES, THERE IS SOME NOTICE. I'M NOT SURE IF IT WAS 30  
14 DAYS OR NOT BUT THAT SOUNDS ABOUT RIGHT.

15 Q. EFFECTIVELY FOR ANY REASON OR NO REASON SWEETWATER  
16 COULD TERMINATE SGI?

17 A. ABSOLUTELY.

18 Q. DID THAT EVER COME INTO THE CALCULUS WHEN IT CAME TO  
19 MAINTAINING GOOD GRACES WITH BOARD MEMBERS?

20 A. NOT EXCLUSIVELY BUT WE KNEW THAT THAT EXISTED.

21 Q. WAS THERE A TIME WHEN SOMEONE FROM SWEETWATER REQUESTED  
22 TO MEET IN A SOCIAL ENVIRONMENT WHERE YOU HAD TO DECLINE? YOU  
23 HAD THE SAY NO?

24 A. YES. IF I HAD A PREVIOUS ENGAGEMENT WITH FAMILY OR  
25 SOMETHING. I'M SURE THAT THAT HAPPENED, YES.

26 Q. BUT THEN WOULD YOU RESCHEDULE OR PLAN A DIFFERENT DATE?

27 A. IF POSSIBLE. OR IF IT WAS A SPORTING EVENT, THEN I  
28 JUST WOULDN'T GO. AND A LOT OF TIMES IF IT WAS A FOUNDATION

1 DINNER OR SOMETHING LIKE THAT, WE WOULD OFFER THE SEATS TO THEM  
2 IF I COULDN'T GO.

3 MR. LUDWIG: IS THIS QUESTION 98?

4 GRAND JURY SECRETARY: THAT'S RIGHT.

5 GRAND JUROR NO. 13: IT'S KIND OF BACKWARDS BUT YOU SHOULD  
6 UNDERSTAND IT.

7 MR. LUDWIG: KIND OF BACKWARDS.

8 Q. FROM JUROR NO. 13. "WAS THE LUAU WITH SANDOVAL AND  
9 WIFE THE FIRST TIME YOU DID THE, QUOTE, SGI PAID FOR THE  
10 UNIVERSE, UNQUOTE. HAD SOMEONE IN YOUR COMPANY EXPLAINED THAT  
11 THIS WAS SGI'S POLICY OR WAS IT A SURPRISE? DID THE CHECK SIT  
12 THERE FOR A WHILE?"

13 A. WHAT CHECK?

14 Q. I IMAGINE FROM THE LUAU, THE LUAU CHECK. I THINK I  
15 UNDERSTAND THE CALL OF THE QUESTION. DID YOU KNOW AT THAT POINT  
16 IN TIME, AT THE LUAU, ONE OF YOUR PRIMARY MISSIONS WAS TO WINE  
17 AND DINE SWEETWATER MEMBERS AND PAY FOR EVERYTHING?

18 A. YEAH, I KNEW THAT. AND IN THAT PARTICULAR INSTANCE,  
19 THE CHECK YOU ARE REFERRING TO, THE BILL FOR THE EVENT, I BELIEVE  
20 THAT WAS -- IT WAS A TYPE OF EVENT WHERE YOU BUY A TICKET AT THE  
21 BEGINNING.

22 Q. AT THE DOOR?

23 A. AT THE DOOR, AND EVERYTHING INSIDE IS -- COMES WITH THE  
24 TICKET. THERE WERE DRINKS. I BOUGHT DRINK TICKETS. I DON'T  
25 RECALL SPECIFICALLY THIS EVENT, BUT MANY TIMES IT WAS --  
26 ESPECIALLY RELATED TO GREG, HE'D SEND ME THE INFORMATION WHERE I  
27 COULD BUY THE TICKETS. SO IT WAS UNDERSTOOD THAT...

28 Q. I THINK WE'LL GET TO SOME OF THOSE INSTANCES HERE. IF

1 I UNDERSTAND CORRECTLY, MR. SANDOVAL WOULD CONTACT YOU BY EMAIL  
2 OR PHONE AND SAY "HERE'S A PARTICULAR EVENT AND" --

3 A. "IT WOULD BE GREAT IF WE COULD GO."

4 Q. WHICH WAS THE SUBTLE HINT THAT YOU OR SGI PURCHASE  
5 TICKETS ON HIS BEHALF?

6 A. UH-HUH. AND WE'LL GET TO THIS, I'M SURE, THE  
7 INSTANCES. BUT THEY LATER HAD TO BE GOOD TICKETS.

8 Q. NOT JUST ANY TICKETS?

9 A. YES.

10 Q. WAS PART OF THIS MAINTAINING A POSITIVE RELATIONSHIP  
11 WITH THE BOARD MEMBERS, DID PART OF THAT EXTENT BEYOND SOCIAL  
12 SETTINGS INTO CAMPAIGN CONTRIBUTIONS?

13 A. UH-HUH.

14 Q. IS IT SOMETHING --

15 A. YES. SORRY.

16 Q. WOULD YOU FIELD REQUESTS FOR CAMPAIGN CONTRIBUTIONS  
17 FROM ELECTED OFFICIALS?

18 A. I WOULD.

19 Q. HOW ABOUT DONATIONS OR CONTRIBUTIONS TO VARIOUS  
20 CHARITABLE ORGANIZATIONS AFFILIATED WITH THE BOARD MEMBERS?

21 A. I WOULD.

22 Q. WAS THAT COMMON PRACTICE AS WELL?

23 A. YES. I WASN'T -- IT WAS EITHER THROUGH ME OR THROUGH  
24 RENÉ.

25 Q. OKAY. DID SGI PROVIDE YOU WITH A COMPANY BUSINESS  
26 CARD, CREDIT CARD?

27 A. YES.

28 Q. WHEN IT CAME TO THESE EVENTS, WHETHER IT'S A SPORTING

1 EVENT, PAYING FOR TICKETS, GOING TO DINNER, DID SGI HAVE A POLICY  
2 OF REQUIRING YOU TO SUBMIT ANY PARTICULAR PAPERWORK, SORT OF  
3 EVIDENCING OR MEMORIALIZING THE EVENT OF THE DINNER AND WHO  
4 ATTENDED, WHEN, WHERE, AND WHY? OR WAS IT SIMPLY THE CASE WHERE  
5 THE COMPANY CREDIT CARD WAS SUFFICIENT, WHATEVER -- YOU COULD  
6 JUST USE IT AT YOUR DISCRETION IF YOU BELIEVED IT WAS A BUSINESS  
7 EXPENSE AND THERE WAS NO ADDITIONAL PAPERWORK REQUIRED?

8 A. THAT VARIED THROUGH TIME WITH THE COMPANY CREDIT CARD.  
9 FOR THE MOST PART, IT WAS JUST WHAT IS ON THE BILL THEY WOULD  
10 PAY, THE COMPANY PAYS. THEN DEPENDING ON A CERTAIN CFO,  
11 DIFFERENT MANAGEMENT ON THE FINANCIAL SIDE, IT WOULD BE MORE  
12 STRINGENT ON ACTUALLY GETTING THE RECEIPTS, BUT THAT VARIED  
13 THROUGH TIME.

14 Q. ALL RIGHT. SO AS FAR AS YOU RECALL FROM LET'S SAY 2007  
15 ONWARD FOR A FEW YEARS, WAS IT THE CASE WHERE YOU WOULD NEED TO  
16 COLLECT AND KEEP RECEIPTS AND OTHERWISE HAVE INDICIA THAT DINNER  
17 OCCURRED OR OTHER SPORTING EVENTS?

18 A. THAT VARIED.

19 Q. OKAY. LET'S LOOK AT AN EMAIL.

20 MR. SCHORR: HE'S SHOWING OFF IS WHAT IT IS. I DIDN'T GET  
21 TO USE THAT. VERY COOL. I LIKE IT.

22 BY MR. LUDWIG:

23 Q. SO AS WE EXPLAINED TO OTHER WITNESSES THE DOCUMENTS  
24 THAT WE'VE COLLECTED THROUGH THE COURSE OF THIS INVESTIGATION,  
25 THEY HAVE ALL RECEIVED A BATES STAMP NUMBER AND PAGINATED IN  
26 SEQUENCE. EVERY SINGLE DOCUMENT FROM 1 TO 57,000--SOMETHING.  
27 I'LL REFER, SO THE RECORD IS CLEAR, SO MADAM COURT REPORTER CAN  
28 TAKE IT DOWN IN HER FANCY MACHINE, I'M GOING TO OFTEN STATE THE



1 BATES NUMBER OF A DOCUMENT THAT WE'LL SEE ON THE SCREEN. LIKE ON  
2 THE MONITOR UP HERE, THIS IS 4977. WE CAN START AT THE TOP. IT  
3 APPEARS TO BE A MESSAGE FROM SOMEONE NAMED JAIME ORTIZ. WOULD  
4 THAT BE YOU?

5 A. YES, IT WOULD.

6 Q. DO YOU RECALL THIS MESSAGE?

7 A. I DO.

8 Q. IT'S DATED APRIL 22ND, '07. IT SAYS, "DR. GANDARA  
9 COULD SAY SOMETHING TO THE EFFECT:" AND THEN THERE'S A SERIES OF  
10 PARAGRAPHS EFFECTIVELY ENDORSING OR SUPPORTING SGI FOR THE  
11 PROGRAM MANAGEMENT POSITION.

12 A. UH-HUH.

13 Q. WHAT IS THE BACK STORY BEHIND THIS? WHAT CAUSED YOU TO  
14 WRITE AN EMAIL ESSENTIALLY ON BEHALF OF DR. GANDARA?

15 A. I THINK WE WERE ASKED BY DR. GANDARA OR BY RAMÓN LEYBA  
16 TO COME UP WITH SOME TALKING POINTS ON WHY THEY -- ON THE  
17 SELECTION PROCESS OF US. I BELIEVE THAT -- I DON'T RECALL  
18 EXACTLY, BUT I BELIEVE HARRIS WAS MAKING A STRONG PUSH WHY THEY  
19 WERE SUPPOSED -- THEY SHOULD STAY, AND THIS WAS OUR REQUEST FOR  
20 SOME TALKING POINTS OR FOR SOME BULLET POINTS ON WHY WE WERE THE  
21 MOST APPROPRIATE CHOICE.

22 Q. OKAY. PRIOR TO THE SELECTION OF SGI, DID DR. GANDARA  
23 MAKE YOU AWARE OR HAD YOU HEARD THAT DR. GANDARA PREFERRED SGI TO  
24 GILBANE AND WANTED SGI TO PREVAIL? HAD YOU HEARD THAT BEFORE THE  
25 ULTIMATE DECISION WAS MADE?

26 A. I HADN'T HEARD THAT. I DON'T BELIEVE I HAD HEARD THAT.

27 Q. LET'S LOOK AT THE NEXT PAGE, 4978. AT THE BOTTOM THIS  
28 IS ONE OF THE INITIAL EMAILS THAT WAS OF THE SERIES LEADING TO

1 THE ONE WE DISCUSSED ON THE PREVIOUS PAGE FROM MR. AMIGABLE,  
2 DATED APRIL 21ST.

3 DO YOU RECALL SEEING THIS IN THE SEQUENCE OF EMAILS WE  
4 DISCUSSED?

5 A. I'M NOT ON THIS EMAIL, BUT I THINK THIS WAS -- THIS WAS  
6 WHAT PROMPTED ME TO WRITE THE PREVIOUS ONE.

7 Q. SO IT'S DATED SATURDAY, APRIL 21ST. AND IT SAYS, "I  
8 JUST RECEIVED AN OFFICIAL PHONE CALL FROM JESUS GANDARA NOTIFYING  
9 ME THAT GILBANE/SGI WILL BE RECOMMENDED FOR THE PROGRAM  
10 MANAGEMENT SERVICES AT THE BOARD MEETING TUESDAY NIGHT."

11 HAD THE DECISION BEEN MADE AT THIS POINT OF THE OFFICIAL  
12 SELECTION OR WAS THIS SOMETHING THAT WAS COMING IN EARLY.

13 A. IT SAYS THERE THAT HENRY RECEIVED THE OFFICIAL PHONE  
14 CALL, SO I'M ASSUMING THAT THAT WAS THE OFFICIAL NOTIFICATION.  
15 IT'S CUSTOMARY FOR YOU TO FIND OUT IF YOU WON THE JOB PRIOR TO  
16 THE BOARD MEETING.

17 Q. WAS IT YOUR UNDERSTANDING THAT, DESPITE THIS SELECTION,  
18 THAT SOMEHOW DR. GANDARA WAS GOING TO JUSTIFY OR RATIONALIZE THE  
19 DECISION TO THE BOARD?

20 A. THAT WOULD BE MY UNDERSTANDING FROM THIS EMAIL.

21 Q. OKAY. DOCUMENT 5000. IT'S AN EMAIL AND IT APPEARS  
22 THAT YOU'VE BEEN CC'D ON IT WITH MR. FLORES. IT'S DATED  
23 MAY 9, 2007. DO YOU REMEMBER THIS EXCHANGE?

24 A. NOT SPECIFICALLY, BUT I SEE IT HERE.

25 Q. WELL, DO YOU RECALL -- IT SAYS, "MARIACHI EVENT."

26 A. OKAY.

27 Q. DOES THAT RING A BELL TO YOU?

28 A. YEAH, IT WAS AN ANNUAL -- I'M ASSUMING THAT THIS IS A

1 SCHOLARSHIP FOUNDATION EVENT. AND IT WAS IN MAY, SO YES. IT WAS  
2 AN ANNUAL EVENT THAT THE MARIACHI SCHOLARSHIP FOUNDATION PUT  
3 TOGETHER TO RAISE SCHOLARSHIP FUNDS FOR STUDENTS OF THEIR  
4 MARIACHI PROGRAM THROUGHOUT THE DISTRICT TO GO TO COLLEGE.

5 Q. WAS THIS MARIACHI SCHOLARSHIP FUND SOMETHING THAT WAS  
6 OF INTEREST TO SGI BEFORE IT BECAME INVOLVED WITH SWEETWATER?

7 A. NO.

8 Q. DID YOU OR SOMEONE AT SGI PAY FOR A TABLE OR SEATING  
9 FOR THE FOLKS LISTED IN THIS EMAIL, SUCH AS MR. SANDOVAL,  
10 MRS. SANDOVAL, AND MR. SANDOVAL'S PARENTS?

11 A. I'M ASSUMING THAT WE DID, YES. IT WAS CUSTOMARY FOR US  
12 TO BUY TABLES. THAT CAME WITH THE SPONSORSHIP LEVEL THAT WE HAD  
13 FOR THE EVENT. THEY GAVE US TABLES FOR WHATEVER SPONSORSHIP THAT  
14 WE HAD. IT WAS USUALLY TWO.

15 Q. USUALLY TWO?

16 A. USUALLY TWO TABLES.

17 Q. DO YOU RECALL WHAT THE COST WAS PER TABLE?

18 A. UM, THE SPONSORSHIP FOR THE EVENT FOR THE MARIACHI WAS  
19 15,000.

20 Q. 15,000?

21 A. OR SOMETHING LIKE THAT.

22 Q. WAS THAT SOMETHING THAT SGI WOULD PAY ANNUALLY ON A  
23 REGULAR BASIS?

24 A. YES.

25 Q. YES?

26 A. YES. SORRY. AND INITIALLY IT WAS -- THAT WAS SPLIT  
27 BETWEEN GILBANE AND SGI.

28 Q. WHOSE IDEA WAS IT TO SPONSOR THE MARIACHI EVENT?

1           A.    I DON'T KNOW.  I DON'T REMEMBER.  I KNOW THAT INITIALLY  
2 HENRY WAS KIND OF LEADING THAT EFFORT.

3           Q.    ARE YOU AWARE OF WHETHER OR NOT MR. SANDOVAL OR SOMEONE  
4 ELSE WITH SWEETWATER INITIALLY SUGGESTED OR REQUESTED?

5           A.    I'M SURE THEY DID.

6           Q.    OKAY.

7           A.    MR. SANDOVAL WAS ON THE BOARD OF THE MARIACHI  
8 SCHOLARSHIP FOUNDATION AS WAS DR. GANDARA, AND I FORGOT WHO ELSE  
9 FROM THE BOARD, SO IT WAS VERY IMPORTANT TO THEM.  THIS EVENT WAS  
10 IMPORTANT TO THEM.

11          Q.    DID YOU BASED ON YOUR EXPERIENCE OVER THE YEARS WITH  
12 THE BOARD MEMBERS AND SWEETWATER AND SOUTH BAY AND THESE CHARITY  
13 EVENTS AND KIND OF PICKING UP FROM WHAT YOU JUST SAID, WAS IT  
14 IMPORTANT FOR THE BOARD MEMBERS WHO ARE AFFILIATED WITH THESE  
15 ORGANIZATIONS TO RAISE SUBSTANTIAL AMOUNTS OF MONEY FOR THEM?

16          A.    YES.

17          Q.    ARE YOU AWARE OF WHAT BENEFIT -- WHAT ADDED VALUE THAT  
18 BROUGHT TO THE INDIVIDUAL BOARD MEMBER WHEN THEY COULD RAISE SUCH  
19 MONEY?

20          A.    THEY COULD PUFF THEIR CHEST OUT AND SAY THEY HELPED  
21 RAISE X AMOUNT OF MONEY.

22          Q.    DID IT APPEAR TO INCREASE THEIR PRESTIGE AND CLOUT IN  
23 THE ORGANIZATIONS?

24          A.    YES.

25          Q.    HOW ABOUT IN THE COMMUNITY AT LARGE?

26          A.    I THINK THEY PERCEIVED THAT IT DID.  IT WAS THEIR  
27 PERCEPTION.  I'M NOT SURE REALLY WHAT KIND OF PRESTIGE IT WOULD  
28 BRING THEM, BUT -- ASIDE FROM DIFFERENT PEOPLE FROM THE COMMUNITY

1 ATTENDING THE EVENTS, I'M NOT SURE WHAT TYPE OF PRESTIGE IT  
2 BROUGHT THEM. BUT I KNOW THAT IT WAS PERCEIVED.

3 Q. I WANT TO GO TO A CREDIT CARD SLIP AND SEE IF YOU  
4 RECOGNIZE ANY OF THESE EXPENSES. THIS IS DOCUMENT 11495. LOOKS  
5 LIKE IT'S A BANK OF AMERICA CREDIT CARD SLIP OR ACCOUNT SUMMARY  
6 RATHER. IS THIS YOUR PAYMENT OR YOUR COMPANY CARD?

7 A. THAT IS MY PERSONAL CREDIT CARD.

8 Q. IT'S YOUR PERSONAL CREDIT CARD, OKAY. THESE ITEMS ARE  
9 DATED 2007. DID YOU HAVE A COMPANY CARD AT THE TIME?

10 A. I DON'T REMEMBER.

11 Q. WOULD IT BE POSSIBLE THAT YOU PUT ANY COMPANY RELATED  
12 EXPENSES ON YOUR PERSONAL CARD?

13 A. YES, IT WOULD.

14 Q. IF WE GO TO SOME OF THE TRANSACTIONS DOWN AT THE  
15 BOTTOM, SUCH AS SOUTH BAY FISH FOR \$29, ON MAY 25TH, IS THAT  
16 RESTAURANT LOCATED NEAR THE SWEETWATER OFFICES?

17 A. YES, IT'S ON J STREET.

18 Q. WAS THAT A LOCATION FAVORED BY MANY SWEETWATER  
19 OFFICIALS, BOARD MEMBERS?

20 A. NOT ONE SPECIFICALLY BUT IT WAS -- WE WENT THERE  
21 FREQUENTLY BECAUSE OF ITS PROXIMITY TO THE DISTRICT.

22 Q. SEEING THIS LINE ITEM HERE, MAY 25, 2007, DO YOU RECALL  
23 IF ANYONE WAS WITH YOU ON THAT DAY?

24 A. I HAVE NO IDEA.

25 Q. THE NEXT PAGE IS 11496. THERE'S A CHARGE AT THE TOP ON  
26 MAY 24TH, '07. KARINA'S. WAS KARINA'S ALSO A RESTAURANT NEAR  
27 THE SWEETWATER OFFICES?

28 A. YES, IT WAS.

1 Q. DO YOU HAVE ANY RECOLLECTION AS TO WHO, IF ANYONE, MAY  
2 HAVE JOINED YOU ON THIS PARTICULAR OCCASION?

3 A. I DON'T -- WELL, THE FIRST TIME I WENT TO IT WAS WITH  
4 RAMÓN LEYBA. HENRY AND I WENT WITH RAMÓN TOGETHER. I DON'T KNOW  
5 IF THAT'S THE CASE BUT THAT WAS...

6 Q. WOULD THAT BE MAY 9TH, 2007?

7 A. PROBABLY THAT'S THE FIRST TIME, YEAH.

8 Q. WAS THAT THE WHOLE BILL OR DID YOU AND MR. AMIGABLE  
9 SPLIT IT?

10 A. I DON'T REMEMBER.

11 Q. THE SOUTH BAY CHARGE ON THE 15TH OF MAY, DO YOU KNOW  
12 WHO WAS THERE, IF ANYONE?

13 A. NO.

14 Q. HERE'S ANOTHER EMAIL, 5022. AND AT THE TOP YOU ARE  
15 RESPONDING TO MR. FLORES, MS. SHANNON HABER, MR. TERHUNE, AND  
16 MR. MCCONNELL AND SO FORTH, DATED JUNE 13TH '07.

17 DO YOU REMEMBER THIS MESSAGE?

18 A. I REMEMBER SEEING IT HERE, YES.

19 Q. THE SUBJECT IS RICASA FOR ASSEMBLY. "IF YOU GUYS CAN  
20 BE THERE I THINK IT WOULD MAKE A GOOD IMPRESSION. ALL BOARD  
21 MEMBERS WILL BE THERE AND SO WILL THE SUP. LET ME KNOW."

22 DO YOU KNOW WHAT THIS WAS REGARDING.

23 A. THERE WAS A -- WAS THIS AT THE SOUTH BAY FISH AND GRILL  
24 AS WELL?

25 Q. IF WE TURN OVER TO THE NEXT PAGE, 5023 --

26 A. YEAH. STEVE TOOK THE LEAD ON THIS. THERE WAS A  
27 FUNDRAISER. I THINK THAT WE HOSTED IT. GILBANE AND SGI PUT  
28 IT -- ORGANIZED IT AND IT WAS FOR ARLIE'S BID FOR ASSEMBLY.

1 Q. OKAY.

2 A. AND MY PREVIOUS EMAIL WAS INVITING RENÉ AND JIM DOWN TO  
3 BE A PART OF IT.

4 Q. DO YOU KNOW IF THAT WAS RICASA'S REQUEST TO HOST THIS  
5 EVENT THERE OR SOMETHING AMIGABLE OR YOU DID ON YOUR OWN?

6 A. WE DID IT BECAUSE HENRY BROUGHT IT TO OUR ATTENTION, OR  
7 STEVE, SO WE PARTICIPATED AS PARTNERS. I DON'T KNOW WHOSE IDEA  
8 IT WAS ORIGINALLY.

9 Q. DID YOU COME TO LEARN THAT IT WAS PARTICULARLY  
10 IMPORTANT TO SUPPORT BOARD MEMBERS AT EVENTS LIKE THAT?

11 A. YES.

12 Q. WHY SO?

13 A. BECAUSE, AGAIN, THEY WERE OUR BOSSES AND IT WAS  
14 IMPORTANT TO SUPPORT THEM BECAUSE THEY WERE ALSO SUPPORTIVE OF  
15 US. WELL, AT THIS POINT YOU COULDN'T SAY THAT, BUT IT WAS -- IT  
16 WAS IMPORTANT TO SUPPORT THEM.

17 Q. DID MR. SANDOVAL OR DR. GANDARA EVER TRY TO -- EVER  
18 REQUEST THAT SGI HIRE OR DO BUSINESS WITH ANY OF THEIR FRIENDS?

19 A. YES.

20 Q. DO YOU KNOW SOMEONE BY THE LAST NAME OF CAMACHO?

21 A. ERNIE?

22 Q. RIGHT.

23 A. I REMEMBER THE NAME. I DON'T REMEMBER WHAT COMPANY HE  
24 WORKS FOR.

25 Q. DO YOU RECALL IF HE WAS A FRIEND OF MR. SANDOVAL?

26 A. NO.

27 Q. THERE'S AN EMAIL HERE I'LL SHOW YOU ON 5029. AT THE  
28 BOTTOM IS A MESSAGE FROM MR. FLORES TO YOU AND MR. MCCONNELL,

1 DATED JUNE 30TH. "INTERESTING THAT ERNIE DID" NOT COME TO US --  
2 "DID THAT COME TO US."

3 AND UP ABOVE IS ANOTHER RESPONSE. I'M NOT SURE YOU ARE  
4 INCLUDED IN THIS. "BRUCE, WE KNOW CAMACHO WELL. HE'S FROM UP  
5 HERE. HE HAS A REPUTATION FOR GETTING THROUGH POLITICAL  
6 MANEUVERING THAT WHICH HE CAN'T GET THROUGH PROFESSIONAL  
7 COMPETITION. I DON'T THINK WE SHOULD GIVE ANYTHING AWAY TO HIM  
8 AFTER OUR TEAM FOUGHT THE FIGHT AND INCURRED THE COSTS OF THE  
9 COMPETING FOR SWEETWATER. WE SHOULD PROBABLY DISCUSS IN THE NEXT  
10 JV MANAGEMENT MEETING. MAYBE WE SHOULD TELL GREG SANDOVAL TO  
11 GIVE US SOME MORE WORK OVER AT SOUTHWESTERN COMMUNITY COLLEGE AND  
12 WE'LL THROW SOMETHING TO CAMACHO OVER THERE."

13 DO YOU RECALL HAVING ANY CONVERSATIONS WITH REGARD TO  
14 MR. CAMACHO.

15 A. NO. WHAT IS THE NAME OF HIS COMPANY?

16 Q. I DON'T HAVE THAT.

17 MR. ORTIZ, DID YOU COME TO KNOW SOMEONE NAMED ROBERT  
18 CASTANEDA.

19 A. THE CITY COUNCILMAN?

20 Q. DID THAT -- SOMEONE AFFILIATED WITH MS. QUIÑONES?

21 A. I NEVER MET HIM. I DON'T BELIEVE I EVER MET HIM.

22 Q. DID HE EVER CONTACT YOU OR DO YOU RECALL HIM CONTACTING  
23 YOU BY PHONE?

24 A. NO, I DON'T.

25 Q. HOW ABOUT BOB CASTANEDA?

26 A. I --

27 Q. HAVE YOU HEARD OF STEVE CASTANEDA AND BOB CASTANEDA?

28 A. I KNOW OF THEM BECAUSE THEY WERE INVOLVED IN LOCAL



1 CHULA VISTA POLITICS AND RUMORS THAT ONE OF THEM WAS INVOLVED  
2 WITH PEARL, BUT I HAVE NEVER MET THEM.

3 Q. DO YOU RECALL GETTING A SOLICITATION TO DONATE  
4 DIRECTLY -- PERSONALLY FROM MS. QUIÑONES?

5 A. SORRY?

6 Q. TO MS. QUIÑONES, WERE YOU ASKED TO DONATE PERSONALLY?

7 A. YES.

8 Q. TO MS. QUIÑONES'S CAMPAIGN?

9 A. YES, MANY TIMES.

10 Q. AND WOULD YOU?

11 A. I DON'T BELIEVE I EVER DID PERSONALLY.

12 Q. LET'S LOOK AT A CALENDAR COMMENT HERE, 5036. IT'S  
13 DATED JULY 20TH '07. "DINNER WITH GREG AND JESUS AT MR. A'S IN  
14 SAN DIEGO."

15 DO YOU RECALL A DINNER AROUND THIS TIME AT THAT RESTAURANT?

16 A. WAS THAT FROM MY APPOINTMENTS? I DON'T REMEMBER BEING  
17 THERE.

18 Q. IT'S EITHER YOUR APPOINTMENTS OR MR. FLORES, THAT  
19 REFERENCES YOU.

20 A. I DON'T REMEMBER THAT ONE SPECIFICALLY.

21 Q. OKAY. LET'S GO TO ONE OF THE EXPENSE RECORDS ON 11444.  
22 DO YOU RECOGNIZE THIS AS ONE OF THE EXPENSE REPORTS YOU MAY HAVE  
23 FILED WITH SGI?

24 A. YES, I DO.

25 Q. THE DATE ON THERE IS FOR NOVEMBER 15TH '07. THERE'S A  
26 NUMBER OF ENTRIES HERE. ON SEPTEMBER 4, 2007, THERE'S A NOTATION  
27 "BUON GIORNO WITH THE SUPERINTENDENT AND HIS WIFE AND PEARL  
28 QUIÑONES."

1 DID YOU ATTEND A MEAL THERE WITH THOSE FOLKS?

2 A. YES. I DON'T RECALL IT SPECIFICALLY. THIS WAS IN  
3 BONITA RIGHT ACROSS -- I THINK IT WAS THE ONE RIGHT ACROSS THE  
4 STREET FROM WHERE THE SUPERINTENDENT LIVED.

5 Q. ANY REASON TO DOUBT THIS DINNER OCCURRED?

6 A. NO.

7 Q. GIVEN THE FACT THAT IT'S HERE?

8 A. NO.

9 Q. THE AMOUNT REFERENCED IS \$218.56. WOULD THAT BE THE  
10 TOTAL PRICE FOR EVERYONE?

11 A. I WOULD ASSUME SO, YES.

12 Q. DO YOU RECALL IF MS. QUIÑONES OR DR. GANDARA PAID AT  
13 ALL?

14 A. NO.

15 Q. WOULD YOUR WIFE HAVE ATTENDED THIS DINNER WITH YOU?

16 A. I DON'T BELIEVE SO.

17 Q. SO THEN IT'S FOUR PEOPLE, OR DO YOU RECALL IF  
18 MS. QUIÑONES BROUGHT ANYONE WITH HER?

19 A. I DON'T RECALL. I WOULD ASSUME THAT IT'S JUST THE FOUR  
20 OF US.

21 Q. WHAT WE'VE BEEN DOING IS WE'VE BEEN -- WHEN WE SEE  
22 EXPENSES LIKE THIS, TRYING TO CALCULATE OUT AND APPORTION THE  
23 COST PER PERSON FOR THESE TYPES OF MEALS. WE MAKE A RUNNING  
24 TALLY OF THAT FOR LATER PURPOSES.

25 A. OKAY.

26 Q. I ASSUME THIS TOTAL AMOUNT INCLUDES THE TIP?

27 A. YES.

28 Q. LET'S SAY 20 PERCENT. THAT LEAVES \$174 PER PERSON.

1 A. THE TOTAL.

2 Q. TOTAL RATHER. PER PERSON IS \$43.

3 A. SURE.

4 Q. DID YOU KNOW MRS. GANDARA OUTSIDE OF YOUR CONNECTION  
5 WITH DR. GANDARA?

6 A. NO.

7 Q. DID MR. SANDOVAL LIKE CIGARS?

8 A. HE DID.

9 Q. LET'S LOOK DOWN IN THAT SAME REPORT ON SEPTEMBER 7TH.  
10 DO YOU REMEMBER THIS OUTING FOR CIGARS?

11 A. NO.

12 Q. ANY REASON TO BELIEVE THAT YOU DIDN'T INCUR THIS CHARGE  
13 FOR MR. SANDOVAL?

14 A. NO, BUT IT PROBABLY WASN'T -- THIS IS PART OF ANOTHER  
15 EVENT. IT WOULDN'T JUST BE WE GO OUT FOR CIGARS.

16 Q. DOWN BELOW --

17 A. THERE IT IS.

18 Q. YEAH. DOWN BELOW, IS THAT THE LUAU YOU WERE TALKING  
19 ABOUT EARLIER?

20 A. YES, IT IS. THAT'S WHERE I FLEW FROM LAX. FLYING FROM  
21 L.A. TO SAN DIEGO.

22 Q. YOU FLEW? I THOUGHT YOU DROVE FAST?

23 A. IT WAS RIDICULOUS. I'VE NEVER FLOWN FROM L.A. TO SAN  
24 DIEGO.

25 Q. SOMETIMES IT'S FASTER. SO WAS YOUR WIFE IN ATTENDANCE  
26 AT THIS OCCASION?

27 A. YES.

28 Q. IT WAS THE FOUR OF YOU?

1 A. YES.

2 Q. DID ALL FOUR GO AND SMOKE CIGARS AFTERWARDS?

3 A. NO, JUST GREG AND MYSELF. THEN -- THAT PLACE IS  
4 PROBABLY WITHIN THE HOTEL, I'M ASSUMING.

5 Q. YOU HAVE 232. THAT'S JUST A FLAT FEE. THERE'S NO  
6 TIPPING AND THINGS LIKE THAT?

7 A. I DON'T THINK SO.

8 Q. DIVIDE THAT BY FOUR. \$58 PER PERSON PLUS 15 FOR THE  
9 CIGARS FOR MR. SANDOVAL?

10 A. UH-HUH.

11 Q. AND DID YOU KNOW MRS. SANDOVAL OUTSIDE YOUR CONNECTION  
12 WITH MR. SANDOVAL?

13 A. I MET HER THERE.

14 Q. OKAY. SO I'M GOING TO SHOW ANOTHER MESSAGE HERE, KIND  
15 OF ALONG THE LINES OF THE MR. A'S CALENDAR ITEM WE SAW EARLIER.  
16 MAYBE. 41713. AND I DON'T THINK YOU WERE COPIED ON THIS  
17 MESSAGE, MR. ORTIZ. IT'S A SERIES OF EMAILS MOST RECENTLY DATED  
18 AUGUST 2, 2007. AND THERE'S A MESSAGE THAT APPEARS TO BE FROM  
19 MR. FLORES TO MS. QUIÑONES. "I HOPE YOU DON'T MIND, I ASKED YOUR  
20 PROGRAM MANAGER, JAIME ORTIZ TO JOIN US. I WANT YOU TO KNOW HIM  
21 IN A SOCIAL SETTING." THAT EMAIL IS DATED AUGUST 2ND. AND THE  
22 NEXT DATE CHARGED ON MR. FLORES'S CREDIT CARD STATEMENT WAS  
23 AUGUST 3RD AT MR. A'S.

24 DO YOU RECALL GOING TO DINNER WITH MS. QUIÑONES AND  
25 MR. FLORES AT MR. A'S?

26 A. YES.

27 Q. WHO ALL WAS IN ATTENDANCE, DO YOU REMEMBER?

28 A. NO, I DON'T. I REMEMBER AN OCCASION WHERE WE WENT TO

1 MR. A'S AND ROSARIO NUÑEZ WAS THERE. I DON'T KNOW IF THAT WAS  
2 THIS SPECIFIC OCCASION OR NOT.

3 Q. DO YOU REMEMBER IF THIS WAS AN OCCASION WHERE  
4 MS. QUIÑONES MAY HAVE BROUGHT HER SON OR SON'S GIRLFRIEND OR WIFE  
5 WITH HER?

6 A. I DON'T REMEMBER. I KNOW THAT ON ONE OR TWO OCCASIONS  
7 SHE DID BRING THEM. I'M NOT SURE IF THIS WAS ONE OF THEM.

8 Q. OKAY. WHAT -- WE DISCUSSED THIS MEAL A BIT YESTERDAY,  
9 OR THE DAY BEFORE, WITH MR. FLORES. BASED ON HIS RECOLLECTION,  
10 HE ESTIMATES THERE WERE PROBABLY SIX PEOPLE THERE.

11 A. UH-HUH.

12 Q. WE DID SOME CALCULATIONS, SUBTRACTING OUT THE TIP  
13 AMOUNT OF 20 PERCENT, DIVIDED BY SIX, AND THEN PER PERSON. 137  
14 PER PERSON. DOES THAT SOUND ABOUT RIGHT?

15 A. YEAH.

16 Q. OKAY. SO HERE'S ANOTHER EMAIL ON 39306, DATED  
17 AUGUST 28, 2007, FROM YOU TO MS. QUIÑONES. DO YOU RECOGNIZE  
18 THIS?

19 A. YES.

20 Q. WAS THIS ESSENTIALLY YOUR FIRST CONTACT WITH  
21 MS. QUIÑONES?

22 A. I BELIEVE SO.

23 Q. AT LEAST THE FIRST WRITTEN CONTACT WITH HER?

24 A. I BELIEVE SO, YES.

25 Q. YOU REFERENCE IN THIS, IN THE BODY "PEARL, I KNOW YOU  
26 WANTED TO SPEAK WITH ME." DO YOU RECALL WHAT THE TOPIC OF  
27 CONVERSATION WAS, WHAT SHE WANTED?

28 A. NO, OTHER THAN THAT SHE HAD SOME MISGIVINGS ABOUT --

1 INITIALLY ABOUT ME RUNNING THE PROGRAM.

2 Q. DID SHE SAY ANYTHING SPECIFICALLY AS TO WHAT HER  
3 MISGIVINGS MAY HAVE BEEN?

4 A. NO, IT WAS -- I THINK I HEARD IT FROM HENRY AND -- SO I  
5 DON'T KNOW HOW I FOUND OUT THAT SHE WAS TRYING TO CONTACT ME,  
6 BUT...

7 Q. OKAY. BECAUSE OF THAT INITIAL INDICATION FROM HER THAT  
8 SHE HAD SOME MISGIVINGS, DID YOU FEEL IT WAS EVEN MORE CRUCIAL  
9 THEN TO TRY TO MAKE HER HAPPY?

10 A. FOR HER TO GET TO KNOW ME AND MAKE SURE THAT SHE MADE  
11 UP HER MIND ON HER OWN AND NOT THROUGH OTHER PEOPLE'S STORIES, I  
12 GUESS.

13 Q. FROM THIS POINT, DID YOU START TRYING TO ROUTINELY MEET  
14 HER AFTER HOURS IN A SOCIAL SETTING TO GET TO KNOW HER?

15 A. IT WASN'T ON PURPOSE AFTER HOURS. IT WAS SHE WORKED AT  
16 THE SAN YSIDRO SCHOOL DISTRICT AND IT'S WHENEVER SHE WAS  
17 AVAILABLE.

18 Q. OKAY. I THINK WE'RE AT OUR NOON BREAK. SO WE'LL STOP  
19 RIGHT NOW. WE'LL COME BACK AGAIN TODAY AT 1:30. THE JURORS CAN  
20 GO CELEBRATE BIRTHDAYS. THE FOREPERSON WILL REMIND YOU THAT YOU  
21 ARE STILL ADMONISHED.

22 GRAND JURY FOREPERSON: YOU ARE REMINDED THAT YOU ARE STILL  
23 ADMONISHED.

24 (LUNCH RECESS.)  
25  
26  
27  
28

1 SAN DIEGO, CALIFORNIA; WEDNESDAY, NOVEMBER 28, 2012; 1:31 P.M.

2 \* \* \*

3 P R O C E E D I N G S

4 \* \* \*

5 MR. LUDWIG: MR. SECRETARY, ARE WE GOOD TO GO?

6 GRAND JURY SECRETARY: WE HAVE ALL 16 GRAND JURORS PRESENT.

7 BY MR. LUDWIG:

8 Q. WELCOME BACK FOR THE 85TH TIME TODAY. YOU ARE STILL  
9 UNDER OATH. WE'RE TALKING MORE ABOUT DINNERS AND OUTINGS AND SO  
10 FORTH. AND I'M NOTICING A CALENDAR ITEM THAT IS NO. 5080. A  
11 CALENDAR ITEM NOTING GREG, JAIME, JESUS, AND SPOUSES. AND THIS,  
12 I BELIEVE, CAME FROM MR. FLORES'S OUTLOOK REMINDERS.

13 DOES THIS RING A BELL TO YOU.

14 A. MAYBE.

15 Q. DATED AUGUST 30TH --

16 A. MAYBE THE PLACE. IF I COULD SEE WHERE IT WAS.

17 Q. THE CREDIT CARD SLIP, NO. 11457, HAS YOUR NAME AT THE  
18 TOP, AND THERE'S AN ITEM ON AUGUST 31ST. IS THAT A DIFFERENT  
19 DINNER? THIS IS THE ONLY THING CLOSE IN TIME TO AUGUST 30TH ON  
20 YOUR CREDIT CARD STATEMENT.

21 A. YEAH, IT MUST BE A DIFFERENT -- I DON'T THINK THAT'S  
22 THE SAME ONE.

23 Q. DO YOU RECALL THIS DINNER ON THE 31ST AT SOUTH BAY FISH  
24 AND GRILL INVOLVING SWEETWATER MEMBERS?

25 A. I WOULDN'T THINK SO. WHEN IT SAYS "TEAMS," IT'S  
26 PROBABLY OUR INTERNAL STAFF.

27 Q. OKAY.

28 A. THEY TRADITIONALLY TOOK OUR STAFF OUT ONCE A MONTH TO A

1 HAPPY HOUR AND TALKED ABOUT THE PROGRAM.

2 Q. OVER ON THE NEXT PAGE, 11458, THERE'S SOME HANDWRITING  
3 IN ADDITION TO THE PRINTED TEXT ON THIS CREDIT CARD STATEMENT.  
4 IS THAT YOUR HANDWRITING?

5 A. NO, IT'S NOT.

6 Q. DO YOU RECOGNIZE IT?

7 A. NO. NOT FOR CERTAIN, NO.

8 Q. WAS IT COMMON PRACTICE FOR YOU OR FOLKS AT SGI TO  
9 ANNOTATE CREDIT CARD STATEMENTS SUCH AS WE SEE HERE?

10 A. IT COULD BE POTENTIALLY MY ASSISTANT AT THE TIME THAT  
11 PUT DOWN WHO I WAS WITH.

12 Q. WELL, I NOTE ON THE 4TH OF SEPTEMBER OF 2007, AT THE  
13 BUON GIORNO, THERE'S AN ANNOTATION "SUP AND WIFE."

14 A. WE ALREADY WENT THROUGH THIS ONE, DIDN'T WE?

15 Q. THIS IS THE ONE WE WENT THROUGH, YOU'RE RIGHT. I'M  
16 SORRY. ON 5096 THERE'S AN EMAIL FROM YOU TO CHARELLE DURANT. DO  
17 YOU RECOGNIZE THIS?

18 A. YES.

19 Q. CONCERNING SWEETWATER GALA --

20 A. CHARELLE WAS MY ASSISTANT.

21 Q. CHARELLE. THANK YOU. AND THIS IS SEPTEMBER 12, 2007.  
22 WAS THIS AN EVENT WHERE SGI CONTRIBUTED FUNDS AS A CONTRIBUTION  
23 OR DONATION?

24 A. YES.

25 Q. WHAT EXACTLY WAS THE SWEETWATER GALA; DO YOU RECALL?

26 A. IT'S A SWEETWATER EDUCATION FOUNDATION GALA THAT THEY  
27 HAVE ONCE A YEAR, AND IT'S ONE OF THE TWO MAJOR FOUNDATIONS THAT  
28 THE DISTRICT HAS. THE MARIACHI IS ONE OF THEM AND THE SWEETWATER



1 EDUCATION FOUNDATION IS ANOTHER. AND WE ALSO CONTRIBUTED AND  
2 WERE TITLE SPONSOR TO THIS AND WE GET A COUPLE TABLES FOR THE  
3 EVENT.

4 Q. DO YOU HAVE ANY RECOLLECTION AS TO HOW MUCH THE TABLES  
5 COST OR HOW MUCH IT WAS TO SPONSOR?

6 A. I BELIEVE THE SPONSORSHIP WAS 25,000.

7 Q. HOW MUCH WERE TABLES?

8 A. NO IDEA. THE MAJORITY OF THE TABLES WERE THROUGH  
9 DIFFERENT LEVELS OF SPONSORSHIPS. I AM ASSUMING THEY MUST SELL  
10 INDIVIDUAL TICKETS BUT I DON'T KNOW HOW MUCH THEY WERE.

11 Q. THERE'S A LIST NUMBERED 1 THROUGH 20 WITH YOU AS NO. 20  
12 AND HENRY AMIGABLE NO. 1. THERE'S ALSO SIX ENTRIES TO  
13 MR. SANDOVAL AND HIS FAMILY AND FRIENDS. DO YOU RECALL IF  
14 MR. SANDOVAL HIMSELF ATTENDED ALONG WITH FIVE OTHERS?

15 A. I DON'T RECALL SPECIFICALLY THAT EVENT BUT I SEE NO  
16 REASON WHY NOT.

17 Q. OKAY.

18 A. THERE WERE OTHER SWEETWATER FOLKS THERE AS WELL.

19 Q. DO YOU RECALL WHO?

20 A. IN THE LIST, I MEAN.

21 Q. OH, ON THE LISTS. OKAY. ARE THERE ANY OTHER BOARD  
22 MEMBERS ON THIS LIST?

23 A. NO.

24 Q. SWEETWATER EMPLOYEES?

25 A. YES.

26 Q. WHO WOULD THOSE BE?

27 A. KAREN JANNEY, DIANNA CARBERRY, AND SANDI SMITH.

28 Q. WAS THE BALANCE COMPRISED OF GILBANE AND SGI PEOPLE?

1           A.    YES, AND SPOUSES.

2           Q.    I'LL SHOW YOU THE NEXT EMAIL HERE.  IT'S PAGE 5102.  
3           IT'S AN EXCHANGE AMONG YOURSELF, MR. FLORES AND MS. QUIÑONES,  
4           APPARENTLY AT VARIOUS TIMES IN SEPTEMBER OF 2007.

5           DO YOU REMEMBER THIS EXCHANGE.

6           A.    YES, I DO.

7           Q.    IS THE PERSON REFERENCED HERE IN THE FIRST EMAIL, DATED  
8           SEPTEMBER 19TH, IS THAT FIRST NAME ERICK?  IS THAT MR. QUIÑONES'S  
9           SON?

10          A.    YES, HE IS.

11          Q.    WHAT BROUGHT ABOUT APPARENTLY A MEETING WITH YOU AND  
12          ERICK QUIÑONES IN LAS VEGAS?

13          A.    I WAS ON VACATION IN LAS VEGAS -- AND I DON'T KNOW HOW  
14          PEARL CAME TO KNOW THIS -- AND SHE MENTIONED THAT ERICK WAS GOING  
15          TO BE THERE AS WELL.  AND PREVIOUSLY SHE HAD -- SHE HAD REQUESTED  
16          THAT IF THERE'S ANY OPPORTUNITY FOR ME TO MENTOR HIM OR BEFRIEND  
17          HIM, AT HER REQUEST TO -- BECAUSE I GUESS SHE WANTED HIM TO HAVE  
18          DIFFERENT TYPE OF FRIENDS.  AND SHE WANTED ME TO BEFRIEND HIM TO  
19          KIND OF GUIDE HIM IN MORE OF A PROFESSIONAL CAREER.  AND I SAID  
20          THAT I WOULD REACH OUT TO HIM.  SO SHE SAID -- AND THAT COINCIDED  
21          WITH A TRIP I HAD TO LAS VEGAS WITH FAMILY.  AND SHE MENTIONED  
22          THAT ERICK WAS GOING AS WELL.  SO I OFFERED TO TAKE HIM OUT TO  
23          DINNER WHILE OVER THERE AND, YOU KNOW, JUST CHAT AND MY WIFE AND  
24          I WERE GOING TO DO THAT; HOWEVER, HE NEVER ANSWERED AND WE NEVER  
25          DID THAT.

26          Q.    WHEN MS. QUIÑONES FIRST APPROACHED YOU ABOUT  
27          BEFRIENDING HER SON, DID SHE EXPRESS ANY EXPECTATION OR DESIRE  
28          FOR YOU TO HELP HIM FIND A JOB OR MAYBE GET EMPLOYMENT WITH SGI?

1 A. NO.

2 Q. IN THE SUBSEQUENT EMAIL FROM MS. QUIÑONES TO YOU THE  
3 NEXT DAY, ON SEPTEMBER 20TH, SHE REFERENCES A BASEBALL GAME OR A  
4 FOOTBALL GAME. DID SHE MEAN THAT FOR HERSELF OR HER SON?

5 A. I THINK IT WAS FOR HER SON.

6 Q. DID YOU END UP TAKING ERICK QUIÑONES TO A GAME?

7 A. NO. AM I DOING BETTER WITH THE MIC?

8 MR. SCHORR: YES.

9 BY MR. LUDWIG:

10 Q. I CAN HEAR YOU BETTER. CAN THE GRAND JURORS?

11 A. JUST LET ME KNOW IF I NEED TO SPEAK UP.

12 Q. THERE'S ANOTHER EMAIL EXCHANGE WITH MS. QUIÑONES ON  
13 40830. IT STARTS WITH THE MOST RECENT EMAIL DATED  
14 OCTOBER 2ND, '07, FROM YOU TO MS. QUIÑONES REGARDING A PHONE  
15 CALL.

16 A. I DON'T KNOW WHO I WAS GOING TO CALL. CAN I SEE THE  
17 BOTTOM PART OF THE EMAIL?

18 Q. SURE.

19 A. OH, ALL RIGHT.

20 Q. APART FROM THAT PHONE CALL WITH ERICK, I WANT TO FOCUS  
21 ON THE FINAL EMAIL THAT MENTIONS, "ALSO LET'S TALK ABOUT GOING TO  
22 DINNER WITH THE ARCHITECTS."

23 DO YOU RECALL WHAT THAT MEANT.

24 A. UM, IT WAS -- I DON'T RECALL EXACTLY, BUT IN THE  
25 CONTEXT IT WAS TO HAVE HER -- I DON'T REMEMBER IF IT WAS AT HER  
26 REQUEST OR DR. GANDARA'S REQUEST, FOR THE BOARD MEMBERS TO KNOW  
27 WHO THE ARCHITECTS WERE AND GET TO KNOW THEM.

28 Q. DO YOU KNOW WHO PAUL BUNTON IS?

1 A. YES.

2 Q. WAS HE ONE OF THE ARCHITECTS YOU ARE REFERENCING?

3 A. WE ONLY HAD THREE ARCHITECTURE FIRMS FOR THE NINE MAJOR  
4 PROJECTS. SO YES, HE'S ONE OF THE THREE.

5 Q. WAS THE DINNER TO INCLUDE ARCHITECTS FROM ALL THE FIRMS  
6 OR JUST ARCHITECTS FROM MR. BUNTON'S FIRM?

7 A. NO, IT WAS FROM ALL THE FIRMS.

8 Q. DID THAT DINNER EVER TAKE PLACE; DO YOU RECALL?

9 A. I DON'T REMEMBER.

10 Q. THERE'S AN EMAIL ON 41747. AND THERE'S MORE  
11 DISCUSSIONS, BUT AT THE TOP IS A FURTHER RESPONSE FROM  
12 MS. QUIÑONES. DO YOU -- SAME SUBJECT LINE, RE PHONE CALL. THIS  
13 IS DATED OCTOBER 13, '07. IT SAYS, "JAIME, ON BEHALF OF NALEO,  
14 THANK YOU SO MUCH FOR YOUR CONTRIBUTION. PEARL.

15 ARE YOU FAMILIAR WITH NALEO?

16 A. YES. IT'S NATIONAL ASSOCIATION OF LATINO ELECTED  
17 OFFICIALS, AND PEARL WAS VERY ACTIVE IN THAT ORGANIZATION.

18 Q. DID SGI HAVE ANY AFFILIATION WITH NALEO PRIOR TO  
19 GAINING THAT POSITION OF PROGRAM MANAGER AT SWEETWATER?

20 A. NOT THAT I'M AWARE OF.

21 Q. WAS IT MS. QUIÑONES THAT REQUESTED THE DONATION OR WAS  
22 IT SOMETHING SGI DID ON ITS OWN?

23 A. MS. QUIÑONES REQUESTED IT.

24 Q. TO YOUR KNOWLEDGE, IN OCTOBER OF '07, WAS THAT THE  
25 FIRST TIME MS. QUIÑONES MADE A REQUEST FOR NALEO?

26 A. I BELIEVE SO.

27 Q. I WANT TO SHOW YOU ANOTHER EMAIL. IT'S DATED A LITTLE  
28 EARLIER IN TIME. IT'S OCTOBER 5TH, 2007, PAGE 17990. IT APPEARS

1 TO BE -- DOES THIS REFERENCE THE SAME DONATION FOR MS. QUIÑONES?

2 A. YES.

3 Q. IS THAT \$3,000 FOR NALEO?

4 A. YES.

5 Q. DO YOU RECALL IF THE \$3,000 AMOUNT WAS A FIGURE THAT  
6 MS. QUIÑONES REQUESTED SPECIFICALLY OR THAT WAS WHAT SGI DECIDED  
7 INDEPENDENTLY TO DONATE?

8 A. I WOULD -- I DON'T REMEMBER SPECIFICALLY BUT I WOULD  
9 SUSPECT THAT IT WAS A FIGURE THAT WAS REQUESTED DIRECTLY.

10 Q. ON PAGE 41176. THERE'S ANOTHER EMAIL FROM  
11 MS. QUIÑONES, SUBJECT THANK YOU, TO YOU, DATED OCTOBER 8, 2007,  
12 AND IT INCLUDES THE NAME AND AN ADDRESS OF A HOTEL IN D.C.

13 A. IS THIS CLOSE TO THE PRIOR EMAIL WITH THE 3,000?

14 Q. IT'S AROUND THAT TIME.

15 A. I BELIEVE WE -- BECAUSE -- I THINK SHE HAD ALREADY LEFT  
16 FOR D.C. AND WE SENT THE CHECK BY FEDEX OR SOMETHING LIKE THAT  
17 AND THIS WAS THE ADDRESS TO SEND THE CHECK TO.

18 Q. SO SHE -- RATHER THAN JUST MAKE A WIRE TRANSFER, YOU  
19 ACTUALLY MAILED A CHECK TO THIS LOCATION IN D.C.?

20 A. YES.

21 Q. THIS FOLLOWING PAGE HERE, 40835, AT THE VERY TOP IT  
22 FALLS IN LINE WITH WHAT WE'VE BEEN DISCUSSING. FROM YOU TO  
23 MS. QUIÑONES, OCTOBER 15TH. "YOU KNOW YOU CAN COUNT ON US FOR  
24 ANYTHING YOU NEED."

25 A. I WISH I WOULDN'T HAVE WRITTEN THAT, YES.

26 Q. DID MS. QUIÑONES THEN COME TO SGI FOR THINGS SHE  
27 NEEDED?

28 A. DONATIONS FOR CAMPAIGNS AND CHARITABLE CONTRIBUTIONS.

1 Q. DID MS. QUIÑONES ROUTINELY -- DO YOU KNOW WHO LUIS  
2 ROJAS IS?

3 A. HE -- I FORGET THE COMPANY THAT HE WORKS FOR. I  
4 BELIEVE THAT HE'S WITH ANOTHER CONSTRUCTION MANAGEMENT COMPANY  
5 OUT OF L.A.

6 Q. DO YOU KNOW IF HE'S CONNECTED SOMEHOW WITH  
7 MS. QUIÑONES?

8 A. THEY WERE FRIENDS.

9 Q. DO YOU KNOW -- DOES DEL TERRA RING A BELL? IS THAT THE  
10 NAME OF HIS COMPANY?

11 A. YES.

12 Q. DID MR. ROJAS EVER CONTACT YOU ON BEHALF OF  
13 MS. QUIÑONES OR AT HER REQUEST?

14 A. I DON'T REMEMBER HIM CONTACTING ME DIRECTLY, BUT I KNOW  
15 THAT THERE WAS SOME INTEREST FROM MS. QUIÑONES FOR HIM TO GET  
16 SOME WORK.

17 Q. DID SHE TALK TO YOU ABOUT HIM?

18 A. YES.

19 Q. DO YOU REMEMBER WHAT SHE SAID?

20 A. HE'S A GOOD GUY -- NO, I DON'T REMEMBER EXACTLY WHAT  
21 SHE SAID.

22 Q. WHAT KIND OF WORK DOES DEL TERRA DO?

23 A. I BELIEVE THEY ARE A CONSTRUCTION MANAGEMENT COMPANY.

24 Q. WERE YOU ABLE TO FIND ANY WORK FOR --

25 A. NO.

26 Q. -- MR. ROJAS?

27 I'M GOING TO SHOW YOU AN EXPENSE REPORT ON GILBANE. AND  
28 THIS IS MR. AMIGABLE'S EXPENSE REPORT FOR THE WEEK ENDING -- IT'S

1 DOCUMENT NO. 300, WEEK ENDING NOVEMBER 4TH, 2007.

2 DO YOU REMEMBER A DINNER WITH MS. QUIÑONES, ROSARIO NUÑEZ,  
3 AND YOURSELF AND MR. AMIGABLE?

4 A. I DO.

5 Q. DO YOU RECALL WHERE THAT DINNER TOOK PLACE?

6 A. NO. I REMEMBER THE PLAY. I REMEMBER WE WENT TO DINNER  
7 AFTERWARDS.

8 Q. WAS IT AN ITALIAN PLACE? WAS IT BACI'S?

9 A. I THINK IT WAS. IT COULD HAVE BEEN. I THOUGHT IT WAS  
10 SOMETHING CLOSER.

11 Q. HOW ABOUT MORTON'S STEAKHOUSE?

12 A. IT MIGHT HAVE BEEN THERE.

13 Q. WHO ATTENDED? WAS IT YOURSELF -- DID YOUR WIFE GO?

14 A. NO. I REMEMBER, BECAUSE I WAS VERY UNCOMFORTABLE. IT  
15 LOOKED LIKE WE WERE ON A DOUBLE DATE AND THAT WASN'T THE CASE.  
16 AND I WAS UNCOMFORTABLE GOING TO A PLAY AND DINNER WITH THESE TWO  
17 LADIES.

18 Q. IT WAS MR. AMIGABLE AND YOURSELF, MS. QUIÑONES, AND  
19 MS. NUÑEZ. WHAT WAS MS. NUÑEZ'S CONNECTION, IF AT ALL, TO  
20 SWEETWATER?

21 A. UM, SHE WAS JUST FRIENDS WITH PEARL.

22 Q. DID SGI HAVE ANY -- DID YOU YOURSELF, PERSONALLY, OR  
23 SGI, INDEPENDENTLY, HAVE ANY DEALINGS WITH MS. NUÑEZ?

24 A. NO. UM, INDEPENDENTLY, I MIGHT HAVE SEEN HER AT OTHER  
25 FUNCTIONS. BUT, UM, THAT'S IT. ONE TIME PEARL WANTED US TO GIVE  
26 ROSARIO A JOB. THAT NEVER HAPPENED. BUT FOR A LITTLE WHILE SHE  
27 PUSHED FOR THAT.

28 Q. AND BELOW THAT -- YOU ALSO MENTIONED THIS AS WELL. YOU

1 WENT TO A PLAY AND THERE'S A REFERENCE IN THE EXPENSE REPORT --

2 A. UH-HUH.

3 Q. -- ON THIS PAGE.

4 A. WE SAW THE ONE WITH FRANKIE VALLI.

5 Q. THE JERSEY BOYS?

6 A. YES. IS THAT HIS NAME? YEAH, THE JERSEY BOYS.

7 Q. WHOSE IDEA WAS IT TO GO SEE JERSEY BOYS AND HAVE DINNER  
8 AT MORTON'S?

9 A. I THINK HENRY SET IT UP.

10 Q. DO YOU KNOW IF THAT WAS HENRY'S IDEA OR SOMEONE ELSE'S  
11 IDEA?

12 A. I DON'T KNOW. I DO KNOW THAT HE HAD GONE, I THINK, TO  
13 THE SAME PLAY A COUPLE DAYS EARLIER WITH GREG AND JESUS, I THINK.

14 Q. DID SGI CONTRIBUTE ANY MONEY TOWARDS THIS EVENING'S  
15 EVENTS?

16 A. IF IT'S IN MY EXPENSE REPORTS WE DID. OTHERWISE, WE  
17 DIDN'T. I KNOW THAT HE PAID FOR THE PLAY. I DON'T KNOW IF I  
18 PAID FOR DINNER OR NOT.

19 Q. I'LL SHOW YOU PAGE 302. AND THERE'S A CREDIT CARD  
20 SLIP. IT APPEARS TO BE FROM MORTON'S ON THAT SAME DAY WITH HENRY  
21 AMIGABLE.

22 A. THEN WE PAID FOR IT.

23 Q. DO YOU KNOW IF MS. QUIÑONES OR MS. NUÑEZ PAID OR  
24 OFFERED TO PAY?

25 A. THEY DID NOT PAY.

26 Q. SO WE HAVE ANOTHER CREDIT CARD SLIP, ACCOUNT STATEMENT  
27 RATHER, ON THE SCREEN. PAGE 12681. THIS IS FOR, BASICALLY,  
28 DECEMBER AND NOVEMBER OF 2007. THERE IS A NUMBER OF ITEMS HERE.



1 THE FINAL ENTRY THERE ON THE BOTTOM IS REI DO GADO.

2 WAS THIS A DINNER INVOLVING THE SWEETWATER MEMBERS?

3 A. YES.

4 Q. WHO ATTENDED?

5 A. GREG SANDOVAL, HIS WIFE, HIS DAUGHTER -- I FORGOT HER  
6 NAME -- AND A COUSIN OF HERS, MY WIFE, AND MYSELF.

7 Q. SO SANDOVAL, HIS WIFE, HIS DAUGHTER, A COUSIN?

8 A. YES.

9 Q. AND THEN THE TWO OF YOU?

10 A. YES.

11 Q. SO SIX PEOPLE?

12 A. UH-HUH.

13 Q. WAS THERE ANY PURPOSE ASSOCIATED WITH THIS DINNER OR  
14 JUST A SOCIAL OUTING?

15 A. I THINK WE WENT TO A PLAY AFTERWARDS.

16 Q. OKAY.

17 A. AT THE LYCEUM THEATER. IT WOULD BE THOSE TICKETS UP  
18 THERE.

19 Q. THERE IT IS. FOR, I BELIEVE, \$267?

20 A. I'M NOT SURE IF --

21 Q. IT'S A DIFFERENT DATE.

22 A. I COULD HAVE BOUGHT THE TICKETS BEFORE THE DINNER --  
23 BEFORE THE --

24 Q. DO YOU MEAN BEFORE THE SHOW?

25 A. I REMEMBER GOING WITH THEM TO A PLAY. IT WAS A VERY  
26 SMALL PRODUCTION. NO, I DON'T REMEMBER.

27 Q. AND ALL THE SANDOVALS WENT?

28 A. I'M NOT SURE IF THE DAUGHTER AND THE COUSIN WENT TO

1 THAT PLAY.

2 Q. OKAY. SO, AGAIN, WHAT WE'LL DO IS APPORTION BY PERSON  
3 HERE. IF WE TAKE OUT 20 PERCENT, WE HAVE ABOUT \$365 SO --

4 A. THAT'S IT.

5 Q. THAT'S THE PLAY?

6 A. UH-HUH.

7 Q. SO DINNER IS 365. PER PERSON -- DIVIDED BY SIX, \$60  
8 ESSENTIALLY PER PERSON.

9 A. DOES THAT ADD UP TO THE TOTAL AMOUNT? IT SHOULD ADD  
10 UP.

11 Q. IF WE TAKE --

12 A. YOU'LL FIND OUT IF THE DAUGHTER AND COUSIN WENT.

13 Q. THAT WOULD BE SIX AND A HALF.

14 A. IT'S PROBABLY THE DAUGHTER AND COUSIN WENT. AND THE  
15 TAX.

16 Q. OKAY. SO IT'S BASICALLY \$100 PER PERSON?

17 A. WHAT IS?

18 Q. THE DINNER PER PERSON IS \$60. AND THE TICKETS EACH ARE  
19 41. WERE ALL THE TICKETS THE SAME PRICE?

20 A. YES, I THINK.

21 Q. YOU SAT IN THE BROOM CLOSET AND THEY SAT UP FRONT.  
22 DID THE SANDOVAL'S OFFER TO PAY AT ALL.

23 A. NO.

24 Q. ON 17995 THERE'S SOME -- ANOTHER EMAIL WITH CHARELLE  
25 AND THIS IS DATED DECEMBER 17, 2007. DO YOU REMEMBER THIS  
26 MESSAGE?

27 A. I DO NOW.

28 Q. OKAY. WAS THIS FOR A SWEETWATER RELATED EVENT?

1 A. CAN I SEE THE BOTTOM OF THE EMAIL?

2 Q. ABSOLUTELY.

3 A. WE HAD THIS AT FRIDA'S, MAYBE. I THINK SO.

4 Q. OKAY.

5 A. IT WAS JUST A HOLIDAY PARTY. THIS WAS IN DECEMBER;  
6 RIGHT?

7 Q. YES.

8 A. IT WAS A HOLIDAY PARTY THAT WE HAD FOR OUR STAFF AND  
9 DISTRICT STAFF AND BOARD MEMBERS, JUST A GET-TOGETHER, A  
10 CELEBRATION.

11 Q. AND THE SWEETWATER FOLKS LISTED IN THIS EMAIL SUCH AS  
12 JESUS GANDARA, SANDI SMITH, THOSE FOLKS ATTENDED?

13 A. YES. EVERYBODY ON THE LEFT-HAND SIDE ARE DISTRICT  
14 EMPLOYEES. AND I DON'T REMEMBER EXACTLY IF ONE OF THEM WAS  
15 MISSING OR NOT, BUT FOR THE MOST PART THEY ATTENDED AND I RECALL  
16 THAT BOARD MEMBERS ALSO ATTENDED THAT.

17 Q. THERE'S SIX ITEMS REFERENCED AT THE TOP FOR VARIOUS  
18 GIFTS AND PRICES?

19 A. UH-HUH.

20 Q. DO YOU RECALL IF ANY BOARD MEMBER WITH SWEETWATER  
21 RECEIVED ANY OF THOSE GIFTS?

22 A. I DON'T.

23 Q. DO YOU REMEMBER OR DO YOU RECALL LEARNING ABOUT A ROSE  
24 BOWL NEW YEAR'S EVE OUTING WITH MR. FLORES AND THE GANDARAS AND  
25 SANDOVALS?

26 A. I REMEMBER HEARING ABOUT IT.

27 Q. DID YOU ATTEND ANY OF THAT AT ALL?

28 A. NO.

1 Q. DID YOU HAVE ANY PART IN ORGANIZING THAT OR HELPING  
2 FACILITATE IT?

3 A. NOT THAT I RECALL.

4 Q. I'LL SHOW YOU NOW PAGE 5166. IT'S AN EMAIL APPARENTLY  
5 FROM YOU TO MR. FLORES AND MR. TERHUNE ON JANUARY 12TH, '08. DO  
6 YOU REMEMBER THIS?

7 A. UH-HUH, YES.

8 Q. WHO WERE THE LATINO BUILDERS?

9 A. THEY ARE AN ORGANIZATION. LATINO BUILDERS INDUSTRY  
10 ASSOCIATION, I THINK IT'S CALLED, LED BY JOSE MIRELES. AND THE  
11 CONCEPT IS THAT THEY OUTREACH TO LATINO OWNED CONTRACTORS AND  
12 SUBCONTRACTORS AND LET THEM KNOW OF OPPORTUNITIES THAT ARE COMING  
13 UP THROUGHOUT SAN DIEGO, I GUESS, AND BUSINESS OPPORTUNITIES.

14 Q. WAS THERE AN INTEREST BY ANY BOARD MEMBER TO HAVE SGI  
15 WORK WITH THAT GROUP OR MEMBERS OF THAT GROUP?

16 A. YES.

17 Q. TELL US ABOUT THAT, PLEASE.

18 A. GREG SANDOVAL WAS VERY INTERESTED THAT WE HIRE THEM TO  
19 PROVIDE OUTREACH TO THE LATINO COMMUNITY, LATINO CONTRACTING  
20 COMMUNITY.

21 Q. HAD SGI EVER HIRED LATINO BUILDERS TO PROVIDE SIMILAR  
22 OUTREACH IN OTHER DISTRICTS --

23 A. NO.

24 Q. -- TO YOUR KNOWLEDGE?

25 A. NO.

26 Q. DID YOU -- AS PROJECT MANAGER OR AS JOINT PROJECT  
27 MANAGER, DID YOU SEE A BENEFIT TO THAT?

28 A. THE CONCEPT WAS A GOOD ONE. THE BOARD WAS VERY -- FROM

1 THE SUPERINTENDENT TO THE BOARD MEMBERS, THEY WERE VERY  
2 INTERESTED IN MINORITY-OWNED BUSINESSES AND HELPING THEM. AND  
3 MINORITY -- SO THAT WAS ACROSS THE BOARD. AND THE DISTRICT IS --  
4 I DON'T KNOW, 80 PERCENT OR SO OF THE STUDENTS IN THE DISTRICT  
5 SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME. SO IT'S  
6 PREDOMINANTLY A MINORITY DISTRICT. AND THEY HAD ALWAYS BEEN VERY  
7 INTERESTED IN PROMOTING THAT AND HELPING LATINO- AND  
8 MINORITY-OWNED COMPANIES. SO THE CONCEPT WAS FINE. I SAW VALUE  
9 IN OUTREACHING TO THOSE TYPES OF BUSINESSES.

10 JUST TO CLARIFY. I SAW VALUE IN THAT TYPE OF OUTREACH  
11 BECAUSE I HAD PERCEIVED -- WAS TOLD FROM MANY DIFFERENT ASPECTS  
12 OF THE ORGANIZATION THAT THAT WAS SOMETHING THAT WAS VALUED. SO  
13 IN ORDER TO INCREASE A METRIC THAT WAS IMPORTANT TO THE BOARD AND  
14 THE DISTRICT WAS TO INCREASE THAT TYPE OF PARTICIPATION.

15 Q. I'LL PUT THIS BACK ON THE SCREEN REAL QUICK. IT  
16 APPEARS THAT YOU ARE FORWARDING A NEWS ARTICLE IN CONNECTION WITH  
17 THIS REFERENCE TO LATINO BUILDERS. DO YOU REMEMBER THE CONTENTS  
18 OF THE ARTICLE AND WHY YOU WERE FORWARDING IT?

19 A. IT MUST HAVE MENTIONED THEM IN THIS SOME FASHION. I  
20 DON'T REMEMBER WHAT IT SAID.

21 Q. DO YOU RECALL LEARNING WHETHER OR NOT THE LATINO  
22 BUILDERS EVER RAN INTO ANY DIFFICULTIES WITH THE FPPC?

23 A. I REMEMBER SOMETHING. THAT MIGHT HAVE BEEN PART OF THE  
24 ARTICLE.

25 Q. WHAT DO YOU REMEMBER HEARING ABOUT THAT?

26 A. I REMEMBER THERE WAS SOME SORT OF POLITICAL ISSUE BUT I  
27 DON'T REMEMBER THE SPECIFICS OF IT.

28 Q. OKAY. WAS THERE ANY DISCUSSION AMONG SGI OR BOARD

1 MEMBERS CONCERNING THE POLITICAL ISSUES WITH LATINO BUILDERS?

2 A. NOT RELATED TO -- I DON'T REMEMBER SPECIFIC TO A  
3 NEWSPAPER ARTICLE. BUT I KNOW THAT THEY HAD -- I KNOW THAT PEARL  
4 DIDN'T LIKE THEM. BUT GREG WAS VERY FOND OF THEM. AND THEY HAD  
5 BEEN USED IN PROP BB PREVIOUSLY SO -- I DON'T KNOW IF I ANSWERED  
6 YOUR QUESTION OR NOT.

7 Q. IF THAT'S THE BEST YOU CAN RECALL.

8 A. YES.

9 Q. HERE'S A SGI CREDIT CARD ACCOUNT. THESE ARE FOR  
10 CHARGES IN JANUARY OF '08. DO YOU RECALL ANY SWEETWATER BOARD  
11 MEMBER OR SUPERINTENDENT HAVING LUNCH WITH YOU AT FRIDA'S OR  
12 DINNER AT FRIDA'S?

13 A. NOT THAT SPECIFIC DATE, BUT WE FREQUENTED THAT PLACE  
14 BUT -- SO I DON'T REMEMBER THAT SPECIFIC DATE.

15 Q. OKAY. HOW ABOUT THE IVY HOTEL, WAS THAT A SWEETWATER  
16 EVENT OR FOR YOURSELF?

17 A. IF IT'S ON THERE IT WAS SWEETWATER RELATED OR BUSINESS  
18 RELATED. IT WOULDN'T BE FOR MYSELF. I DON'T RECALL EXACTLY WHO  
19 WAS THERE WITH ME.

20 Q. DO YOU REMEMBER GOING EITHER TO A DINNER OR A LUNCH  
21 WITH MR. AMIGABLE AROUND THAT TIME OF YEAR AT TOP OF THE MARKET?

22 A. WE COULD HAVE. I DON'T RECALL SPECIFICALLY.

23 Q. I'LL SHOW YOU ANOTHER ONE OF MR. AMIGABLE'S EXPENSE  
24 REPORTS. THIS IS MR. SANDOVAL, HIS WIFE, MR. AMIGABLE --

25 A. IS THAT AT TOP OF THE MARKET?

26 Q. YEAH, OVER HERE ON PAGE 358, THAT'S THE CREDIT CARD  
27 SLIP.

28 A. I DON'T REMEMBER BEING THERE.

1 Q. OKAY. I'LL SHOW YOU PAGE 366. IT'S ONE OF  
2 MR. AMIGABLE'S EXPENSE REPORTS. AND THIS IS FOR THE WEEK ENDING  
3 FEBRUARY 2ND, 2008 -- FEBRUARY 3RD, 2008, AND THERE'S A REFERENCE  
4 TO DINNER WITH PEARL QUIÑONES, YOURSELF, MR. AMIGABLE. IF YOU  
5 TURN OVER TO PAGE 368 THERE'S A RECEIPT FOR \$99 AT FRIDA'S.

6 DO YOU RECALL GOING TO DINNER AT FRIDA'S WITH THOSE TWO?

7 A. I DON'T RECALL SPECIFICALLY, BUT IT COULD HAVE  
8 HAPPENED. I DON'T RECALL.

9 Q. DO YOU HAVE ANY REASON TO DOUBT THAT IT HAPPENED?

10 A. NO.

11 Q. OKAY. I'LL SHOW YOU NOW PAGE 12727. THIS IS FOR  
12 CHARGES IN FEBRUARY 2008. DO YOU REMEMBER DINING WITH ANY  
13 SWEETWATER PERSONNEL AT ANY OF THESE TIMES OR LOCATIONS AS LISTED  
14 HERE?

15 A. I THINK THE HARD ROCK HOTEL WAS AN EVENT FOR -- I THINK  
16 IT WAS THE HISPANIC CHAMBER OF COMMERCE AND THERE WERE SWEETWATER  
17 PEOPLE THERE. I DON'T REMEMBER WHAT THOSE CHARGES WERE FOR.

18 Q. HOW ABOUT THE KING'S FISH HOUSE FOR THE \$100?

19 A. I DON'T REMEMBER.

20 Q. OKAY. I'LL SHOW YOU FIRST THE VERY BOTTOM OF  
21 PAGE 5189, THE VERY BOTTOM. IT'S THE START OF AN EMAIL IN A  
22 THREAD AND CONTINUES OVER ON 5190. IT'S ADDRESSED TO  
23 MS. QUIÑONES. YOU ARE AMONG THE RECIPIENTS, BONNY GARCIA.

24 DO YOU RECALL THIS MESSAGE?

25 A. I REMEMBER THAT TOPIC, YES.

26 Q. WHAT WAS GOING ON HERE? THERE'S REFERENCE IN THE THIRD  
27 PARAGRAPH THAT INVOLVES YOU. "LAST WEEK I MET WITH  
28 SUPERINTENDENT JESUS GANDARA, JAIME ORTIZ, KARL BRADLEY AND BONNY

1 GARCIA TOGETHER WITH ANDY BERG, OUR TAXPAYER REPRESENTATIVE ON  
2 THE OVERSIGHT COMMITTEE, TO RECEIVE AN EXPLANATION FOR THE  
3 CANCELLATION OF THE PROJECTS. UNFORTUNATELY, NO CLEAR  
4 EXPLANATION WAS GIVEN, AND I WAS APPALLED TO HEAR MR. ORTIZ  
5 EXPRESS HE DID NOT BELIEVE THE DISTRICT WAS RESPONSIBLE FOR  
6 DELIVERING ALL THE PROJECTS THAT WERE PROMISED TO VOTERS."

7 WHAT WAS HAPPENING HERE?

8 A. THIS STARTED AT OUR OVERSIGHT COMMITTEE MEETING,  
9 PROBABLY TWO, THREE MEETINGS IN, AND AT THAT POINT IN TIME WE HAD  
10 DEFINED WHAT THE -- IT'S KIND OF A LONG EXPLANATION -- WHAT THE  
11 SCOPE OF THE DIFFERENT PROJECTS WERE GOING TO BE AT THE NINE  
12 DIFFERENT SCHOOLS.

13 AND THE PURPOSE OF THE OVERSIGHT COMMITTEE IS TO MAKE SURE  
14 THAT THE BOND FUNDS ARE EXPENDED IN THE TYPE OF PROJECTS THAT ARE  
15 OUTLINED IN THE FUNDING. AND BOND LANGUAGES THROUGHOUT THE STATE  
16 ARE TRADITIONALLY VERY GENERIC IN ITS LANGUAGE AND PROP O'S BOND  
17 LANGUAGE WAS NO DIFFERENT. IT OUTLINED SPECIFIC TYPES OF  
18 PROJECTS THAT WERE GOING TO BE DONE AT EVERY SCHOOL. SO IT HAS  
19 GENERAL SECTIONS THAT OUTLINED GENERAL NEW CONSTRUCTION,  
20 MODERNIZATION TO THE DIFFERENT SCHOOLS AND ATHLETIC FACILITIES  
21 AND ADMINISTRATION OFFICES WITHIN THE SCHOOL. SO IT'S VERY  
22 BROAD, GENERAL OUTLINES.

23 THEN IT GOES SPECIFICS INTO EVERY SCHOOL. AND EVERY SCHOOL  
24 IT SAYS THAT THE DISTRICT IS GOING TO BE WINDOW REPLACEMENTS,  
25 THEY WILL UPGRADE TECHNOLOGY AND REMOVE HAZARDOUS MATERIALS AND  
26 THINGS LIKE THAT IN A VERY BROAD SENSE.

27 SO, FOR EXAMPLE, WINDOW REPLACEMENTS. DOES THAT MEAN  
28 REPLACE TWO WINDOWS OR EVERY SINGLE WINDOW IN THE SCHOOL? AND IN



1 OUR INTERPRETATION OF THE BOND LANGUAGE IS THAT -- THAT THE MENU  
2 OF PROJECTS THAT ARE LISTED IN THE BOND LANGUAGE IS WHAT YOU CAN  
3 DO. YOU CAN'T DO SOMETHING THAT IS NOT SPECIFICALLY LISTED IN  
4 THE BOND LANGUAGE.

5 SO IN MY PRESENTATION TO THE OVERSIGHT COMMITTEE I PUT THE  
6 BOND LANGUAGE UP AND SAID, OKAY, AT THIS SCHOOL THIS IS WHAT THE  
7 BOND LANGUAGE SAYS AND WE'RE DOING A, B, C AND D AND F AND HOW  
8 THAT CORRELATES TO WHAT IS IN THE BOND LANGUAGE. SO MY INTENT  
9 WAS TO SHOW THE OVERSIGHT COMMITTEE THAT EVERYTHING WE'RE DOING  
10 IN THE SCHOOL IS IN THE BOND LANGUAGE.

11 YET ANDY BERG, THE MEMBER ON THE OVERSIGHT COMMITTEE THAT  
12 REPRESENTS THE TAXPAYERS ASSOCIATION, SAYS, "WHAT ABOUT ALL THE  
13 OTHER ITEMS THAT IS LISTED PER SCHOOL?" AND THE INTENT WAS NEVER  
14 TO DO EVERY SINGLE PROJECT OR GENERALITY OF A PROJECT THAT IS  
15 OUTLINED IN THE BOND LANGUAGE. THESE ARE THE TYPE OF PROJECTS  
16 THAT YOU CAN DO WITH THIS MONEY. AND SO THE TAXPAYERS  
17 ASSOCIATION SUDDENLY HAD A VERY DIFFERENT VIEW OF THAT. AND LANI  
18 LUTAR HAD A MEETING WITH THE SUPERINTENDENT AND MYSELF AND VERY  
19 AGGRESSIVELY WAS SORT OF ATTACKING THE WAY WE WERE DOING  
20 BUSINESS.

21 AND WE CHECKED WITH NOT ONLY THE DISTRICT LEGAL COUNSEL BUT  
22 WITH OTHER LEGAL FIRMS AND THE INTERPRETATION THAT WE HAD WAS  
23 CORRECT. BUT THE TAXPAYERS ASSOCIATION WAS ADAMANT THAT EVERY  
24 SINGLE PROJECT HAD TO BE DONE, WHERE THE WAY THE PROJECTS WERE  
25 LISTED IN THE BOND LANGUAGE IT WAS VERY VAGUE, VERY GENERIC. SO  
26 IF WE WANTED TO DO EVERY SINGLE PROJECT, WE COULD HAVE REPLACED  
27 ONE WINDOW OVER HERE AND, OKAY, WE CHECKED OFF THE REPLACING  
28 WINDOW CATEGORY. SO IT WAS A DIFFERENCE OF OPINION IN WHAT THE

1 BOND LANGUAGE REQUIRED THE SCHOOL DISTRICT TO DO.

2 Q. THIS LETTER IS ADDRESSED TO MS. QUIÑONES. DID SHE  
3 SPEAK WITH YOU DIRECTLY ABOUT THOSE ISSUES?

4 A. I DON'T RECALL HAVING THE SPECIFIC CONVERSATION WITH  
5 HER ABOUT IT BUT I KNOW THAT THE SUPERINTENDENT WAS HAVING  
6 CONVERSATIONS WITH THE BOARD ABOUT IT. I MIGHT HAVE HAD  
7 CONVERSATIONS SPECIFICALLY WITH HER BUT...

8 Q. WERE THEY UPSET WITH SGI OR YOU IN ANY WAY?

9 A. I NEVER GOT THAT IMPRESSION.

10 Q. MORE CREDIT CARD STATEMENTS. THIS IS ANOTHER ONE OF  
11 YOUR STATEMENTS THAT IS FOR APRIL OF '08. THERE'S A COUPLE ITEMS  
12 HERE AT THE BOTTOM. THERE'S A \$439 CHARGE AT PETCO, WHICH IS  
13 PAGE 12737.

14 DO YOU REMEMBER ANYTHING ABOUT THIS CHARGE AT PETCO?

15 A. IT WOULD BE HELPFUL IF I KNEW WHO IT WAS WITH.

16 Q. WE DON'T SEEM TO HAVE ADDITIONAL INFORMATION.

17 A. UM, THAT'S A PRETTY HIGH DOLLAR AMOUNT FOR PETCO.  
18 THERE WAS ONE TIME WHERE WE WENT TO THE GIFT SHOP OR TEAM STORE  
19 AND BOUGHT SOME ARTICLES. I THINK THAT WAS WITH DR. GANDARA AND  
20 HIS WIFE.

21 Q. ARE YOU PRETTY CONFIDENT ABOUT THAT?

22 A. I'M NOT SURE IF THIS IS THAT EXACT TIME. I REMEMBER  
23 THAT THAT HAPPENED. I DON'T KNOW IF THIS WAS IT.

24 Q. IT SAYS "RETAIL" ON THE CREDIT RECEIPT. WAS THERE MORE  
25 THAN ONE OCCASION WHERE YOU SPENT THAT MUCH MONEY AT PETCO  
26 RETAIL?

27 A. I DON'T BELIEVE SO.

28 Q. DO YOU RECALL THAT SHOPPING TRIP THAT YOU MENTIONED --

1 WAS IT MR. SANDOVAL?

2 A. WHICH SHOPPING TRIP?

3 Q. THE PETCO -- THE TEAM STORE.

4 A. NO, THAT WAS -- I THINK THAT WAS WITH DR. GANDARA.

5 Q. DR. GANDARA. WAS EVERYTHING YOU PURCHASED FOR THEM OR  
6 DID YOU HAVE ANYTHING ON THE TICKET?

7 A. FRANKLY, I DON'T REMEMBER.

8 Q. LET'S TURN TO THE NEXT PAGE HERE. THERE'S ANOTHER  
9 FAIRLY LARGE EXPENDITURE, PAGE 12738. A \$602 CHARGE AT MORTON'S  
10 ON APRIL 12TH.

11 DO YOU RECALL THAT DINNER, WHETHER IT INVOLVED SWEETWATER  
12 FOLKS?

13 A. I'M ALMOST CERTAIN IT DID. I DON'T RECALL EXACTLY.

14 Q. DO YOU RECOGNIZE THIS PHOTOGRAPH ON PAGE 5205?

15 A. YES.

16 Q. DO YOU KNOW WHO'S IN IT?

17 A. IT'S JENNIE GANDARA, DR. GANDARA, AND THEIR DAUGHTER.

18 Q. DID DR. GANDARA APPROACH YOU ABOUT CONTRIBUTING OR  
19 FINANCING ANYTHING IN CONNECTION WITH A BEAUTY PAGEANT FOR THEIR  
20 DAUGHTER?

21 A. HE DID.

22 Q. SO THE EARLIER PAGE, 5204, IS A DISCUSSION WITH YOU AND  
23 MR. FLORES THAT FOLLOWS RECEIVING THAT PHOTO. DO YOU REMEMBER  
24 THIS, DATED APRIL 2ND '08?

25 A. I DO.

26 Q. THIS IS YOU WRITING, "GANDARA'S DAUGHTER WON MISS SAN  
27 ANTONIO. SHE'LL BE COMPETING FOR MS. TEXAS IN JUNE. HE'S  
28 ALREADY ASKED ME IF THERE'S ANY WAY WE CAN CONTRIBUTE SOME

1 SPONSORSHIP. IT WILL NEVER END."

2 A. IT NEVER ENDED. WELL, IT DID NOW.

3 Q. SO BY APRIL '08 WE'RE ABOUT A YEAR INTO THE CONTRACT.  
4 HAD IT BECOME ROUTINE FOR DR. GANDARA TO REQUEST CONTRIBUTIONS  
5 FOR HIS FAMILY AND FRIENDS AND FAVORITE CHARITIES?

6 A. NOT ROUTINE FOR HIS FAMILY AND FRIENDS. I BELIEVE THIS  
7 WAS THE FIRST TIME THAT HE ASKED FOR HIS FAMILY SPECIFICALLY.

8 Q. DID HE APPROACH YOU INITIALLY ABOUT THIS REQUEST?

9 A. YES.

10 Q. DO YOU REMEMBER THAT CONVERSATION?

11 A. I DO. WE WERE IN HIS OFFICE AND HE WAS VERY EXCITED.  
12 HE HAD JUST COME BACK FROM TEXAS AND HE WAS VERY EXCITED THAT HIS  
13 DAUGHTER WON. AND, YOU KNOW, DURING THE CONVERSATION I WAS  
14 INTERESTED IN HOW AND ALL THAT STUFF. AND IN THE CONVERSATION IT  
15 CAME UP THAT THE NEXT STEP WAS MISS TEXAS. AND HE WAS MENTIONING  
16 THAT THE DRESSES THAT ALL THE CONTESTANTS WORE OR BOUGHT WERE IN  
17 THE THOUSANDS OF DOLLARS AND THAT THEY TOOK -- I DON'T REMEMBER  
18 IF HE SAID THEY TOOK ACTING LESSONS OR COACHING OR SOMETHING LIKE  
19 THAT, AND HE ASKED US IF -- I DON'T REMEMBER EXACTLY HOW HE DID  
20 IT BUT THAT HE WAS GOING TO NEED SOME HELP WITH UNDERWRITING OF  
21 SOMETHING. I DON'T THINK HE WAS SPECIFIC. I DON'T KNOW IF HE  
22 WAS SPECIFIC WITH THE DOLLAR AMOUNTS.

23 Q. DID YOU TAKE THAT AS A SUGGESTION OR REQUEST OR AS A  
24 DIRECTIVE?

25 A. WELL, IT KIND OF GETS BLURRED BETWEEN THE TWO.

26 Q. DID YOU FEEL THERE WAS A BASIS FOR WHICH YOU COULD SAY  
27 NO TO THE CLIENT?

28 A. NO.

1 Q. WHY IS THAT?

2 A. BECAUSE HE WAS ASKING FOR IT AND I JUST NEVER SAID NO  
3 TO THEM.

4 Q. DID YOU FEEL --

5 A. I'M NOT SURE THAT THAT WAS THE RIGHT THING TO DO BUT WE  
6 NEVER DID.

7 Q. DID YOU FEEL THAT YOU COULD SAY NO?

8 A. NO, I DIDN'T FEEL THAT WE COULD SAY NO.

9 Q. ANY PARTICULAR REASON WHY YOU FELT THAT WAY?

10 A. I GUESS YOU'D HAVE TO INTERACT WITH THEM. IT WAS --  
11 THEY ALWAYS SUBTLY MADE IT A POINT TO MAKE YOU FEEL UNEASY  
12 ABOUT -- ABOUT YOUR CONTRACT OR -- THEY MADE IT A POINT TO  
13 MENTION THAT THEY HAD LUNCH WITH SO AND SO COMPANY WHO'S OUR  
14 COMPETITOR, OR THAT THEY KNEW SO AND SO, YOU KNOW, PEOPLE THAT  
15 WOULD LOVE TO HAVE OUR JOB. AND SO I THINK IT WAS KIND OF  
16 PSYCHOLOGICAL WARFARE ON THEIR PART JUST TO KEEP US ON EDGE AND  
17 MAKE SURE WE WEREN'T COMFORTABLE IN THE POSITION THAT WE'RE IN  
18 AND TAKE THEM FOR GRANTED.

19 Q. WAS THAT AN EFFECTIVE STRATEGY ON THEIR PART?

20 A. THEY NEVER SAID IT BUT I THINK IT WAS PART OF IT.

21 Q. I HAVE A QUESTION. IT'S NUMBER?

22 GRAND JURY SECRETARY: 99.

23 BY MR. LUDWIG:

24 Q. FROM JUROR NO. 16. DID THE -- THIS GOES BACK TO OUR  
25 DISCUSSION BEFORE WE GOT ONTO THE TOPIC OF THE PAGEANT. "DID THE  
26 BOND LANGUAGE REQUIRE A MINIMUM OF PROJECTS OR WAS ONE ITEM ON  
27 THE LIST ENOUGH TO FULFILL YOUR OBLIGATION?"

28 A. I DIDN'T UNDERSTAND THE FIRST PART OF THE QUESTION.

1 Q. IT SAYS, "DID THE BOND LANGUAGE REQUIRE A MINIMUM  
2 NUMBER OF PROJECTS OR WAS ONE ITEM ON THE LIST ENOUGH TO FULFILL  
3 YOUR OBLIGATION?"

4 A. THE BOND LANGUAGE WASN'T SPECIFIC ABOUT THAT. IN FACT,  
5 THE BOND LANGUAGE SAYS THAT NOT ALL PROJECTS ON THAT LIST MAY BE  
6 COMPLETED DUE TO FUNDING CONSTRAINTS. THERE ARE -- I BELIEVE  
7 THAT THE BOND LANGUAGE DID SAY THAT WORK WILL BE DONE AT EVERY  
8 CAMPUS. HOWEVER, IT DOES NOT SAY THAT -- WHAT TYPE OF --  
9 SPECIFICALLY WHAT SCOPE OF WORK NEEDS TO BE DONE AT EVERY CAMPUS.

10 AGAIN, IT SAYS GENERICALLY THESE ARE THE TYPES OF PROJECTS  
11 THAT CAN BE DONE WITH YOUR MONEY. IT SAYS YOU CAN'T PAY TEACHERS  
12 SALARY. IT SPECIFICALLY SAYS WE CAN'T DO DISTRICT OFFICES WITH  
13 THAT MONEY. BUT IF IT'S MENTIONED IN THE BOND LANGUAGE SOMEHOW  
14 YOU ARE ABLE TO DO THAT TYPE OF SCOPE OF WORK.

15 AND THE SCOPES OF WORK IN THE BOND LANGUAGE WERE DETERMINED  
16 THREE, FOUR, FIVE YEARS PRIOR TO PROP O PASSING BASED ON THE  
17 MASTER PLAN. SO IT NEEDS CHANGE DURING THAT PROCESS SO YOU HAVE  
18 TO REANALYZE WHAT YOU ARE GOING TO DO. AND AS LONG AS WHAT YOU  
19 WANTED TO DO IN THE SCOPE OF WORK IS ALLOWABLE IN THE BOND  
20 LANGUAGE YOU'RE ABLE TO DO THAT. DOES THAT MAKE SENSE?

21 Q. IS THAT SUFFICIENT?

22 GRAND JUROR NO. 16: UH-HUH.

23 BY MR. LUDWIG:

24 Q. PAGE 413 IS ANOTHER ONE OF MR. AMIGABLE'S EXPENSE  
25 SHEETS. THIS IS FOR THE WEEK ENDING APRIL 6TH, '08. AND THERE'S  
26 AN ENTRY THERE, LUNCH WITH BRUCE HOFFMAN, CHUCK TERHUNE, YOURSELF  
27 AND DR. GANDARA.

28 DO YOU RECALL THAT?

1 A. MAYBE IF YOU SHOW ME WHERE IT WAS.

2 Q. THE NEXT PAGE, 419, THIS IS A RECEIPT FOR FRIDA'S?

3 A. YEAH, IT COULD HAVE BEEN.

4 Q. DO YOU REMEMBER IF ANYBODY ELSE ATTENDED BESIDES THOSE  
5 LISTED IN THE EXPENSE CLAIM?

6 A. I DON'T REMEMBER.

7 Q. THERE IS A MESSAGE ON PAGE 41050. MS. QUIÑONES TO YOU,  
8 APRIL 10TH, '08. "SEND ME YOUR ADDRESS, PLEASE."

9 DO YOU REMEMBER THIS EXCHANGE?

10 A. NO. CAN I SEE THE BOTTOM PART?

11 Q. THAT'S REALLY IT.

12 A. SHE'S NEVER COME TO MY HOUSE.

13 Q. DID SHE EVER MAIL YOU ANYTHING?

14 A. I'VE GOTTEN AN INVITATION TO SOMETHING BUT...

15 Q. OKAY. QUESTION WOULD BE 100, JUROR NO. 9. "DID YOU  
16 GET A REQUEST FROM THE BOARD MEMBERS TO FUND A PROJECT THAT WAS  
17 OUTSIDE THE SCOPE OF BOND REQUIREMENTS OR BOND LANGUAGE?"

18 A. NO.

19 Q. I'M LOOKING AT ANOTHER CREDIT CARD SLIP, WHICH IS FROM  
20 MAY '08. ONE IS AN ENTRY FOR FRIDA'S ON MAY 3RD, \$3,800.

21 A. UH-HUH.

22 Q. DO YOU RECALL THAT?

23 A. WE HAD A CINCO DE MAYO PARTY, AND IT WAS SIMILAR TO THE  
24 CHRISTMAS ONE, THE CHRISTMAS PARTY THAT WE SAW, SIMILAR TYPE OF  
25 GATHERING. WE HAD -- AND WE DID THIS BECAUSE AT THIS TIME WE HAD  
26 THE SCOPES OF WORK -- IT WAS AN EXCUSE FOR A PARTY. BUT THE  
27 REALITY IS THAT WE HAD FINISHED THE NINE SCOPES OF WORK AND WE  
28 HAD INITIAL RENDERINGS OF WHAT THE PROJECTS WERE GOING TO LOOK

1 LIKE AND WHAT THEY ENTAILED. SO WE HAD POSTER BOARDS MADE AND WE  
2 WERE GOING TO SHOW THESE OFF TO THE FOLKS. AND I KNOW THE BOARD  
3 MEMBERS WERE IN ATTENDANCE AND THE SUPERINTENDENT AND OVERSIGHT  
4 COMMITTEE MEMBER AND STAFF.

5 Q. WERE ALL BOARD MEMBERS THERE?

6 A. I THINK MOST OF THEM.

7 Q. I TAKE IT NO BOARD MEMBER OR SUPERINTENDENT REIMBURSED  
8 YOU?

9 A. NO.

10 Q. HOW ABOUT ALSO ON THERE IS THE DONOVAN'S DINNER FOR  
11 \$671, A FEW DAYS LATER ON MAY 8TH.

12 A. I DON'T REMEMBER WHO WAS THERE SPECIFICALLY.

13 Q. SWEETWATER BOARD MEMBERS?

14 A. I'M SURE, YES.

15 Q. THIS IS PAGE 12740. THERE'S A COUPLE RECEIPTS HERE ON  
16 PAGE 11515 FOR FRIDA'S AND THIS IS FROM MAY 16TH. THIS IS A  
17 DIFFERENT DAY. THERE'S A HANDWRITTEN NOTE RUDY, GREG, JOSE --  
18 JORGE DOMINGUEZ. DO YOU REMEMBER THIS TRIP TO FRIDA'S. IT'S THE  
19 SAME CHECK; RIGHT? THE SAME DAY?

20 A. YES.

21 Q. WAS IT THE FOUR OF YOU IN ATTENDANCE?

22 A. YES.

23 Q. ANYONE ELSE?

24 A. NO.

25 Q. WHAT WAS THE PURPOSE OF THIS EVENT?

26 A. JUST TO HANG OUT.

27 Q. WHO ARE RUDY AND GREG AS NOTED THERE?

28 A. GREG SANDOVAL, RUDY GONZALEZ, AND JORGE DOMINGUEZ.



1 Q. IF WE TAKE 439 AND DIVIDE BY FOUR WE GET ABOUT \$110 PER  
2 PERSON.

3 A. UH-HUH.

4 Q. DOES THAT SOUND ABOUT RIGHT?

5 A. YES.

6 Q. THERE'S ANOTHER EXPENSE REPORT FOR AUGUST 27TH, '08,  
7 AND THAT'S PAGE 11516. IT APPEARS THAT DINNER IS REFERENCED  
8 THERE, AS WELL AS ANOTHER ITEM DATED JULY 21ST, '08, DINNER WITH  
9 RUDY AND DR. GANDARA FOR \$26.

10 DO YOU REMEMBER THAT?

11 A. I WASN'T THERE. IS THAT MINE?

12 Q. YES. IT APPEARS TO BE.

13 A. OH, OKAY. THE BOTTOM ONE WAS A BREAKFAST WITH RUDY  
14 RAMIREZ, COUNSEL MEMBER OF THE CHULA VISTA CITY COUNCIL.

15 Q. OKAY. THE THIRD ENTRY HERE IS AUGUST 20TH '08,  
16 DONATION TO SOUTH COUNTY EDUCATIONAL SCHOLARSHIP PAGEANT. DO YOU  
17 RECALL WHAT THAT INVOLVED?

18 A. GREG'S DAUGHTER WAS INVOLVED IN SOME SORT OF PAGEANT IN  
19 THE SOUTH COUNTY. I DON'T RECALL THAT ONE SPECIFICALLY. I'M  
20 ASSUMING THAT BECAUSE IT SAYS PAGEANT IT HAS SOMETHING TO DO WITH  
21 GREG AND HIS DAUGHTER.

22 Q. SO DR. GANDARA AND MR. SANDOVAL BOTH HAD DAUGHTERS SORT  
23 OF IN THE PAGEANT BUSINESS?

24 A. YES.

25 Q. BOTH EXPECTING CONTRIBUTIONS FROM SGI?

26 A. YES.

27 Q. FOR THE SANDOVALS IN THIS CASE -- I KNOW YOU RECALL  
28 THAT CONVERSATION WHEN DR. GANDARA ASKED FOR MONEY FOR HIS

1 DAUGHTER. DO YOU HAVE A SIMILAR RECOLLECTION FOR MR. SANDOVAL?

2 A. YOU KNOW, I DON'T. FRANKLY, I DON'T RECALL GIVING THEM  
3 THE \$500. IT WAS -- WAS THIS ON MY CREDIT CARD?

4 Q. I DON'T RECALL SEEING IT. WE MAY NOT HAVE SEEN IT YET.  
5 I DON'T THINK WE'VE GOTTEN TO A CREDIT CARD STATEMENT FOR THAT  
6 DATE YET.

7 A. OKAY. IT SEEMS THAT THAT WOULD COME IN THE FORM OF A  
8 CHECK FROM THE COMPANY. IT'S A LITTLE WEIRD THAT I HAVE IT AS AN  
9 EXPENSE IN MY -- FOR MYSELF, UNLESS IT WAS THROUGH MY CREDIT  
10 CARD. OTHERWISE, IT WOULD HAVE COME AS A CHECK FROM PASADENA, I  
11 WOULD THINK.

12 Q. OKAY.

13 A. I'M NOT DENYING THAT IT HAPPENED. I'M JUST NOT SURE  
14 HOW.

15 Q. I'LL SHOW YOU THE NEXT EMAIL, 41209, DATED MAY 20TH OF  
16 '08, FROM YOU TO MS. QUIÑONES AND THERE'S AN ATTACHMENT.

17 DO YOU REMEMBER THIS?

18 A. I DO.

19 Q. SAYS, "PEARL, HERE'S THE CURRENT VENDOR LIST FOR PROP O  
20 AS REQUESTED."

21 WHY WERE YOU SENDING MS. QUIÑONES THE VENDOR LIST?

22 A. BECAUSE SHE REQUESTED IT.

23 Q. DO YOU KNOW WHY?

24 A. BECAUSE -- I'M ASSUMING THAT IT WAS -- SHE WAS GOING TO  
25 BE RUNNING FOR SOMETHING PRETTY SOON AND IT WAS HER TARGET LIST.

26 Q. TARGET LIST FOR WHAT, DO YOU KNOW?

27 A. TO ASK FOR MONEY, ASK FOR CONTRIBUTIONS TO HER  
28 CAMPAIGN.

1 Q. IF WE SHOW YOU -- I JUST HAVE A FEW PAGES LEFT HERE.  
2 PAGES 41211 THROUGH 41232. IT MAY BE AN ATTACHMENT. WAS THIS  
3 PART OF THE VENDOR LIST; DO YOU RECALL?

4 A. YEAH, I WOULD ASSUME SO.

5 Q. DOES THAT SOUND ABOUT RIGHT?

6 A. YEAH. YES.

7 Q. OKAY.

8 A. YES.

9 Q. WAS MS. QUIÑONES ASKING YOU FOR MONEY AT THIS TIME AS  
10 WELL?

11 A. I WOULD ASSUME SO. NOT THROUGH THIS EMAIL.

12 Q. I KNOW, BUT JUST SEPARATELY.

13 A. I WOULD BET ON IT. I DON'T REMEMBER EXACTLY BUT...

14 Q. LOOK AT ANOTHER CREDIT CARD STATEMENT FOR A COUPLE  
15 ITEMS. PAGE 12742. THIS IS FOR JUNE OF '08. THERE'S A  
16 TRANSACTION FOR TRATTORIA VIA LAGO ON THE 20TH OF JUNE FOR \$827.  
17 DO YOU REMEMBER GOING THERE AT THAT TIME?

18 A. I REMEMBER THE PLACE AND I REMEMBER GOING THERE AT  
19 DIFFERENT TIMES WITH SWEETWATER FOLKS. I DON'T REMEMBER EXACTLY  
20 WHO WAS THERE AT THAT.

21 Q. UP ABOVE THAT, EARLIER IN JUNE THERE'S AN ENTRY FOR  
22 DONOVAN'S STEAKHOUSE FOR \$220 OR THEREABOUTS. DO YOU REMEMBER  
23 THAT DINNER?

24 A. I DON'T.

25 MR. SCHORR: SHOULD WE TAKE A BREAK NOW?

26 MR. LUDWIG: OH, YEAH. LET'S TAKE OUR AFTERNOON BREAK. SO  
27 THE FOREPERSON WILL REMIND YOU YOU ARE STILL ADMONISHED.

28 GRAND JURY FOREPERSON: YOU ARE REMINDED THAT YOU ARE STILL

1 ADMONISHED.

2 (RECESS.)

3 MR. LUDWIG: MR. SECRETARY, ARE WE READY TO GO?

4 GRAND JURY SECRETARY: YES. WE HAVE ALL 16 GRAND JURORS  
5 PRESENT.

6 MR. LUDWIG: ARE THEY ALL HAPPY TO BE HERE?

7 BY MR. LUDWIG:

8 Q. ALL RIGHT. MR. ORTIZ, HERE WE GO AGAIN. WELCOME BACK.  
9 I'LL SHOW YOU YET ANOTHER CREDIT CARD SLIP OR STATEMENT RATHER.  
10 THIS IS FOR JULY '08. AND THERE'S A COUPLE ITEMS, HERE NOTABLY  
11 MORTON'S ON JULY 16TH FOR ALMOST \$1,800.

12 DO YOU REMEMBER THAT OUTING?

13 A. I DO.

14 Q. DO YOU RECALL WHO ATTENDED?

15 A. IT WAS A LARGER GROUP. DR. GANDARA AND HIS WIFE, PEARL  
16 WAS THERE, MY WIFE, MYSELF, I BELIEVE YOLANDA HERNANDEZ WAS  
17 THERE.

18 Q. OKAY.

19 A. AND MIMO WAS THERE. MIMO'S NAME IS -- HE'S A  
20 PHOTOGRAPHER WHO LIVES IN NATIONAL CITY. HIS NAME IS -- I CAN'T  
21 REMEMBER HIS NAME. HE'S ALSO FRIENDS WITH PEARL AND YOLANDA.

22 Q. DID HE COME AS THEIR GUEST?

23 A. YES.

24 Q. SO SEVEN. THE TWO OF YOU, THE GANDARAS, MS. HERNANDEZ,  
25 MS. QUIÑONES, AND THE PHOTOGRAPHER.

26 A. FOR SOME REASON I THOUGHT THERE WOULD BE MORE PEOPLE.  
27 AT LEAST SEVEN, YES.

28 Q. OKAY. WE CAN ROUND UP TO TEN. I THINK IT WOULD BE

1       AWFULLY CONSERVATIVE.  IF WE PUT DOWN 1,789 LESS 20 PERCENT THAT  
2       GETS US ABOUT \$1,431.  SO \$140 PER PERSON.

3           A.     UH-HUH.

4           Q.     DOES THAT SOUND ABOUT RIGHT FOR DINNER AT MORTON'S?

5           A.     YES.  PLUS SOME TAKE HOME.

6           Q.     SOMEONE TAKES SOME FOOD HOME?

7           A.     YES, DR. GANDARA.

8           Q.     WHAT DO YOU MEAN BY THAT?

9           A.     WHAT?

10          Q.     WHAT DO YOU MEAN BY THAT?

11          A.     HE ORDERED FOOD TO GO.

12          Q.     DID HE ORDER, LIKE, AN EXTRA DESSERT OR A FULL MEAL?

13          A.     I THINK HE TOOK THE DESSERTS AND I THINK HE ORDERED A  
14       FULL MEAL.

15          Q.     DID HE ASK PERMISSION TO DO THAT OR HE JUST DID IT?

16          A.     HE JUST DOES THAT TYPE OF THING.

17          Q.     WAS THAT COMMON PRACTICE FOR DR. GANDARA?

18          A.     IT WAS.

19          Q.     WAS IT MORE OFTEN THAN NOT THE CASE THAT HE WOULD ORDER  
20       EXTRA FOOD TO GO?

21          A.     MORE OFTEN THAN NOT, YES.

22          Q.     DID YOU EVER SAY ANYTHING TO HIM ABOUT IT, LIKE IN A  
23       JOKING WAY OR --

24          A.     NO.  BUT IT WAS A RUNNING JOKE BETWEEN MY WIFE AND I.  
25       AND WE WAGERED WHETHER HE WOULD DO IT OR NOT AT THE BEGINNING OF  
26       THE EVENING.

27          Q.     WHO WOULD WIN THAT BET MORE OFTEN, YOU OR YOUR WIFE?

28          A.     WE'D ACTUALLY FIGHT OVER WHO WOULD PICK THAT HE WOULD.

1 PRETTY SAD WHEN YOU THINK ABOUT IT.

2 Q. DID ANYBODY ELSE FROM THE BOARD HAVE A HABIT OF  
3 ORDERING EXTRA FOOD TO GO?

4 A. NO, NOT AS A REGULAR HABIT.

5 MR. LUDWIG: QUESTION 101?

6 GRAND JURY SECRETARY: 101.

7 BY MR. LUDWIG:

8 Q. JUROR NO. 13. "WOULD HE" -- I ASSUME THAT MEANS  
9 DR. GANDARA -- "TELL YOU FOR WHOM THE EXTRA MEAL WAS?"

10 A. NO.

11 Q. THERE'S A COUPLE OTHER ITEMS, I DON'T WANT TO GO  
12 THROUGH ALL OF THEM BECAUSE IT'S A LOT. THE ONES THAT STAND OUT  
13 ARE ON TOP, OF MORTON'S, THE LOU & MICKEY'S CHARGE ON THE 11TH OF  
14 JULY FOR \$226. DO YOU HAVE A RECOLLECTION OF THAT MEAL?

15 A. ONLY PEOPLE I WENT TO LOU & MICKEY'S WITH -- I SEEM TO  
16 RECALL IT WAS EITHER -- KARL BRADLEY I WENT TO LOU & MICKEY'S  
17 ONCE WITH -- ONCE OR TWICE, AND WITH DR. GANDARA.

18 Q. DID YOU HAVE A RECOLLECTION AS TO WHICH OF THOSE TWO  
19 MAY HAVE BEEN WITH YOU THIS TIME?

20 A. NO.

21 Q. HOW ABOUT A LITTLE BIT LOWER ON THE LIST, THERE'S A  
22 JULY 19TH CHARGE AT FRIDA'S AGAIN, FOR \$388.07.

23 A. I DON'T REMEMBER WHO THAT WAS WITH.

24 Q. LET ME GET THE PAGE NUMBER I REFERENCED FOR THE RECORD.  
25 THAT WAS PAGE 12744.

26 NOW ON THE SCREEN IS PAGE 17999. IT'S AN EMAIL FROM YOUR  
27 ASSISTANT CHARELLE TO YOU, DATED JULY 11, '08.

28 DO YOU REMEMBER THIS ONE?

1 A. NOT SPECIFICALLY, BUT I RECOGNIZE IT.

2 Q. SHE WRITES, "YOU'VE RECEIVED A MESSAGE FROM HECTOR  
3 CASTILLO OF ECM GROUP. HE WILL BE MEETING WITH PEARL FOR LUNCH  
4 AND WOULD LIKE TO TOUCH BASE WITH YOU FIRST."

5 WHO IS HECTOR CASTILLO?

6 A. HECTOR CASTILLO WAS A FRIEND OF GREG'S AND HE RUNS A  
7 CONSTRUCTION MANAGEMENT GROUP OUT OF L.A., AND GREG WAS ALWAYS  
8 TRYING FOR US TO GIVE HIM SOME WORK. AND HE WAS VERY, VERY  
9 PERSISTENT AND WAS ALWAYS WANTING TO MEET WITH US OR DO SOMETHING  
10 WITH US. HE INVITED ME TO A LAKERS GAME ONCE.

11 Q. BEFORE WE GET TO THAT, WHEN YOU SAY "HE WAS  
12 PERSISTENT," MR. CASTILLO WAS PERSISTENT OR MR. SANDOVAL WAS  
13 PERSISTENT?

14 A. WELL, GREG WOULD ASK US ABOUT HIM ONCE IN A WHILE. HAS  
15 HE GOTTEN WORK YET? HAS HE GOTTEN WORK YET? AND RENÉ DIDN'T  
16 THINK VERY HIGHLY OF HIM OR HIS COMPANY. AND, FRANKLY, WHAT HE  
17 DID WAS EXACTLY WHAT WE DID. HE HAD PEOPLE THAT DID CONSTRUCTION  
18 MANAGEMENT AND JUST WANTED SOME OF OUR POSITIONS, FOR US TO  
19 SUBCONTRACT TO HIM SO...

20 Q. WITH MR. SANDOVAL WHEN HE WOULD TRY TO PITCH  
21 MR. CASTILLO AND HIS COMPANY TO YOU AND SGI, WAS IT IN THE FORM  
22 OF A SUGGESTION OR A DIRECTIVE?

23 A. IT WAS -- AGAIN, THE LINE IS KIND OF BLURRED BETWEEN  
24 THE TWO. BUT I WOULD ALWAYS SAY THAT WE'LL LOOK INTO IT AND  
25 WE'RE LOOKING FOR IT OR SOMETHING LIKE THAT BUT I ALWAYS TRY TO  
26 PUSH HIM OFF.

27 Q. WOULD YOU SAY THINGS LIKE THAT TO PLACATE HIM --

28 A. YES.

1 Q. -- WHEN YOU HAD THE INTENTION NOT TO HIRE MR. CASTILLO?

2 A. YES.

3 Q. HOW MUCH INTERACTION DID YOU HAVE WITH JIM CARTMILL?

4 A. UM, FREQUENT. AS MUCH AS WITH THE OTHER BOARD MEMBERS.

5 Q. THERE'S AN EMAIL THAT I JUST PUT UP ON THE SCREEN,  
6 PAGE 18000. IT APPEARS TO BE FROM MR. CARTMILL TO YOU, DATED  
7 JULY 29TH, '08. HE'S ASKING FOR A DONATION.

8 DO YOU REMEMBER THIS?

9 A. YES.

10 Q. DID YOU OR DID SGI DONATE \$3,000?

11 A. I BELIEVE WE DID.

12 Q. TO CHANGING THEIR LIVES?

13 A. CHANGING THEIR LIVES, YES.

14 Q. WAS CARTMILL SIMILAR TO SANDOVAL IN THE SENSE THAT WHEN  
15 HE WOULD APPROACH YOU FOR A REQUEST FOR DONATION IT WAS NOT SO  
16 MUCH A REQUEST AS IT WAS A DIRECTIVE?

17 A. YES.

18 Q. DID YOU HAVE A SIMILAR IMPRESSION WITH MR. CARTMILL  
19 THAT HE WAS SOMEONE YOU COULDN'T REFUSE, YOU COULDN'T SAY NO TO  
20 HIM?

21 A. YES. I FELT THAT WE COULDN'T SAY NO TO ANY OF THE  
22 BOARD MEMBERS. BUT JIM WASN'T AS -- I DON'T KNOW HOW TO PHRASE  
23 THIS APPROPRIATELY. JIM WAS A LITTLE BIT MORE TACTFUL AND LESS  
24 VISCERAL, IF YOU WILL.

25 Q. DID YOU THROUGH -- YOUR DEALINGS WITH THE BOARD, DID  
26 YOU GET INVOLVED WITH THE BOARD RACE FOR JAIME MERCADO'S SEAT --

27 A. YES.

28 Q. -- WITH BERTHA LÓPEZ?



1 I'LL SHOW YOU AN EMAIL HERE, 5219, DATED JULY 29TH, '08,  
2 FROM YOU TO MR. FLORES AND CYNTHIA GAFFNEY CONCERNING DONATIONS.

3 DO YOU REMEMBER THIS EXCHANGE?

4 A. I DO.

5 Q. IT SAYS, "WE'VE BEEN ASKED TO GIVE TO THE FOLLOWING  
6 CAUSES: JIM CARTMILL, CHANGES THEIR LIVES EVENT --"

7 THAT'S WHAT WE JUST DISCUSSED; RIGHT?

8 A. UH-HUH.

9 Q. "-- \$3,000. BERTHA LÓPEZ RUNNING FOR JAIME MERCADO'S  
10 SEAT ON THE SWEETWATER BOARD. SHE THINKS SHE CAN BEAT JAIME WITH  
11 A TOTAL OF 40K. GANDARA IMPLIED WE SHOULD GIVE \$20,000 BETWEEN  
12 BOTH COMPANIES (10K GILBANE AND 10K SGI), WHICH I THINK IS A LOT  
13 OF MONEY. MAYBE WE EACH START AT 5K AND HOPE THAT'S ENOUGH."

14 FIRST OFF, LET'S TALK ABOUT MS. LÓPEZ. DID SEATED BOARD  
15 MEMBERS APPROACH YOU ABOUT SUPPORT FOR MS. LÓPEZ OR DID SHE DO SO  
16 ON HER OWN?

17 A. THE SUPERINTENDENT PRIMARILY APPROACHED US TO HELP  
18 MS. LÓPEZ. AND MS. LÓPEZ WAS, AT THAT POINT IN TIME, CLOSE WITH  
19 ARLIE, AND I'M NOT SURE IF GREG ALSO ASKED FOR SUPPORT. NO, THEY  
20 WERE CLOSE.

21 Q. DID ANY OF THEM EXPRESS A REASON WHY THEY PREFER  
22 MS. LÓPEZ OVER MR. MERCADO?

23 A. NONE OF THEM LIKED JAIME MERCADO.

24 Q. DID THEY INDICATE WHY THEY DIDN'T LIKE MR. MERCADO?

25 A. UM, BECAUSE HE WAS SEEN AS ALWAYS CHALLENGING THEM OR  
26 FOCUSING ON ISSUES THAT THE REST OF THEM DIDN'T REALLY THINK WAS  
27 THAT IMPORTANT, AND LATER WAS VERY CONFRONTATIONAL WITH THE  
28 SUPERINTENDENT. THAT'S WHEN THE SUPERINTENDENT WANTED TO GET

1 SOMEBODY ELSE IN THERE.

2 Q. IN CONNECTION WITH WHAT YOU MENTIONED ABOUT THE \$40,000  
3 AND DONATIONS OF 20, OR 10 EACH, DO YOU RECALL WHAT ULTIMATELY  
4 SGI DECIDED TO DO WITH REGARD TO MONETARY SUPPORT FOR MS. LÓPEZ?

5 A. I AM SURE YOU GUYS HAVE THE DOLLAR AMOUNTS, I DON'T  
6 REMEMBER EXACTLY WHAT IT WAS, BUT I KNOW THAT WE DID HELP HER  
7 SUBSTANTIALLY.

8 Q. DO YOU RECALL WHETHER OR NOT YOU WENT BACK TO  
9 DR. GANDARA AND SUGGESTED A LOWER AMOUNT LIKE YOU IMPLY IN THE  
10 EMAIL?

11 A. I DON'T KNOW IF I DID OR NOT.

12 Q. DID SGI HAVE ANY PARTICULAR INTEREST IN WHETHER OR NOT  
13 MR. MERCADO REMAINED IN HIS SEAT OR MS. LÓPEZ REPLACED HIM?

14 A. NOT REALLY. I MEAN, I KNEW THAT -- OR WE KNEW THAT  
15 JAIME MERCADO WASN'T GENERALLY FOND OF US BUT HE VOTED FOR OUR  
16 LAST CONTRACT. HE WAS A YES VOTE FOR OUR LAST CONTRACT. SO I  
17 DIDN'T HAVE ANY PARTICULAR ISSUES WITH HIM. I THINK -- I KNOW  
18 THAT HE WAS VERY CONFRONTATIONAL TO THE SUPERINTENDENT AND THE  
19 REST OF THE BOARD CONSTANTLY COMPLAINED ABOUT HIM. AND WE  
20 SUPPORTED BERTHA BECAUSE DR. GANDARA REQUESTED IT.

21 Q. WAS THAT ONE OF THE ONLY REASONS YOU SUPPORTED  
22 MS. LÓPEZ WAS JUST SWEETWATER FOLKS PREFERRED HER OVER  
23 MR. MERCADO?

24 A. I BELIEVE SO.

25 Q. THIS IS PAGE 37414 AND IT'S A PHOTOCOPY. APPEARS TO BE  
26 A PADRES BASEBALL GAME TICKET, AND HANDWRITTEN IN THERE IS THE  
27 FIRST NAME JAIME.

28 DO YOU REMEMBER GOING TO A BASEBALL GAME ON AUGUST 1ST, '08,

1 WITH MR. SANDOVAL?

2 A. NOT THAT SPECIFIC DATE BUT I'M SURE WE DID.

3 Q. DO YOU REMEMBER WHO PAID FOR THIS TICKET?

4 A. THOSE WERE OUR TICKETS. WE HAVE SEASON TICKETS.

5 Q. THESE ARE SGI SEATS?

6 A. YES.

7 Q. DO YOU REMEMBER IF MR. SANDOVAL ASKED DIRECTLY FOR  
8 THESE TICKETS ON HIS OWN OR WAS THIS SUGGESTED BY YOU?

9 A. NO. BOTH OF THOSE SITUATIONS COULD HAVE HAPPENED.

10 Q. DID HE REIMBURSE SGI FOR THE COST OF HIS TICKET?

11 A. NO. THEY KNEW THAT WE HAD SEASON TICKETS. SO IF THERE  
12 WAS A PARTICULAR GAME THEY WANTED TO GO TO, THEY WOULD LET ME  
13 KNOW.

14 Q. WERE THESE TICKETS GOOD ENOUGH FOR MR. SANDOVAL?

15 A. THEY WERE VERY GOOD TICKETS.

16 Q. THERE'S ANOTHER EMAIL ON PAGE 39404 FROM MS. QUIÑONES  
17 TO YOU, DATED AUGUST 11TH, '08, CONCERNING A MEETING.

18 DO YOU REMEMBER THIS MESSAGE AND THE MEETING SHE IS TALKING  
19 ABOUT?

20 A. YES.

21 Q. WHY WAS IT IMPORTANT FOR YOU TO ATTEND THE MEETING ON  
22 THE 21ST FOR NATIONAL CITY?

23 A. BECAUSE SHE DIDN'T KNOW HOW TO ANSWER THE QUESTIONS  
24 THAT THEY WERE GOING TO ASK.

25 Q. WERE THESE PROJECT RELATED QUESTIONS?

26 A. I BELIEVE THEY WERE. THE MEETING WAS WITH THE NATIONAL  
27 CITY PARKS AND RECS COMMITTEE FOR SOME REASON. THERE WAS -- AND  
28 THERE WAS ABOUT 15 PEOPLE THERE. AND I DON'T REMEMBER WHY THEY

1 WERE ASKING QUESTIONS ABOUT PROP O. BUT I WENT AND I GAVE  
2 THEM -- THEY HAD SPECIFIC -- I WANT TO SAY IT HAD SOMETHING TO DO  
3 WITH THE FIELDS. SO I WAS THERE TO ANSWER ANY QUESTIONS THAT --  
4 WHAT PROP O WAS DOING AT THE NATIONAL CITY SCHOOLS. AND I'M SURE  
5 THEY ASKED ME QUESTIONS RELATED TO FIELDS.

6 Q. HOW OFTEN WAS IT THE CASE THAT YOU WOULD RECEIVE FROM A  
7 SUPERINTENDENT OR A BOARD MEMBER A MESSAGE LIKE THIS THAT IS  
8 PURELY BUSINESS RELATED AS OPPOSED TO ONE THAT IS SOLICITING  
9 DONATIONS OR CAMPAIGN CONTRIBUTIONS OR A REQUEST FOR A MEAL OR  
10 SOCIAL EVENTS?

11 A. WELL, I DON'T KNOW. MAYBE 25 PERCENT OF THEM WERE  
12 BUSINESS RELATED.

13 Q. IN YOUR EXPERIENCE IN OTHER DISTRICTS -- I KNOW YOU  
14 WERE NOT AT THE LEVEL YOU WERE AT SWEETWATER; YOU WERE MORE  
15 JUNIOR -- DID YOU HAVE AS MUCH INTERACTION WITH ELECTED OFFICIALS  
16 THERE, THE BOARD MEMBERS OR OTHERWISE?

17 A. AT EASTSIDE I DID BUT WITH THE SUPERINTENDENT, NOT WITH  
18 THE ELECTED OFFICIALS.

19 Q. WAS IT SIMILAR IN THE SENSE THAT THAT SUPERINTENDENT  
20 WOULD REQUEST BASEBALL GAMES AND DINNERS?

21 A. NO. THAT WAS MORE BUSINESS RELATED.

22 Q. SO IS SWEETWATER UNUSUAL IN YOUR MIND, IN YOUR  
23 EXPERIENCE, WITH REGARD TO THE LEVEL OF REQUESTS FOR  
24 CONTRIBUTIONS, DONATIONS?

25 A. IT WAS. AND ALTHOUGH I KNEW THAT SOME OF THAT WAS  
26 EXPECTED, JUST THE SHEER INTENSITY AND AMOUNTS WAS CERTAINLY  
27 UNUSUAL.

28 Q. PAGE 11518 IS PRINTED ON A PAGEANT NOTICE WITH SOME

1 HANDWRITING. IS THAT PAGEANT EVENT CONCERNING MR. SANDOVAL'S  
2 DAUGHTER?

3 A. UH-HUH, YES, VANESSA.

4 Q. WHOSE WRITING IS THIS? IS IT YOURS OR...

5 A. IT'S GREG'S.

6 Q. OKAY. THE NOTE SAYS, "YOUR SUPPORT IS APPRECIATED."

7 A. IT WAS A CHECK.

8 Q. OH, A CHECK. OKAY. SO YOU WROTE A PERSONAL CHECK  
9 THEN?

10 A. MAYBE I WROTE A PERSONAL CHECK AND THE COMPANY  
11 REIMBURSED ME. THAT WASN'T VERY STANDARD PRACTICE.

12 Q. THE NOTATION DATED ON AUGUST 20TH, '08, TO JAIME ORTIZ  
13 FROM GREG STATING "YOUR SUPPORT IS APPRECIATED," WAS THAT WRITTEN  
14 BEFORE YOU WROTE THE CHECK?

15 A. BEFORE, YES. THAT WAS WRITTEN BEFORE.

16 Q. SO ESSENTIALLY SOLICITING A DONATION?

17 A. UH-HUH.

18 Q. DID YOU KNOW THIS LITTLE ITEM WAS COMING, THIS FAX WAS  
19 COMING? DID MR. SANDOVAL TALK TO YOU ABOUT THE ISSUE, THE  
20 PAGEANT?

21 A. I'M ASSUMING THAT HE DID. I DON'T KNOW HOW HE GOT TO  
22 THE \$500 AMOUNT, THOUGH.

23 Q. ON PAGE 18002 THERE'S AN EMAIL TO MR. AMIGABLE TO YOU,  
24 "DINNER TONIGHT," DATED AUGUST 29TH '08. IT'S A BOYS' NIGHT OUT?

25 A. UH-HUH.

26 Q. DO YOU REMEMBER THAT EVENT?

27 A. I DON'T REMEMBER WHERE WE WENT.

28 Q. WELL, LET ME SHOW YOU ANOTHER PAGE HERE. THIS IS

1 PAGE 541. IT'S A GILBANE EXPENSE REPORT FOR MR. AMIGABLE, DATED  
2 AUGUST 31ST, AND THERE'S A NOTATION OF "DRINKS AND APPETIZER WITH  
3 JAIME ORTIZ, FOUNDATION PRESIDENT ED LÓPEZ."

4 DO YOU RECALL IF THIS WAS THE BOYS' NIGHT OUT REFERENCED IN  
5 THE EARLIER EMAIL?

6 A. IT COULD BE. DOES IT SAY WHERE?

7 Q. I HAVE ANOTHER RECEIPT HERE. PAGE 543, FOR AN AMOUNT  
8 THAT CORRESPONDS TO WHAT WE SEE IN THE EXPENSE REPORT OF \$237.  
9 IT APPEARS TO BE AT FRIDA'S.

10 A. I DON'T RECALL EXACTLY THAT EVENT BUT I DON'T DOUBT  
11 THAT I WAS THERE.

12 Q. OKAY. DO YOU KNOW IF THIS WAS THE BOYS' NIGHT OUT?

13 A. I WOULD ASSUME SO.

14 Q. HOW DOES FRIDA'S RESTAURANT FEEL ABOUT CIGAR SMOKING?

15 A. THEY WERE OPEN ABOUT IT.

16 Q. COULD YOU SMOKE ON THE PATIO?

17 A. YES, THAT'S WHY WE LIKED IT.

18 Q. LOOK AT 41115. THIS APPEARS TO BE AN EMAIL AGAIN, FROM  
19 MR. CASTILLO TO YOU AND YOUR ASSISTANT. RESUMES FOR PROJECT  
20 MANAGER POSITIONS, DATED SEPTEMBER 3RD, '08.

21 DO YOU REMEMBER THIS?

22 A. I DO.

23 Q. IS THIS JUST PART OF THE SAME ISSUE WE WERE DISCUSSING  
24 BEFORE WHERE MR. SANDOVAL'S FRIEND MR. CASTILLO WAS PRESSING FOR  
25 PART OF THE WORK WITH SGI?

26 A. YES.

27 Q. DO YOU REMEMBER IF ANYTHING EVER BECAME OF THESE  
28 APPLICATIONS?

1 A. NO.

2 Q. THESE RESUMES?

3 A. NO, NOTHING CAME OF IT.

4 Q. THERE'S AN ACCOUNT SUMMARY, PAGE 11514, AND THERE'S NOT  
5 A LOT OF INFORMATION. MAYBE YOU MIGHT BE ABLE TO RECALL  
6 SOMETHING. IT'S DATED AUGUST 27TH, '08. IT'S TITLED SEVILLE  
7 GROUP GENERAL ACCOUNT. IT HAS YOUR NAME LISTED THERE AND THE  
8 AMOUNT \$1,018.14. BELOW IT IS A REFERENCE TO MEALS, DONATIONS.

9 DO YOU HAVE ANY RECOLLECTION AS TO WHAT THAT AMOUNT  
10 CONCERNS?

11 A. NO, NOT AT ALL.

12 Q. OKAY.

13 A. WELLS FARGO BANK IS JUST A -- THE ACCOUNT WHERE IT CAME  
14 FROM, BUT I DON'T REMEMBER.

15 Q. DO YOU KNOW WHO IVA BUTLER IS?

16 A. YES.

17 Q. I'LL SHOW YOU PAGE 39115. IT IS THE START OF THE  
18 MESSAGE APPARENTLY FROM HER TO YOU ON OCTOBER 1ST OF '08.

19 A. WHAT WAS IT FOR?

20 Q. I WAS GOING TO ASK YOU THE SAME THING. LET'S SEE HERE.  
21 I'LL SCROLL THROUGH. ON THE FOLLOWING PAGE, 39116, IT APPEARS  
22 THE MESSAGE WAS FORWARDED TO MR. MERCADO OR FROM MR. MERCADO AND  
23 YOU RECEIVED IT FROM MR. KOCH. SO THERE'S ONE LINE THERE. "I  
24 WAS UNEXPECTEDLY SURPRISED TO RECEIVE YOUR RAPID RESPONSE TO MY  
25 PHONE" -- THE NEXT PAGE 39117 -- "CALL." I'LL LET YOU SCAN THERE  
26 RATHER THAN READ IT ALOUD.

27 A. THIS WAS AN INSPECTION COMPANY THAT WANTED -- THAT  
28 SUBMITTED A PROPOSAL FOR -- I BELIEVE IT'S DSA INSPECTION. AND

1 THEY WEREN'T SELECTED. THEY WERE ONE OF MANY WHO WEREN'T  
2 SELECTED, AND THEY WERE UPSET ABOUT IT AND APPEALED TO A BOARD  
3 MEMBER.

4 Q. WAS THERE A CONNECTION TO THE BOARD BY THIS COMPANY?

5 A. NOT THAT I KNOW OF, ALTHOUGH IT'S INTERESTING THAT THEY  
6 WENT TO JAIME. BUT NOT THAT I KNOW OF, NO.

7 Q. OKAY.

8 A. AND THAT MEANT THAT THE FIRM HASN'T BEEN SELECTED TO  
9 FURTHER NEGOTIATIONS. IT'S A STANDARD LETTER WE SENT TO ANYBODY  
10 WHO HASN'T BEEN SELECTED.

11 Q. ANOTHER CREDIT CARD STATEMENT, 12748. AND THIS IS FOR  
12 BASICALLY OCTOBER OF '08. A COUPLE ITEMS. THERE'S A \$289 CHARGE  
13 AT FRIDA'S ON OCTOBER 10TH, AND RIGHT BEFORE THAT ON THE -- THERE  
14 IS ALSO A CHARGE FOR \$77 AT CUBAN CIGAR FACTORY.

15 WAS THIS ANOTHER CIGAR EVENING WITH MR. SANDOVAL AT FRIDA'S?

16 A. I BELIEVE SO, YES.

17 Q. DO YOU REMEMBER IF ANYONE ELSE WAS IN ATTENDANCE OR  
18 JUST THE TWO OF YOU?

19 A. I DON'T REMEMBER.

20 Q. WAS IT TYPICALLY THE CASE IT WOULD BE TWO OF YOU OR  
21 WERE MORE FOLKS TYPICALLY INVOLVED?

22 A. HE WOULD SOMETIMES CALL OTHER PEOPLE, FRIENDS OF HIS.  
23 I REMEMBER JAIME SALAZAR WAS THERE ONCE. I DON'T REMEMBER.  
24 JORGE DOMINGUEZ WAS THERE USUALLY.

25 Q. FOUR OR FIVE PEOPLE, TYPICALLY? FAIR ESTIMATE?

26 A. UH-HUH.

27 Q. IF WE TAKE 290 AND PULL OUT 20 PERCENT AND ADD \$77.  
28 347 DIVIDED BY FIVE?



1 A. PLUS THE 65.

2 Q. OKAY. SO LET'S SAY ABOUT \$75 PER PERSON. SOUND ABOUT  
3 RIGHT?

4 A. YEAH. I TRUST YOUR CALCULATOR.

5 Q. THE \$1,100 CHARGE AT BEST BUY ON THE 2ND, OCTOBER 2ND,  
6 WAS THAT ANY TYPE OF GIFT OR ANYTHING?

7 A. I BELIEVE THAT WAS A COMPUTER I BOUGHT IN OCEANSIDE. I  
8 WAS GOING TO L.A. -- I WAS GOING TO L.A. FOR A PRESENTATION TO A  
9 SCHOOL DISTRICT UP NORTH AND I BOUGHT -- IT WAS A LAPTOP BUT GOT  
10 SWITCHED INTO A TABLET.

11 Q. OKAY. HOW ABOUT THE FINAL ITEM ON THIS LIST, BEL PROMO  
12 ITEMS FOR \$507?

13 A. IT WAS CLOSE TO THE MARIACHI FOUNDATION GOLF  
14 TOURNAMENT. I'M NOT SURE IF THAT MIGHT HAVE SOMETHING TO DO WITH  
15 THE GOLF TOURNAMENT.

16 Q. OKAY. WE'LL LOOK AT PAGE 18003. IT'S AN EMAIL FROM  
17 MR. SANDOVAL TO YOU, DATED OCTOBER 10, 2008.

18 A. UH-HUH.

19 Q. DOES THAT CONFIRM TO YOU THAT THOSE FRIDA'S CHARGES  
20 WERE WITH MR. SANDOVAL?

21 A. YES.

22 Q. DO YOU KNOW WHO GARY CABELLO IS?

23 A. I DO.

24 Q. HOW DO YOU KNOW GARY CABELLO?

25 A. HE IS THE UNDERWRITER -- HE WAS THE UNDERWRITER FOR  
26 PROP O -- FOR THE FIRST BOND SALE OF PROP O. HIS COMPANY ALONG  
27 WITH I BELIEVE TWO OTHER COMPANIES WERE THE UNDERWRITERS.

28 Q. DID YOU HAVE MUCH DEALINGS WITH MR. CABELLO?

1           A.    MOSTLY SOCIALLY.  AT DIFFERENT EVENTS I MET HIM AND  
2 INTERACTED WITH HIM.

3           Q.    WOULD THOSE BE LIKE THE THINGS WE SAW HERE, MORTON'S  
4 DINNERS AND SO FORTH WITH BOARD MEMBER?

5           A.    IN SOME CASES, YES.

6           Q.    I'LL SHOW YOU 5235.  IT'S PART OF AN EMAIL EXCHANGE IN  
7 OCTOBER OF '08 FROM LOURDES VALDEZ.

8           A.    UH-HUH:

9           Q.    DEAR JAIME, CAN YOU PLEASE LET ME KNOW IF YOU HAVE THE  
10 CHECK FOR THE ROTARY WINE TASTING AND/OR FOR THE CHAMBER OF  
11 COMMERCE MEMBERSHIP?"

12           DO YOU REMEMBER THOSE EVENTS AND THOSE DONATIONS?

13           A.    I DO.

14           Q.    IT CONTINUES TO ADDITIONAL EMAILS.  AT THE TOP FROM  
15 MR. FLORES TO YOU RESPONDING TO THAT ON OCTOBER 6TH, '08.  IT  
16 READ, "LET'S DO ONE OR THE OTHER.  REMEMBER, WE CAN'T PLEASE  
17 EVERYONE.  I KNOW FOR A FACT THE CHAMBER IS A BIGGEST WASTE OF  
18 MONEY AND TIME.  I'VE BEEN THERE AND WAS PRESIDENT OF A CHAMBER."

19           SO I ASSUME BY WHAT WE'RE READING, THERE IS SOME MONEY OR  
20 DONATIONS PROMISED TO THESE ORGANIZATIONS?

21           A.    YES.

22           Q.    WAS THAT DONE IN ANY WAY AT THE BEHEST OF A BOARD  
23 MEMBER OR WAS THAT SOMETHING INDEPENDENT OF THAT?

24           A.    IT WAS INDEPENDENT OF THEM.  BUT THE BOARD MEMBERS --  
25 MOST OF THE BOARD MEMBERS ATTENDED THE WINE TASTING EVENT AS  
26 GUESTS.  IN FACT, PART OF THAT SPONSORSHIP WAS I WOULD GET  
27 TICKETS TO THAT EVENT AND I WOULD HAND THEM OUT.

28           Q.    HOW MUCH WERE THE TICKETS EACH?

1 A. I DON'T REMEMBER.

2 Q. WAS THAT FOR BOARD MEMBERS?

3 A. YES, AND TO STAFF AS WELL.

4 Q. PAGE 11509. ARE THESE THE CONTRIBUTIONS WE WERE  
5 DISCUSSING?

6 A. YES.

7 Q. DAVID AGOSTO. DO YOU KNOW WHO THAT PERSON IS?

8 A. I DO, ALTHOUGH I'VE NEVER MET HIM.

9 Q. WHAT WAS THE CONNECTION HE HAD TO YOU, SGI, AND THE  
10 REASON FOR THE \$2,000 CONTRIBUTION?

11 A. IT WAS REALLY REQUESTED BY JORGE DOMINGUEZ. JORGE WAS  
12 A BOARD MEMBER AT SOUTHWESTERN COLLEGE AND GREG WAS GOING THROUGH  
13 SOME -- HE WAS IN THE PROCESS OF BEING LET GO FROM THE COLLEGE  
14 FOR SOME SEXUAL HARASSMENT CHARGES, I BELIEVE, AND JORGE  
15 DOMINGUEZ WANTED TO GET ON DAVID AGOSTO'S GOOD SIDE, I GUESS.

16 SO ONE WAY TO DO THAT WOULD BE TO HELP HIM WITH HIS CAMPAIGN  
17 AND CAME TO US TO ASK IF WE COULD HELP WITH DAVID AGOSTO'S  
18 CAMPAIGN. AND ULTIMATELY THE GOAL WAS TO INDIRECTLY HELP GREG  
19 THROUGH THAT PROCESS. SO WE DID. I'M ASSUMING THAT WE GAVE A  
20 CHECK.

21 Q. THE PLAN WAS THEN BY HELPING MR. AGOSTO RETAIN A  
22 POSITION OR GET ELECTED AGAIN, THEN HE WOULD THEN VOTE  
23 DIFFERENTLY TO RETAIN MR. SANDOVAL OR GIVE HIM ANOTHER JOB?

24 A. I'M NOT SURE THAT IT WAS. I DON'T KNOW WHAT THE  
25 TIMELINE WAS, IF HE WAS -- IF THE DECISION WOULD BE MADE AFTER  
26 THE ELECTION OR NOT. BUT IT WAS BASICALLY TO HELP JORGE GAIN  
27 GOOD GRACES WITH DAVID AGOSTO.

28 Q. WHOSE IDEA WAS THIS?

1 A. IT IS WAS JORGE'S.

2 Q. OKAY. HE CAME TO YOU OR SGI?

3 A. TO ME.

4 Q. ON HIS OWN?

5 A. YES.

6 Q. WITH A PLAN TO HELP MR. SANDOVAL?

7 A. YES.

8 Q. DID YOU HAVE ANY DISCUSSIONS WITH MR. SANDOVAL ABOUT  
9 THIS PLAN?

10 A. I DON'T REMEMBER IF I DID OR NOT.

11 Q. THE MARIACHI SCHOLARSHIP GALA, WAS THAT ANOTHER KIND OF  
12 REGULAR CONTRIBUTION TO THAT ORGANIZATION?

13 A. YES.

14 Q. I'M TRYING TO FIND PAGES TO SKIP. HOW ABOUT MITCH  
15 THOMPSON, DO YOU REMEMBER THAT PERSON?

16 A. I DO.

17 Q. 18006. IT'S A MESSAGE FOR -- TO YOU BY MR. SANDOVAL ON  
18 OCTOBER 4TH, '08, FUNDRAISING EVENT FOR MITCH THOMPSON.

19 A. MITCH WAS A CANDIDATE FOR THE SOUTHWESTERN BOARD AND  
20 GREG WAS HELPING HIM, AND IT WAS A FUNDRAISER AT A HOME AND I  
21 ATTENDED ALONE. IT WAS VERY BORING.

22 Q. DO YOU REMEMBER IF YOU PERSONALLY OR SGI DONATED TO  
23 MR. THOMPSON?

24 A. I DON'T REMEMBER.

25 Q. DID MR. SANDOVAL EXPECT YOU TO ATTEND THAT EVENT?

26 A. YES.

27 Q. I HAVE A SIMILAR EMAIL ON 18007, FROM MR. CARTMILL,  
28 APPARENTLY. DID YOU RECEIVE THIS MESSAGE MAYBE AS A CC?

1 A. IS THIS FROM MY EMAILS? IF IT IS, THEN I DID RECEIVE  
2 IT. I DON'T REMEMBER.

3 Q. YOU DON'T REMEMBER BEING ASKED?

4 A. NO.

5 Q. THE NEXT PAGE ANSWERS THE QUESTION.

6 A. THIS IS FOR JOHN'S ASSEMBLY RACE.

7 Q. THE INITIAL MESSAGE IS FOR JOHN MCCANN.

8 A. BUT FOR AN ASSEMBLY RACE?

9 Q. RIGHT.

10 A. I SAID THAT, BUT I DON'T THINK THAT WE CONTRIBUTED TO  
11 JOHN IN THE ASSEMBLY.

12 Q. OKAY. AT THE TIME IN LATE 2008, DID JOHN MCCANN HAVE A  
13 POSITION ON ANY BOARD OR SOMETHING LIKE THAT?

14 A. HE USED TO BE A COUNCIL MEMBER FOR THE CHULA VISTA CITY  
15 COUNCIL.

16 Q. THERE'S ANOTHER SIMILAR EMAIL. THIS IS PAGE 18010.  
17 THIS IS FROM MS. QUIÑONES AND YOU ARE AMONG THE RECIPIENTS.

18 A. THINGS LIKE THAT WHERE SHE COPIES, I THINK IT'S  
19 PURPOSEFULLY -- THERE'S A LOT OF OUR COMPETITION IN THE EMAILS.

20 Q. RATHER THAN CONSIDERING THIS AS A BLIND COPY TO ALL  
21 THESE FOLKS, IT'S SENT OVERTLY?

22 A. I BELIEVE SO.

23 Q. SO WHO -- THERE'S A LOT. YOU DON'T HAVE TO NAME THEM  
24 ALL, BUT CAN YOU GIVE US SOME EXAMPLES WHO YOU SEE HERE WHO WERE  
25 ALSO THEN COMPETITORS OF SGI?

26 A. RANDY DUNCAN USED TO HAVE MY POSITION, THIRD LINE UP  
27 FROM THE BOTTOM TO THE RIGHT-HAND SIDE. R. DUNCAN, RIGHT THERE.  
28 HE USED TO BE IN MY POSITION BEFORE AT SWEETWATER. DOREEN

1 DOMINGUEZ AT BANNER, THEY ARE OUR COMPETITION. PROBABLY FIFTH  
2 LINE DOWN FROM THE TOP IN THE MIDDLE. RIGHT THERE.

3 Q. SO THERE'S A FEW AT LEAST?

4 A. YES.

5 Q. WAS THIS TYPICAL OR --

6 A. WELL, I WOULDN'T SAY TYPICAL, BUT THOSE ARE THE KIND OF  
7 THINGS THAT YOU PICK UP ON. I DON'T KNOW IF I WAS OVERLY  
8 ANALYTICAL OF IT, BUT YOU NOTICE THAT. AND SHE'S INVITING FOR  
9 SOME SORT OF CAMPAIGN ACTIVITIES. AS AN EX-CONTRACTOR OR  
10 POTENTIAL CONTRACTOR THAT YOU WANT TO DO BUSINESS WITH THE  
11 DISTRICT, IF WE RECEIVE SOMETHING LIKE THAT FROM A BOARD MEMBER,  
12 YOU'LL DO IT TO GET INTO THEIR GOOD GRACES AND, YOU KNOW, HAVE A  
13 LITTLE BIT OF GOODWILL.

14 Q. AS THE EXISTING CONTRACTOR, DID YOU FEEL THAT YOU HAD  
15 TO DO THIS TO KEEP THAT GOODWILL?

16 A. ABSOLUTELY. ABSOLUTELY. ALSO TO MAKE SURE TO SEE WHO  
17 SHOWED UP.

18 Q. THE BOTTOM OF THE MESSAGE IS REQUESTING A WALK FOR A  
19 PRECINCT EVENT. DID YOU WALK FOR MS. QUIÑONES?

20 A. I DON'T RECALL WALKING. I DON'T RECALL DOING IT. THE  
21 REALITY IS THAT SHE APPRECIATED MORE THE CONTRIBUTIONS THAN THE  
22 VOLUNTEERS.

23 Q. THERE'S ANOTHER GILBANE EXPENSE REPORT ON 571. THIS IS  
24 FOR THE WEEK OF OCTOBER 26TH, '08. THERE'S AN ENTRY FOR DINNER,  
25 BONNY GARCIA, GREG SANDOVAL, DR. GANDARA, JAIME AFTER SWEETWATER  
26 BOARD MEETING FOR \$154.

27 A. UH-HUH --

28 Q. THE NEXT PAGE --

1           A.    -- AT THE BUTCHER SHOP.  THE BUTCHER SHOP WAS A PLACE  
2 THAT THE BOARD MEMBERS FREQUENTED AFTER THE BOARD MEETINGS.  ONE,  
3 BECAUSE THERE WAS ONE CLOSE TO THE DISTRICT.  AND TWO, IT WAS  
4 OPEN LATE.  SO IT WAS THE ONLY PLACE THAT WOULD BE CONVENIENT AT  
5 THAT POINT IN TIME.  AND THEN CERTAIN BOARD MEMBERS WERE THERE.  
6 DEPENDING ON WHICH FACTIONS WERE FRIENDLY TO EACH OTHER, THEY  
7 WERE THE ONES WHO WOULD GO THERE.

8           Q.    AND THIS EVENING DOESN'T INCLUDE MS. QUIÑONES.  AND  
9 MS. QUIÑONES SEEMS TO BE KIND OF ON HER OWN SOMETIMES WITH YOU  
10 FOLKS.  DID SHE INTERACT AND HAVE DINNERS WITH OTHER BOARD  
11 MEMBERS AND YOU OR WAS SHE MORE OF A LONE WOLF, SO TO SPEAK?

12          A.    SHE WAS MORE OF A LONE WOLF.

13          Q.    THE EXPENSE CLAIM FOR MR. AMIGABLE LISTS MR. GARCIA,  
14 SANDOVAL, GANDARA, AND YOURSELF.  DO YOU BELIEVE ANYONE ELSE  
15 OTHER THAN THE FOUR OF YOU ATTENDED?

16          A.    I DON'T REMEMBER.

17                THE NATIVES ARE GETTING RESTLESS.

18          Q.    A FEW MINUTES.  THEY HAD A LONG LUNCH.  WE'RE GOING TO  
19 DO ONE MORE.  ALL RIGHT.

20                THIS IS 5258.  IT'S ANOTHER EMAIL FROM MS. QUIÑONES.  AND  
21 ACTUALLY, IT WAS INITIATED FROM MS. QUIÑONES TO MR. FLORES, WHICH  
22 WAS FORWARDED TO YOU ON OCTOBER 25TH, '05.

23                DO YOU REMEMBER THAT?

24          A.    NO.

25          Q.    ANY IDEA WHY MS. QUIÑONES WAS SO THANKFUL FOR SOMETHING  
26 THAT YOU INCLUDED?  PROBABLY A TOTAL OF TEN EXCLAMATION POINTS.

27          A.    DID YOU COUNT THE ONES ON TOP?

28          Q.    MAYBE 14.

1 A. NO, I DON'T REMEMBER.

2 Q. COULD THAT HAVE BEEN A DONATION CONTRIBUTION?

3 A. POTENTIALLY, YES.

4 MR. LUDWIG: ALL RIGHT. I GUESS WE'LL STOP. THAT'S IT FOR  
5 THE DAY. WE'LL PICK UP AGAIN TOMORROW AT 9:00. I'M SORRY. AND  
6 THE FOREPERSON WILL REMIND YOU THAT -- WHAT IS HE?

7 GRAND JURY FOREPERSON: YOU ARE REMINDED THAT YOU ARE STILL  
8 ADMONISHED.

9 THE WITNESS: I'M GOING TO GO LOOK UP THAT WORD.

10 (PROCEEDINGS ADJOURNED AT 3:59 P.M.)

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1 STATE OF CALIFORNIA )  
2 ) SS:  
3 COUNTY OF SAN DIEGO )

4 PEOPLE OF THE STATE OF CALIFORNIA

5 VS.

6 ALIOTO, ET AL.

7 CASE NO. SCD235445

8 VOLUME 12

9  
10 I, BETTY J. ASHE, AN OFFICIAL REPORTER FOR THE SUPERIOR  
11 COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF  
12 SAN DIEGO, DO HEREBY CERTIFY:

13 THAT, AS SUCH REPORTER, I REPORTED STENOGRAPHICALLY THE  
14 PROCEEDINGS HAD IN THE ABOVE-ENTITLED CAUSE, AND THAT THE  
15 FOREGOING TRANSCRIPT, CONSISTING OF PAGES NUMBERED 1802 THROUGH  
16 1918, INCLUSIVE, IS A FULL, TRUE, AND CORRECT TRANSCRIPTION OF MY  
17 SHORTHAND NOTES TAKEN DURING THE PROCEEDINGS ON NOVEMBER 28,  
18 2012.

19 DATED THIS 9TH DAY OF JANUARY, 2013, AT SAN DIEGO,  
20 CALIFORNIA.

21  
22  
23   
24 BETTY J. ASHE, CSR NO. 4844  
25 OFFICIAL COURT REPORTER  
26 SAN DIEGO SUPERIOR COURT  
27  
28