

Opinion: Daly's damage ongoing in Amador

By Larry Weitzman

For the past two years I have been writing about corruption in El Dorado County. Many of my critics say my facts are wrong or I cherry pick data. Some critics simply pooh-poohed the information saying I don't know what I am talking about or I am not to be believed. But a 95 page, very thorough (it is the third in a series) 2015-16 Amador County Grand Jury report totally supports my conclusions about the misdeeds of Terri Daly before she became EDC's CAO in 2010.

Daly remained EDC CAO for about 4½ years until she became an overwhelming embarrassment to the EDC Board of Supervisors.



Larry Weitzman

One of those columns discussed a long-term Amador County lease that Daly modified to the severe financial loss to Amador County. Now this new Amador County Grand Jury report issued two weeks ago details failures, corruption and incompetence of CAO Daly in procuring a new lease for Amador County's Health and Human Services Department. Her actions parallel what she did during her tenure as EDC's CAO.

Problems started for Daly in March 2008 when she accepted from the lessor \$400,000 if she would eliminate the county walk-out clause which allowed Amador to terminate the lease, which

cost \$1.5 million annually, five years early and further extend the lease for another five years (a total of 10 years). For \$400,000 paid to the lessee (Amador County), the lessor was able to increase the value of his building as determined by the Amador County assessor \$3.3 million. And the lessor shortly after this transaction did sell the building for at least a \$3 million higher price. Amador County because of the lease extension was now obligated for an additional \$15 million to \$18 million.

Below are seven of the most damning of the 19 findings that were made by the Amador County GJ. Notice how the grand jury is critical of how CAO Daly tried to use a subterfuge to hide the money and how she broke county rules and intentionally kept county officials – also a violation of county rules and policies – from knowing about this transaction and writing recommendation to the BOS.

“Finding 1 (F1) the grand jury did not find any compelling nor financially sound reasons in the March 4, 2008, HHS building lease to justify why the HHS director, the county counsel, the CAO and all county supervisors decided to amend the Oct. 17, 2006, HHS building lease. The March 4, 2008, HHS building lease significantly increased the value of the HHS building to the LLC (the original property owners). The LLC sold the HHS building for \$3.3 million over the assessed value shortly after the renegotiated lease was approved.

“F9. Since at least January 1997 to present, Amador County has had written policies and procedures to direct employees, department heads, executive staff and elected officials, including the Board of Supervisors, in acquiring property either by lease or by purchase. However, the HHS director, the county counsel, the CAO, and the county supervisors chose to ignore them by deliberately keeping the GSA Director and Auditor from reviewing the March 4, 2008, HHS building lease before the BOS approved the lease.

"F10. Between December 2007 and March 4, 2008, the HHS director, the CAO, the county counsel, and the chairman of the Board of Supervisors prevented the county auditor from executing the auditor's duties as identified in the county's GSA Purchasing Policy 5-100, the county's GSA Contract Policy 1-310.

"F11. Between December 2007 and March 4, 2008, the CAO, the HHS director, the county counsel, and members of the Board of Supervisors deliberately excluded the GSA director from the negotiations and a review of the March 4, 2008, HHS building lease and from executing the GSA director's duties as identified in the county's GSA Purchasing Policy 5-100, the county's GSA Contract Policy 1-310.

"F12. Amador County's Board of Supervisors, the Board of Equalization, former county supervisors and the county counsel knew that the March 4, 2008, HHS building lease with the LLC presented no risk to the LLC, that it had the highest per square foot cost of any commercial building lease in the county and possibly the Central Valley, that the March 4, 2008, HHS building increased in value because the county extended the term five years to twenty years and the county eliminated the county policy mandated early termination clause contingent on available county, state and federal funding for multi-year contracts.

"F14. The HHS director, the CAO, and BOS knew or should have known that by not publicly acknowledging the acceptance of the \$400,000 from the LLC and by depositing the \$400,000 in the County Reserve Fund under the guise of a HHS Reserve Fund, that it would be very difficult or nearly impossible for the general public, an independent auditor or a state or federal government agency to determine the original source of the \$400,000 if funds were transferred to other accounts.

"F15. The HHS director, the CAO, and members of BOS used deceptive methods to move over \$240,000 of \$400,000 LLC

money to various HHS departments' trust accounts to hide the LLC money trail. About \$167,000 of the \$400,000 was traced back to paying the LLC for the HHS building rent, \$45,000 was traced to the county's CMSP Medi-Cal program, and about \$28,800 went general operating expenses funded by the Mental Health Trust Fund."

So where is the parallel between Daly's actions in Amador County and actions in EDC? Long term Amador County Auditor Joe Lowe was intentionally kept out of the loop by Daly with respect to this HHS lease. When EDC's county auditor was reviewing the CAO's business practices and requirements in 2013 on her failure to comply with EDC policies, Daly began a campaign of attacking the county auditor, spending hundreds of thousands of dollars including the Vandermyden, Maddox report on bullying which became an indictment of Daly and her cronies and an exoneration of the county auditor, Joe Harn, of claims of him being a bully.

Another parallel is Daly violated BOS policy B-12. The policy intent of EDC was that the auditor-controller be given the opportunity to review all matters that potentially have a large financial impact. Daly did not give proper notice to Harn when she rammed through the recent 15 percent raise which now has decimated our county financially.

Daly then landed a job as assistant director at the Yuba County Water Agency at \$160,000 annually. Obviously a thorough background check was not performed. It's another failure of our government system.

Larry Weitzman is a resident of Rescue.