

NEWS

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County releases statement on Gumport Investigation

Attached is the County of San Bernardino Statement regarding the investigation commissioned by the County into sales of County surplus land and the alleged role of legislative advocate Brett Granlund in the County's recent purchase of the Maranatha Jail facility in Adelanto.

The investigation was conducted under the direction of the County Administrative Officer with assistance from County Counsel. The statement was also prepared under the CAO's direction and was reviewed for accuracy and completeness by County Counsel and the Chairman of the Board of Supervisors.

The statement is designed to provide an outline of the report's findings while preserving the privacy rights of County employees who either were among the subjects of the investigation or provided information for the investigation, protecting information that might serve as the basis of future litigation by the County, and maintaining the attorney-client privilege as it pertains to the investigation document.

Therefore, the County cannot provide additional information beyond what is contained in the statement. Inquiries about the statement itself may be directed to County Public Information Officer at (909) 387-4082 or via e-mail at dwert@sbcounty.gov prior to 4 p.m. today.

**COUNTY OF SAN BERNARDINO STATEMENT CONCERNING SALES OF
COUNTY SURPLUS LAND AND THE ALLEGED ROLE OF LEGISLATIVE
ADVOCATE BRETT GRANLUND IN THE COUNTY'S PURCHASE OF THE
MARANATHA JAIL FACILITY**

December 22, 2005

The County of San Bernardino commissioned attorney Leonard Gumport to advise the County Administrative Officer on past sales of County surplus land and the alleged role of legislative advocate Brett Granlund in the County's purchase of the Maranatha Jail facility.

Attorney Gumport's report constitutes a privileged attorney-client communication and a confidential personnel investigation because it examines and makes conclusions about the conduct of named non-policy-level County employees. Releasing the report as a public document would constitute an invasion of those employees' privacy. The report may also serve as the basis for future litigation. Also, the report extensively quotes County employees and other individuals who cooperated with the investigation voluntarily and with great candor. The County does not want to discourage people from participating in potential future investigations by making their comments public.

However, it is important to note that these phases of Mr. Gumport's investigation found nothing to indicate criminal behavior on anyone's part, nor does it suggest that any County employee or official violated any County policy, ordinance, or other rule.

1.) SALES OF COUNTY SURPLUS LAND

Mr. Gumport reviewed County surplus land sales that occurred during the past five years, with the exception of the "Sunset Drive" transaction addressed in a separate Gumport investigation. The review found that there were two instances in which County employees participated in County surplus land transactions. However, neither of the employees involved in these purchases is or was a "County administrative official" as defined by County Policy 11-11. The investigation concluded neither of the sales violated Government Code Section 1090, the County Personnel Rules, or County Policy 11-11.

In 2003, a County employee purchased surplus County land for the appraised value of approximately \$19,900. The employee is not and was not at the time of the purchase a "County administrative official" as defined by County Policy 11-11.

In 2004, another County employee purchased 6,279 square feet of surplus County land for approximately \$500. The County had declared that the land had zero value because of its shape, zoning, and marketing history. The employee is

not and was not at the time of the purchase a "County administrative official" as defined by County Policy 11-11.

Although this aspect of the report concluded that no wrongdoing had occurred, the findings that County employees have participated in surplus land sales may influence the reform measures being developed in response to direction provided by the Board of Supervisors on October 4, 2005.

2.) THE ALLEGED ROLE OF LEGISLATIVE ADVOCATE BRETT GRANLUND IN THE COUNTY'S LEASE/ PURCHASE AGREEMENT OF THE MARANATHA JAIL FACILITY

Based on allegations by former Third District Chief of Staff Jim Foster that his estranged business partner and County legislative advocate Brett Granlund had participated in negotiations for the County's purchase of the Maranatha Jail facility as a representative of the owner of the facility while also acting as a County legislative advocate, and that he had received or would receive a commission from the jail purchase, the County felt it appropriate to have Mr. Gumport investigate the allegations.

Mr. Gumport conducted a thorough investigation and found no evidence that any County official or employee participated in direct purchase negotiations with Mr. Granlund, or that Mr. Granlund has received or will receive a commission in relation to the purchase.

Mr. Gumport found evidence that Mr. Granlund did attempt to encourage certain County officials to consider acquiring the Maranatha facility without properly disclosing his relationship with the owner of the facility.

In 2004, the Sheriff approached the County Administrative Office to state that County jails had become significantly overcrowded. The Sheriff made public presentations to the Board of Supervisors on July 20, 2004 and December 14, 2004 that highlighted these concerns. The Sheriff identified two private jail facilities as possible solutions. Those facilities, the Adelanto City Jail and the Maranatha Jail, were identified as potential sites for the Sheriff to lease. Mr. Gumport discovered that Brett Granlund had a conversation with the Sheriff that identified the Maranatha facility as a potential opportunity for the County.

Mr. Granlund also contacted the County Administrative Officer and identified the Maranatha Jail as a quality facility that could potentially help solve the jail overcrowding issue. The County Administrative Officer knew Granlund as a legislative advocate for the County who had a background in state prison issues. The CAO did not know at the time that Granlund was also representing the owner of the Maranatha facility on unrelated matters before the State Department of Corrections. The CAO stated that his limited contact with Mr. Granlund on this subject had absolutely no bearing on his decision to pursue and recommend the

lease and purchase of the Maranatha Jail facility. For this, the CAO relied solely on the independent research and analysis provided by CAO staff. The CAO also relied heavily on the public need and recommendations made by the Sheriff regarding jail overcrowding and the state of the jail system within the County.

Mr. Gumport concludes in his investigation that Mr. Granlund's relationship with the owner of the Maranatha facility should have been disclosed in writing to the County. Mr. Gumport found several instances in which Mr. Granlund made comments, solicited information, or otherwise involved himself in jail discussions. None of these instances, however, involved staff from Real Estate Services or finance employees who actually conducted the negotiations with the owner of the facility.

To emphasize, Mr. Granlund had no contact with the professional staff (CAO fiscal advisers and County Real Estate Services personnel) who developed and provided the analysis and negotiated the terms upon which the recommendation to lease and purchase were based.

Although nothing was found to indicate criminal activity, the County Administrative Officer is concerned about the findings regarding Mr. Granlund's contacts and activities in this matter, even though the County Administrative Officer found nothing to indicate that any of Mr. Granlund's activities had any bearing on the county's decision to lease and then purchase the facility. The decision was based on the information developed by the County's professional staff, who had no contact with Mr. Granlund. There is no evidence that Mr. Granlund participated in the direct negotiations with any staff responsible for the jail project. In fact, the CAO's fiscal advisers and County Real Estate Services personnel who developed the analysis and recommendations that influenced the Board's decision were not familiar with Brett Granlund's name or his role as a County legislative advocate.

The fact that the owners of the Maranatha facility were sanctioned \$260,000 for not bringing the facility up to County specifications by an agreed-upon date is a testament to staff's objectivity and attention to detail, and the CAO's commitment to ensuring that the process was above-board and driven by the professional staff.

The Board of Supervisors on December 13, 2005 approved a solicitation for proposals that will require both state and federal advocacy contractors to notify the CAO in writing of any potential conflicts.

In addition, the County Administrative Officer recommends that Platinum Advisors – the legislative advocacy firm with which Mr. Granlund is employed – be directed by the County's Director of Legislative Affairs to address with Mr. Granlund the requirements contained within the County's contract with Platinum relative to disclosure of potential conflicts of interest, and to ensure that no

further conduct that could reasonably be called into question be tolerated by Platinum in the future.

The County Administrative Officer will also direct County officials and employees under his supervision to always work through the County Legislative Director on all issues necessary for inclusion into State Advocacy issues.

Because there is no finding of any criminal activity in this matter and no harm to the organization has been identified, the County considers this matter closed. The County will make no further comments relative to this issue.

The County will continue to look at the issues relative to jail overcrowding and the measures necessary to assist in providing the inmate housing services that are so necessary at this time and in the future.