

**INDEPENDENT INVESTIGATION OF INVOICES
SUBMITTED BY SCOTT ALEVY TO GARCIA
CALDERON RUIZ, LLP/SWEETWATER UNION
HIGH SCHOOL DISTRICT**

CONFIDENTIAL

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I. INTRODUCTION

On May 16, 2011, the Sweetwater Union High School District Board of Trustees ("Board") engaged Gregory A. Vega, Esq.¹ to conduct an independent investigation of billing statements submitted by communications consultant Scott Alevy ("Alevy") for payment by the Sweetwater Union High School District ("District"). The investigation was triggered by a series of articles appearing in the "Watchdog" section of The San Diego Union Tribune ("U-T") beginning on April 27, 2011 which questioned the veracity of certain line items in the billing statements submitted by Alevy for payment by the District. The investigation focused on two main areas: 1) Invoices submitted for work that was allegedly not performed; and 2) invoices submitted for work that had little relationship to District business.

During the course of the investigation 19 individuals were interviewed.² In addition to the persons interviewed, numerous documents were reviewed and analyzed in attempting to verify the accuracy of the entries on the billing statements.

The investigation concluded that: (1) the scope of Alevy's engagement with Garcia Calderon & Ruiz, LLP ("GCR") was so broad that he could, and did, bill for activities only tangentially related to the District; (2) Alevy billed the District for conversations with individuals that have denied discussing any District matters with him and for meetings that did not occur; and (3) there is evidence suggesting that Alevy may have violated California election laws when he billed the District for discussions with

¹ Gregory A. Vega, Esq. is a partner at the San Diego law firm Seltzer Caplan McMahon Vitek and formerly served as the United States Attorney for the Southern District of California. Assisting Mr. Vega in the investigation was James R. Thompson, Esq., an associate at Seltzer Caplan McMahon Vitek.

² The investigation did not have Subpoena Power or other means to compel testimony or the production of documents. As such, all interviews were voluntarily agreed to by the interviewees. The individuals interviewed were Fred Ferguson; Robert Strahl; Jim Hanson; Lisa Cohen; Jerry Rindone; Greg Cox; Ed

potential and actual Board candidates and potential Board candidates during the 2010 election cycle.

II. FACTUAL BACKGROUND

On April 27, 2011, the U-T published an article entitled "*Sweetwater P.R. bills don't match memories*". The article detailed billings submitted by Alevy—as a communications consultant engaged to provide advice with respect to labor negotiations—to GCR (District's retained counsel) for the period November 2010 through February 2011 (totaling \$1,875).

The U-T article focused on six line items in Alevy's billing statements and reported that after speaking to individuals identified in the billing statements, Alevy appeared to have billed the District: (1) for work he did not perform; and (2) for work unrelated to District matters.

A subsequent article on May 19, 2011 reported that Alevy had billed the District for work that appeared to be related to his obligations as Chairman of the Sweetwater Education Foundation ("Foundation"). The questionable billing entries totaled \$2,750.00. The authors interviewed Alevy and he claimed that his work for the Foundation had nothing to do with his work for the District.

On May 23, 2011, the U-T published an article entitled "*D.A. investigator inquires on P.R. bills.*" The article reported that former District administrators Robert Strahl and Fred Ferguson were interviewed by Vincent Giaime, an investigator for the San Diego County District Attorney's Office. Giaime's questions "pertained mostly to whether or not items listed on the bills had occurred." In response to a request for comment by the U-T, Alevy stated, via email, that "[c]ontrary to how you have reported this story, I never

received pay from anyone except the law firm with whom I was engaged, and only did work directed by that firm. The pending independent audit should not be compromised.”

III. **INVESTIGATION OF THE BOARD'S AUTHORIZATION TO HIRE A COMMUNICATIONS CONSULTANT AND THE ULTIMATE HIRING OF ALEVY TO FILL THAT POSITION**

At the outset of the investigation, based on public comments by certain individuals associated with the District, it was unclear how Alevy had been hired and who authorized his engagement. After interviewing all current Board members, former Board member Greg Sandoval (“Sandoval”), Bonifacio Garcia (“Garcia”), and Dr. Jesus Gandara (“Gandara”), this issue remains in dispute. Sandoval, Bertha Lopez (“Lopez”), and Pearl Quinones (“Quinones”) stated that the need to hire a communications consultant was never discussed by the Board, either in open or closed session, while Jim Cartmill (“Cartmill”), Arlie Ricasa (“Ricasa”), Gandara, and Garcia all stated that the issue was discussed in closed session by the Board and the Board directed Gandara or Garcia to engage a consultant to assist in negotiations with the Sweetwater Education Association (Teachers’ Union). Even among those who agree that the Board gave direction to Gandara or Garcia to hire a consultant, their accounts differ as to who raised the issue with the Board, and who recommended Alevy, in particular. The contrasting accounts are summarized below.

1. **Bertha Lopez:**

On July 19, 2011, Lopez was interviewed and stated that while she has been on the Board, the Trustees had not discussed retaining a communications consultant and/or public relations specialist for labor and communications issues. Lopez stated that she came to learn that the decision to retain communication consultants and/or

Ricasa; Greg Sandoval; Pearl Quinones; Bonifacio Garcia; Dr. Jesus Gandara; and Scott Alevy.

public relations specialists was made solely by GCR. Lopez did not recall Alevy's employment by the District ever being an agenda item while she has served on the Board.

Lopez first became aware of Alevy when she was contacted by a reporter from the U-T on or around April 12, 2011. At that time, the reporter asked if she was aware that the District had employed a consultant named Alevy. Lopez was unaware that Alevy was employed by the District. Lopez believes that she raised the issue of Alevy's status at the Board meeting on the same day she spoke with the reporter—April 12, 2011—and asked the Board to conduct an investigation into who he was and what he was doing for the District. The investigation confirmed that Lopez raised the issue at the April 12, 2011 Board meeting. (See Board Agenda Item F-3, "Report on Policy Direction to Staff for Information/Discussion," discussion recorded at [http://boarddocs.suhsd.k12.ca.us/Board.nsf/Public, 39](http://boarddocs.suhsd.k12.ca.us/Board.nsf/Public,39). Item F-3 – 04 12 11.MP3.) At that meeting Lopez referenced a request, made at a prior meeting in February, for unredacted billing invoices from GCR and unredacted invoices for amounts above the retainer agreement and announced that she was contacted by a reporter from the U-T who asked her if she knew that the District was "paying a communications firm to monitor the situation that is occurring with the Gandara family in Texas" and being paid \$250 per hour for this work. (ibid.)

2. Former Board member, Greg Sandoval:

On September 26, 2011, former Board member Sandoval was interviewed. Sandoval stated that in 2009, Superintendent Gandara told him that he (Gandara) wanted the District to use Alevy as a consultant on a joint venture project then underway with the City of Chula Vista. Sandoval was a little concerned because he had

not seen Alevy in the South Bay very often and was unsure what value Alevy would bring to the project. Sandoval called two members of the Chula Vista City Council to ask if they thought the joint venture needed a consultant. Sandoval believed he spoke to council members Rudy Ramirez and Steve Casteneda. The members of the Council told Sandoval that they did not believe that a consultant was necessary because the City and Board had a good relationship.

As a result, Sandoval told Gandara that he would not support using Alevy as a consultant. Gandara led Sandoval to believe that Gandara would raise the issue with the Board but Sandoval never heard anything about Alevy in the Board's open or closed sessions. Sandoval did not hear anything further about the issue until the articles appeared in the U-T. Sandoval stated that when he first read the articles, he was shocked to learn that Alevy was being paid with District funds because Gandara never raised the issue with the Board. When he learned that GCR had hired Alevy, Sandoval stated, "oh, that's how they got it done - - they back-doored it through GCR."

Sandoval never knew that Alevy had been engaged by GCR to perform services for the District. Other than the 2009 conversation with Gandara, Sandoval did not remember ever having a conversation about Alevy being retained by the District. Sandoval did not remember having any conversation with any other Board member about Alevy being retained as a consultant. Sandoval did not remember ever having a conversation with anyone about GCR retaining Alevy on the District's behalf. Before the story in the U-T appeared, no one told him that Alevy was a consultant working for the District. Sandoval did speak to Lopez after the article was published and she was equally shocked to learn about Alevy.

3. Pearl Quinones:

On October 19, 2011, current Board member Quinones was interviewed regarding her knowledge of the District hiring Alevy as a consultant. Quinones stated that prior to the articles appearing in the U-T she did not know that Alevy was a consultant working for the District or that the District had authorized the hiring of a communications consultant. Quinones stated that she never had a discussion with Garcia, Gandara, or another Board member regarding the District's need to hire a consultant to assist in its negotiations with the teacher's union. Quinones said that Garcia never raised the issue in open or closed session of the Board. She did not remember Garcia or Gandara raising the issue and did not remember approving the District's hiring of a consultant.

After the U-T articles were published, Quinones told Gandara she did not remember approving the hiring of a consultant. She did not remember Gandara's response but thought he said nothing. Quinones said the same thing to Garcia. Garcia told her that his contract with the District gave him the right to hire a consultant if it was in the best interest of the District.

4. Jim Cartmill:

On September 28, 2011, Cartmill was interviewed and stated that he knew that Alevy was a consultant working on behalf of the District before the U-T articles were first published. He stated that he definitely knew before the November 2010 Board election.

Cartmill stated that the idea of hiring a consultant was first raised when the District was in the midst of contract negotiations with the teachers' union. At the time, the Board, with the concurrence of the District's legal counsel, Garcia, believed it would be helpful to hire a public relations consultant to help shape the District's message to,

and perception within, the community. Cartmill believed the idea to hire a consultant originated with Greg Sandoval. Cartmill stated the issue was raised and Sandoval suggested Alevy as a person who could help shape the District's media message. Cartmill said that a consensus was reached by the Board to hire a consultant during closed session. Cartmill said that it was determined that no vote was necessary because GCR's contract with the District allowed it to engage consultants on the District's behalf.

It was Cartmill's recollection that all Board members were present during the discussions centered on hiring a consultant. Cartmill said the discussions occurred over the course of a couple of months and that Sandoval pressed the issue three to four times. Cartmill believed that Gandara was strongly in favor of using a consultant and was interested in pleasing the voting bloc of Sandoval, Quinones, and Lopez. Cartmill was unequivocal in his belief that all Board members knew that the District had authorized GCR to hire a consultant.

Cartmill stated that Alevy and Sandoval had a long relationship and he thought they were probably friends. Cartmill thought it was uncontroversial that the Board had given its approval to the hiring of Alevy as a public relations consultant. Cartmill stated Alevy's alleged submission of invoices to the District for work he did not perform was a very serious issue. Cartmill distinctly recalled the Board discussing whether they could approve the hiring of a consultant without a vote and that Garcia told them it was not necessary because his contract gave GCR the authority to hire consultants on the District's behalf.

5. **Arlie Ricasa:**

On September 27, 2011, Ricasa was interviewed and stated that in years past the Board had hired a public relations consultant to conduct media training with the District's Board. The most recent discussion of public relations consultants occurred in approximately 2009 or 2010 in closed session when Sandoval was still on the Board. Ricasa stated that the Board agreed that it was a good idea to recommend the hiring of a consultant and directed staff and the District's cabinet to go forward with engaging a consultant. Accordingly, Ricasa stated that she was aware that a public relations firm had probably been retained by the District but she did not have anything to do with choosing the public relations firm, nor with implementing the procedure used to select a consultant. Ricasa has had no personal conversations with Alevy regarding his work as a consultant for the District.

Ricasa could not recall if she first learned about Alevy before or after the articles appeared in the U-T. At the time the decision to hire a consultant was made, the Board gave "direction" to the staff to implement the decision. Ricasa did not know how that "direction" was implemented but assumed that District management (Gandara) or the District's cabinet would do the work necessary to put the Board's decision in place. Ricasa stated that those present during the closed session when the issue was decided were Ricasa, Sandoval, Cartmill, Lopez, and Quinones, along with Gandara, and Garcia. Ricasa is aware that some Board members have publicly stated they were unaware that the District engaged a public relations consultant, but she stated that she recalled clearly the issue being discussed during closed session in the late 2009-early 2010 time period. Ricasa stated there was no opposition to the suggestion and believed that the issue was raised by Sandoval.

Ricasa reiterated that public relations consultants had been engaged to conduct media training with Board members in past years and did not think it was unusual for the issue to be discussed by the Board. Ricasa stated that she never saw Alevy's invoices and it was outside the purview of the Board to review individual invoices from a consultant. She did not know whether Alevy was hired by District "staff" versus legal counsel and reiterated that she did not know how the Board's direction was implemented. Ricasa stated that it is possible that she knew Alevy was a consultant before the U-T article appeared in April 2011.

6. Dr. Jesus Gandara:

On October 13, 2011, Gandara was interviewed and stated that the hiring of Scott Alevy had been initiated by the Board. Gandara stated that the Board, in executive session, asked Garcia, the District's counsel, whether it was legal for them to hire a consultant without a vote and Garcia advised that it was legal under his contract with the District - - it allowed him to hire consultants to assist the District. Gandara believed that former Board member Sandoval initiated the discussion regarding the need for a communications consultant. Specifically, Sandoval had suggested that a public relations firm could help the District during labor negotiations with the teacher's union. Present when the issue was discussed and the Board gave Garcia direction to hire a consultant were Board members Lopez, Quinones, Sandoval, Cartmill, Ricasa, along with Garcia, and Gandara.

Gandara explained that because he came from a right-to-work state, he was new to negotiations with the teachers' union, and he often went to the Board and Garcia for guidance. Gandara could not specifically recall who suggested that Alevy be engaged as a public relations consultant but he believed that it was Sandoval. Gandara knew

that Sandoval and Alevy had some kind of relationship. Gandara stated that a public relations consultant was engaged because the Board was concerned about the public's perception of the negotiating position taken with the union. The Board wanted someone to "take the pulse of the community."

Gandara explained that Alevy submitted his invoices to Garcia for approval. Garcia then submitted the cost as a line item in his invoice to the District. Gandara stated that the Board wanted this work to remain "low key." Garcia's invoices were submitted to the Assistant Superintendent for Human Resources, Rita Byers, for approval and payment.

Gandara was adamant that the decision to hire a consultant was made by the Board and the Board gave this direction to hire a consultant to Garcia, though the Board did not tell Garcia to hire a specific individual.

Gandara stated that shortly after John McCann ("McCann") joined the Board in January 2011, he told McCann that Alevy was engaged by the District as a consultant. Gandara also stated that Lopez knew that Alevy was a consultant working with the District. During labor negotiations, Garcia and Gandara would provide progress updates to the Board. It was during these progress updates that Alevy was likely discussed. According to Gandara, "How could she not have known? Everyone knew." Gandara believed this was true of all Board members. Gandara was unsure why any Board member would claim they did not know about the decision to hire a public relations consultant, but said that certain Board members, Lopez in particular, was not one of Gandara's supporters. Gandara said, "at a minimum, all Board members knew that Bonny Garcia had been directed to hire a public relations firm or firms." Gandara

reiterated that those present when the decision was first made were Sandoval, Quinones, Lopez, Ricasa, Cartmill, Gandara and Garcia.

7. District General Counsel, Bonifacio Garcia:

On October 17, 2011, Garcia was interviewed and outlined the background surrounding Alevy's hiring. In May 2008, the District submitted its initial proposal for bargaining to the Teachers' Union. The District's negotiating team knew that the California state budget was going to be a difficult issue and that the District would likely receive reduced funding. As a result, the District had to change its initial proposal and seek concessions from the Union. Garcia explained that his - - and his firm's - - "style" of negotiating included "bargaining away from the bargaining table."

In January 2009 he met with Gandara to discuss the ratio of teacher to students in the District and in districts of like size in the State. The ratio in the District was 28 to 1. At the time, the average in the County was 32 to 1. Garcia believed that the number of students to teachers could be increased within the District and still "remain under market." Garcia believed it was important for the District to get its message to the community about the merits of the District's proposal to counter the ad hominem attacks being made by the Teachers' Union. Garcia felt that the District needed a communications plan as a component of its negotiations with the Teachers' Union. Garcia believed that the plan needed three components: (1) the District's message; (2) a person to provide information to the negotiating team about what people were saying in the community; and (3) someone in the community to spread goodwill about the District. Garcia believed that a public relations consultant could help the District meet these goals.

Between February 2009 and October 2009, Garcia felt that the Union began to drag its feet after the District changed its proposal. During this process, he did not specifically remember reporting to Board members individually but was "sure" that he did. Garcia and Gandara discussed negotiation strategy with the Board in closed session on multiple occasions. According to Garcia, there was no bigger issue than contract negotiations with the Teachers' Union. Gandara also expressed his view to the Board that a public relations consultant would be beneficial to the District in developing a game plan and getting its message to the community. The Board never discussed the name of a consultant, the rate to be charged, or contract terms. The Board only agreed that it needed a consultant.

Garcia advised the Board of two ways to deal with hiring a consultant, one was to make it an agenda item in open session and the other was to handle it through GCR's contract with the District. The Board did not want to hire a consultant in open session. Garcia explained that if they did it in open session they would cause a "fight" with the Teachers' Union about the District's proposed communication plan and would impact its right to confidentially conduct negotiations through counsel under the Brown Act. Garcia stated that it was common for Districts to hire consultants and experts through attorneys to preserve the attorney-client privilege during negotiations.

Garcia did not know Alevy very well before he was hired. Alevy was hired at the direction of Gandara. At the time, Alevy worked for Hutchens PR. Garcia was provided a form contract which included the rate (\$250/hour) and a monthly minimum for its services (\$5,000). Garcia did not know why Gandara told him to hire Alevy. Garcia had the impression that Alevy's hiring may have been suggested by one or more Board members. At the time Garcia suggested hiring a consultant, he did not have anyone in

mind to fill the position. The arrangement was structured so that Alevy submitted his bills to Garcia, Garcia then submitted Alevy's invoice to the District as a line item and attached Alevy's invoice to his bill (like all other invoices for costs passed through to the District).

8. **Scott Alevy**

On September 21, 2011, Alevy was interviewed regarding his relationship with and billing invoices submitted to the District. Alevy stated he had worked closely with Bruce Husson (former Interim Superintendent) in the past to have a new District administration building built. The transaction was fairly complicated and required an exchange of land with the City of Chula Vista. Alevy was enlisted to help get support for the project and met with various people at the District, including Diane Russo. He thought that Garcia and Gandara knew about his work on the project and were interested in his work. According to Alevy, he was asked by Gandara to "do that sort of thing" with respect to the labor/union issues the District faced in 2009 (renegotiation of a contract). Alevy explained that the District was not set up to do the type of public relations work necessary to reach out to the community and garner support. Alevy was introduced to Garcia by Gandara.

It was Alevy's assumption that Cartmill and Ricasa, both Board members, had been told that Alevy had been hired to do public relations work by either Gandara or Garcia. Alevy acknowledged that Sandoval was a Board member at that time. Alevy also told McCann, both before he was elected to the Board and after, that he was a consultant being paid by the District to do public relations work. He had many conversations with McCann "bringing him up to speed" on District issues. Alevy said that he had conversations with Board members prior to the publication of the U-T

articles and they knew that he was doing consulting work for the District. Alevy was positive that he had such conversations with Cartmill and McCann (both before and after he was elected to the Board in November 2010). He was “almost positive” he had conversations with Arlie Ricasa about his work for the District. Consistent with Lopez’s account, Alevy said he never informed Lopez that he was a consultant being paid by the District in his conversations with her.

As a result of the conflicting accounts of Board members and District staff, the investigation could determine only that (1) Alevy was engaged by GCR to work on behalf of the District under the clause in its contract giving GCR authority to hire experts and consultants;³ and (2) if the Board directed the hiring of a consultant, it was done in closed session.

IV. INVESTIGATION OF THE SCOPE OF ALEVY’S ENGAGEMENT

When initially hired, the scope of Alevy’s engagement was governed by a written contract entered into by Garcia, on behalf of the District, and Alevy, on behalf of the Hutchens PR firm. Under that agreement Hutchens PR was to provide: “public relations, community outreach and strategic counseling services as directed by Bonifacio Garcia, Esq. “All direction or notices from Mr. Garcia shall be deemed as direction or notices from the District as well as GCR.”⁴ Moreover, the agreement made it expressly clear that Hutchens PR was being engaged on behalf of the District and the District, not GCR, was responsible for any payments owed.⁵

³ See Contract between District and GCR, page 4 [“the District hereby authorizes us to incur all reasonable costs and to hire any consultant, expert, title company, or other service reasonably necessary in our judgment to accomplish the tasks for which we have been retained”].

⁴ See “Letter of Agreement” between Hutchens PR and GCR, page one.

⁵ (ibid.)

After conducting witness interviews, it was determined that the scope of Alevy's engagement was exceedingly broad and ostensibly allowed him to bill for events only tangentially related to the District. In Garcia's view, at least some portion of Alevy's work was dedicated to "fact-gathering" by leveraging his connections in the community. The information was then used by the District in its negotiations with the Teachers' Union. Garcia stated that it was unimportant to him where Alevy obtained his information so long as the District received information it could use during contract negotiations. Under this broad engagement, Alevy billed the District for attending South Bay civic events, serving on the Board of the Foundation and golfing with former District personnel. The broad scope of the engagement made it possible for Alevy to bill the District for virtually any communication he had with prominent members of the South Bay community or people associated with the education in general.⁶

1. **Bonifacio Garcia:**

According to Garcia, Alevy was engaged primarily to assist the District in its negotiations with the Teacher's Union by among other things, leveraging his connections to gather information in the community about its perceptions of the District and the Teacher's Union, developing a media strategy, and assisting with community outreach. During his work for the District, Alevy was used in multiple roles - - described by Garcia as a combination of public relations consultant and government relations consultant. Garcia described Alevy as an important fact-gatherer because of his connections and that role that might be absent from a typical public relations assignment.

⁶ As is discussed in Section VII, subd. A and B, *infra*, Alevy billed the District for "discussions" with several people who denied having any substantive conversation with Alevy about the District, but rather, were merely present at the same civic event that Alevy attended.

Garcia stated that Alevy did a great job and that his work was an important component of the extraordinarily successful negotiation by the District with the Teachers' Union. Garcia explained that for every one student increase in the teacher-student ratio, the District saved approximately \$2,700,000. The Board and staff had recommended that he seek a concession from the Teachers' Union by asking them to increase class size to 29 students for each teacher (versus 28 then in effect). Ultimately, thanks to the success of the negotiating team, he was able to get class size to 31 students per teacher, an additional savings above that authorized by the Board of \$5,700,000.

Garcia stated that Alevy did a great job in coming up with a game plan for getting the District's message to the community. Alevy was constantly discussing the District with people in the South Bay community and constantly talking with people in other districts to determine what people in the District were "thinking" as well as adapting and/or utilizing information about other districts to the District's benefit.

During the fact-finding phase of negotiations, the District submitted its proposal to a three-member panel. The union got hundreds of people to attend the fact-finding which was not traditionally an event that the public attended. Garcia believed Quinones attended the fact-finding in support of the Union. In the weeks leading up to the fact-finding, Alevy was instrumental with coming up with a media plan to assist the District. Garcia believed that Alevy assisted Cartmill in developing Cartmill's media presence on behalf of the Board which included a telephone campaign and letters to students.

Garcia also used Alevy to persuade the local labor council to not get involved in the negotiations as well as to gauge the labor council's view of the negotiations. Alevy

was connected to certain individuals in local labor organizations. Alevy reported their positions to Garcia.

Garcia stated that while the “bargaining” took place at the negotiating table, the Teachers’ Union would often engage in attacks on the negotiating team, the Superintendent, and the Board away from the table. An example of such tactics included the Teachers’ Union picketing individual Board members’ homes. According to Garcia, it was important for the District to counter this type of tactic with a communications strategy of its own.

When questioned why the District needed to hire a communications consultant despite the work of Lillian Leopold (“Leopold”), the District’s spokesperson, Garcia stated it was due to the sheer volume of work associated with the goals of the District during negotiations. Garcia stated the community outreach plan and communication about the District’s negotiating positions required more focused attention than Leopold could provide given her other duties. Garcia stated that Gandara reached the same conclusion and wanted more focused attention on the negotiations.

Garcia described Alevy’s engagement as “super confidential.” Garcia needed information from those on the labor side of the negotiations that they would not share if they had been aware that Alevy was working for the District. Garcia wanted Alevy to work under the radar and needed him to gauge the opinion of the community on the District’s negotiating position. Before the U-T articles were published Garcia never heard that anyone in the community knew Alevy was working for the Board.

Garcia was asked if he had any concern with Alevy billing for discussions and meetings with “teachers,” “former administrators,” “community leaders” or “parents” that were not identified. Garcia stated he was only concerned about value of the information

Alevy provided to the District. Garcia did not know why Alevy would specifically identify some individuals in his billing invoices and not others. Garcia stated that he thought Alevy worried about naming individuals working with "labor" in the invoices for fear of them being leaked to the public⁷. At the time, "the labor issue was hot - - no issue was hotter." Garcia believed Alevy did not want these individuals names associated with the District or was concerned that these individuals would learn that he had been talking with "labor" while working for the District. Garcia admitted that he is aware that numerous individuals have denied having conversations related to the District with Alevy and Garcia stated "that is a problem."

Garcia stated that his contract with Alevy allowed Alevy to bill for travel time. It was a time and services type contract. Garcia was specifically asked what type of work Alevy could bill the District. Garcia stated it was only limited in scope by the type of information Alevy provided, not the setting. The issue for Garcia was whether the information provided by Alevy was valuable to the District. The primary question from Garcia's perspective was whether the District received value for Alevy's work.

Garcia stated he did not direct Alevy's work and left it up to Alevy to decide how to accomplish the District's goals⁸. Garcia also said, "It did not matter whether he got the information on a golf course or at a bar." Garcia thought that the information provided by Alevy was invaluable to the outcome of the District's bargaining with the Teachers' Union.

Garcia stated he relied on the integrity of the information in Alevy's billing invoices. Garcia did not believe it appropriate to spend District dollars auditing the

⁷ This explanation does not make sense since Alevy specifically identified union officials such as Tom Lemmon and Johnny Simpson in his billing invoices.

⁸ In contrast, Alevy stated that he only did work for the District when instructed to do so by Garcia.

invoices Alevy submitted. Garcia stated he did not find out about potential issues related to Alevy's invoices until after the U-T articles were published and is troubled by the reports of Alevy billing the District for work that was not performed.

2. Scott Alevy:

According to Alevy, in 2009, Hutchens PR was engaged by GCR to perform public relations work. Alevy's understanding of the relationship was that GCR was his client - - meaning he worked for GCR - - but that most of his work for GCR would be done on behalf of the District. Alevy stated that he took direction exclusively from Garcia for work performed "in the interest of the District." Alevy believed his scope of work included gathering information from the community regarding perceptions of the labor negotiations with the Teachers' Union taking place at the time. It was his job to provide information and strategic planning to GCR to position the District to save as many millions as possible in its negotiations.

Alevy was asked to explain his billing method. Alevy understood that he would submit an invoice to GCR for work related to the District. GCR would then submit the invoice to the District for payment and then Alevy would be paid by GCR. Alevy emphasized that he explained to Garcia that any questions about the billing invoices (and the scope of work) should be raised with Alevy immediately.

Alevy was questioned how he could believe that GCR was his client when the Letter of Agreement entered into between GCR and Hutchens PR on May 20, 2009 explicitly set forth that the District was the client, and that all payments for services were the responsibility of the District. Alevy stated that the Letter of Agreement was a "form" contract used by Hutchens PR. Further, it was always his understanding that he was working for GCR on matters related to the District. Alevy stated he took direction only

from Garcia. Also, he received a 1099 from GCR, not the District. After Alevy left Hutchens PR in November 2009 he did not enter into a new, written agreement with GCR, or the District for services performed by his new company, Alevy Communications. Alevy stated that he had an oral agreement with Garcia to continue doing the same work he performed under the Hutchens PR Letter of Agreement.

Alevy stated that Gandara, former Superintendent, knew about his work as a consultant. Gandara would call Alevy periodically, and Garcia would ask Alevy to call Gandara on occasion. Moreover, emails sent to Garcia were often copied to Gandara's personal email account. Alevy stated that he did not take direction from Gandara and there were times when Gandara would ask him to do certain things for the District and Alevy would then seek authorization from Garcia before doing the work.

Alevy was asked how he distinguished between items that could be billed to the District and those things that could not be billed to the District. Alevy said that he would only bill the district for conversations in which he was able to glean relevant information which he would then convey to Garcia. At the end of each day, Alevy would review his notes (taken throughout the day) and bill the District for those items he believed were appropriate based the standard articulated above.

Alevy said that he would convey information to Garcia via telephone, unless he spoke to him face-to-face. Alevy did not prepare written reports to be submitted to Garcia. Alevy mentioned that he drafted several community outreach plans for Garcia. The March 29, 2010 community outreach plan prepared by Alevy was converted into a power point presentation to be given to the Board by either Garcia or Gandara.

Alevy stated that during some portion of his engagement with GCR he made "errors" in the invoices submitted to GCR due to difficulties in his personal life, including

the death of his father. His attorney, who attended the interview, interrupted him and asked him to stop talking about the errors. Alevy said he would write down his "billable" time at the end of the day and that his entries might not be perfect. Also, he took a charitable view of the District and did not bill for every thing that he could have; according to Alevy, part of his time that could have been billed to the District was not because he was "giving back."

V. **INVESTIGATION OF SIX LINE ITEMS IN ALEVY'S BILLING INVOICES SUBMITTED TO THE DISTRICT FOR PAYMENT FIRST MENTIONED IN THE UNION-TRIBUNE'S APRIL 27, 2011 ARTICLE ENTITLED, "SWEETWATER P.R. BILLS DON'T MATCH MEMORIES".**

A. Investigation of Alevy's Billing Invoices Related To Discussions With Scott Barnett on June 16, 2010 and November 21, 2010

On July 28, 2011, Scott Barnett was interviewed regarding two Alevy billing entries.

June 16, 2010 Billing Entry:

According to billing entries submitted by Alevy, on June 16, 2010, Alevy had a discussion with Scott Barnett ("Barnett") and Bernie Rhinerson⁹ regarding regional school Districts' budgets, political primary election results and other issues and implications on the Sweetwater District. Barnett stated his calendar does not contain an entry for a meeting with Alevy or Rhinerson on June 16, 2010. Barnett stated that he does not remember having a meeting with Alevy and Rhinerson at the same time in the recent past. Barnett stated that he did not have anything in his calendar reflecting a meeting with Alevy within a week of June 16, 2010.

Barnett did, however, have lunch with Alevy on July 21, 2010, as reported in the U-T. During that lunch meeting, Barnett did not remember discussing any topic falling

within the parameters of the billing entry. The lunch was planned as a way to “catch-up” as he had not seen Alevy in some time. Barnett did not remember specifically discussing the Sweetwater District at any point during the lunch meeting and did not remember Alevy ever telling Barnett that Alevy was working for the District. Barnett remembered discussing the election, Barnett's campaign for school Board, and which candidates were being supported by which electorate base. For example, Barnett remembered discussing that he was being supported in the election by “labor.” Barnett did not specifically remember discussing Sweetwater and did not remember discussing any of Sweetwater's issues. Barnett thought it was possible that Alevy could have mentioned Sweetwater but did not remember. Barnett agreed that if the topic of Sweetwater had been discussed he probably would have remembered the topic, especially, considering that he was running for a position on the San Diego Unified School Board.

November 21, 2010 Billing Entry:

Alevy's billing invoices also contain an entry for a discussion with Barnett on November 21, 2010 regarding “perceptions of SUHSD, SEA, and comparisons of SD situations vs. SUHSD, including outlook on state budget and district cuts.” Barnett did not have a meeting with Alevy on his calendar on that date and noted that November 21, 2010 was a Sunday. Barnett stated that he did not remember any discussion, by any means, including email or telephone, with Alevy on that date and stated that he did not have any conversations or meetings with Alevy after his election to the San Diego Unified School District's Board. In fact, he had no contact with Alevy during 2010 after their lunch on July 21, 2010.

⁹ Rhinerson was contacted, via email, by outside counsel to be interviewed but never responded to its

Barnett clarified that it was possible that Alevy sent him emails during 2010 as part of the luncheons hosted by Alevy called the "Burger Brigade." Barnett did receive emails inviting him to attend "Burger Brigade" events. Moreover, Barnett believed it was possible that he sent emails to Alevy during his campaign soliciting donations. Barnett stated that he has discussed his outlook on school district funding cuts and the state budget on numerous occasions but he has never discussed these issues with Alevy.

Barnett stated that he sent an email to Alevy after Barnett read quotes in the U-T attributed to Alevy in which Alevy stated that those interviewed in the story were less than forthcoming because of the confidential nature of their discussions. In the email, Barnett conveyed to Alevy that he was distressed by Alevy's characterization. Alevy responded by email and said that he was "gamed by a reporter" and that Alevy would like to talk to Barnett about the issue personally. Barnett has had no further contact with Alevy.

During Alevy's interview, Alevy admitted that the November 21, 2010 billing entry was made in error. He never had a conversation with Scott Barnett on that date and cannot explain how it ended up on the invoice.

Both of these entries appear to be erroneous. With respect to the June 16, 2010 billing entry, Mr. Barnett denies having any conversation with Alevy or meeting with him on that date. Even if the invoice misidentified the date of his lunch meeting with Barnett - - July 21, 2010 and not June 16, 2010 - - Mr. Barnett denies discussing any issue that could be characterized as impacting the District other than an oblique reference to "labor." The November 21, 2010 entry relates to a meeting that never occurred.

B. Investigation of Alevy's Billing Invoice For A December 4, 2010 Discussion With Fred Ferguson, Mike Pineda, Robert Strahl, and Jim Hansen "On Perception Of District And Union Issues."

1. **Jim Hanson:**

On June 10, 2011, Jim Hanson ("Hanson") was interviewed regarding Alevy's December 4, 2010 billing entry. At the outset of the interview, Hanson stated he was an employee of the District for 34 years from 1965 to 1999. Hanson stated that he was not at the Chula Vista Municipal Golf Course on December 4, 2010 and therefore, could not have had any discussion with Alevy. Hanson was aware of the U-T articles and was familiar with the other individuals listed in Alevy's invoice for that date. Hanson understands that Mike Pineda was a counselor with the District who is currently retired. Fred Ferguson is a former employee of the District who had served as a teacher, vice-principal, and director of personnel and is now retired. Robert Strahl was a teacher and principal who had formerly worked in the District. Strahl is also retired.

Hanson has had no contact with any current District employee and has not been involved in District matters since he retired 12 years ago. Hanson has had no involvement with any labor or union issues related to the District since he retired. Hanson knew of no reason why Alevy would submit an invoice indicating that Alevy had a conversation with Hanson related to the District other than Alevy knew that Hanson, Ferguson, and Strahl were all former District employees.

2. **Robert Strahl:**

On June 10, 2011, Robert Strahl ("Strahl") was interviewed regarding Alevy's December 4, 2010 billing entry. Strahl worked for the District from 1970 to 1991. In 1991, Strahl took a position with the San Diego County Office of Education. Strahl described Alevy as a "slight acquaintance." Strahl stated that on December 4, 2010, he

played golf in a foursome comprised of Tom Wheger, Tom Martinez, Fred Ferguson, and himself. Strahl keeps a calendar and used this calendar to confirm that he played with those four individuals on that date. Strahl believes that he may have seen Alevy on December 4, 2010 during breakfast but he did not have a conversation with him. Strahl stated that for the last 35 years, he and other members of the club would meet regularly for breakfast before playing golf. Alevy is not a regular player at the course. On December 4, 2010, Strahl met with a group from the club when the course's restaurant opened at 6:00 a.m. Strahl stated that when Alevy attended these morning meetings, he did not eat breakfast, but rather, he lead the general conversation by talking about all of the important people he met in his professional life, e.g., he discussed trips he had taken as part of the Holiday Bowl Committee, and meetings with other prominent people in San Diego. Strahl stated that Alevy's conversation are generally punctuated by "how many names he could drop."

Strahl stated emphatically that he "absolutely" did not have any conversation with Alevy regarding the District on December 4, 2010. Strahl did not have any discussions with Alevy regarding perceptions of the District. Strahl did not have any discussions with Alevy regarding the union and had no present knowledge of the Teachers' Union or its issues. Strahl did not see or hear Alevy talk to any other individuals that morning. Strahl confirmed that Hanson was not at the golf course on December 4, 2010.

Strahl stated that he had seen the U-T articles regarding Alevy's billing invoices and that he had been properly quoted. He stated that the letter to the editor authored by him had appeared in the paper exactly as he had written it.

3. Fred Ferguson:

On June 10, 2011, Fred Ferguson ("Ferguson") was interviewed. Ferguson has known Alevy since the mid-1980's. Ferguson recalled that December 4, 2010 was typical of a Saturday morning golf outing at the Chula Vista Golf Course. Ferguson said there is a group of individuals who meet for breakfast before playing golf. The group occasionally included Strahl, Hanson and four or five other individuals. The group was somewhat nebulous and changed from week to week - - certain individuals made it some weeks but not others. Alevy would sometimes eat breakfast with the group. On December 4, 2010, Hanson was not at the course. Ferguson stated he arrived at the course at 6:00 a.m. when the golf course's restaurant opened. Ferguson always had the first tee time on Saturdays as a part of what is called the "Board of Directors" group, comprised of former Presidents of the Chula Vista Golf Course's Men's Club.

Ferguson stated he did not have a two-hour conversation with Alevy on December 4, 2010 and never had a two-minute conversation with Alevy about any issue related to the District. Ferguson stated that he had been quoted accurately in the U-T and there were no misstatements in either the articles, or his letter to the editor.

4. Mike Pineda:

On September 28, 2011, Mike Pineda ("Pineda") was interviewed and stated he is a former employee of the District. Pineda knows Scott Alevy very well. Pineda first met Alevy in 1989 through membership in the Chula Vista Golf Course's Men's Golf Club. Pineda described "Scotty" as a personal friend and professional acquaintance. He often talks to Alevy about various subjects including golf, politics, public finances, etc.

Pineda was asked about Alevy's December 4, 2010 billing entry wherein Alevy billed the District for a discussion of district issues with Ferguson, Strahl, Hanson, and Pineda. Pineda said he did not specifically recall that date but said during that time period it was common for Alevy and others to meet before playing golf at the Chula Vista Golf Course. Because many in the group were former District educators and administrators, the District was always being discussed. The group discussed District operations and current issues in the District. Pineda said he discussed the community's perception of the District and District issues with Alevy two to four times per month and they "were always discussing Chula Vista."

At the time he discussed the District with Alevy, Pineda knew that Alevy was working with a "law group" that had been employed by the District. Alevy said, "Hey, I'm working for this law group and need information about the community's perception of the District." Pineda was never told that Alevy's work for the firm was confidential. Alevy told him that he was working for the law group and that the information he collected from Pineda, among others, was being provided to the law firm. His discussions with Alevy were not formal. Pineda said they were not formal in the sense that they did not occur in an office setting with an assistant taking notes. The conversations were an informal, general exchange of thoughts on District policies, issues and direction. Pineda could not specifically remember when he first learned that Alevy was working for the District but thought it had to be within a couple months on either side of December 2010.

Pineda thought that "everybody" at the Golf Course knew that Alevy was a consultant working with a law firm on District matters. Pineda opined that everybody at the table at the restaurant on the morning of December 4, 2010 knew or should have

known that Alevy was a consultant working on District matters. The District was openly discussed at the table and as Pineda described it, “the 19th Hour restaurant is just not that large.” On December 4, 2010, he did not speak to Alevy for a solid two hours but rather, engaged in conversation over the course of the entire round of golf.

5. **Scott Alevy:**

When Alevy was questioned about this entry he said that the two individuals who gave quotes to the press - - Ferguson and Strahl - - were disgruntled former administrators who were constantly “bitching” about the District and he had never trusted them. Alevy said that he billed for his time that day because when he heard complaints in the community it was important to relay this information back to Garcia and the District. Alevy explained that the billing entry for that day did not reflect a two-hour conversation with the individuals listed, but rather, included the discussions he had with the individuals and his travel time. He played golf with Mike Pineda and Larry Hart that morning.

This was not the only time Alevy billed the District for time spent on a golf course. Alevy explained that these Saturday golf outings were a valuable source of information. They occurred once or twice a month and it was a way for him to get information from teachers. Alevy said there were “new” issues constantly being discussed by the group and it was important for him to get the teachers’ perspective as it related to labor and union contract issues. The District’s curriculum was also discussed. Alevy stated that he was not billing the District for “weekly golf matches.”

C. Investigation of Alevy’s Billing Entries Related to Dr. Gandara’s Texas Issue.

Alevy submitted an invoice for a two-hour discussion on January 6, 2011 with Jesus Gandara described in the invoice as; “an article in the U-T and response to media

inquiry on Texas issue and implications.” Initially, when discussing the Texas issues with the U-T, Gandara denied discussing the “Texas issue” with Alevy. Subsequently, Gandara said he had a two-minute conversation on the subject but he was not aware that Alevy had billed the District.

Gandara was asked about Alevy’s billing invoice with respect to the “Texas litigation.” Gandara remembered the conversation. Gandara explained that he was very protective of his family and tried to keep his family as far away from his professional life as possible. Gandara remembered Alevy bringing up his brother’s situation in Texas and Gandara shut the conversation down quickly, stating “it was his [brother’s] issue, not mine.” After he learned that Alevy had billed for the discussion, he called Garcia and had him remove the charge to the District for the discussion. Gandara said he has never had a two-hour conversation with Alevy regarding anything.

Garcia was also asked about the billing entry submitted by Alevy regarding Gandara’s “Texas issue.” Garcia did not necessarily think that the entry was suspicious because it was a part of shaping the District’s message. From Garcia’s perspective, if the information about Gandara’s family could be used to negatively impact the District’s negotiation then it was appropriate to use Alevy to help deal with it. Garcia did not mean that Alevy could provide guidance to Gandara that could be used to resolve the issue but rather, could provide guidance on how to prevent the Teachers’ Union from using the information to pressure on Gandara during District negotiations by using personal attacks.

Despite Garcia’s belief that the entry would not be suspicious if Alevy was being used to blunt any negatively publicity associated with the District’s Superintendent during negotiations, Gandara’s account - - as relayed to both the U-T and this

investigation - - do not reflect that Alevy was used in this way. Instead, Gandara shut down any conversation related to his family's "Texas issue" and subsequently asked to have the line item removed from Alevy's invoice. To be fair, the line item also includes work for drafting a response, and writing and placing two letters to the editor, which could have consumed two-hours of Alevy's time. As a result, to the extent the District has not been reimbursed for any conversations by Gandara and Alevy related to Gandara's brother's Texas "issues" or "litigation," the District should seek reimbursement of these monies.

D. Investigation of Alevy's February 7, 2011 Line Item For Discussion with Tom Lemmon and Johnny Simpson On "District Projects, Employment And Perceptions Of District's Unions."

In the April 27, 2011 U-T article, Tom Lemmon ("Lemmon") was interviewed regarding a line item in Alevy's billing invoices for a discussion regarding "district projects, employment and perceptions of district's unions." According to the article, Lemmon is the business manager for San Diego Building & Construction Trades Council and said that the Council keeps Alevy's other firm (Trilogy PR Group) on retainer but that no meeting took place on February 7, 2011. He did not specifically remember speaking with Alevy about the District, was unaware that Alevy was working for the District's legal team, and said "[i]t's fair to say we talked about a lot of things. We have had several meetings, but I thought they were all on my dime[.]"

Both Lemmon and Johnny Simpson refused to be interviewed as part of this investigation.

E. Investigation of Alevy's Billing Invoice For A February 16, 2011 lunch meeting with Lisa Cohen "to update her on district issues and glean business community outlook and perceptions of the district and construction/labor issues."

1. **Interview of Lisa Cohen:**

On June 15, 2010, Lisa Cohen ("Cohen"), Chief Executive Officer of the Chula Vista Chamber of Commerce ("Chamber") was interviewed. Cohen has been with the Chamber since February 5, 2001. In her role as Chief Executive Officer, she represents the business community and is responsible for running the Chula Vista Convention and Visitor's Bureau and the newly formed Tourism and Marketing District.

Cohen has known Alevy since she was first hired by the Chamber in 2001. At the time she was hired, Alevy was vice-president of the Chamber. She was interviewed by two panels and Alevy sat on one of the interviewing panels.

On February 11, 2011, Alevy picked Cohen up at the Chamber and they had lunch at a restaurant called B.J.'s. The lunch lasted 45 minutes to an hour and Alevy paid for the lunch.

During lunch, Cohen and Alevy discussed "chamber" business and the running of a chamber (Alevy is President of the East County Chamber of Commerce). They also discussed the changes that had occurred since Alevy had left the Chamber and Cohen updated him on both the Convention and Visitor's Bureau and the Chula Vista Tourism and Marketing District. Alevy also discussed the success he has had with the East County Chamber in employing a "marketing person" to boost membership in the chamber.

Cohen did not recall discussing any District matters with Alevy. Cohen did not remember discussing any labor issues regarding the District and did not remember discussing the business community's perspective of the District. Cohen did remember

discussing elementary schools in the South Bay and the successes they had achieved. Cohen did not remember discussing any District construction issues with Alevy.

F. Investigation of Alevy's February 24, 2011 Line Item For A Half Hour Meeting with David Alvarez, San Diego City Councilman For the 8th District, "On Key Issues, Growth, Perceptions".

Alevy submitted an invoice for a February 24, 2011 half-hour long meeting with David Alvarez, San Diego City Councilman for the 8th District, "on key issues, growth, perceptions." According to an article appearing on April 27, 2011 in the U-T, Alvarez acknowledged that he met with Alevy on that date; however, the District was never discussed. According to Alvarez, he met with Alevy to talk about the Brown Field airport in Otay Mesa with a developer, whom he believed to be one of Alevy's clients. According to Alvarez, "There was no agreement about any information exchange being confidential. I don't recall that we talked about Sweetwater school district. Again, the topic at hand was Brown Field."

Alvarez declined to be interviewed as part of this investigation.

During his interview Alevy stated that he met with David Alvarez to discuss work for another client. Alevy said they briefly discussed the District in the couple of minutes when they weren't specifically discussing the other client's project. Alevy said that as a district graduate, Alvarez had a lot to say about the perceptions of the District in the community. Alevy said that Alvarez did not know that Alevy was working with GCR as a consultant.

VI. **Investigation of Alevy's Billing Entries Related To The Sweetwater Education Foundation.**

Numerous invoices were submitted by Alevy to the District for work that appeared to be performed as part of his obligations to the Sweetwater Education Foundation ("Foundation") as chairman. The questionable billing entries totaled

\$2,750.00. The foundation raises money for Sweetwater students admitted to San Diego State University through the "Compact for Success," a guaranteed admission program for students who meet certain academic requirements. Although the District participates in the program, Alevy's position with the Foundation appears to be a civic obligation unrelated to his duties as consultant to the District. Alevy acknowledged as much in an interview with the U-T, stating: "This [public relations work] doesn't have anything to do with my work on the Sweetwater Education Foundation. My work for the district is completely separate." The billing entries which appear to be for work with the Foundation include:

- 06/23/10—meeting with Ed Lopez, President and Executive Director of the Foundation, to discuss potential and methods of community outreach using Compact for Success and foundation scholarships for more positive community and student perception;
- 06/24/10—discussion with Bonny Garcia regarding Compact/Foundation and impacts of budgets;
- 6/30/10—discussion with several district parents about perceptions of district, administration, curriculum, Compact for Success and facilities;
- 7/20/10—discussion with Bonny Garcia on public perceptions, issues and potential for additional outreach with SDSU and Compact for Success;
- 07/24/10—discussion with several current and former district teachers and administrators and parents about perceptions of district, administration, curriculum, Compact for Success and facilities;

- 10/12/10—discussion with Ed Lopez and Jeff Marston on scripting and issues for foundation dinner. Discussion with Juan Garcia (Chevron) about district issues and support for projects;
- 10/20/10—Sweetwater Education Foundation annual dinner. Discussions with district leadership and Board plus educators and business leaders about district issues. Public presentation to 300 as chair of event; and
- 1/31/11—lunch meeting with Ed Lopez. Discussed Compact for Success scholarship levels, responses from contacts for funding on perceptions.

Lopez, Board Member Chavez, Board Member Francisco Mata, and Board Member Gandara, Board member, were also interviewed for the U-T article. Francisco Mata is a principal of Trilogy PR Group (of which Alevy is also a principal) and refused to comment. Gandara also refused to comment on the invoices to the U-T. Lopez said, “[a]ll I can say is it’s not my expectation or the expectation of the foundation that our Board members be compensated for any of their duties[.] Our expectation is that they’re doing this as a civic service as volunteers and not getting paid by a third party for the work.” Chavez told the U-R that she was unaware that Alevy was being compensated by the district for foundation work stating, “The Board is a volunteer Board as far as I know.”

1. Ed Lopez:

On July 5, 2011, Ed Lopez, President of the Foundation, was interviewed. Ed Lopez began his work for the Foundation in July 2008. The Foundation’s Board has ten members.

Ed Lopez was advised that Alevy had billed the district for conversations with him on April 8, 2010; June 23, 2010; October 12, 2010; and January 31, 2011. Ed Lopez

advised that he has not been able to retrieve his calendar for the year 2010 and had to resort to looking at emails to refresh his recollection of the dates in question.

Alevy's first billing entry referencing Ed Lopez is dated April 8, 2010 and states that they "[d]iscussed community issues and concerns" and that the District was billed for 45 minutes of Alevy's time. Ed Lopez had no recollection of meeting Alevy on April 8, 2010 however, he was able to retrieve two email strings between Alevy and Ed Lopez on April 6, 2010 and April 8, 2010. The April 6, 2010 string was initiated by an email sent by Ed Lopez on April 2, 2010 requesting input from Alevy and Chavez (Board member) regarding the upcoming Foundation Gala. Specifically, the email set forth the quotes Ed Lopez had obtained from local hotels to host the Gala and asked for opinions regarding the head count, food costs, and audio-visual costs associated with the event. The emails also described the event's program, discussed the community leaders who would be involved, and discussed presentations to be made by "Compact" graduates.

On April 8, 2010, the date Alevy billed the District, Ed Lopez had no recollection of meeting Alevy in person. Ed Lopez had no specific recollection of speaking with Alevy via telephone. On April 8, 2010, Ed Lopez sent an email to Alevy (and others) reminding him of a Foundation luncheon scheduled for May 2010 and asked if he would attend. Alevy replied that he could not attend because he had already committed to an annual event in Los Angeles that weekend. Ed Lopez had no recollection of speaking with Alevy for 45 minutes on April 8, 2010.

On June 23, 2010, Alevy's billing invoice states that he had an extensive discussion with Ed Lopez regarding "potential and methods of community outreach using Compact For Success and foundations scholarships for more positive community and student perception." Ed Lopez said that he met with Alevy for lunch on that date.

The meeting was initiated by Ed Lopez to discuss planning for the Foundation's Gala, a strategy and game plan for attracting sponsors for the Gala, and to update Alevy on Ed Lopez's recent meetings with San Diego State University. Ed Lopez stated that it was his intent in setting the meeting to discuss Foundation business only but it was not uncommon for his discussions with Alevy to cover wide-ranging topics. Ed Lopez did not recall discussing the District but reiterated that his conversations with Alevy often touched upon a wide-range of topics including the District.

Alevy submitted an invoice indicating that he had a conversation on October 12, 2010 with Ed Lopez and Jeff Marston "on scripting and issues for foundation dinner." Ed Lopez again referred to his email records to refresh his recollection regarding the date in question. Ed Lopez stated that on October 12, 2010, Ed Lopez sent an email to Alevy and Marston describing the proposed program for the Foundations Gala scheduled to take place on October 20, 2010 at the Hilton Bayfront and requested comments. Alevy asked Ed Lopez to consider adding three names to the guest list: Tom Lemmon, head of the San Diego County Construction Trades Council; Johnny Simpson, head of the Electrician's Union, and Kirk Crosswhite, head of the plumbers and pipefitter's union. Ed Lopez did not know if they attended the Gala. Ed Lopez did not remember meeting with Alevy or Marston on that date. Ed Lopez did not remember having a meeting with Alevy and Marston together. He did not remember discussing the District's labor or construction issues.

On January 31, 2011, Alevy's billing invoices indicate that he had a "[d]iscussion on Compact for Success scholarship levels, response from contacts for funding on perceptions of the district, and strategic input" with Ed Lopez. Ed Lopez indicated that he met with Alevy on January 31, 2011 at a restaurant in El Cajon to discuss fundraising

for the Foundation and to get Alevy's input on the Foundation's potential employment of a consultant to assist in obtaining federal funds to support the Foundation. Ed Lopez estimated that the lunch meeting lasted an hour to 90 minutes. No one else attended the meeting. Specifically, at the January 31, 2011 meeting, Ed Lopez remembered discussing many issues related to the District, including:

- The myriad issues confronting the Superintendent;
- Support for the Compact at the District and University level;
- Problems the District faced in administering the bond construction program [MM];
- Conflicts between members of the District's Board of Trustees and the Superintendent. They also discussed the campaigns of incumbent Board members;
- Alevy asked for Ed Lopez's impression of the contested races and his overall impression of the candidates.

Ed Lopez agreed that Alevy could have billed for his time spent during the lunch and that it was possible for Alevy to serve the interests of the Foundation and the District by doing so.

The Foundation held its Gala on October 20, 2010. On that date, Alevy billed the District three hours for attending the "Sweetwater Education Foundation annual dinner." Alevy's invoice indicated he had discussions with District leadership and Board plus educators and business leaders about District issues. Public presentation to 300 as chair."

2. **Scott Alevy:**

Alevy was questioned about his practice of billing for activities related to his duties as a Board member of the Foundation. Alevy stated that these entries reflected his charitable view of the District and that he only billed the District for one-third of his time spent working with the Foundation (apparently meaning that he could have billed for all of it). Alevy explained that he gained valuable information about the community's perception of the District from his work with the Foundation and he was specifically told to bill the time to the District. Alevy said that there were important people associated with the District at Foundation Board meetings and events, including Gandara and Ed Lopez. Alevy reiterated that he specifically asked Garcia if it was proper for him to bill the District for time spent working on Foundation matters and Garcia approved the practice. Alevy explained that when he first billed for a Foundation-related activity he directed the item to Garcia's attention and Garcia expressly approved the item. In that instance, Alevy told Garcia that he had "learned a few things" about the District; Garcia told Alevy that he wanted the information and that Alevy should bill for the time.

Alevy stated that the Foundation had many positions that were filled by people working with local companies and who attended Foundation events on company time because they were salaried. Alevy felt he was being unjustly singled out because he billed by the hour. Alevy said that it was absolutely known that he was getting information from these events and that information was being passed to Garcia. Moreover, Garcia understood that the type of information he could "gather" would not be possible without his participation in organizations such as the Foundation.

3. **Bonny Garcia:**

Garcia was not connected with the Foundation. He was only vaguely aware of Alevy billing for Foundation events - - specifically, the annual gala. Garcia admitted that in hindsight it does not appear proper for Alevy to have billed the District for attending events associated with the Foundation but he was aware that Alevy participated in these civic organizations and was aware that Alevy was leveraging these connections to gather information. Again, Garcia stated he was more concerned about receiving information and its value to the District in shaping its message, rather than where it came from.

4. **Jesus Gandara:**

Gandara stated that he did not know that Alevy was billing the District for his work with the Foundation or for attending Foundation events. It was Gandara's opinion that if Alevy was attending the event and working strictly in his role as President of the Foundation Board then he should not have billed the District for this work. But, Gandara did not know if Alevy stayed after the events and spoke with people about the District.

5. **Patty Chavez:**

On September 30, 2011, Chavez was interviewed regarding Alevy and the Foundation. Chavez first met Scott Alevy in 2005 after she was appointed to the Chula Vista City Council. She met Alevy because they both were politically active, especially after she was appointed to the City Council. She described Alevy as a professional acquaintance. In addition to meeting Alevy while serving on the City Council, Chavez has also served with him on the Board of the Foundation.

At the time she served on the Board of the Foundation Chavez did not know that Alevy was working for the District or being in compensated in any manner for his time.

While on the Board, Alevy never asked for Chavez's opinion about the community's perspective of the District. Alevy never discussed the District's labor or union issues with Chavez. Chavez did not know that Alevy was a consultant working on District matters when they served on the Foundation's Board.

As reflected in the emails produced by Ed Lopez, at least some of the entries for work performed by Alevy in his role as President of the Foundation did not relate to any District issues. Instead, the emails reflect logistical planning for Foundation events. With respect to the entries related to Alevy chairing the Foundation's Annual Gala, it appears that Alevy was billing the District for work that in the most basic sense was related to the work for which Alevy was engaged and appears he was billing the District for serving on the Board of the Foundation. Moreover, while possible he had private conversations with individuals about the District, it is hard to conceive of a reason that a District would pay a consultant for information gleaned from a Board on which its Superintendent (Gandara) also served.

Although Garcia states that he was leveraging Alevy's connections in the community and that he did not care where Alevy obtained his information, Garcia admitted in hindsight that the entries did not appear to be proper. At a minimum, given the broad scope of his engagement, however, it is possible Alevy properly billed the District for his time on the Board solely because the work was tangentially related to the District. In other words, because he may have obtained information valuable to GCR, the entries could be proper.

VII. **INVESTIGATION OF OTHER BILLING INVOICES SUBMITTED BY ALEVY FOR ATTENDING CIVIC EVENTS IN THE SOUTH BAY.**

A. Investigation of Alevy's Billing Entries For Attending a South County Economic Development Council Meeting on July 6, 2010.

Alevy submitted an invoice to the District for payment for attending a South County Economic Development Council ("SCEDC") meeting on July 6, 2010. According to the invoice, at that meeting, Alevy discussed "issues" with Greg Cox, David Rowlands, Jesus Gandara, Jerry Rindone, Jeff Marston, Jess Vandeventer and others. Greg Cox and Jerry Rindone were interviewed about this entry.

1. **Interview of Greg Cox:**

On July 5, 2011, Greg Cox ("Cox") was interviewed about his interaction with Alevy on July 6, 2010. Cox was informed that Alevy submitted a billing invoice for a meeting of the SCEDC which occurred on July 6, 2010 and referenced Cox by name. Cox stated that on July 6, 2010, the South County Economic Development Council had its annual breakfast meeting for 2010. Cox remembered attending the meeting but did not have any specific recollection of a conversation with Alevy. Cox explained that the breakfast is usually a program with a speaker and a small awards ceremony. Cox stated that if he did have a conversation with Alevy, it would have been at the end of the meeting and very brief. Cox confirmed that he did not remember any specific conversation with Alevy regarding the District. Moreover, Cox was unaware that Alevy was employed by the District. Cox repeated that if he did have a conversation with Alevy it would have lasted no more than one or two minutes. Cox did not remember having a conversation with Alevy regarding District labor or construction issues. Cox did not remember ever having a specific conversation with Alevy regarding the District.

2. Interview of Jerry Rindone:

On June 27, 2011, Jerry Rindone ("Rindone") was interviewed. Rindone stated he knows Alevy well, having served with Alevy on the Chula Vista City Council. Rindone was informed that Alevy had billed the District for a discussion related to "issues" at a South County Development Council breakfast on July 6, 2010. According to Rindone's calendar, on that date he attended a breakfast meeting of the Council at the San Diego Country Club. According to Rindone, at these Council breakfast meetings the Council members would show up and have coffee for a short period then sit down for breakfast and listen to a "program." Rindone did not recall having a discussion with Alevy at the breakfast meeting. Rindone did not sit with Alevy during breakfast or the program. Rindone did not remember having a discussion with Alevy regarding the District. Rindone explained that the bulk of his conversations with Alevy related to their mutual ties to the University of Southern California. Specifically, they often discussed the recent NCAA investigation and the sanctions imposed on the University.

Rindone was informed that Alevy had also submitted a billing entry which stated that Alevy had a "discussion on district/county issues" on August 3, 2010. Rindone did not have a scheduled meeting with Alevy for this date. Rindone stated that on that date he attended a SCEDC reception for the recently appointed Director of the California Department of Transportation. The reception occurred at Buster's Beach House in National City and began at 4:00 p.m. Again, Rindone indicated that he remembered "bantering" with Alevy about the University of Southern California. Rindone did not recall discussing anything about the District. Rindone was never asked for his opinion

regarding District issues. Rindone stated that over the years he could not remember much, if any, discussion of the District with Alevy.

Again, fitting into the same pattern as Alevy's other entries, it is possible that Alevy learned something that could have been useful to the District which he then conveyed to Garcia. But, as with his conversations with others identified in his billing records, e.g., Scott Barnett and Fred Ferguson, the individuals interviewed did not remember having any substantive conversation with Alevy about the District. Understanding that not every person identified in the entry was interviewed, it appears that Alevy billed the District for attending a civic event in the South Bay and included the names of prominent individuals in the South Bay political and education community for no other reason than because they were recognizable names and in attendance.

B. Investigation of Alevy's Billing Entry For "Discussion On Issues and Direction" with District Board of Trustee member Bertha Lopez And Other Key Community Leaders At Chula Vista State Of The City Event On March 16, 2010.

1. **Bertha Lopez:**

On July 19, 2011, Lopez was interviewed regarding a line item in Alevy's billing statement for March 16, 2010 which stated, "Chula Vista State of the City Event. Discussions with numerous key community leaders and SUHSD trustee Berta [sic] Lopez on issues and direction."

Lopez stated she knows Alevy and would describe her relationship with him as neither personal, nor professional. She has seen Alevy at many social gatherings and professional events but has no relationship with him and would not describe him as a friend.

Regarding Alevy's billing line item for March 16, 2010, Lopez stated that she did not, and has never, engaged in any discussions with Alevy regarding District issues or direction. Lopez stated that she did not, and has never, engaged in a conversation with Alevy regarding District labor issues. Lopez stated that her conversations with Alevy have been limited to the exchange of greetings and she has never had a discussion or conversation with Alevy regarding District business. Lopez has never had a discussion with Alevy regarding labor or union issues, explaining that these issues are "closed item" issues that generally are considered to be confidential. Lopez stated that she would never discuss the District's labor issues with an individual at a public event.

Lopez was adamant that she has never had a substantive discussion with Alevy at any time regarding the District and confirmed that there is no possibility that she discussed the District's issues and direction with him at any time. In fact, Lopez was first made aware of Alevy's billing entries when she was contacted by a reporter from the U-T on or around April 12, 2011. At that time, the reporter asked if she was aware that the District had employed a consultant named Alevy. Lopez was unaware that Alevy was employed by the District. As stated previously in this report, Lopez believes that she raised the issue at the Board meeting on the same day she spoke with the reporter - April 12, 2011 - and asked the Board to conduct an investigation into what he was doing for the District.

2. **Scott Alevy:**

Alevy stated he met Lopez a half dozen times at public events, including Chula Vista's state of the city address. He stated he asked Lopez about her feelings on the District and its issues. He did not tell her that he was working for the District because he did not want to jeopardize the confidential nature of the engagement. Alevy was

asked why he would be concerned about confidentiality of the engagement while speaking to a Board member, the entity for which he had been engaged to work. Alevy said it was necessary to provide strategic input to Garcia.

Alevy was asked if he believed he was obligated to tell Board Members that he was working for the District. Alevy stated that he believed that each Board member had a fiduciary obligation to raise the issue with the Board in closed or open session. It was Alevy's assumption that Cartmill and/or Ricasa, had been told that Alevy had been hired to do public relations work by either Gandara or Garcia and that it was their obligation to tell the other Board Members of Alevy's hiring.

Alevy explained that the March 16, 2010 entry was for the State of the City event and for discussions with key community leaders. Alevy could not, however, identify the "key community leaders" with whom he had discussions about the District.

In Alevy's own words, he billed the District for standing in the back of the Chula Vista City Council's chamber making conversation with people and the only person identified in the line item, Bertha Lopez, denies discussing anything related to the District. Again, it appears that Alevy billed the District for attending a civic event and included any prominent member of the community with whom he had any conversation.

VIII. INVESTIGATION OF ALEVY'S BILLING ENTRIES RELATED TO CONVERSATIONS WITH POTENTIAL BOARD CANDIDATES.

During Alevy's interview, the investigators went through Alevy's billing entries and asked Alevy to identify with specificity individuals not referenced by name (for example, "key community leaders") and to discuss the nature of the discussions. The investigation disclosed many of these entries related to discussions Alevy had with potential Board candidates, including current Board member McCann, during the 2010 election cycle, possibly in violation of California election laws.

For example, on May 3, 2010, Alevy billed the District for telephone calls with several community leaders. Alevy stated that this entry related to telephone calls with Robert Villarreal and Chavez, with respect to their interest in running for a seat on the District's Board. Alevy had heard from Garcia that both were considering running for Board seats and was told to contact them to gauge how serious they were about running for office. On May 4, 2010, Alevy billed the District for an "in-depth" strategic discussion with a community leader. Alevy identified this community leader as Robert Villarreal. Again, Alevy had heard that Villarreal had been considering running for a Board seat. Alevy was questioned why he would have a second conversation with a Board candidate. Alevy stated that he spoke to Garcia about the issue, and the perceived conflict and Garcia told him to proceed but to "use your best judgment."

On May 22, 2010, Alevy billed the District for discussions with parents and active and retired educators. Alevy said that he spoke that day with Gabriel Rodriguez who was considering running for the Board. Ultimately, Mr. Rodriguez did not run. On May 26, 2010 Alevy billed the District for "further discussion" with several District parents. Alevy stated that this entry was for a discussion with potential school Board candidate Gabriel Rodriguez.

On June 13, 2010, Alevy billed the District for a discussion with a Chula Vista City Council member. Alevy identified this individual as John McCann and his wife.

On July 1, 2010, Alevy billed the District for a lunch meeting with a leader of a key community organization. Alevy explained that this meeting was with John McCann. Alevy said that McCann initiated the meeting and that he wanted to run some ideas by Alevy. At the time of the meeting, Alevy believed that McCann had announced or decided that he was going to run for the Board. Alevy told Garcia about McCann's

intention. Alevy said that McCann absolutely knew that Alevy was a consultant working with GCR and agreed that McCann was one of the people he believed he could trust to keep his engagement confidential.

On July 13, 2010, Alevy billed the District for discussions with two Chula Vista City Council members and Mayor Cox. Alevy said that this entry was for a meeting with John McCann before the start of a Chula Vista City Council meeting.

On August 17, 2010, Alevy billed the District for a strategic meeting with John McCann and Garcia. Alevy stated that McCann set up the meeting so that McCann could gather information about District issues necessary to be a better candidate for the Board.

On September 24, 2010, Alevy billed the District for a "campaign issues discussion" with two school Board candidates. Alevy believed that he had a discussion that day with Cartmill and McCann. Both candidates knew that he was a consultant working with GCR. Alevy clarified that he wasn't giving them advice with respect to their campaigns such as directing them to walk certain precincts. Rather, he discussed the major issues facing the District such as the building of the new administration building, labor/union issues, and Propositions O and BB. Again, Alevy stated he was merely providing information to potential candidates so that they understood District issues.

On October 28, 2010, Alevy billed the District for attending the Otay Mesa Chamber of Commerce's annual dinner and for conversations with school Board candidates. He could not specifically remember the candidates with whom he spoke but stated he may have had conversations with Cartmill and McCann.

1. **Bonny Garcia:**

According to Garcia, Alevy was explicitly told that he could not bill for talking to Board candidates. Garcia remembered having a meeting with Alevy and McCann after McCann announced his candidacy during which Alevy and Garcia provided information regarding the District to McCann ("the lay of the land"). Garcia explicitly told Alevy that if he contacted any candidates for the Board he could not bill the District for this time. He was not aware that Alevy had contacted any Board candidate (outside of this meeting with McCann) and then billed the District. He would be surprised to learn that Alevy had submitted bills to GCR for such contact.

Garcia did not know McCann before he announced his candidacy for the Board. Garcia believed that Gandara knew McCann before McCann decided to run for a Board seat. Garcia did not remember how he met McCann. Garcia did not introduce Alevy to McCann. Garcia was emphatic that he told Alevy that he could not charge the District for any contact with Board candidates and/or political activity.

2. **Jesus Gandara:**

Gandara stated he never directed Alevy to gauge the interest of potential candidates for Board seats during the election. Gandara did not remember speaking to Alevy about potential Board candidates. He never asked Alevy to speak with any potential Board candidates or to seek out potential Board candidates. Gandara stated that he understood that it would be a violation of the law to use District funds to "help" a candidate.

3. **John McCann:**

On September 14, 2011, McCann, current member of the District's Board was interviewed. McCann was elected to the Board in November 2010.

Prior to the U-T article published in April 2011, McCann stated that met Garcia and Alevy and was told that Alevy was working for GCR. McCann did not know, and did not ask, what Alevy had been hired to do. McCann assumed lobbying or strategic work -- i.e., the work Alevy performed as a public relations consultant. McCann did not recall ever discussing that Alevy was being reimbursed or paid by the District when they met.

McCann did not remember discussing Alevy's role with the District before he spoke with the reporter for the U-T. After speaking with the reporter, he asked Garcia about Alevy because he wanted to know "what was going on." McCann wanted to know what Alevy was doing for the District and Garcia told him that he was part of the labor negotiations team and assisting with strategy.

McCann was informed that Alevy had billed the District for a meeting with McCann that occurred on August 17, 2010. The billing entry for August 17, 2010, indicates Alevy met with Garcia and McCann for a "strategic discussion and meeting/briefing to discuss community issues." McCann described the meeting as a "meet and greet" because he had never met Garcia -- the District's Counsel--prior to this date. Alevy arranged the meeting. The trio discussed the overall view of the District and its issues. McCann believed that Alevy was working for GCR or one of its clients at the time of the meeting. McCann was not told Alevy was working for the District.

McCann was a candidate for a Board seat at the time of the meeting. McCann did not know if Alevy met with other candidates. McCann did not think it was unusual to meet with the District's general counsel as it was common for candidates to meet with individuals associated with the political body to better understand the issues it faced should the candidate win election. This was the only face-to-face meeting he had with

Alevy during this time period. McCann had several follow-up conversations with Alevy by telephone but could not remember the topics discussed during those conversations. At the time of the meeting, McCann did not know that Alevy was being paid by the District. In hindsight, McCann agreed that it was improper for a candidate to meet with a public relations consultant being paid by the District. He did not remember any "strategic" discussions other than general conversation about the District and its perceived issues. He did not know what "briefing" meant in the billing entry.

McCann was asked about Alevy's August 24, 2010 billing entry in which Alevy claims he "briefed John McCann on National City issues for SUHSD." As stated previously, after his only face-to-face meeting with Alevy, he had two follow up conversations with Alevy. This entry may have been for one of those calls. He did not remember how long the first conversation lasted or the topic of conversation. In fact, he could not remember the topic of any of the telephone conversations following the face-to-face meeting with Alevy and Garcia. During the telephone calls he was never told that Alevy was working for the District.

Alevy also submitted a bill for a discussion with McCann allegedly occurring on September 15, 2010. McCann had no specific recollection of a discussion with Alevy on that date, or any telephone conversation.

McCann denied that Alevy assisted him in getting elected to the Board. When asked why he continued to have discussions with a public relations consultant, McCann stated that you would have to ask Alevy. McCann's understanding of the conversations, and reason for them, is that Alevy was giving McCann a "lay of the land" and providing information regarding issues facing the District. McCann did not specifically recall discussing political strategy with Alevy but would not be surprised if it was discussed.

McCann did not specifically recall ever having a conversation with Alevy regarding "campaign issues" (in reference to September 24, 2010 entry for discussion with two unnamed school Board candidates).

Alevy also billed the District for attending an Otay Mesa Chamber of Commerce event on October 28, 2010 which was allegedly attended by school Board candidates. McCann did not specifically recall attending the event but it is one of the events he typically attends.

McCann was asked to provide his opinion regarding the propriety of a District-paid consultant speaking with a school Board candidate. McCann stated he believed it was not proper and potentially a violation of election laws which prohibit the use of public funds for political purposes. He would absolutely never bill the District for election activity and believed it was improper to do so.

McCann never discussed Alevy's role with Superintendent Gandara or Garcia prior to speaking with the reporter for the U-T. McCann contacted both after the article appeared in the U-T to find out what was going on. Both Garcia and Gandara told McCann that Alevy had been hired to assist with strategy with respect to labor and union negotiations. McCann reiterated that this information was not disclosed to him during his initial meeting with Garcia and Alevy.

McCann confirmed that he discussed Garcia's failure to inform McCann during that initial meeting that Alevy was being paid by the District. McCann confirmed that the omission irritated him. McCann did not recall the specifics of the conversation with Garcia.

4. **Patty Chavez:**

Ms. Chavez was asked if she remembered having a conversation with Alevy regarding her potential candidacy for a seat on the District's Board in 2010. Chavez stated that she did remember having a conversation with Alevy about possibly running for election to the Board. The call was made by Alevy. Chavez was in Sacramento at the time of the call and told Alevy that she did not have any interest. Chavez did not specifically remember the conversation but stated that Alevy told her that her name had come up as a possible candidate for the Board in conversation and "they" were talking about her and wanted to gauge her interest. Alevy told her that "they" were looking for viable candidates. Chavez did not know who "they" were. During this conversation Alevy never told Chavez that he was a consultant being compensated for working on District matters. Chavez did not learn that Alevy was a District consultant until she was contacted by a reporter for the U-T.

5. **Scott Alevy:**

Alevy stated during his interview that he told John McCann, both before he was elected to the Board and after, that he was a consultant being paid by the District to do public relations work. Alevy had many conversations with McCann "bringing him up to speed" on District issues. Alevy also had discussions with potential District Board candidates Robert Villarreal and Roberto Gonzalez. Alevy was asked why a consultant being paid by the District would have discussions with candidates for the Board. Alevy said he was specifically asked by Garcia to gauge the candidates' interest in running for the Board and to answer any questions the candidates might have with respect to District issues. Alevy was asked to explain this activity considering that it might be viewed as improper politicking with District funds. Alevy stated that he was just doing

what his client - - GCR - - told him to do. He stated he specifically asked Garcia if it was acceptable to contact Board candidates even though he was being paid with District funds and Garcia told him that it was proper.

Alevy was emphatic that he did not give any candidate strategic advice with respect to their campaigns. Alevy was asked by Garcia to answer any questions the candidates may have with respect to "complex issues" facing the District, including the contract negotiations with the Teachers' Union. He was also asked to "gauge" the candidate's interest in running for the Board. Alevy stated that he feels like he has been "thrown under the bus" and that his work was done at the specific request of his client - - GCR. Alevy also thought there was heightened scrutiny of his engagement because the public and controversial nature of the work which he explained as a necessary part of any public relations job.

IX. INVESTIGATION OF ALEVY'S BILLING INVOICES IN WHICH HE IDENTIFIED INDIVIDUALS WITH WHOM HE SPOKE WITH GENERAL DESCRIPTORS - - FOR EXAMPLE, "COMMUNITY LEADER".

Alevy could not identify the individuals with whom he spoke in the following line items submitted to the District for payment:

- October 19, 2009: Alevy billed for "intelligence gathering" from teachers. Alevy did not specifically remember from whom he had gathered intelligence.
- December 4, 2009: This billing entry indicates that he had a private discussion with a current teacher and former counselor. Alevy did not specifically remember the current teacher referenced in the invoice. The former counselor could have been Mike Pineda or Mike Chaliss.
- January 9, 2010: Alevy billed for attending two events in Bonita and Chula Vista and having confidential discussions with multiple teachers, retirees, and

community leaders. Alevy thought he had attended a neighborhood party and another event at a school. Alevy could not specifically remember the teachers with whom he spoke. Alevy could not specifically remember the retirees with whom he spoke. Alevy could not specifically recall the community leaders with whom he spoke.

- January 23, 2010: Alevy billed the District for attending a "Compact for Success" event at San Diego State University. The Foundation leadership referenced in the billing entry refers to Ed Lopez. Alevy also billed the District for discussions with parents and community leaders for "fact-finding and response strategy." Alevy said the parents referenced in this line item referred to parents of the students participating in the Compact for Success program but he could not identify them.
- March 15, 2010: Alevy billed the District for a strategic discussion with Chamber leadership. Alevy had no specific recollection with whom he had this discussion. Alevy stated the entry may have referred to a discussion with Brad Wilson, former Chairman of the Chula Vista Chamber of Commerce.
- April 13, 2010: Alevy billed the District for discussion with several community leaders. Alevy said this discussion occurred at a Chula Vista City Council meeting or a meeting of the Veterans Home Support Foundation and he did not specifically remember with whom he had discussions. Alevy thought it could have been Mayor Cox or Supervisor Cox.
- April 16, 2010: Alevy stated that this entry should have been listed as April 17, 2010 and not April 16, 2010. The entry was for to a Saturday golf outing. Alevy billed the District for discussions with a former Chula Vista City Council member,

a former District counselor, two current teachers, and several parents. Alevy's independent recollection was that he played golf that day with former Council member John Moot, former Counselor Mike Pineda, and current teachers Larry Hart and David Fujikawa. He did not specifically recall the parents with whom he discussed the District.

- May 21, 2010: Alevy billed the District for a discussion with a district parent. Alevy could not specifically identify that parent. Alevy thought it might have been Jackie Finn or his ex-wife, Mitsy Stone.
- May 19, 2010: Alevy billed the District for a discussion of issues with several parents. Alevy could not specifically identify those parents.
- June 10, 2010: Alevy billed the District for discussion with community leaders at a chamber of commerce event. Alevy could not specifically remember with whom he spoke.
- June 15, 2010: Alevy billed the District for a discussion with two teachers. Alevy could only identify one teacher: Russ Hall.
- June 19, 2010: Alevy billed the District for discussions with retired and active teachers and administrators at a social event. Alevy explained that this was another Saturday golf outing and he could not specifically remember the names of the individuals with whom he spoke. He likely had conversations with Mike Pineda and Mike Chaliss regarding their frustration with the District.
- October 1, 2010: Alevy billed the District for discussions with several civic leaders. Alevy said this was a "First Friday Breakfast" event hosted by the Chula Vista Chamber of Commerce. Alevy could not specifically identify those leaders

with whom he spoke but said that the breakfast included members of the Chula Vista City Council and leadership of the YMCA.

- October 16, 2010: Alevy billed the District for a discussion with a District administrator and several educators and citizens. Alevy could not specifically remember with whom he spoke on that date.
- October 30, 2010: Alevy said this entry was for another Saturday golf outing. He did not specifically remember with whom he spoke but thought he may have played with John Moot and possibly, McCann.
- November 2, 2010: Alevy billed the District for three hours spent at election central and discussion with key influencers. Alevy could not specifically remember speaking with any one individual but rather, described election central as hub for those running for elected positions in the county. On election day it was common to go to different parties, restaurants, and hospitality suites to follow the way the elections were trending.

X. **CONCLUSION.**

1) Scott Alevy performed Consulting Services for the District and provided the District with information which was used in labor negotiations with the Teachers Union.

2) Scott Alevy submitted invoices to GCR for payment by the District for services that were not performed.

3) Scott Alevy admitted that he billed the District for meetings and discussions with individuals that he could not identify.

4) Scott Alevy billed the District for meetings and discussions with potential and actual Board candidates in possible violation of California election laws.

5) Scott Alevy's engagement with GCR was so broad that he could – and did – bill the District for conversations anytime the District was mentioned.

6) Scott Alevy over-billed the District for time spent discussing District matters.

7) GCR failed to adequately review Alevy's invoices for accuracy regarding services allegedly performed.

8) GCR was negligent in failing to scrutinize Alevy's invoices that contained descriptions of conversations with unidentified individuals.