

The Committee for the Future of the Peace Corps

November 27, 2001

The Honorable Christopher J. Dodd,
Chair, Subcommittee on Western Hemisphere, Peace Corps and Narcotics
Senate Foreign Relations Committee
Washington, DC 20510

Dear Senator Dodd:

Thank you for your leadership on the Senate Foreign Relations Subcommittee. We are fortunate to have a former Peace Corps Volunteer lead the hearings for the next Peace Corps Director.

As you know, the Committee for the Future of the Peace Corps is opposed to the nomination of Gaddi Vasquez for the Director of the Peace Corps. We represent nearly 15,000 Returned Peace Corps Volunteers, former directors and staff and concerned citizens who care deeply about the future of the Peace Corps. We urge you to not only closely examine the lack of qualifications of Gaddi Vasquez, the nominee for Peace Corps Director, but to demonstrate your leadership and vote **no** on his nomination.

After reading over the transcripts of the hearings held on November 14, 2001 for the director of the Peace Corps, we would like to request clarification from you on three important and serious issues before you schedule a committee vote on the nomination. We believe there are very serious discrepancies in Mr. Vasquez's testimony and our research findings. We are requesting written clarification on the following three points in Mr. Vasquez's testimony.

1. The investment practices of Orange County were called into question six months before the actual bankruptcy. Mr. Vasquez testified otherwise.
2. The formal, official recall process to remove Supervisor Vasquez from office was begun. Mr. Vasquez testified otherwise.
3. Mr. Vasquez's testified to meetings with Returned Peace Corps Volunteers in Orange County and Los Angeles. We have been unable to verify any such meetings with RPCVs in Orange County or Los Angeles.

We not only believe that Mr. Vasquez's international expertise is minimal, but his demonstrated lack of fiscal management skills combined with his lack of leadership on the bankruptcy clearly speak to his inability to manage a large staff with a multimillion-dollar budget. More importantly, he does not have a vision for the Peace Corps. As Founding Director Sargent Shriver said in his November 10, 2001 speech at Yale University, "Our present world cries out for a new Peace Corps -- a vastly improved, expanded, and profoundly deeper enterprise." Mr. Vasquez is not the man to deliver on that vision.

I. Investment Practices

1. Congressman Cox defended Gaddi Vasquez by saying that nobody had seen the Orange County bankruptcy coming. (page 20) Mr. Vasquez himself stated in the hearings that "We

were a group of experienced supervisors and at no time was anything that was provided to us suggest that there was something wrong with the Orange County Investment Pool." (Sic). (Page 62).

In June 1994, six months prior to the bankruptcy, the treasurer's election focused primarily on the risky investments conducted by the treasurer and the county.

After the bankruptcy, a recall campaign was conducted to remove members of the Board of Supervisors. The recall campaign discovered a breakdown in oversight and action among the Board of Supervisors. The core of the Vasquez recall effort was based on the following:

- The supervisors did have adequate oversight of the investments.
- Monthly Reports are required by California law to be distributed to county officials on investments.
- Bi-annual audits were prepared months ahead of time and given to the Board of Supervisors.

Mr. Vasquez never said he did not get the reports. He never said he did not understand the reports until after the fact. Moreover, it seems that Mr. Vasquez never familiarized himself with federal codes, statutes, or administrative law. It appears that Mr. Vasquez, along with other members of the Board of Supervisors, let the county slip into a vulnerable position, rather than investigate or learn to understand laws as a county executive should.

Attached please find numerous articles taken from Orange County's leading newspaper, the *Orange County Register*, which shows it was a matter of common knowledge that the County Treasurer Robert Citron was engaged in risky derivatives investments dating back many months before he resigned and well before the bankruptcy. The attached press articles show that his investments were hotly debated in the election for County Treasurer in June 1994 - six months before the bankruptcy occurred December 1994.

The final article, dated December 31, 1994 from the *Orange County Register* rebuts the argument that was made by members of the Orange County Supervisors that they did not have legal authority to oversee Treasurer Citron's investment pool by showing that California Government Code Section 25303 required them to supervise the official conduct of independently elected officials such as the County Treasurer and that they had responsibility with regard to "the assessing, collecting, safekeeping, management and disbursement of public funds."

II. Recall campaign to remove members of the Orange County Supervisors

2. In his response to Senator Sarbanes question about the report that there was a recall effort under way, Mr. Vasquez stated, "Senator there was no recall campaign that had been under taken. There was a notice that was handed to me in a meeting of an intention to file a petition, but there was never a formal process of recall or an election that was held. To my knowledge there was no gathering of signatures." (Page 53)

A July 20, 1995 *Los Angeles Times* article "OC Supervisor Vasquez Faces Recall Attempt" by Rebecca Trounson and Matt Lait, states, "Vasquez, 40, was served with the documents-the first official step in a recall movement-as he attended a Chapman University forum Wednesday..."

In a document located at www.ss.ca.gov/elections/recall.pdf which provides an overview of the necessary steps of the recall process, under point B, Preliminary Steps, #5 Content of Notice of

Intention, states: The Notice of Intention must contain all of the following: a) the name and title of the officer to be recalled; b) the statement, not over 200 words in length of the reason for recall; c) the printed name, signature, and business or residence address of each of the proponents. The number of signers shall be equal to 10 or equal to the number of signatures required to be filed on the nomination paper of the officer sought to be recalled, whichever is greater. Each proponent must be a registered voter in the electoral jurisdiction; and d) the provisions of Election Code 11023 which permit incumbents who are the subject of recall to file an answer to the notice prescribes the methods for doing so. The document also indicates that in order for the first official step of the process to take place, required signatures have to be in place before the document can be presented to the person being recalled. These signatures were on file – thus the first official step in a recall movement was made.

III. Meetings with Returned Peace Corps Volunteers

3. In response to your question to him regarding the importance of seeking out RPCVs for the unique experience they bring in helping Americans understand the world we live in, Mr. Vasquez, said, “I will tell you, Mr. Chairman, that since my nomination was public I have made it my priority to sit down with Returned Peace Corps Volunteers in Orange County and in Los Angeles to get their perspective, to get their experience, to get some constructive input on what they experienced, how they think we can improve the program.” (Page 78 & 79) After numerous calls to both the RPCV group leaders and individuals in Orange County and LA, we cannot find one RPCV who has had a meeting with Gaddi Vasquez. We do know that he met with Dane Smith of the National Peace Corps Association in Washington in August of 2001. The Committee would like to request that Mr. Vasquez provide information as to when these said meetings took place, where, with whom and the topics of discussion.

Senator Dodd, we believe that these three issues are quite serious from an ability to manage and lead a large government agency with more than 7,000 Volunteers and staff and speak directly and clearly to Mr. Vasquez’s lack of qualifications to be the director of the Peace Corps.

Finally, in light of the reviewed transcripts of the November 14, 2001 hearing testimony, the Committee for the Future of the Peace Corps is not only opposed to Gaddi Vasquez as Peace Corps director, but more importantly, we are opposed to a one-year recess appointment.

Please know that we appreciate your consideration of our request and we look forward to hearing by written word your comments to the three questions of concern.

Please contact Hugh Pickens at 410-669-2383, John Coyne at 914-654-5281 or Barbara Ferris at 202-530-0563 for questions or additional information.

Sincerely,

John P. Coyne
RPCV Ethiopia

Barbara Ferris
RPCV Morocco

Hugh Pickens
RPCV Peru