

**Statement for the Record**  
**for the Senate Foreign Relations Committee Hearings**  
**on the Nomination for Director of the Peace Corps**

**News Stories about Mr. Gaddi Vasquez**

**November 15, 2001**

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## Orange County Register - August 3

### ***What the (Third) World Needs Now***

Gaddi Vasquez led the county into the 1994 bankruptcy. Now he's poised to run the Bush-era Peace Corps

by R. Scott Moxley

Former Orange County supervisor Guadalupe "Gaddi" Vasquez says he isn't granting interviews until Congress approves his July 25 presidential nomination to serve as director of the Peace Corps.

That's probably a wise strategy. Vasquez, you may recall, led the county into the \$1.7 billion bankruptcy in 1994 and then refused to accept any responsibility for the largest municipal calamity in modern financial history. Though a self-described fiscal conservative, Vasquez hired (at public expense) a \$285-per-hour public-relations guru from Los Angeles to spin favorable post-bankruptcy news stories for himself and the other four supervisors. That plan failed, too, and 10 months after the bankruptcy, Vasquez fled office, claiming he wanted to spend time with his family. He made no mention of the fact that he faced a recall election, a grand jury investigation and an 11 percent approval rating.

Politics does strange things to people's egos, and Vasquez—once the cocky "rising Latino star" of California Republicans—was no exception. For years, GOP power brokers had showered the right-winger from a Texas hellhole with dinners, limousine rides and talk of the governor's mansion or a U.S. Senate seat. Early in his political career, Merrill Lynch, one of the Wall Street bad boys in the bankruptcy, had privately deemed Vasquez a "good investment" and pampered him. It was understandable, if despicable, when the supervisor contemptuously stared down citizens who wanted answers about his role in the bankruptcy.

Vasquez names Richard Nixon as his hero; like Nixon, he had a hard time leaving his dream world. On his last day in office in September 1995, the two-term supervisor summarized his legacy this way: "When I leave this building, I can do so with a sense of fulfillment that I leave a house in very good order."

The man was disgraced—except among the corporate crowd he had served so single-mindedly in office. They helped Vasquez land a cushy, six-figure job in the public-relations department at Southern California Edison—a publicly subsidized company with close ties to the Republican Party. (In addition to Vasquez, company PR employees have included Bob Dornan's top congressional aide, Brian Bennett; the Irvine Co.'s Mike Stockstill; and Orange County GOP co-chairperson Jo Ellen Allen.) Within four months of his exit from public life, there were two fancy parties ("business attire only") for

Vasquez. The people who paid for them—corporate lobbyists and Newport Beach real-estate developers—said they wanted to thank the ex-supe for his "public service."

Local taxpayers will be thanking Vasquez for at least another 27 years. That is how long it will take to pay off a bankruptcy debt he was instrumental in creating. Last year alone, residents shelled out an extra \$45 million just for county interest payments on bankruptcy debt. In the not-so-distant future, we will pay more than \$80 million per year. None of the money will ever go to improve roads, schools, public safety or health care.

But who wants to talk reality when it comes to the ex-supervisor? Certainly not The Orange County Register (which, without attribution or evidence, claimed Vasquez had re-established his credibility) or the Los Angeles Times (which inanely asserted that the new job will "ensure Vasquez a measure of global celebrity"). Hurrah!

Five daily reporters on the nomination story at both papers neglected to even hint that Vasquez—who has worked as a cop, a PR flack, a political fund-raiser and a failed supervisor—might not be qualified to manage an internationally renowned federal assistance agency with offices in 77 countries and an annual budget of \$275 million. Combined, the papers published 15 quotations, all of which glowingly supported Vasquez. The most ludicrous line came in the Times from fellow Republican and Edison employee Allen: "It's a job tailor-made for Gaddi."

The Bush White House has made clear why it selected Vasquez. "Bush will appoint [a] Hispanic to head Peace Corps," an announcement said. They also described the Texan as "of Mexican origin." There was no mention of the bankruptcy or the fact that Vasquez has poured more than \$106,216 into Bush campaign coffers in the past year. Despite the fact that Vasquez has shown himself singularly incapable of handling big budgets and though he has no Peace Corps experience, a Bush assistant said, "Gaddi Vasquez is a very qualified, strong candidate regardless."

But in an interview with The Washington Post, John Coyne, editor of the Peace Corps Writers magazine, may have the pulse of longtime Peace Corps volunteers: "Can you imagine the veterans accepting a leader who had no military experience?"

## **The Boston Globe - August 6**

### ***Bad choice for Peace Corps***

The Public learned to shrug off the practice of both Democratic and Republican presidents who reward generous campaign contributors with plum ambassadorships, from Dublin to Rome. But a line should be drawn at handing out the top posts of important government agencies this way, especially when the nominee's public service experience was to help bankrupt his county.

The agency is the Peace Corps. Bush's nominee to run it is Gaddi Vasquez, who was last in the public eye back in the mid-1990s when he was a supervisor of Orange County, California. Because of bad investment practices, the county went bankrupt and Vasquez left office just ahead of a recall effort.

Since then he has done public relations for a utility. More to the point, he has kept his hand in Republican politics. In fact, he dipped his hand deep into his leftover campaign war chest and donated \$100,000 to the GOP last year, which could not have escaped the attention of the Bush administration.

But the nomination might be more than just a payoff. Back in 1989, President Bush's father plucked Paul Coverdell from the obscurity of the Georgia state Senate and made him Peace Corps director. The publicity of his stint there from 1989-91, less time than most corps volunteers serve, helped boost him to a win as Georgia senator. The current Bush administration might be hoping that leading the Peace Corps will give Vasquez a similar boost for a reentry into California politics.

But Coverdell in 1989 had a far more impressive background than Vasquez has. After a grand jury investigation of the Orange County fiscal meltdown, Vasquez escaped prosecution because the only penalty was removal from office, and he was already gone.

In 1996, the US Securities and Exchange Commission blasted Vasquez in a report accusing him of defrauding buyers of more than \$2.1 billion in municipal securities.

There is nothing in Vasquez's background, certainly no international experience, that would qualify him to run a \$275 million agency. His only elected service was a debacle. Senator Joseph Biden's Senate Foreign Relations Committee should reject Vasquez and tell Bush to come up with someone qualified.

## **Latin LA – August 8**

### ***Good Gaddi Almighty***

A Leftist comments on the most recent Latino presidential appointee by Gustavo Arrellano - Web Published 8.1.2001 - - - - -

Forgive me if I still feel woozy from all the attention the Bush administration has been paying towards Latinos.

The last time Republicans paid so much attention to us, Pete Wilson was banging the brown drum for his various political soirees and Bob Dornan was screaming bloody murder over Hermandad Mexicana Nacional's supposed 1996 ballot box for Loretta S?hez.

Bush's latest attempt to bring back Latinos to our supposed "traditional" conservative roots is the nomination of Southern California Edison executive and Orange resident Gaddi Vasquez as director of the Peace Corps.

But should Latinos embrace a man that belongs to one of the scariest sub-species on earth -- the Latino Republican from Orange County? Of course we should; Mr. Vasquez is an honorable man who will no doubt do an excellent job if confirmed.

At the same time, though, we must be aware of how his nomination reveals the corrupt nature of our political system and the particular role Vasquez' nomination plays in the ongoing battle for the Latino electorate.

Vasquez was destined to be the Latino Condaleeza Rice until his political career took some interesting turns. He began his political ascendancy by serving as the executive assistant to an Orange County supervisor from 1980-84. After that, then-governor George Deukmejian appointed Vasquez to various positions, such as the governor's Latino liaison and chief deputy appointments secretary from 1985 to 1987 before appointing Vasquez to a vacant Orange County Board of Supervisors seat in 1987.

Vasquez won his first election as supervisor in 1988, at the time making him the highest-ranking elected Latino Republican in California at the tender age of 33.

That same year, he rose to national prominence during the Republican National Convention by delivering fiery speeches preaching the good of Reagan and the conservative way. It did not hurt him that he was one of the few precious brown faces at a time when the GOP was still somewhat appealing to Latinos.

Afterwards, Vasquez served on two White House commissions under the first Bush administration and was re-elected in 1992 to the Orange County Board of Supervisors seat. Republicans were licking their chops and predicting great things for Vasquez.

Then came the deluge.

In 1994, Orange County officially declared bankruptcy due to risky investments that went horribly wrong. Amid the turmoil and loss of \$1.64 billion that devastated Orange County's infrastructure for years, Vasquez was named chairman of the Board of Supervisors.

What should have been the crowning achievement in his young career instead became a nightmare that included racial slurs, hate mail and even bomb threats. He stepped down in late 1995 before his term ended and ahead of both a recall campaign and a 1996 grand jury investigation (Vasquez was never convicted of any wrongdoing).

After the bankruptcy, Vasquez joined Southern California Edison, where he continues to serve as division vice president of public affairs.

Vasquez' resume is lengthy and impressive and so is his passion towards the Latino community (he recently was a participant in the acclaimed documentary "The Mexican-Americans" and was present for Vicente Fox's inauguration). But how and why he was appointed to head the Peace Corps troubles me.

Although Vasquez is active in the community (serving on Gov. Gray Davis' Diversity Task Force, for instance) his biggest commitment is to his political party and to recruit Latinos to the GOP. In this past election cycle, Vasquez served on the California steering committee for Bush's presidential campaign and also contributed \$100,000 to the Republican National Committee from money left over from his old supervisory campaigns.

Latino outreach was among his focuses for the Bush campaign, and probably helped him win the president's attention when considering appointments, being that we're the demographic darlings of everyone right now.

Vasquez has proven to be a true Republican and all his efforts for his party has "earned" him his nomination, even though he has no formal experience with the Peace Corps.

The nomination process for important government positions nowadays seems to be based not so much on qualifications but rather on how much someone has contributed towards a particular campaign and Vasquez' case is no exception. Most troubling for anyone with a memory is that Bush and Co. have in Vasquez a Latino Republican who is comfortable with his party's record towards Latinos in the anti-immigrant wars that started in Vasquez' home county and exploited by Republicans back when it was feasible.

By appointing Vasquez, Republicans can finally show to all Latinos, but especially those in Orange County, "Look, here's one of your own! He doesn't have a problem with us even though we demonized your community no more than six years ago. So why should you?"

In this context, Vasquez' nomination seems more a shrewd political move by Bush to capture more of our precious votes than actually hiring the most capable person for the job.

My concerns are not partisan since I am not affiliated with any political party. Instead, I view the Vasquez nomination as yet another example of a blight that attacks the very foundation of democracy (the reward system for positions rather than one based on merit) and the continued use of Latinos as pawns in a game of political chess.

While we should rejoice that one of our own has been nominated to such a prestigious position, we must also see the opportunism involved in using Latinos such as Vasquez for Republicans' latest attack in the war against the Democrats for our political souls.



## **The Los Angeles Times - August 20**

### ***Not the One for Peace Corps***

Conceived in a shining moment of American idealism, the Peace Corps ought to project the best and boldest of the nation to the world.

The Bush administration, in nominating onetime Orange County Supervisor Gaddi H. Vasquez as its director, has demeaned the high purpose of an agency that requires vision, diplomatic skill and even bravery at the helm.

During the Ronald Reagan era, Vasquez was for a time a promising young Latino face on the national stage, winning a coveted assignment to speak before the 1988 Republican National Convention. But the potential of leadership was never fully realized. Vasquez proved to be a timid public official, the antithesis of what a Peace Corps director should be.

After serving as a county supervisor without much distinction beginning in 1987, disaster struck for Vasquez in late 1994. Then-county Treasurer Robert L. Citron's astrology-guided county investment pool collapsed, and Orange County went bust. In a tough 1996 report from the Securities and Exchange Commission, Vasquez was among the supervisors cited as misleading investors. Vasquez had resigned the previous year with more than a year remaining in his term and had gone into the private sector. Two supervisors who had remained in office were charged with misconduct by a grand jury but were let off when an appeals court concluded that ineptitude was not the same as deliberate misconduct.

Although Vasquez was not accused of anything by the grand jury, the bankruptcy occurred on his watch, and he, along with his colleagues, had been asleep at the switch. That doesn't inspire much confidence today in his ability to lead in the international arena or run a large bureaucracy. A more plausible explanation for this appointment is Vasquez's substantial monetary contribution to the Republican National Committee and his service on the California steering committee for the Bush presidential campaign. This makes two from the ranks of Orange County's Republican contributors with major international appointments that now must be punctuated with question marks. The apartment management company of businessman George Argyros, nominated earlier in the year to be ambassador to Spain, has been under investigation by the California attorney general's office for allegedly cheating former renters out of security and cleaning deposits. At least in the case of Vasquez, the White House should find another name to send to the Senate.

## **The New York Times - August 24**

### ***An Uninspiring Peace Corps Nominee***

President Bush's intention to nominate Gaddi H. Vasquez as director of the Peace Corps amounts to a missed opportunity. The altruistic agency is a unique diplomatic and humanitarian asset in need of forceful and imaginative leadership. Any number of prominent figures from the foreign policy community, the business world or the nonprofit sector would be thrilled at the opportunity to lead it.

In selecting Mr. Vasquez, someone with a questionable record of accomplishment and a great deal less stature than the agency deserves, Mr. Bush shows a lack of appreciation for the mission and symbolic importance of the Peace Corps.

The Senate Foreign Relations Committee should take a close look at this appointment.

Upon initial examination, Mr. Vasquez does not look qualified or suited for the job.

Mr. Vasquez, once considered a promising young Republican Hispanic politician, has been a public relations executive at a major California utility in recent years. This was not a chosen career, but a form of exile after he resigned in disgrace in 1995 from the Orange County Board of Supervisors, soon after the county went spectacularly bankrupt as a result of the improper investment of public funds. Unlike the county treasurer, Robert L. Citron, Mr. Vasquez was not charged with any crimes. But a 1996 Securities and Exchange Commission report was highly critical of him and the other supervisors.

Last year Mr. Vasquez transferred \$100,000 in leftover campaign funds to the Republican Party, a transaction that undoubtedly helped his chances for political rehabilitation.

Certainly this is not the first administration to reward a donor with a plum position. But it is distressing that Mr. Bush views the Peace Corps directorship as a place to park generous donors with mediocre résumés.

The White House may also believe that the dearth of rising Republican stars in California made Mr. Vasquez's rehabilitation particularly desirable. This is a president who is avidly courting the Hispanic vote.

Whatever the White House's motive, Mr. Vasquez is an uninspiring nominee for an agency that needs a visionary leader of unquestioned integrity. Mr. Vasquez has not devoted himself to humanitarian work in the past and has no experience running a large organization. Nor does he have any particular international expertise.

The Peace Corps, established by President John F. Kennedy, is an American presence that is welcomed around the world. Now 40 years old, the agency remains a tribute to a strain of American idealism, a statement about the value of public service and about the obligation of a wealthy nation to help less privileged peoples around the world. Currently 7,300 Peace Corps volunteers are serving in 75 countries, often under harsh conditions.

In the last decade the Peace Corps has expanded its traditional mission of working on development projects in remote third-world areas to encompass such activities as teaching English and management skills in former Socialist countries. The next director will be called upon to formulate a coherent role for the Peace Corps for the new century, and to sell it energetically to the rest of the world, to Congress and to a new generation of recruits. Mr. Vasquez does not appear to be the man to meet this important challenge.

## **Washington Post – November 9**

### ***Peace Corps Deserves Better than GOP Deadwood***

By Judy Mann

At a time when the United States needs friends abroad more than ever, President Bush has nominated to head the Peace Corps a discredited California party hack whose principal public achievement to date has been to help bankrupt the richest county in his state.

The nomination of Gaddi H. Vasquez has aroused a storm of protest among former Peace Corps volunteers, a formidable group of people who have made names for themselves in every rank of American life. And they, perhaps more than other Americans, know the abysmal conditions of poverty and hopelessness that spawn terrorism.

Mystery writer Richard Lipez (pen name Richard Stevenson), a volunteer in Ethiopia from 1962 to 1964, hit the nail on the head in an Internet message to other volunteers:

"Suddenly the Peace Corps is more important than ever. Wrenched horribly out of its long, isolationist reverie, the United States is now attempting to engage the larger, messy, complex, often violent rest-of-the-world in ways the Peace Corps has been learning about and eagerly grappling with for more than 40 years."

Lipez, who also writes editorials for the Berkshire Eagle in Massachusetts, went on to say: "Far more than just military . . . this multifaceted re-engagement with the rest of the planet needs a Peace Corps that is as brave, committed and vital as ever. That means it also requires a Peace Corps leader with judgment, imagination and vision. Sadly . . . Gaddi Vasquez is not that person."

The Peace Corps has been a crown jewel in our ever-diminishing foreign aid efforts. With 7,000 volunteers a year, it has taught and served people in nearly 80 of the poorest and most-troubled countries in the world. Volunteers from the get-go won respect from host countries, and they won respect for the United States.

So who does Bush nominate to head the agency? Somebody who is singularly unqualified to head anything, let alone the Peace Corps. Vasquez was a member of the notorious Orange County Board of Supervisors that fiddled while the county lost \$1.64 billion in risky investments. The news became public in December 1994, and the Board of Supervisors decided to file for bankruptcy. It became the largest municipal bankruptcy in the nation's history.

A month later, Vasquez was named chairman of the Board of Supervisors. He resigned nine months later, just a step ahead of a recall effort. The hard-shell conservative Orange County Register, normally no critic of right-wing functionaries, said that "too often"

Vasquez "has been a slave to the 'finger in the wind' impulse, emerging as someone always running to board the caboose rather than staking out a place in the locomotive's cabin. . . . [Trying] to pin him down on a strategy for plowing us out of bankruptcy without plowing taxpayers deeper into the hole has been an exercise in exasperating frustration."

The Register noted that Vasquez had a campaign war chest of \$300,000 or more and asked what he planned to do with the money: "Will he return it to donors? Or give it to the county treasury?" Turns out that Vasquez did neither, and so in the election year 2000 he had \$100,000 to give to the Republican National Committee. That has bought him a ticket to Washington.

Vasquez brings with him no international experience, no experience running a large agency and no history of humanitarian commitments. His record argues strongly that he should not be put in charge of an agency with a \$275 million annual budget.

Lipez, in his letter (posted at [www.peacecorpswriters.org](http://www.peacecorpswriters.org)), makes a further case against him because as a county supervisor he voted twice to deny housing rights and job protections to people with HIV/AIDS. "A sizable part of the work now performed by the Peace Corps involves AIDS education and prevention, especially in Africa," Lipez says. With that record, he argues, Vasquez is not the person to head the Peace Corps.

Vasquez's confirmation hearing will probably be next week. At the same time, the Senate Foreign Relations Committee will consider the nomination of Josephine "Jody" Olsen to be deputy director of the Peace Corps. The contrast in qualifications is about as sharp as the contrast in Bush's and Vice President Cheney's.

Olsen is a former volunteer who then joined the Peace Corps staff and became a country director of Peace Corps activities. She later served as chief of staff to then-Peace Corps Director Paul Coverdell, whom Bush's father dug out of the obscurity of the Georgia Senate.

Olsen is highly regarded within the Peace Corps community, and the administration no doubt hopes that her nomination as deputy will somehow make the nomination of Vasquez more palatable. It doesn't.

Not since the Marshall Plan to rebuild Europe after World War II has there been a more urgent need for the United States to reach out to the world's underdeveloped nations.

Sargent Shriver, the founding director of the Peace Corps, recalled the agency's spirit and its mission when he spoke at a Sept. 22 peace vigil with returned volunteers:

"We risked everything in a leap of faith that the volunteers would respond favorably to our call for peace. We opposed the idea that war is inevitable." They believed peace could be achieved "through service, not through economic strength or military power."

The Peace Corps has been an agency of goodwill. It is respected around the world. Bush ought to tell the world that he takes its work and its mission so seriously that he is going to put a top-flight person in charge of it.

Instead, he is telling the world that the Peace Corps is of so little consequence to him that he can afford to dump a second-rater with a suspect record into the director's chair.

## **Washington Post – November 10**

### ***No Time to Be Shortchanging Foreign Aid***

By Judy Mann

Susana de la Torre was a Peace Corps volunteer in Morocco from 1987 to 1989. On the evening of Sept. 11, the first e-mail she received was from her Moroccan "family." They knew that her husband worked for the Department of the Army and that the family lived near the Pentagon.

"They had tried for several hours to call me by phone," de la Torre told me, "but had been unsuccessful and then resorted to e-mailing. I simply cried when I got their e-mail, and I was moved -- though not surprised -- at the depth of their caring for me and my family. They contacted us way before many family members ever did to inquire about our safety."

De la Torre, who is now a public health nurse working with pregnant teenagers, and her husband have twice returned to Morocco to visit her "family." She is Christian. Her husband is Jewish.

"The Peace Corps experience profoundly changes those who serve and the people with whom we form friendships in those countries," she says. "We may not move mountains, but we move hearts."

Few who have served in the Peace Corps could have failed to notice that their agency did not get a call in Atlanta last week when President Bush urged Americans to help our country by doing more volunteering.

Isolationists in the Republican Party have spent years gutting foreign aid programs. House Republicans have held our dues payment to the United Nations hostage to their narrow-minded, provincial views on international family planning. Only recently did the House agree to pay \$582 million in arrears to the United Nations. While the world grows more dangerous, our budget for foreign aid is less than it was 15 years ago.

This year, Congress has set a cap of \$15.3 billion on the foreign aid budget, but nearly a third of that goes to Egypt and Israel. That leaves about \$10 billion to provide economic support to poor countries, to help feed and shelter refugees, to combat AIDS and other health problems and to help develop infrastructure that can lead to stability.

Sen. Patrick J. Leahy (D-Vt.), chairman of the appropriations subcommittee for foreign operations, says the foreign aid budget is not nearly enough, and he's right. In an Oct. 31 floor speech on countering terrorism, he pointed out that it boils down to less than \$40 for each American each year. "We are failing the American people, and we are failing future generations," he said.

He went on to say: "We have to go to the source of the problem, and that is to countries that are failing -- from AIDS, from ignorance, from poverty, from injustice.

"We need a better understanding of the world we live in and how to protect our security."

And then he gave the numbers: 70 percent of the world's population is nonwhite, non-Christian and illiterate; half of the people living in the world today suffer from malnutrition. But a privileged 5 percent own more than half the world's wealth.

Leahy believes that we should be spending at least five times as much on foreign aid as we are. "Let us act like a superpower," he said. "Let us lead the world in combating poverty, in supporting the development of democracy. Let us start paying our share."

We are nowhere close to doing that, and the foreign aid budget that is likely to emerge from the House-Senate conference this week will be another stingy drop in the bucket. But the House, demonstrating its usual skewed priorities, wants to spend an additional \$657 million on the Colombian drug war, on top of the \$1.3 billion appropriated last year. The program is not only wrongheaded, but apparently it's an administrative nightmare.

Sen. Mitch McConnell (R-Ky.) pointed out in a floor debate that of the \$119 million appropriated for reforms in Colombia, only \$8 million has been spent. Leahy said that his committee has repeatedly asked the administration where the billion dollars in appropriated funds have gone and that the response he's gotten has been: "We don't know, but we will check into that."

While we are bombing Colombian peasants with herbicide, we are ignoring the 1.2 billion of the world's people who are eking out an existence on the equivalent of \$1 a day. One hundred million of the world's children, two-thirds of them girls, don't go to school.

Do aid programs work? You bet. Since the United States started a literacy program in 1991 in Nepal, the literacy rate for adult women has jumped from 22 percent to 40 percent. Even with the miserly assistance provided, infant mortality rates have decreased by 10 percent in countries aided by the United States. This means more than 4 million children have lived who otherwise would have died.

Led by Leahy, the Senate has taken money from the Colombia drug war and redistributed it so that it provides \$20 million more than the House for refugee assistance, \$70 million more for AIDS and \$40 million more for family planning, for example. The Senate wants to spend \$147 million more for development assistance and \$123 million more for child survival and health programs than the House does. If the House is suddenly seized by an attack of good sense, the Senate version, meager as it is, will prevail.

Our foreign aid budget needs to grow, and we need to put first-rate people in charge of the agencies administering it. We are far from the mark. Today the Senate is scheduled to hold confirmation hearings on the nomination of Gaddi H. Vasquez to be the director of

the Peace Corps. Vasquez, who was a member of the Orange County Board of Supervisors that oversaw its plunge into \$1.7 billion of bankruptcy, has no qualifications other than contributing \$100,000 to the Republican National Committee.

The Peace Corps has been an ambassador of goodwill for this country, and now more than ever before, such programs deserve our political and financial support. But at the very time when sophisticated, well-financed foreign aid programs may be the best fire wall against global terrorism, the United States is the leading deadbeat dad.



## **Los Angeles Times – November 12**

### ***Bush Peace Corps Nominee Challenged***

By MELISSA B. ROBINSON, Associated Press Writer

WASHINGTON -- Former Peace Corps volunteers say President Bush's nominee to lead the agency lacks the foreign service experience needed for the job.

They are trying to persuade members of the Senate Foreign Relations Committee to oppose Gaddi Vasquez when the panel considers the nomination Wednesday.

"This is not the place for a neophyte on the job, given what has happened to our nation and the rest of the world in the past two months," said Barbara Ferris of Washington, a former Peace Corps volunteer in Morocco and a leader of the campaign against Vasquez.

The U.S. war against terrorism has angered some in the Muslim world. The Peace Corps and its volunteers -- 7,000 in 78 countries -- can be a good public relations tool for the nation, said John Coyne of Pelham Manor, N.Y.

Coyne, who also opposes Vasquez, said the next director should have a background in international affairs or overseas development to ensure an understanding of the world in which volunteers operate.

Former Peace Corps volunteers have been calling or sending electronic messages to committee members since last week, particularly Sen. Christopher Dodd, D-Conn., a former Peace Corps volunteer in the Dominican Republic. He chairs the panel's Subcommittee on Western Hemisphere, Peace Corps and Narcotics Affairs.

Dodd, who has met with Vasquez, is to chair his confirmation hearing. Dodd is leaning toward supporting the nomination, according to an aide who spoke on condition of anonymity.

Vasquez, a prominent California Republican whose nomination was announced in July, served as Orange County supervisor from 1987-1995. He was the state's highest-ranking elected Hispanic Republican and had close ties to then-Gov. Pete Wilson.

Vasquez, also a former police officer, resigned as supervisor after the county filed bankruptcy in late 1994. He currently is vice president in charge of public affairs at Southern California Edison Co.

Dodd has scheduled a witness to speak on behalf of the opponents. Coyne said it was Jack Hood Vaughn, who headed the Peace Corps during the Johnson administration.

If confirmed by the Senate, Vasquez will succeed acting director Charles R. Baquet III.

## **Los Angeles Times – November 14**

### ***Senate Panel Begins Vasquez Hearing Today***

Politics: Nominee for Peace Corps director has wide support, but some question his role in O.C. bankruptcy.

By JEAN O. PASCO and PHIL WILLON, TIMES STAFF WRITERS

Despite growing bipartisan support, former county Supervisor Gaddi H. Vasquez is expected to be questioned about Orange County's historic bankruptcy and his lack of foreign expertise when a U.S. Senate committee considers his nomination as Peace Corps director today.

A group of former Peace Corps volunteers is urging the committee to reject President Bush's nominee, saying Vasquez lacks the international experience and deft management skills required to run an agency with 7,000 volunteers working in 78 countries.

However, Vasquez's supporters say the Orange County Republican is a seasoned leader and, during his past jobs as politician and police officer, has shown his commitment to public safety and helping those in need. Sen. Barbara Boxer (D-Calif.) is among his backers, and will introduce Vasquez during his confirmation hearing before the Senate Foreign Relations Committee this afternoon. Boxer is a member of the committee, which is not expected to vote on the nomination until later this month.

"Those qualifications, in the senator's estimation, stand him in good stead to be the next director of the Peace Corps," Boxer's spokesman David Sandretti said Tuesday.

Vasquez first gained prominence in 1988, when he was elected to the county Board of Supervisors and became the highest-ranking Latino Republican politician in California. He is the latest Latino to be named to a prominent post by a president eager to court the nation's growing Latino vote.

Critics call the nomination a blatant political move, and fear placing a novice in charge of the Peace Corps after the Sept. 11 terrorist attacks will squander an opportunity for the nation to show the world that it is as much an advocate for peace as it is for justice.

"The president has surrounded himself with a quality team of experts," said former Peace Corps volunteer John Coyne of New Rochelle, N.Y., who is helping lead a campaign against Vasquez. "The Peace Corps deserves someone on the same level, someone with at least some international experience. Just look at [Vasquez's] resume and questionable background."

Coyne noted that Vasquez was an Orange County supervisor from 1987-95, resigning just after the bankruptcy and ahead of a recall campaign and a 1996 grand jury investigation.

A scathing 1996 U.S. Securities and Exchange Commission report accused the Board of Supervisors and other Orange County officials of misleading and defrauding buyers of more than \$2.1 billion in municipal securities.

Vasquez resigned about a year after the financial collapse and was never charged with a crime. Two of his fellow supervisors, however, faced civil charges of failing to prevent the bankruptcy. Their cases were later thrown out.

After resigning, Vasquez joined Southern California Edison, where he is now division vice president of public affairs.

The Lesbian, Gay & Bisexual Returned Peace Corps Volunteers, an organization based in Washington, also is "vigorously opposed" to Vasquez's appointment, saying his years in Orange County proved he is "unfit to administer a federal agency with an annual budget of \$275 million."

The group also criticized Vasquez for a 1989 vote against approving housing rights and job protection to people with HIV/AIDS. Vasquez and two other supervisors who voted against the ordinances said they did so because existing state and federal laws already protected people with HIV and AIDS from discrimination.

Those votes negate "his ability to effectively administer the Peace Corps' numerous HIV/AIDS prevention, education and health programs, and to act as a leader in the world fight against AIDS," the group said.

An online petition opposing Vasquez's nomination also was being circulated on a general Web site for former Peace Corps volunteers. It had generated more than 750 names as of late Tuesday.

Vasquez, reached Tuesday in Washington, said he couldn't comment on the hearing or his appointment until the Senate votes.

"I'm honored and if confirmed, I'll look forward to serving," he said.

His wife, Elaine, and son, Jason, were expected to attend the hearing.

Vasquez has remained active in GOP politics and served on the California steering committee for Bush's presidential campaign. He also contributed \$100,000 to the GOP National Committee, money left over from his campaigns.

Assemblyman Lou Correa (D-Santa Ana) organized a letter supporting Vasquez's nomination signed by every Latino member of the California Assembly. The National Assn. of Latino Elected Officials also has backed Vasquez.

"I've known Gaddi to do some good things for the community and he never asked if you were Democrat or Republican," Correa said. "I think he deserves this. I think the Peace Corps gains from his involvement."

## Los Angeles Time – November 15

### ***Vasquez Makes Pitch for Post Hearing:***

Ex-supervisor says that as Peace Corps director he would add volunteers. Senate panel may vote within weeks.

By ROBERT L. JACKSON and SCOTT MARTELLE, TIMES STAFF WRITERS

WASHINGTON -- Former Orange County Supervisor Gaddi H. Vasquez pledged Wednesday that as Peace Corps director he would expand opportunities for Americans to volunteer for service abroad.

Despite the fact that Vasquez's nomination is strongly opposed by some former Peace Corps volunteers, who say the agency should be headed by someone with overseas experience, it appears likely he will be confirmed.

Only three members of the Senate Foreign Relations Committee attended the hearing at which Vasquez, 46, said he would seek to ensure that the 40-year-old agency established by President John F. Kennedy provides a "rewarding opportunity . . . available for more Americans." The panel will probably vote on the nomination after the Thanksgiving break.

A bipartisan group of Californians--Democratic Sen. Barbara Boxer and Rep. Loretta Sanchez of Garden Grove and Republican Rep. Christopher Cox of Newport Beach--already has supported Vasquez's nomination. But a group of former Peace Corps volunteers, headed by former director Jack Hood Vaughn, has expressed opposition, contending that Vasquez lacks experience in foreign affairs and failed to head off the bankruptcy of Orange County seven years ago.

"I'm very pleased that a Californian has been chosen for this honor," Boxer told the panel. "This is not an easy job. But I know Gaddi is up to the task."

The Peace Corps is a \$275-million-a-year agency that fields 7,300 volunteers in more than 70 countries.

Boxer said Vasquez's experience as a local law-enforcement officer "will serve him well in providing for the security of volunteers."

Sanchez said Vasquez "has all the potential to be the greatest director the Peace Corps has had."

Cox praised the nominee as "the right person for this job at the right time who will promote world peace and friendship and a better understanding of the American people."

Cox also defended Vasquez against allegations that he failed Orange County in the months before he resigned as chairman of the Board of Supervisors in late 1995.

Rather, Vasquez was "tested under fire" in helping shape a program for the county that ultimately emerged from its financial catastrophe, Cox testified. Cox attributed the bankruptcy to "the criminal fraud of the county treasurer" and declared that today, "Orange County's bonds are among the highest-rated in the nation."

During his testimony, Vasquez said, in response to questions from Sen. Paul S. Sarbanes (D-Md.), that he and his colleagues "did our utmost to be vigilant as supervisors."

He said he resigned from the board "to focus on my family only after I had achieved the goals and objectives I had set out for the county's recovery, which occurred 24 months after the bankruptcy."

Critics have claimed that Vasquez's resignation came just ahead of a recall campaign and a 1996 grand jury investigation that led to accusations of willful misconduct against two colleagues.

Sarbanes also noted that Vasquez was cited in a scathing 1996 U.S. Securities & Exchange Commission report that accused the supervisors and other Orange County officials of misleading and defrauding buyers of \$2.1 billion in municipal securities, leading up to the bankruptcy in which Orange County lost \$1.64 billion.

Vasquez responded that he strongly disagreed with the SEC report. "I exercised the best judgment I could," he said.

Objecting to the nomination, Vaughn said Vasquez "does not possess the qualifications, leadership tools or the demonstrated financial management skills to head a large federal agency."

Vaughn, who directed the Peace Corps from 1966 to 1969, said a number of volunteers with whom he has communicated share his views.

However, Sen. Christopher J. Dodd (D-Conn.), who chaired the hearing, said that speaking as a onetime Peace Corps volunteer, "there have been a number of Peace Corps directors who assumed office with little hands-on experience who turned out to be superb directors."

Earlier in the day, the committee unanimously endorsed Orange County businessman George L. Argyros as ambassador to Spain, sending the nomination to the full Senate. A committee official said the Senate could vote by mid-December.

The committee approved Argyros' appointment after a sparsely attended, single-question hearing Oct. 31.

His appointment had drawn scattered opposition from Orange County residents upset with Argyros' Arnel Management, the largest apartment owner in the county. The firm agreed in September to pay \$1.5 million to settle consumer complaints that it had illegally kept tenants' security deposits.

Argyros, whose personal wealth is estimated at \$1 billion, recently made it to Forbes magazines' annual list of the 400 wealthiest Americans. The former owner of Air Cal and the Seattle Mariners baseball team has been generous to Republican causes and led a \$30-million fund-raising campaign in California for President Bush in last year's election.