

**Attachment 2**

**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  
his Resignation and the Recall Election  
that was Brought against him**

**November 24, 2001**

## Attachment 2: Gaddi Vasquez and the Recall Election

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## Contents Coalition divided on O.C. recall

GOVERNMENT: Group takes a straw vote after supervisors respond to a list of demands.

**January 12, 1995**

Byline: KATIE HICKOX

The Orange County Register  
Credit:

A group of about 100 residents was divided Wednesday in a straw poll on whether to recall the county Board of Supervisors.

The Committees of Correspondence, a coalition of activist groups from 31 Orange County cities, last month asked supervisors to agree to a list of demands after the county declared bankruptcy.

In a meeting Wednesday night at Orange City Hall, the group discussed the supervisors' response to their demands and took the straw vote.

Among the group's demands, including two added this week:

Supervisors avoid raising taxes.

Supervisors reduce their base salaries by 10 percent and cut staff expenses in half.

Supervisors immediately appoint John Moorlach, a defeated candidate who predicted the financial crash, as treasurer.

Supervisors fire County Administrative Officer Ernie Schneider.

All supervisors responded to the request either in written statements or in telephone calls, the group's representatives said. Not all addressed each of the demands.

In the straw vote, just under 40 people who said they were from board Chairman Gaddi Vasquez's district supported his recall.

Vasquez, in a letter to a committee member, said he will reduce his salary 5 percent, pay for his own gas for a county car, and cut his office expenses by 25 percent.

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A handful of people supported recalls of Supervisors Marian Bergeson, Roger Stanton, William Steiner and Jim Silva.

Bergeson, Silva, Stanton and Steiner also agreed to staff cuts. Stanton has said he would cut his salary by 5 percent, and Steiner proposed term limits for county supervisors.

Leaders of the group, including founder Bill Mello, opposed a recall, saying it would delay attention to the county fiscal crisis.

The Orange County Register

## The outcry is 'recall'

Group targets two for ouster

GOVERNMENT: Angry residents say the threat can be leverage to persuade leaders to be more responsive.

**February 2, 1995**

Byline: RICKY YOUNG

The Orange County Register  
Credit:

A citizens group voted Wednesday night to proceed with recall drives against Orange County Auditor-Controller Steve Lewis and Board of Supervisors Chairman Gaddi Vasquez.

"Steve Lewis, step down now," said accountant Snow Hume of Fullerton, who launched a successful recall drive against three City Council members in Fullerton last year. "You have failed in your job."

The Committees of Correspondence, a countywide watchdog group, considered recalling six officials in the aftermath of Orange County's bankruptcy and voted to target only two \_ for now.

Group leaders \_ often limited to three minutes of comment at government meetings \_ instead took the big leather seats usually occupied by the Orange City Council.

About 200 group members and other supporters cheered at the mention of recalls, booed at the mention of leniency and told one man to sit down when he said county government has been responsive since the crisis.

Lewis received the most invective, as he was charged with being an auditor-controller who didn't audit or control much of what former Treasurer Robert L. Citron did before stepping down last month.

After Hume spoke, about 95 percent of the audience stood in favor of recalling Lewis.

One of the most pointed critics of Lewis was Supervisor Roger Stanton \_ the only supervisor to attend the meeting Wednesday.

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Stanton told the group about his efforts at a supervisors meeting earlier in the day to get Lewis to admit that he did not warn the board of problems in the county treasury. Lewis prepared a critical audit in 1993 that was not put on the board's agenda.

Stanton held up a 17-page transcript of his questioning of Lewis.

"You have to be dead not to understand that if something's wrong, you take action. If you were sitting next to me and had known all that, you darn well would have done something about it," Stanton told the crowd. "You wouldn't sit on your hands."

Vasquez and Lewis did not return phone calls after the meeting.

After the Lewis vote, the group broke into five groups \_ by districts \_ to consider recalling the five supervisors. Only the Vasquez group of 70 decided to move forward; the vote was 50 for, 20 against.

"He's unresponsive," said Dolores Seroy of Santa Ana, who voted for recall. "He's a tap dancer. He talks a good talk, but he doesn't walk a good walk. I want to see some action \_ and I haven't seen it."

Bob Anderson of Fullerton also supported the recall.

"I'm fed up with politics as usual," Anderson said.

About 40 people in the Supervisor Bill Steiner group opted to meet with him to reinforce their demands, rather than move toward recall.

No one in the 20-member Supervisor Jim Silva group, and four out of 25 people in the Supervisor Marian Bergeson room, voted for recall. The two took office a month after the bankruptcy.

About three of the 35 people in the Stanton group favored recall. Stanton did not attend that portion of the meeting, but an aide did.

Several people who opposed recall said they wanted to keep the prospect as leverage to make supervisors more responsive.

"A recall is a powerful weapon," said Bill Ward of Costa Mesa. "But you can only use it once, and then you're left defenseless." CHART: RECEIVING RECALL CONSIDERATION

The Committees of Correspondence on Wednesday night evaluated the performance of the top Orange County officials, with an eye to whether these are the best leaders to solve the fiscal crisis. Here's where each official stood last

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night with the group, after the issues were debated. The group will begin organizing efforts to recall Lewis and Vasquez.

### RECALL TARGET

#### STEVEN E. LEWIS

Auditor-controller

Born: Aug. 4, 1942 in California

Residence: Irvine

Experience: Elected to his post in 1986 and ran unopposed for re-election in 1990 and 1994. Before that, he worked for 25 years in the assessor's office.

Role: Has come under fire for not giving Board of Supervisors explicit, eye-opening warnings of his findings in a 1991 audit of Treasurer Robert Citron. Also has been criticized for not being more hands-on in his oversight.

Represents: Entire county

### NOT A RECALL TARGET

#### ROGER STANTON

Supervisor

Born: May 23, 1937 in Illinois

Residence: Fountain Valley

Experience: Longest-tenured supervisor. Elected in 1980 after serving seven years on the Fountain Valley City Council.

Role: Unveiled ballyhooed "white paper" on county government, recommending many reforms he had rejected when the Grand Jury suggested them several years ago. Among them: a more centralized executive officer. He is being targeted separately for recall by a former political rival.

Represents: East Garden Grove, Westminster, Fountain Valley, Santa Ana

### NOT A RECALL TARGET

#### JIM SILVA



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Supervisor

Born: Jan. 15, 1944 in California

Residence: Huntington Beach

Experience: Elected to the board last year in a blistering campaign that cost \$331,000. Previously was a Huntington Beach councilman. Role: Has been most visible in his opposition to the cost \_ but not the quality \_ of public-relations work for the bankruptcy. Questioned a \$250,000 bill from the firm for December alone, and the contract has been delayed twice.

Represents: West Garden Grove, Cypress, Los Alamitos, Seal Beach, Huntington Beach, Costa Mesa

A RECALL TARGET

GADDI VASQUEZ

Board chairman

Born: Dec. 22, 1955 in Texas

Residence: Orange

Experience: Started his career as an Orange police officer. Elected to the board in April 1987. Elected in 1988 and 1992.

Role: Was not chairman when the bankruptcy happened, but took over the clean-up job this year. Has taken steps to open the process to the public, including moving one meeting a month to the evening. Represents: La Habra, Brea, Yorba Linda, Fullerton, Villa Park, east Orange, Lake Forest, Mission Viejo

NOT A RECALL TARGET

WILLIAM STEINER

Supervisor

Born: April 26, 1937 in Iowa

Residence: Orange

Experience: Appointed to the board in March 1993, and elected last year. Former Orange councilman and former president of the Orange Unified School

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District. Was head of the Orangewood Children's home for the county's abused and neglected children. Now teaches class on child-abuse at Chapman University.

Role: Considered aggressive questioning of the treasury in April, but was talked out of it by emissaries of county administrative and treasury staff.

Represents: west Orange, Placentia, Anaheim, Buena Park, La Palma NOT A RECALL TARGET

MARIAN BERGESON

Supervisor

Born: Aug. 31, 1925 in Utah

Residence: Newport Beach

Experience: Elected to the board last year, after 10 years in the state Senate and six years in the state Assembly.

Role: Was in the Legislature when bills passed allowing Treasurer Robert Citron to make riskier investments. His investments were below ratings required by those laws, she says.

Represents: Irvine, Tustin, Newport Beach, Laguna Hills, Laguna Niguel, Laguna Beach, San Juan Capistrano, Dana Point, San Clemente Graphics reporting: RICKY YOUNG

The Orange County Register

## Recall backers turn to proven team

CITIES: Leaders of last year's successful Fullerton recall offer tips.

**February 2, 1995**

Byline: JESSICA CROSBY

The Orange County Register  
Credit:

Last year, the Fullerton Recalls Committee snuck up on the Fullerton City Council and ousted three members.

This time the targets are juicier \_ embattled Orange County Supervisor Gaddi Vasquez and Auditor-Controller Steve Lewis \_ but the element of surprise is gone.

As anger over the bond debacle grows, the Committees of

Correspondence is counting on the Fullerton group for guidance on how to keep voter outrage going long enough to reform the Hall of Administration.

"There's a lot of tricks you have to play when it comes to recall," said Bill Mello of Huntington Beach, a leader in the countywide committee. "They can tell us a lot."

Wednesday night, Fullerton recall architects Bruce Whitaker and W. Snow Hume were on hand to offer their advice to the watchdog group.

Start early was one recommendation. When the Fullerton activists started their drive in July 1993, signatures weren't due until early 1994. But in the fall, the group had to switch from a precinct-by-precinct attack to random sign-ups at supermarkets to meet the deadline with a comfortable buffer.

For the countywide group, getting recall signatures could be even tougher. They'll need to identify petition signers by county supervisorial districts comprising several cities. And some cities are in more than one district. Voters will have to be classified by ZIP Code.

Whitaker said the drive needs to be done swiftly to capitalize on voter outrage, which wanes as time goes by. The Fullerton group kept alive the issue of a controversial utility tax by encouraging members to write letters that would keep the debate in local newspapers' editorial pages. Mass mailings every few months

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helped inflame recall sentiment.

"You have to raise the issue to the public at large in order to advocate a change," he added. "By putting the issue in the paper we got more passive members in the public to go through the mental gymnastics of the debate."

Another challenge comes from within. The countywide group's members span 13 different organizations in 41 cities. Only recently did they organize with five captains to lead members in each of the supervisorial districts.

Fullerton experts estimate it would take at least 10 months to complete a countywide recall. Fullerton's recall took almost a year and cost the group about \$27,000. Ousting bigger fish is expected to cost many times that amount.

This effort might get a boost from an unexpected source \_ county employees none too happy with their bosses.

"The countywide argument may be better," Whitaker said. "Even employees are saying, 'Off with their heads.' "

The first Committees of Correspondence formed in Boston in 1772 at the suggestion of Samuel Adams. Its role \_ to keep Massachusetts towns in touch with one another in their struggle to uphold the rights of colonists.

Whitaker has a similar goal.

"They look to us as someone who's walked a mile in those shoes," he said.

The Orange County Register

## Orange County burns, Gaddi fiddles

**February 3, 1995**

Byline: Harold Johnson

The Orange County Register  
Credit:

O.J., O.J., O.J., O.J., O.J.

Now that I've got your attention, I'm going to talk about politics, taxes, and the trials of being an Orange County supervisor now that the job no longer guarantees getting an ovation when you wave and flash your teeth at the Rotary Club luncheon. red the other night at a meeting of the Committees of Correspondence, a fast-growing taxpayer-action group.

It would have been easy to provide sign language for the gathering; all you needed to know was one word: Recall.

Even if the county bankruptcy hadn't happened on Gaddi's watch, at least some of this anger would be understandable, considering the slo-mo way the supervisors have responded to the crisis. It's been two months since the financial blowup, and what have the Gang of Five done? They've given county administrator Ernie Schneider, the chief booster of ex-Treasurer Citron, a paid vacation with the promise of a new county job on his return. Beyond that bold move, plenty of talk, talk, talk.

Among those growing impatient is Chris Norby, mayor pro tem of Fullerton. He's seriously weighing a run for Vasquez's

supervisory seat. The election is March 1996, but Norby says he'll decide in the next week or so. His campaign theme would amount to 24-karat conservatism: Turn on the liposuction machine; cut the size, scope, cost, and landed wealth of county government.

In other words, at long last let this supposed bastion of conservatism live up to its reputation. Let Orange County be Orange County.

Where do they find these guys? Recently the Register's Dan Froomkin interviewed one Dr. Henry Pontell, a UCI professor of criminology and society, on the subject of the county's fiscal fix, and the good doctor seemed to propose applying leeches to the patient. Orange Countians aren't paying enough in taxes, was the clear implication I drew from his lecture.

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"The constant line now is we're not paying too much; government is spending too much," said the professor. "But when we expect the kinds of services that are provided here in Orange County, which are generally very good, and we don't want politicians coming back to say we need more money to do these things, that's putting officials in a very precarious position." (Meaning, I take it, that our pols were cornered into relying on Citron's gambling in order to compensate for taxpayers' stinginess).of states in terms of the taxes imposed at the state level, puts California at No. 11 nationwide. And when it comes to the Western states, we can bellow, "We're No. 1!"

The "tax burden per household" in the Golden State is \$4,451, according to the Tax Foundation, compared to \$3,137 in Oregon, \$3,689 in Arizona, \$3,995 in Nevada, \$3,417 in Colorado \_ to name just four states to which financially stressed Californians have been fleeing in record numbers in the past few years.

And that per-household average for California underestimates the tax burden in Orange County, where land costs are unusually steep, Mello-Roos fees stick it to young families who buy in newer neighborhoods, and the sales levy, at 7.75 percent, is higher than all neighboring counties except Los Angeles. Add the state's own stratospheric auto-registration fees and a Matterhorn-like corporate tax that's passed on to consumers in higher prices, and the suggestion we're somehow undertaxed ought to come with its own laugh track.

Suggesting that Orange Countians are somehow selfish for not wanting to pony up more is like saying the coal miner in Ernie Ford's song was lazy because he hauled only 16 tons, not 17.

It seems the supervisors have agreed to name no more air terminals or parks or jails after living politicians. I'd have been satisfied if, instead, they sought to raise money by getting commercial tie-ins with some of these names. For instance, that park they've christened for a certain female ex-supe? Why not call it the Harriett Wieder-Earl Scheib park?

Or if they wanted to keep naming things after each other, they could merely fasten the plaques in a way that would make them more easily removable \_ say, in velcro.

Mr. Johnson is a Register editorial writer and a contributing editor of National Review West. Readers can reach him at (714) 953-7823.

The Orange County Register

## **GOP vs. GOP: Conroy to run against**

Vasquez

POLITICS: In toughest challenge yet to a bankruptcy-tainted supervisor, "friend" tells Vasquez: You're going down.

**February 18, 1995**

Byline: JEAN O. PASCO

The Orange County Register  
Credit:

Gaddi Vasquez, a onetime Republican rising star who twice addressed the GOP's national convention, drew a second challenge from within his own party Friday when Assemblyman Mickey Conroy announced he wants Vasquez's seat on the Orange County Board of Supervisors.

Conroy's challenge \_ from a fellow Republican with an

established power base in Vasquez's district \_ is the most direct assault yet on a member of the Board of Supervisors at the helm when the county suffered crushing losses in its investment fund, forcing the nation's largest-ever municipal bankruptcy.

"Gaddi and I are friends, but friendship and reality are two different things," said Conroy, 67, of Orange. "People have asked me to run because they're disenchanted with what we have now. Gaddi is damaged goods because of the bankruptcy."

Perhaps best known for his proposals to allow spanking of unruly schoolchildren and courtroom paddlings of graffiti-spraying teens, Conroy criticized Vasquez and his supervisorial colleagues for failing to protect the county's finances and spending too much time blaming others for the \$1.7 billion loss in its investment-fund collapse.

"A friend can take you down or an enemy can take you down, but the bottom line is you're going down," said Conroy, who accelerated his plans after Fullerton Councilman Chris Norby announced Thursday that he intends to run for Vasquez's seat. This is Conroy's last Assembly term because of term limits.

Thomas Fuentes, chairman of the Orange County Republican Party, said opposition is inevitable to Vasquez and Supervisor Roger Stanton, also up for re-election in March 1996. A recall campaign against Stanton was launched

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last month.

"With the damage done to board members by the bankruptcy, it is a rather natural political evolution," Fuentes said. "I would imagine that the citizens of Orange County would take glee in the mental picture of Mickey going after those county bureaucrats with one of his wooden paddles."

But Vasquez, 40, isn't ready to have his political obituary written.

He said he had a friendly conversation Friday with Conroy, whom he's known for 15 years and endorsed for the Assembly. He said he intends to run for re-election and has about \$300,000 in campaign cash.

"I respect his prerogative to do this," said Vasquez, who said he expects more challengers to line up critical of his role in the bankruptcy.

Since the bankruptcy broke Dec. 6, Vasquez has been threatened with recall by citizen groups, urged to step down by some business leaders, and found himself the target of a maelstrom of criticism ranging from the county's GOP power structure to district voters.

Doy Henley, president of the GOP powerhouse Lincoln Club of Orange County, said Vasquez is vulnerable and "he's going to have a tough time" winning re-election if he runs. However, he said Vasquez "has a role to play" in restructuring county government and said re-election challenges at this stage are premature.

Vasquez had been considered a rising star since his appointment to the nonpartisan board by former Gov. George Deukmejian in 1987, when the former Orange police officer was 32. Vasquez was a Republican National Convention keynoter in 1988 and 1992, years in which he easily won four-year terms on the local board. His name often arose whenever a top office in California seemed ripe for GOP picking.

But Vasquez also has been criticized for being too cautious, overly sensitive to criticism and overly protective of a career that could be stalled at the county level without political risks. Most recently, he declined to take a position on Proposition 187, the successful measure that would cut all but emergency services for illegal immigrants.

Irvine political-science Professor Mark Petracca, a Democrat, said replacing Vasquez with Conroy would be "replacing the king of equivocation with the prince of paddling."

"Conroy's part of the old-boy network," he said. "Look what the old boys got us. The last thing this county needs is someone whose part of the inside political



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gang."

Last month, Conroy was named Legislator of the Year by the county Republican Party, partly because he raised and distributed \$100,000 to Republican candidates in the past year, Fuentes said.

But Conroy insisted Friday that he's not part of a political hierarchy, saying he bucked the establishment in 1991 with his run for the 71st District Assembly seat. He said he managed to win with grass-roots support from veterans and community groups, not because of political favors.

He said he opposes a sales-tax increase to help the county ease its financial crunch.

He also said a pending sexual-harrassment complaint against him by a former legislative staffer is pending and won't interfere with his plans to run.

Register staff writer James V. Grimaldi contributed to this report.

## PROFILES IN CRISIS

O.C.'s bankruptcy has forever changed  
the lives of its supervisors

**May 8, 1995**

Byline: TERI SFORZA

The Orange County Register  
Credit:

GADDI VASQUEZ

"The supervisors are good for only one thing - naming parks and airline terminals after each other."

RUSS McDONALD, a trucking dispatcher from Garden Grove Board Chairman Gaddi Vasquez has hung his head and whispered "Why me?" only once in public since Dec. 6: when a transvestite who described himself as homeless and mentally disturbed sashayed into a Board of Supervisors meeting, heavily made up and with bows in his hair and dangly earrings.

Certainly adversity is not alien to him. "I have been in crises before," said Vasquez, 40, who was born to poor migrant farmers. "But not anything like this."

Sometimes Vasquez carries the burden of bankruptcy almost visibly \_ on his face, on his shoulders. "The latter part of 1994 has become a blur of days rolling into each other. I had to stop and say, 'Is today Tuesday? Monday? Wednesday?' It's something I've never experienced before in my life.

"I approach public service as an honor," said Vasquez, who spends 18 hours a month working as a reserve police officer for the city of Orange \_ for free.

"That's why this has been particularly painful for me. I've gotten hate mail. Racial hate mail. I've gotten letters that you couldn't print. I've learned lessons in how quick people are to pass judgment and condemn without the benefit of facts and information.

"But it's also made me a stronger person. I've had to make some tough decisions, but I'm at peace with the decisions. Because they've come after a lot of soul-searching."

The Republican Party has had great plans for Vasquez \_ plans rumored to reach

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to the California governor's mansion in

Sacramento, to the great halls of power in Washington, D.C. So, what of the political career that seemed so bright just a few months ago?

"Only the good Lord knows," Vasquez said. "I'm a person who has great personal faith in God. I've always believed that he is the ultimate architect of our lives. And that's why I don't worry about me.

"This is a strong county with tremendous economic strength and potential. That's why I'm confident we're going to recover. I want to be a part of that. Everything has a purpose in life, I guess." (CHART)

Gaddi Vasquez

Born: Dec. 22, 1955, in Texas

Residence: Orange

Experience: Started his career as an Orange police officer. Appointed to the board in April 1987. Elected in 1988 and 1992. Represents: La Habra, Brea, Yorba Linda, Fullerton, Villa Park, east Orange, Lake Forest and Mission Viejo

ROGER STANTON

"County government the way it is now is something that made a lot of sense 100 years ago. So did the buggy whip. It doesn't make a lot of sense now."

WILLIAM POPEJOY, the county's chief executive officer

When angry people began screaming for the heads of the supervisors, Roger Stanton was the lone official venturing into a Committees of Correspondence meeting \_ the very people threatening him with recall. He managed to quell the crowd with an impassioned vow to bring those responsible for the debacle to justice.

"It was a bitter experience, certainly, the first month," Stanton said. "We are elected to represent the people and do the best we can. We are not elected to be punching bags."

But the abuse was something he resolved to accept. "It was almost like walking through a gantlet. Sometimes I look back and wonder if I could do it again. Five months later, I just thank God I had the strength to make it through. It took a toll, certainly, in my personal life."

In the chaos, family rituals and obligations \_ like working out at the gym with his

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sons \_ fell by the wayside.

"I would come home very late. A lot of days I was at the office until 11:30 at night or midnight. And my sons would say, 'Dad, what's this all about? Your time isn't your own. Why do people expect you to carry the whole burden on this?'"

"The good part was that I saw how much they loved me and were concerned about me. They saw I was going through a great deal of pain. I wouldn't want to repeat that period. I'm grateful it's over. But I feel a lot stronger because of it. It's cowardly to throw your hands up in the air and quit and say, 'I don't want to be here anymore.'"

"This is the least-fun period of my life. But you have to work with it. You're not elected just to have fun and games. You're elected to deal with problems. And this is the biggest problem any local government has been dealt."

Roger Stanton

Born: May 23, 1937, in Illinois

Residence: Fountain Valley

Experience: Longest-tenured supervisor. Elected in 1980 after serving seven years on the Fountain Valley City Council.

Represents: East Garden Grove, Westminster, Fountain Valley and Santa Ana

MARIAN BERGESON

"I don't think those persons down there can be trusted. I wouldn't guarantee a loan to anybody who screwed up like they screwed up." - STATE ASSEMBLY SPEAKER WILLIE BROWN

For weeks, Carol Walters of the anti-tax Committees of

Correspondence took the microphone to warn the four other supervisors that Marian Bergeson was in cahoots with state Assembly Speaker Willie Brown, and together they were plotting to overthrow the county.

Bergeson endured in silence. How to explain that she, a powerful Republican, and Brown, a powerful Democrat, had been archenemies in Sacramento?

"I had never witnessed this type of hostility," she said. "This type of anger is difficult to respond to."

Like some of her colleagues, Bergeson has retreated into a shell.

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"In the beginning there was never any time to do anything personal, and now you don't want to go out anyway. Social functions \_ I used to love going out \_ but you just don't want to do it. I used to love to shop \_ but not now, not even on weekends. I have someone who picks things out for me. I just tell her what I want," she said.

Bergeson still had two years left on her state Senate term when she decided to leave Sacramento for a "career-capper" as county supervisor.

"I was watching television on Dec. 6, 1994, and I heard a word I thought I would never hear \_ the word 'bankrupt,'" Bergeson said, shaking her head faintly. "It was complete shock \_ and I realized I was taking office in about a month. Rather than sugar plums dancing in my head over the holidays, I had derivatives and reverse repurchase agreements."

The "nasty, nasty, nasty" letters began immediately \_

threatening recall before she even took the oath of office. "Usually when you first take office, you have a honeymoon period. Here I was annulled before I was sworn in."

Bergeson, at 69, isn't worrying much about her political future. She has even floated the idea of abolishing the Board of

Supervisors altogether in favor of an elected county mayor.

"There's a challenge here, and I think it's important that people be willing to accept this responsibility without any glory or the trappings that go with it," Bergeson said. "If we do the job we should, there's great satisfaction having been a part of the solution."

Marian Bergeson

Born: Aug. 31, 1925, in Utah

Residence: Newport Beach

Experience: Elected to the board last year after 10 years in the state Senate and six years in the state Assembly.

Represents: Irvine, Tustin, Newport Beach, Laguna Hills, Laguna Niguel, Laguna Beach, San Juan Capistrano, Dana Point and San Clemente

WILLIAM STEINER

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"You appear to me like members of a discredited regime who have taken off their uniforms in attempting to hide among the public to avoid responsibility."

- ATTORNEY STEPHEN D. JOHNSON

William Steiner remembers calling his mother when Gov. Pete Wilson appointed him to the Board of Supervisors in 1993.

"She said, 'Oh, Bill. Why would you want to do that? You have such a good reputation as the director of Orangewood.'"

Surveying his fifth-floor office at the Hall of Administration, Steiner sighed. "How prophetic," he said.

He hoped to use his office as a bully pulpit for children. "On Dec. 6, all of those hopes seemed to collapse," he said.

"I've certainly dealt with angry people before, but never on this magnitude. It's devoid of any sense of humanity or respect. My emotions range from wanting to push the individual, to telling them to take this job and shove it, to trying to consider the source and not worry about it.

"When Gaddi and Roger were viciously confronted by (Cary Stuart Sontag), I was sitting on my hands, waiting for him to turn on me. My heart was racing, and I thought, 'Here I am, with all that I think I've done for the community that I can point to with pride, and it's all going to go down the drain in front of 300 people.' "

After December's marathon of 16-hour days, six and seven days a week, he developed chest pains and numbness in his left arm and fingers. He went to the hospital for heart tests.

"I wasn't sleeping," he said. "I did some real soul-searching on whether I should resign, whether it was worth paying this price. I figured I was a walking coronary bypass. My dad died at 60, and I'm 58 \_ I had been very concerned about my longevity."

In March, Steiner underwent another battery of tests, including an artery scan at Harbor UCLA Medical Center. A tense week passed before he got the results. The numbness was stress-related and his doctor ordered him to relax.

"Since getting that medical clearance, I've gotten a second wind and I'm a more optimistic man," Steiner said.

"The threat of a recall is not intimidating to me at all. I have a strong sense of duty, and I would really like to see this thing through. I would rather not be judged by the mess of how all this happened, but by my contribution to the recovery."

## Attachment 2: Gaddi Vasquez and the Recall Election

William Steiner

Born: April 26, 1937, in Iowa

Residence: Orange

Experience: Appointed to the board in March 1993, and elected last June. Former Orange councilman and former president of the Orange Unified School District. Was head of the Orangewood Children's Home for the county's abused and neglected children. Now teaches at Chapman University.

Represents: West Orange, Placentia, Anaheim, Buena Park and La Palma JIM SILVA

"If three supervisors resign, it just means we only have to recall two when this is all over."

- BILL MELLO, of the Committees of Correspondence

Jim Silva was still on Huntington Beach's City Council when the county bankruptcy hit. When he raised his right hand to take the oath of office as supervisor Jan. 4, it was with the knowledge that he faced a task, and a wrath, unlike any faced by local government.

"I got letters demanding my resignation from the Board of Supervisors before I was even sworn in," he recalled wryly.

"When people are screaming, I really feel that they're upset with the position of supervisor, not with Jim Silva. I'm able, for the most part, to separate that."

To relieve the stress, Silva works out at home with weights and a stationary bike about three times a week. "My wife has managed to build the family schedule around my supervisor's duties," he said. "But there are days I really don't see my daughter at all.

"My job is to get the county back up and running. I don't waste time pointing fingers at who is responsible. I really feel the district attorney is taking care of that aspect of the problem.

"The one thing that really keeps me going is I know the county will not dry up and blow away. The county has a very strong economic base and a very strong real estate base. With those two things going for it, I know we'll be back stronger than ever." Jim Silva

Born: Jan. 15, 1944, in California

## **Attachment 2: Gaddi Vasquez and the Recall Election**

Residence: Huntington Beach

Experience: Elected to the board last year in a blistering campaign that cost \$331,000. Previously was a Huntington Beach councilman. Represents: West Garden Grove, Cypress, Los Alamitos, Seal Beach, Huntington Beach and Costa Mesa



## O. C. FINANCIAL CRISIS

### *TOP SECURITY*

**May 13, 1995**

Byline: The Orange County Register

Credit:

Two security gates now greet visitors as they get

off the elevator to visit the Board of Supervisors on the fifth floor of the Orange County Hall of Administration.

The \$3,492 security system requires a receptionist to buzz visitors in. Board Chairman Gaddi Vasquez said the system will add "flow control" because the reception area will have one staff member instead of three after budget cuts.

"They do this in the private sector, too," Vasquez said. "You can't just walk past the reception area and mosey around."

The county also printed up about 25 laminated visitor passes at a cost of 75 cents each, Vasquez said.

**PAY CUT:** County Clerk-Recorder Gary Granville has taken a voluntary 10 percent pay cut on his \$83,000 annual salary. Granville said the move was motivated in part to show his support for the Measure R half-cent sales tax which will be decided by voters on June 27.

**ANTI TAX:** The Lincoln Club of Orange County Friday voted to oppose the half cent sales tax proposal on the June 27 ballot. "Our members are pro-business, believe in less government, and are not interested in any additional taxes," said Lincoln Club President Doy Henley. "We are not convinced that enough has been done to down-size, reform and restructure county government in the five months since the bankruptcy."

The Lincoln Club also promised \$5,000 to "Citizens Against The Tax Increase."

The Orange County Register

## Supervisor Vasquez won't seek

re-election

POLITICS: The star Republican's popularity suffered with O.C.'s bankruptcy filing.

**June 15, 1995**

Byline: JEAN O. PASCO

The Orange County Register  
Credit:

Orange County Supervisor Gaddi Vasquez, once touted as a

Republican star with abundant potential, announced Wednesday that he won't run for re-election.

Vasquez's buoyant political career collapsed with the county's loss of \$1.7 billion, sparking a whirlwind of voter outrage that threatened to sweep him and other supervisors from office.

Asked what he planned to do upon leaving office, Vasquez, 40, said, "Only the good Lord knows." He plans to leave politics when his term expires in December 1996.

Vasquez said he began re-evaluating his eight years on the Board of Supervisors well before the county's Dec. 6 declaration of bankruptcy. Since then, he has watched as his once-strong popularity plummeted in his central-county district. He said he announced his plans now because supporters wanted to know when his campaign would begin.

Assemblyman Mickey Conroy, R-Orange, announced in February he would run for the seat.

Political observers throughout the county said the decision wasn't unexpected for Vasquez, who began his public-service career 21 years ago as an Orange police officer.

"It's tragic," Republican activist Buck Johns of Santa Ana Heights said. "He's one of the most gifted guys to come along. I think he's a casualty of the bankruptcy. Gaddi did a great job. He needs a rest and change of scenery."

Government watchdog Shirley Grindle of Orange said supervisors have been

## **Attachment 2: Gaddi Vasquez and the Recall Election**

incapable of dealing with hard decisions resulting from the bankruptcy because they fear jeopardizing their political futures.

"In the big picture, it's probably the best thing for the county," she said. "I think some of the other supervisors should follow suit."

## Vasquez's retirement plan called savvy by observers

POLITICS: Stanton is now likely to become a lightning rod for anti-government critics in the wake of the Vasquez's announcement.

**June 15, 1995**

Byline: CHRIS KNAP; ROSALVA HERNANDEZ

The Orange County Register  
Credit:

Most of the invective aimed at Orange County Supervisor Gaddi Vasquez was redirected Wednesday to the two other supervisors on duty when ex-Treasurer Bob Citron drove the county's finances over a cliff.

The consensus of a broad spectrum of observers was that Vasquez's decision not to seek re-election was at least savvy, and possibly public-spirited. Some spoke highly of his contributions. Others said he had never lived up to his promise.

But most everyone agreed that 14-year Board of Supervisors veteran Roger Stanton now takes over the hot seat as the most visible example of a government that should have done better.

To a lesser extent, critics said, they will focus on Supervisor William Steiner, in office just two years when Citron's fund blew apart.

"Whether they like it or not, the bankruptcy happened on their watch. They had their shot and they didn't do very well. It's probably the best thing for all concerned for them to finish their term and get out," said Shirley Grindle, a longtime county government reformer.

Stanton and Steiner said they intend to rise above armchair critics, although neither would say for certain that they intend to seek another term.

"This is a dangerous time," Stanton said. "There's a tendency for special interests to try to separate the elected people from those they represent. We've got to be sure that we still have viable representation and a democratic process. There's a threat to that right now."

In a skeptical, post-Citron Orange County, many observers questioned Vasquez's

## **Attachment 2: Gaddi Vasquez and the Recall Election**

decision to announce his board retirement \_ just two weeks before a controversial bailout tax comes to a vote.

"I think he has some place else planned to go. I think this is just a plan to get people to vote yes on R, and I don't think people are that dumb," said Carole Walters, an Orange taxpayers' advocate.

"He was reading the tea leaves and he realized his patrons aren't on his side anymore," said Mark Petracca, a political-science professor at the University of California, Irvine. "It reminds me of people given the opportunity to commit suicide before they are executed."

Grand jury Foreman Mario Lazo said Vasquez "may well be anticipating the results of the next election, but my personal opinion is that this is a noble thing."

Although recognized as one of the nation's most prominent Hispanic politicians, Vasquez was also criticized by local activists.

Arturo Montez, of the Santa Ana chapter of the League of United Latin American Citizens, criticized Vasquez for failing to appoint minorities to public boards or to take a stand on anti-immigration Proposition 187.

"He was the first Latino to come from a white district, and that carried a lot of influence," Montez said. "It's not about being Republican or Democrat, it's about your roots and who you are and what you do with it.

"It was an opportunity that was lost. To us (Hispanics), he became a false prophet."

But John Palacio, a director of the Mexican American Legal Defense and Education Fund, said Vasquez remained close to the community, sitting on the boards of three local groups that work to empower Hispanics.

Palacio estimated that it will take at least six years before the Hispanic community is strong enough politically to elect another Hispanic to the Board of Supervisors.

"His loss will be felt. A door that was once open to us is now closed again," he said.

Capt. Gene Hernandez of the Orange Police Department, who has known Vasquez for more than 20 years, said many of Vasquez's contributions have been forgotten in the finance crisis.

"Despite the furor and the negativity, Gaddi has had a very calming effect during this crisis and clearly that will be missed. I think he recognizes that regardless of what he does now, there's too much taint, and the county needs to move on. I

## **Attachment 2: Gaddi Vasquez and the Recall Election**

commend him for that, but the county will miss a true leader."

Bruce Whitaker, a spokesman for the Committees of Correspondence, expressed sympathy for Vasquez late Wednesday. "Everything we've found shows that they are not totally responsible for what happened. They screwed up, no doubt about it. But there are a lot of others in county government who share the blame."

Register staff writers Teri Sforza, Jeff Kramer, and Jean O. Pasco contributed to this report.

The Orange County Register

## Vasquez explains decision

GOVERNMENT: The supervisor says he began wondering whether to seek re-election before the county's financial disaster.

**June 15, 1995**

Byline: JEAN O. PASCO; TERI SFORZA

The Orange County Register  
Credit:

He was facing a potentially rough re-election campaign. Voters were increasingly cynical and distrustful. The job he'd campaigned for was changing, its power squeezed by tighter budgets and shrinking constituencies.

So Supervisor Gaddi Vasquez began considering last year whether to run again in March 1996. Then the county bankruptcy hit.

Vasquez announced Wednesday that he won't seek re-election to the seat he was appointed to fill in 1987. He said the reasons were personal, not political, and preceded the county's Dec. 6 declaration of bankruptcy.

"To be personally fulfilled, I need to work with people and be of service in some form but still have time in life to do other things that I enjoy," Vasquez, 40, said. "This is a job that consumes you. If you accept every invitation, you're out seven days a week. As we get a little older, our values and priorities change a bit."

His decision caps a political career that saw him sworn in standing next to his parents, former Texas migrant workers; delivering fiery speeches in front of two national Republican conventions; being touted for virtually every statewide office; and jetting to Washington D.C. and abroad to receive accolades.

His eight years in office also saw him standing before rooms full of teen-agers urging them to stay in school, reaching out to young Hispanics with a message that, if he could do it, they could too.

Vasquez said he was flattered and often amused by the attention focused on him by a description that at one time almost became tattooed to his name: the highest-ranking Republican Hispanic elected official in the nation. But he remained constant in the reason he decided not to seek higher office: he and his wife, Elaine, wanted to ensure that their 15-year-old son, Jason, had a dad close to home.

## Attachment 2: Gaddi Vasquez and the Recall Election

"I'm flattered people have respected my abilities and the personal qualifications I have (for higher office) but in the final analysis, you're the one who knows what's right for your life," he said during a lengthy interview Wednesday in his county office.

"While I enjoy public service, there are other things important to me. There's never been a grand scheme or a grand plan where I said, 'I'm going to serve two terms here and then go on to this.' I didn't set any limits. It was just time to move on to the next phase."

The Republican Party had great plans for Vasquez \_ plans rumored to reach to the California governor's mansion in Sacramento, to the great halls of power in Washington, D.C.

Vasquez's stately mahogany office at the county Hall of Administration is studded with photographs of famous world leaders he has met: Richard M. Nixon, Margaret Thatcher, Shimon Peres. He has devoured the autobiographies of Charles de Gaulle and Yitzhak Rabin, gleaning lessons to guide him through the dark days since the bankruptcy \_ days that have been the hardest of his life.

Amid the famous faces is a photograph of a little boy in front of a ramshackle trailer on a patch of dirt. The boy's hands are thrown up in the air with glee; his father is waving to the camera.

Vasquez was that little boy. That splintering trailer was his home.

"I have been in crises before," he said during an earlier interview on the effect of the bankruptcy, "but not anything like this."

Gene Hernandez, a captain in the Orange Police Department and friend for more than 20 years, said Vasquez has agonized over the bankruptcy, and his role in it, since Dec. 6.

"No one enjoys being publically ridiculed," Hernandez said. "That has to wear somebody down. That's what happened."

Others were less charitable about Vasquez's role and his decision now to step down. Some said his decision was inevitable.

Lincoln Club director Buck Johns said it is doubtful voters would have returned Vasquez to office if he'd tried to run again. He said any supervisor would have trouble getting re-elected faced with overwhelming voter anger.

"It's so sad to see," Johns said. "He's a casualty of the bankruptcy crisis and there's a certain intimidation to the politics of it."



## **Attachment 2: Gaddi Vasquez and the Recall Election**

Vasquez said he'll have no regrets at leaving the political life behind and held out the possibility of another stab at politics. After all, he said, in 10 years, he'll still be only 50 years old.

He also will remain a reserve officer with the Orange Police Department, the force that gave him his first job at age 19.

Deep down, Vasquez is still very much the cop, a man with a taste for law and order, who savors the camaraderie of the corps.

"In politics it's always, 'What is the agenda? What's behind this? Let's study this. Let's analyze,'" he said. "Here there's no reporting back in 30 days. You resolve the problem and move on."

"'Gaddi' means 'fortunate,'" Vasquez said. "I've been blessed. I've done things and seen things that, given that picture there, I couldn't even imagine in my wildest dreams."

Would he recommend the job to new takers?

"As long as you go in with your eyes wide open."

### **PROFILE:**

Gaddi Vasquez

Born: Jan. 22, 1955, in Carrizo Springs, Texas

Residence: Orange

Personal: Married to wife, Elaine; one son, Jason

Education: Bachelor of arts in public service administration, University of Redlands, 1980.

### **Experience:**

Started his career as an Orange police officer, graduating first in his class, 1975-79.

Worked in Riverside City Manager's Office, 1979-80.

Appointed executive assistant to Orange County Supervisor Bruce Nestande, 1980-1984.

Executive at Southern California Edison, 1984-85.

## **Attachment 2: Gaddi Vasquez and the Recall Election**

Worked as an aide to Gov. George Deukmejian in 1985-86.

Appointed to the Board of Supervisors in April 1987 by Deukmejian.

Elected to the Board of Supervisors in 1988 and 1992.

Spoke at the Republican National Conventions in 1988 and 1992. Represents: District 3 including La Habra, Brea, Yorba Linda, Fullerton, Villa Park, east Orange, Lake Forest, Mission Viejo.

## Goodbye, Gaddi

**June 16, 1995**

Byline: The Orange County Register

Credit:

Our instinct and philosophy is to congratulate any officeholder who disdains clinging for dear life to public office, but rather shows a willingness, even eagerness, to relinquish power with head held high, with a positive spirit and optimism about the future.

We're not going to be inconsistent when it comes to a politician with whom we've had some disagreements of late \_ Supervisor Gaddi Vasquez, who announced the other day that he won't seek

re-election. So here goes: Bravo to Mr. Vasquez, whose fundamental decency he has allowed gracefully to surface.

Of course, it would be naive for us not to acknowledge that Mr. Vasquez's re-election chances, following fiasco Citron , look as bleak as, say, Lyndon Johnson's when he decided not to seek re-election in 1968. But for people of mature mind and spiritual peace, misfortunes can have a wonderfully clarifying effect about just what in life is important. This could well be the story with Mr. Vasquez. Certainly the desire to give more time to one's family \_ which Mr. Vasquez claims is his main motivation \_ is laudable, as is the implicit admission that perpetual, uninterrupted service in public office isn't necessarily conducive to psychic health, or, indeed, to the larger health of society.

Along those lines, Mr. Vasquez could serve us all now by making himself a leader in the cause of term limits for county officials \_ for requiring, that is, that other local politicians follow his example. The supervisors shouldn't be allowed to serve more than a couple of terms; nor should the auditor nor the county treasurer; nor should the sheriff/coroner nor the district attorney. Getting new blood coursing through the county corridors of power might be the best insurance against a reprise of our current fiscal nightmare.

For Gaddi Vasquez to become a spokesman for terms limits at the county level might help him start to banish his reputation for too much caution and too little vision. Let's face it, to many observers Mr. Vasquez currently represents tragically unfulfilled promise. He is, on the one hand, a talented orator, a politician of Latino heritage who isn't locked into an ethnocentric mindset but has built networks of support across lines of race or gender; on occasion, he has even given voice to the yearnings of many taxpayers for a leaner, less rapacious government.

## **Attachment 2: Gaddi Vasquez and the Recall Election**

But in practice \_ in the doing rather than the talking \_ too often he's 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. Most famously, he couldn't bring himself to take a position on Proposition 187; and 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.

Isn't it unfortunate how many people have a tendency to politicize every move by a public official? Sheriff Brad Gates and County CEO William Popejoy, for instance, both seized on Mr. Vasquez's announcement as possibly advancing the cause of the Measure R sales tax increase. But their calculation is based on the frankly insulting assumption that most opponents of Measure R are motivated primarily by blind anger \_ anger at the supervisors, anger at county government. If Gaddi's announcement of departure dissipates that anger, runs the thinking, then Measure R's chances improve.

Our own soundings, to the contrary, suggest that opposition to Measure R is broadly based on a perfectly rational assessment by voters of what direction they want government to proceed, what size it should be, and how much it should cost. Orange Countians who have a sophisticated, cosmopolitan awareness of the cost of government in other Western states know we're paying more for the same amount of services \_ or even for a lower quality and amount \_ than people in Tucson, Las Vegas, Santa Fe, Colorado Springs, and other cities to which many ex-Southern Californians have moved in recent years.

It's not rage, but common sense, that would make people look at that disparity and wonder whether it's smart to raise our taxes even higher.

In that sense, we don't expect the Vasquez announcement to figure into the Measure R vote.

But one question concerning Mr. Vasquez might be relevant as people go to the polls. He currently retains a campaign war chest of \$300,000 or more. What is he going to do with that money, which was given to him in the belief he'd spend it on campaigns, not on himself? Will he return it to donors? Or give it to the county treasury \_ perhaps an appropriate possibility, given the fact he thinks the rest of us should pay higher taxes in the form of the Measure R sales-tax increase?

Or how about using it as seed money for a campaign for term limits for county supervisors across the state? It's the latter course that might yet help redeem his reputation and do the public a genuine service.

## Vasquez firm about decision to leave

POLITICS: Some supporters urge him to stay, but the supervisor says it's a done deal.

**June 16, 1995**

Byline: JEAN O. PASCO

The Orange County Register  
Credit:

Supervisor Gaddi Vasquez was waiting to cross Convention Way in Anaheim on Thursday morning after a speech to 600 Russian visitors when a car abruptly stopped in midlane.

"This gentleman rolled down his window and said he'd just read the newspaper. He said thanks for providing great leadership and that it's really unfortunate," Vasquez recalled of the exchange the day after announcing he'll step down at the end of his term next year.

Thursday was filled with calls from well-wishers and a few supporters urging Vasquez to reconsider leaving the office he's held since 1987.

But it was a done deal, a decision Vasquez said really hit him Wednesday night during a fitful sleep filled with images such as an afternoon meeting with a handful of Silverado Canyon residents fretting about their local library, being stopped in stores by awestruck teen-agers who recognized him from a school pep talk, of hateful letters berating him for leading the county to bankruptcy.

"With all the mean-spirited and brutal things that have been said, you have a normal human tendency to start to lose your self-esteem," Vasquez said Thursday afternoon before ducking out of the office for a late lunch.

"When you get calls like I'm getting today \_ and I've been getting good calls for the past six months \_ you have to realize they're not the people who show up at board meetings (to criticize) and write letters to the editor. The response today has been one of great loss."

Does he feel that loss too? He paused. "Yeah," he said.

Vasquez, whose political path once seemed headed toward Sacramento and beyond, said he began considering ending his supervisorial career before the county's Dec. 6 declaration of bankruptcy. Since the financial collapse, his

## **Attachment 2: Gaddi Vasquez and the Recall Election**

popularity has plummeted as anger against the supervisors has swelled.

## Vasquez buffs political image

GOVERNMENT: Once a rising Republican star, Gaddi Vasquez must sort out how to put the O.C. bankruptcy behind him and restart his career.

**July 10, 1995**

Byline: JEAN O. PASCO;TERI SFORZA

The Orange County Register  
Credit:

Board of Supervisors Chairman Gaddi Vasquez firmly announced the new order:

"The board is going to reassert itself as the policy makers of this county," Vasquez said June 28, declaring himself the official spokesman for Orange County and reclaiming some power from charismatic Chief Executive Officer William Popejoy. "Today brings a new way of operating county government."

It was two floors and a world away from weeks earlier, when Vasquez paced idly outside Popejoy's closed office door in the Hall of Administration's third floor, waiting for his appointment to begin.

The study in contrasts came on the heels of Vasquez's

announcement last month that he will not seek re-election in March 1996. He was facing a contentious and costly race against Assemblyman Mickey Conroy, R-Orange, but insisted his decision was personal, not political.

Few, however, expected him to go quietly. And Vasquez's re-emergence in recent weeks \_ issuing edicts to Popejoy instead of the other way around and muzzling the sometimes loquacious CEO \_ confirmed his determination to buff a tarnished image even as he prepared to walk away from office.

Vasquez said Friday that he has one goal until January, when he'll relinquish the chairmanship: Make sure everyone's oars hit the water at the same time.

"My goal is to unify our management, administrative and policy team so we have a solid front that speaks with one voice on implementing the components to end this crisis," he said.

The debate over Measure R, a bankruptcy sales-tax increase defeated June 27, "clouded the operating structure" because so much emphasis was placed on its

## Attachment 2: Gaddi Vasquez and the Recall Election

passage, he said. With the issue settled, Vasquez said, he wanted supervisors to retake the lead on policy issues instead of finding themselves reacting to the revelations of others.

"What we've done is put the situation back into the proper perspective," he said.

As virtual war broke out between Supervisor Roger Stanton and Popejoy in recent weeks, Vasquez emerged as a behind-the-scenes mediator, occupying the middle ground between supervisors who wanted to fire Popejoy and supervisors who insisted Popejoy stay. Vasquez announced the trimming of Popejoy's powers, and a policy shift back up to the fifth floor \_ where the supervisors' offices are.

But some folks aren't convinced the new Vasquez is anything more than repackaging of the old. They fault him and his fellow supervisors for failing to keep proper tabs on the county's finances and aren't convinced anything's changed.

Carole Walters, head of the Orange Taxpayers Association, said she's attended many meetings since the bankruptcy and \_ especially since the June 28 pronouncement \_ hasn't seen any change in leadership. The changes were cosmetic, she said: requiring Popejoy to brief supervisors in weekly meetings, having media calls directed through Vasquez's office.

"I haven't seen him take the ball and run with it," Walters said of Vasquez. "They just wanted to show people they still had power because Popejoy made them look like they had nothing. If Gaddi wants to go someplace else (after leaving the board), he's using this to show he's strong. It's a political move."

Supervisors declared the new steps were necessary to reassert themselves in county policy. Paul Nussbaum, an adviser to Popejoy who recently returned to banking after working four months with Popejoy, said the moves had more to do with politics.

"I think Gaddi's heart is in the right place but I think the times dictate that a strong chief executive run the operation of the county, sort of like wartime emergency powers being granted to the general in the field," Nussbaum said. "You can get the most accomplished when it's a depoliticized steering of the course."

Vasquez has long been a politician defined more for his potential than his accomplishments: He was appointed to his job in 1987 and re-elected twice with only token opposition. He was a rising star deliberative to a fault, blasted for sidestepping hot issues. He was more prominent nationally than in the bowels of one of the messiest municipal quandaries the nation has seen.

At 40, Vasquez is young enough for a political resurrection. In an office surrounded by photos of his idol, former President Richard Nixon, Vasquez has found comfort reading how Nixon coped with the disgrace of resigning and



## Attachment 2: Gaddi Vasquez and the Recall Election

re-emerged as a national political figure.

But unlike Nixon, Vasquez flourished by being more popular than driven. In the weeks after the bankruptcy, residual goodwill in his district buffered him against a possible recall. He built bridges and \_ until he joined two colleagues in backing the sales-tax increase \_ took stands on issues stoking little controversy.

"Knowing Gaddi, this is not the end of his political career," Chapman University President James Doti said. "I wouldn't be surprised to see an appointment at the national level for him. He is highly recognized and respected in the Republican Party. This very principled decision on his part will enhance his political career in the future. I believe that, in the end, his qualities as a public servant will win out."

Supervisor Marian Bergeson said, "I have seen the rise and fall of too many politicians \_ and frankly, it's never over. A politician will be resurrected by his own wits and ability to attract a constituency. Gaddi can be a very formidable leader in government. He's articulate, and with his own sense of timing, will surface again."

Vasquez has insisted all along he was planning to bow out without a job in the wings. He chuckled while recounting that he'd heard seven or eight rumors about what he'd be doing, including going to work for an earlier employer, the Edison Co., or for county land baron the Irvine Co. (Both say he's not.)

"I've heard everything from I'm going to work for the Wilson administration to going to work for Sen. (Bob) Dole," he said. "It amazes me how people come up with this."

Some critical of Vasquez said they're not buying his laid-back approach to another job. They see his stepping down as political expediency in the face of probable electoral defeat to preserve his future options.

"We're not talking honor here. We're talking career

maintenance," said political science Professor Mark Petracca of Irvine, who has referred to Vasquez as "the prince of equivocation" for not taking stands on issues such as 1994's contentious anti-illegal immigration debate.

Many described Vasquez's decision not to run for re-election as tragic, a realization that voter anger grounded the once-popular officeholder's future. But it wasn't a snap judgment: It was born of months of ongoing revelations that marginalized the importance of supervisors in the recovery and confirmed the timidity of an entity that voters didn't really understand to begin with.

"He looked as if a huge weight was off his shoulder," Supervisor Bill Steiner said. "I've felt for several weeks that Gaddi had real

## Attachment 2: Gaddi Vasquez and the Recall Election

peace of mind and had come to this conclusion a while ago."

Part of it was a natural evaluation of where to go next; part was the immediate and harsh attacks hurled at Vasquez after the bankruptcy, viciousness that stunned the supervisor and his wife, Elaine.

Among them: racial epithets in nasty letters that slurred Vasquez's Mexican heritage and a comment from an outraged man to supervisors at a meeting that, in another time, they'd be hanged for treason.

His wife's reaction "had a big effect on Gaddi," Steiner said.

If Vasquez found politics rife with pettiness in the county, it wasn't the only place where his political ambitions lived. He addressed the 1988 and 1992 Republican national conventions, using the first as a call to arms for Hispanics to vote GOP, the second for a call for the country to return to a "Main Street" that welcomed all.

After Vasquez addressed the 1992 convention in Houston, longtime political consultant and presidential speech writer Ken Khachigian of San Clemente said the decision was up to Vasquez on how far he wanted to go.

Vasquez has long denied that he approached public service with a plan, saying he never sought public office with a thought of how it would fit into a larger political puzzle. He said he turned down a variety of attractive offers because he was content to stay home and make sure his son, Jason, was raised with a dad around.

"I have always loved public service, and it's probably due in great part to the way I was brought up," Vasquez said. "Certainly, the flame of commitment to public service has not been

extinguished.

## They just don't get it

**July 17, 1995**

Byline: The Orange County Register

Credit:

Not even three weeks have passed since county voters pummeled, by landslide proportions, the proposal for a tax increase as a business-as-usual way to get out of the bankruptcy.

So how do the supervisors respond? Do they rush to impose additional cuts to a bloated county payroll and to salaries of county workers, reported to be as much as 20 percent higher than similar private-sector jobs? Do they move boldly and quickly to sell the jails or the landfills?

No, they dawdle \_ and even murmur about raising other kinds of taxes. That's right. Last week, at least three of the board members \_ Marian Bergeson, Gaddi Vasquez, and William Steiner \_ were quoted expressing interest in what you might call specialty-boutique levies such as "sin" taxes on cigarettes and drinks (supposedly these amount to "user" fees; does that mean Citron is a smoker?) Even the idea of an "entertainment tax" was making the rounds.

Why bother going to the polls? There are supervisors who seem to have their boom boxes turned up so loud they can't \_ or won't \_ hear.

When are we going to see an audit of county costs and functions \_ and of all county salaries, comparing compensation levels with those in the private sector? When are we going to see serious action \_ not just lip-service \_ on selling the jails? Or the landfills?

When are we going to hear something other than new variations on the T-word?

These are questions that should be put not just to the supes, but also to Jan Mittermeier, the John Wayne Airport executive named Friday to be the interim CEO. Which gives us a thought: As the search for a permanent CEO \_ or, who knows?, a state-appointed administrator \_ goes forward, why not look at officials in cities such as Indianapolis, where they've had the vision actually to implement asset sales and large-scale privatization, not just to flap the breeze with empty yapping.

It seems that more and more people, out of frustration with the current plague of do-nothingism, are becoming open to the idea of a state trustee. We've yet to be fully persuaded. But the idea does prompt some cogitating. For instance, a person on the model, say, of Curt Pringle, the assemblyman who has more ideas than

## **Attachment 2: Gaddi Vasquez and the Recall Election**

most of the supervisors for getting us out of our hole without a tax increase, might be deserving of a look. Somehow, though, we suspect that's not the type the bureaucrats mean when they insist we need someone with deep experience in government.

The issue of a trusteeship could yet move to the front burner. But for now, the supervisors still owe it to their constituents to prove a trustee isn't needed. To that end, it's essential to remind them there was nothing equivocal about the message at the ballot box on June 27: No tax increase! That means cut, downsize, slash payroll, contract out, sell big assets \_ even if Sheriff Brad Gates insists most of that can't or shouldn't be done.

Granted, the board at least is tentatively exploring the idea of diverting money from special-tax districts. That initiative would rate a cheer if they weren't also dreaming about an end-run around the will of the voters on tax increases.

"They {the supervisors} just didn't get the message," said Orange County Assemblyman Jim Morrissey, who told us the county's legislative delegation is opposed to any new tax-increase proposals "to a person." Tax increases "cost jobs," he said. "It doesn't matter how you hide them, whether you say you're just taxing smokers or drinking or, through an entertainment tax, just people who go to Disneyland \_ no matter how you camouflage it, you're taking money out of the private economy and you end up with less employment \_ and more money for government to waste."

By the way, all the sitting supervisors but Gaddi Vasquez signed the Register 's post-bankruptcy Contract with Orange County. You know, the one that had them declaring opposition to any new taxes. Guess they thought the Contract was a dead letter.

In case you'd like to comment to the supervisors on the tax-increase issue \_ and the need to move, not snooze, on major economies and asset sales and the like, here are their phone numbers:

Gaddi Vasquez: 834-3330. Bill Steiner: 834-3440. Marian Bergeson: 834-3550. Roger Stanton: 834-3110. Jim Silva: 834-3220.

## Measuring the supes

**July 18, 1995**

Byline: The Orange County Register

Credit:

The same group (give or take a couple of members) that presided over Orange County's belly flop into the financial tank \_ that's right, we're talking about our brilliant Board of Supervisors \_ seems poised to perform another Stupid Politician Trick.

Led by a curiously enthusiastic Supervisor Roger Stanton, the board is considering transferring the county's biggest asset \_ John Wayne Airport \_ to the Orange County Transportation Authority, an unelected agency over which taxpayers have no direct say.

Democracy? Self-government? Not in these parts, Dude.

Never mind, apparently, that the OCTA has been engaged in a bald-faced Big Lie campaign for months, telling the public with a straight face there was no way the agency's Measure M sales-tax money could be rerouted for bankruptcy relief. That ruse \_ that 24-karat blather \_ has been exposed not by our spine-free supes, but by the county's state legislators, led on this issue by Assemblyman Curt Pringle, who are preparing legislation to facilitate a public vote that would have the effect of redirecting some Measure M dollars for emergency fiscal help.

Forced by the Orange County legislative delegation into a position where they have no option but honesty, OCTA officials are now grudgingly admitting voters could legally reroute the Measure M bus. So why reward such practitioners of duplicity, under the empire-building leadership of OCTA chief Stan Oftelie, with a shiny airport of their own?

One reason OCTA officials might be especially eager to get an "exploration" of an airport transfer underway, quickly, is precisely so they can hurriedly "encumber" Measure M monies \_ for airport purchase \_ and thereby scuttle the Pringle proposal to get some of those dollars for bankruptcy assistance.

As for why some of the supervisors seem so willing to be led by their nose rings on this matter, well, one word tells a lot: Cronyism. Mr. Stanton and Mr. Oftelie have had their own longstanding mutual back-massaging society, and Supervisors Gaddi Vasquez and

Bill Steiner seem to enjoy the rubdowns as well. Supervisor Jim Silva, in contrast, keeps a safe distance from these tribal rites (and, indeed, has been pushing the cause of redirecting Measure M money for a bankruptcy workout).

## **Attachment 2: Gaddi Vasquez and the Recall Election**

To her credit, Supervisor Marian Bergeson also has taken a clear view of what's going on with the airport-transfer shenanigans: "OCTA would become a super agency," she says, "a non-elected body that would be given a tremendous amount of power, and I think that's the ultimate goal."

The same agency that has an addiction to new carpool lanes and commuter-rail studies and otherwise frittering transit dollars might now be crowned not just with John Wayne Airport but with airport development rights at the El Toro location as well.

We understand that rich imperial robes are even now being woven for Mr. Oftelie and his court by one of the finest Fashion Island garment-makers.

The OCTA lags other Southern California transit agencies in some major aspects of privatization, so you can be confident that any momentum toward actually selling John Wayne Airport to the private sector will be grounded should the Oftelie crew be given landing rights there.

And, by the way, isn't it convenient that the Board of Supervisors has chosen as "interim" county CEO, Jan Mittermeier, John Wayne Airport's director, who has demonstrated no discernible enthusiasm for airport privatization? Gifting the OCTA with the airport (and an El Toro bonanza in the bargain) would be a wonderful way to make sure JWA goes private \_ when pigs sprout wings and flaps.

## Vasquez is target of recall effort

GOVERNMENT: He is the second supervisor to come under such attack. A drive against Roger Stanton failed.

**July 20, 1995**

Byline: RICKY YOUNG

The Orange County Register  
Credit:

Orange County Board of Supervisors Chairman Gaddi Vasquez was served with recall papers Wednesday, becoming the second supervisor targeted since the county filed for bankruptcy Dec. 6.

Accountant Snow Hume of Fullerton served the papers at a forum to discuss solutions to the county bankruptcy.

"This is like a firefighter trying to fight the fire while getting shot at by a sniper," Vasquez said. "I am trying to focus on assisting in the recovery efforts."

A drive against Supervisor Roger Stanton failed last month for lack of signatures. This effort, however, includes Hume and other leaders of last year's successful recall of three Fullerton City Council members who voted for a utility tax.

Hume's next step is to start gathering the 25,000 signatures needed to force an election.

The \$250,000 cost of a recall election would be a disservice to voters, Vasquez said, because he plans to leave office when his term ends in December 1996.

Hume said he's not convinced that Vasquez will step down. Hume's recall papers say Vasquez:

Failed to take former Treasurer Robert Citron to task for risky investments that led to the loss of \$1.7 billion.

Supported a tax increase to replace Citron's losses.

Voted to settle with the 200 agencies that lost money in the collapsed investment pool instead of fighting their claim in court.

Vasquez, 40, a board member since 1987, declined to comment on specific

## **Attachment 2: Gaddi Vasquez and the Recall Election**

allegations. He represents Fullerton, Brea, La Habra, Yorba Linda, Villa Park, Lake Forest, Mission Viejo and parts of Orange.



## Who'll replace Gaddi?

**August 8, 1995**

Byline: The Orange County Register

Credit:

There is no doubt a sense of personal relief, a sense of a burden lifted, in Supervisor Gaddi Vasquez's decision to step down sooner rather than later. There is also, candidly, an appropriateness, as in the parliamentary system where failed policy prompts its authors to stand down.

Other supervisors who were on the job while Robert Citron did his worst might do well to consider Mr. Vasquez's example; for Supervisor William Steiner, who was both present at the creation of the bankruptcy and a booster of the misguided and rejected Measure R tax-increase proposal, this advice is perhaps doubly pressing. There is, you see, little that's more admirable among those who hold power than a willingness to surrender it when honor dictates \_ just as little is less appealing than the sight of a politician clinging to office for the sake of, well, clinging to office.

The question of the hour is for Gov. Pete Wilson to answer, namely the choice of a replacement for Mr. Vasquez, either as a caretaker or a supervisor with longer-term goals. A few basic criteria should serve as markers. The choice should be someone with a demonstrated commitment to real government reform and to a bankruptcy solution that doesn't involve higher taxes. The landslide defeat of Measure R is a popular mandate that the governor ignores at peril.

This means, it would seem plain, that the interests or individuals who championed the tax increase are by definition out of the running. Forget the speculation you might have read about the nod possibly going to former CEO William Popejoy, or an executive of this or that land-development firm that lauded Measure R; Mr. Wilson would make a mistake if he hugged the old establishment, the pro-tax status quo, so lovingly. We trust he knows that.

(In this context, we should note that the Irvine Co. tells us they did not , as we reported in an editorial last Friday, lobby against the recent legislative proposal to transfer funds for bankruptcy relief from the Orange County Transportation Authority. Yet a company official had told our reporter earlier in the week that development interests were wondering about the "integrity" of the bus system and road building if such a diversion took place. Because of the Irvine Co.'s close ties to Gov. Wilson \_ Irvine Co. owner Donald Bren is a key fundraiser for the Wilson-for-president effort \_ it can to some degree become difficult to define when lobbying, in the broadest sense, begins in such a firm's public statements about public policy. And those same close ties would suggest potential

## **Attachment 2: Gaddi Vasquez and the Recall Election**

complications if, say, an Irvine Co. official were tapped for the supervisorial spot).

Fortunately, there are plenty of people who have the stature needed for the post Mr. Vasquez is leaving \_ and a commitment to smaller, less expensive government evidenced by energetic opposition to Measure R. It is from their ranks that a successor to Mr. Vasquez should be chosen. The list includes, but doesn't stop with, Tom Fuentes, the engineering-firm executive and county Republican Party chairman with a high-profile history of support for measures to promote fiscal conservatism; Fullerton City Councilman Chris Norby, one of the boldest advocates of privatization among city government officials; Bruce Whitaker, a financial analyst, the chief spokesman for the taxpayer-rights group, the Committees of Correspondence, and an articulate proponent of downsizing the public sector; and Assemblyman Mickey Conroy, who has announced his candidacy for the post (but whose departure from the Assembly might further disrupt the balance of power there).

No "blank slates," please. The governor should choose someone who has a track record of opposition to government bloat \_ and of public opposition to Measure R.

## VASQUEZ GIVING IT UP

### *Attacks eventually got to supervisor*

GOVERNMENT: His successor on the board will start as he did, as a governor's appointee.

### *August 8, 1995*

Byline: RICKY YOUNG; CHRIS KNAP: The Orange County Register  
Credit:

Board of Supervisors Chairman Gaddi Holquin Vasquez was being berated so pointedly, so personally at a meeting six weeks ago that a board colleague stepped in to defend him.

"Give it up, supervisor," Vasquez said dejectedly. "Give it up, give it up." And so Monday, Vasquez took his own advice.

After months of taking vicious personal attacks from citizens for supervising their county at a time when it lost \$1.7 billion, Vasquez, 40, announced he would step down Sept. 22.

"I have given everything that is within my human capacity," Vasquez said.

"I think it's just unfortunate that so much energy has been spent talking about the negative. It's a sad comment on some elements who just pound on the negative and don't want to be a part of any constructive effort."

The announcement echoes his hero, the late President Nixon, who lost a bid for California governor at age 49 and declared, "You won't have Dick Nixon to kick around anymore."

Venom against Vasquez continued, however, as leaders of a recall effort against him pledged to move forward, not trusting him to leave as promised.

"He already broke one promise," said recall leader Snow Hume of Fullerton, referring to Vasquez's promise to rule out new taxes as a bankruptcy solution. Vasquez supported the unsuccessful June 27 sales-tax increase measure.

## **Attachment 2: Gaddi Vasquez and the Recall Election**

"We need a Gaddi-free environment," Hume said.

Vasquez announced in June that he planned to step down at the end of his term in January 1997. He was incensed when impatient detractors filed recall papers anyway in July.

"In the end, you have to see how you're going to respond," Vasquez said the day the recall began. "You have to decide how you're going to spend your energies."

At the time, he declined to say what he meant by that.

Supervisor Marian Bergeson said she regrets the loss of consistency on the board, but she doesn't blame Vasquez.

"In anyone's life, you get to the point where you have to say enough is enough," Bergeson said. "There have been some pretty hard hits on Gaddi."

Some observers hoped that Vasquez's departure would galvanize a board often flummoxed with the supervisor on the fence between his two moderate and two conservative colleagues.

"Maybe this will jar something loose there," said state Sen. Lucy Killea, I-San Diego, co-chairwoman of the Senate Select Committee on Orange County.

Vasquez's departure will leave only two of the board members who were at the helm when the county declared bankruptcy Dec. 6 \_ Roger Stanton and William Steiner.

"If the county is smart they will spin this as the beginning of a new day in Orange County," said Assemblyman Richard Katz, D-Panorama City.

"Once Gaddi resigns, the majority of the board is no longer the majority that created the problem."

Vasquez will be replaced by a governor's appointee \_ the same way he took office in April 1987 after Supervisor Bruce Nestande resigned during an investigation of trash-hauler

influence-peddling. Nestande was never charged.

In some quarters, Vasquez was applauded for leaving.

"It's the most important contribution Gaddi Vasquez has made to

## Attachment 2: Gaddi Vasquez and the Recall Election

the county since he's been on the Board of Supervisors," said Mark

Petracca, political science professor at the University of California, Irvine. "It's too bad he didn't make this decision six months ago."

Vasquez was a rising political star \_ a talked-about candidate for governor and a two-time speaker at the Republican National Convention.

But he led an outdated, behind-closed-doors form of government that eventually led to his demise, said Rep. Dana Rohrabacher, R-Huntington Beach.

"It's too bad a guy who served as long as Gaddi has to end his service under a cloud," said Rohrabacher. "But nevertheless, that doesn't mean he shouldn't go."

As to what he will do in the future, Vasquez said he is considering "a wide range of options."

"I still love public service \_ including politics," he said.

He declined to comment on several jobs that have been the focus

of public speculation, including a job as a coordinator for the

presidential campaign of Senate Majority Leader Bob Dole.

However, Vasquez did say that he had received a letter recently from a U.S. senator he would not identify that said, "In life's crucifixions, there are many resurrections."

Vasquez said he chose the Sept. 22 date because that is when the county budget should be finalized.

"My name won't be on any facilities, but I can walk away knowing I have made contributions to this county, especially for young people. It's been a great journey and a great time, notwithstanding the difficulties of the last eight months."

Register staff writers Teri Sforza, Dina ElBoghdady and Daniel Weintraub contributed to this report.

## Excerpts from Supervisor Gaddi Vasquez's statement

**August 8, 1995**

Byline:

Credit:

After much personal reflection and evaluation, I have made a personal decision I believe will serve the best interests of my family and the county. On July 13, 1995, I advised the Governor's Office that I would be stepping aside as Supervisor of the Third District, effective Friday, Sept. 22, 1995.

It is my strong belief that our efforts over the past months have had positive results and the components are now in place for a recovery to take hold. Orange County will recover from this calamity and it will do so because we have been swift and decisive in rendering critical decisions. ...

As I prepare to leave office, I remain committed to the goals that we have set for the coming weeks and will continue to work with our staff, our legislative delegation and the Governor's Office to develop legislation that will help in our recovery efforts.

I will continue to participate in the executive search for a permanent County Executive Officer and I will work to ensure that our county's budget process is completed by the date of my departure. And I look forward to working with and supporting the efforts of the Orange County Business Council in their quest to develop an alternative plan to address the pending issues of the recovery. ...

But most of all, I thank the voters of the Third District who twice returned me to public office and gave me the opportunity to serve and represent them. I firmly believe the Third District is a better place today, with improved services, finer facilities and new planned communities and cities that will serve the people well for many generations to come. ...

The past months have been the most difficult of my professional life, and every step in the recovery effort has been challenging and in many cases, painful. But I have been blessed and fortunate to have four outstanding colleagues who have been supportive and dedicated to the recovery of our county. I will always be grateful for their support and most of all, their friendship.

Faith, family and true friends have sustained me during these difficult times and, while I have no immediate plans, I look forward to the future with optimism.

## Dear Pete: O.C. has ideas about replacing Gaddi

**August 11, 1995**

Byline: MELISSA BALMAIN:The Orange County Register  
Credit:

Dear Gov. Wilson,

I know you're really busy these days, trying to become president and all. And now \_ on top of everything \_ you've got to name a new Orange County supervisor to replace Gaddi Vasquez! So please: Allow me and some of your constituents to help. We've been chatting in various places around Gaddi's district (it stretches from La Habra to Mission Viejo) and we have a pretty good idea what you should be looking for.

Make that a very good idea.

"It seems to me that when you have an economy as big as Orange

County's, you really need people qualified in business and finance

to run the show," Jim Bergquist said. He's from Mission Viejo, but he spoke for nearly everyone I met, no matter where in the district they live. "Along with that, some experience at investing money. When you're investing all this heavy-duty money, millions and millions and millions of dollars, you've gotta know exactly how the market works!"

All that may seem obvious. We hope so. But considering what's happened here lately, we know we can't be too careful. And speaking of care, here's the sort of person Mary Ellen Blanton of Orange wants you to pick: someone who "bothers to read." (And who doesn't, for instance, OK financial reports without even riffling through them.)

Along the same lines, Ken Kitzmiller of Brea would like a supervisor who'll "spend the county's money like it's his own ... not like it was taxpayers' and it was a deep pocket."

How best to find such a person? Well, Eunhae Park of Tustin has a suggestion: Go for someone who truly would be spending lots of his or her own money \_ someone who has lived many years in the district, as she has. "Just someone who's in touch with the constituency and understands the challenges and problems the residents face."

Of course, such understanding can't come purely through osmosis. That's why so

## Attachment 2: Gaddi Vasquez and the Recall Election

many of the folks I met hope their new supervisor will be the listening type. The type who'll take advice, say, from an accountant who smells something rotten in the state of our dough. The type who'll take a genuine interest in residents' advice, too.

Dale Kottkamp of La Habra figures such a person would be willing to hold "town meetings, you know, fireside chats." Heck, such a person might even \_ on a free evening \_ agree to stop by Dale's house for dinner. "My wife makes mean tacos and enchiladas."

But perhaps dinner at Dale's is too much to ask. We're willing to forgo that \_ if you'll only choose someone with the quality we crave most. I'll let Mario Flores of Orange tell you what that is: "honesty." And not just run-of-the-mill honesty. Mario wants a supervisor like his father, who makes no promise he can't keep. "His word is worth a million dollars."

Now, I know what you're probably thinking, governor: An honest politician? As in someone who would never accept one job while secretly hoping to quit and take on another? No way! Still, as Ken Kitzmiller said, "An honest politician \_ anything's possible."

Some folks I spoke with, I am sorry to say, think you'll ignore our free advice. But I'd like to think they're wrong. If you won't listen for our sake, maybe you can do it anyway \_ for Pete's sake.

Sincerely,

An Optimist

You can call Melissa Balmain at (714) 953-2295.

The Orange County Register



## Attachment 2: Gaddi Vasquez and the Recall Election

### **Proud Vasquez packs up his things,**

exits County Hall

GOVERNMENT: The former Board of Supervisors chairman claims many accomplishments.

### ***September 27, 1995***

Byline: TERI SFORZA: The Orange County Register  
Credit:

The weight of the world seems to have slipped from Gaddi Vasquez's shoulders.

He's lost weight. He's finally getting some sleep. He's packed up all the photographs that once lined his office walls \_ him with Richard Nixon, him with George Bush, him with Margaret Thatcher \_ and carted them all home. Today, after more than eight years as an Orange County supervisor, Vasquez will pack up the last precious picture of his wife and son, and leave his office for good.

The door slams shut on the most painful and difficult year of his life.

"It's easy for some people to focus on the last nine or 10 months, but the fact is, this has been a very gratifying and fulfilling experience," Vasquez said in his near-empty mahogany office. "I feel I've made a significant contribution to bettering the quality of life in this county."

There are things the former policeman is especially proud of: forming new regional parks. Improving transportation by pushing for the Foothill Transportation Corridor. And improving public safety, where there are now specialized crime units for auto theft, gang suppression and child abuse.

But the black cloud of the largest municipal bankruptcy in history hangs heavily over the heads of Orange County supervisors. Vasquez, as chairman of the Board of Supervisors, endured months of vicious personal attacks from enraged citizens for being at the helm when the county lost \$1.7 billion. There were racist diatribes, insults to his intelligence, bomb threats. By August, exhausted and deflated, he had had enough.

Vasquez \_ once a rising star in the Republican constellation with almost unlimited potential \_ announced that he would step down in September, more than a year before his term was up. There is heartache.

"I love public service and it will be very hard to walk out of here," Vasquez said.

## Attachment 2: Gaddi Vasquez and the Recall Election

"I've given my heart and soul to this job. And when I reflect on the personal sacrifices that have been made over the last 8 1/2 years, that people will never know about, that I will never recapture, there is a sense of sadness. People will never know the other jobs I've turned down at other levels of government."

As the highest-ranking elected Hispanic Republican in California, whispers of "governor" and "Washington, D.C." often followed Vasquez's name.

What next? There are rumors of a job with the presidential campaign of Sen. Bob Dole, with private industry, with a Los Angeles-based television station. Vasquez will only confirm that he's had offers from both business and political circles, and hasn't decided which to pursue. He leaves it in the hands of God, teasingly adding, "In life's crucifixions, there are many resurrections."

At 40, Vasquez can afford to take a decade off from politics and then come back strong, like his idol, Richard Nixon. And as with Nixon, there are those who laud him and those who denigrate him.

"He was thrust into a leadership position at a time of unprecedented financial crisis," said Supervisor William Steiner, who has known Vasquez for almost 20 years. "I think he rose to the occasion, doing what was right for Orange County without regard to his own personal or political interests. He had to serve strong medicine to an unwilling, and sometimes unappreciative, county. He did it with dignity and class."

Critics cite his support for a bankruptcy recovery sales tax \_ Measure R \_ and say his departure is long overdue. Snow Hume, who orchestrated a recall effort against Vasquez, stressed the need for a "Gaddi-free environment." University of California, Irvine, Professor Mark Petracca said stepping down is the most important contribution Vasquez has made to the county since he became a supervisor.

"His departure is certainly with mixed feelings," said Amin David, head of Los Amigos of Orange County. "Mixed feelings because the bankruptcy botched up the climb to higher levels for Gaddi and we're sorry for that."

At the same time, there are some issues the Hispanic community would have liked to have seen Vasquez tackle that he did not, David said.

Chief among them: Proposition 187. While the initiative to deny public services to illegal immigrants spurred heated debate across the county and state, Orange County's most visible Hispanic leader stood silent on the issue.

"Where we had almost unanimity among the people; the religious leaders embracing the concept that it was wrong, here's the son of a pastor who sat silently by and that was shocking to us," David said.

## Attachment 2: Gaddi Vasquez and the Recall Election

Still, Vasquez's presence on the board helped break an important barrier for Hispanics in local politics and may make it easier for them to be elected in the conservative, largely white county, David said.

But John Palacio, head of the Orange County Leadership Program for the Mexican American Legal Defense and Educational Fund, said, "Gaddi's departure is a tremendous loss to the Latino community. The doors are going to be closed and we won't have the access we once had."

Vasquez appointed more than a dozen Hispanic leaders to various commissions and advisory boards, and helped start an educational fund for Hispanic students. He also sits on the board of the National Association of Latino Elected Officials.

The governor will appoint Vasquez's replacement \_ the same way Vasquez himself took office in April 1987 \_ but that is not expected for at least a week. Three names are said to be on Gov. Pete Wilson's short list: lawyer Lisa Hughes and former Tustin Mayors Frank Grienke and Don Saltarelli.

Vasquez vowed to see the county accomplish three things before he left office: get a bankruptcy-recovery plan approved by the state Legislature, get a budget approved by the board, and appoint a permanent chief executive officer.

He can check off all three.

"I needed closure," he said. "I can walk out of here with a sense of peace, that I have given it my best."

On Thursday, he and wife Elaine will climb in their Jeep and just drive, heading down to Baja and up north to see relatives and friends.

"When I leave this building, I can do so with a sense of fulfillment that I leave a house in very good order," Vasquez said. "But I'll miss this job."

Staff writers Rosalva Hernandez and Jean Pasco contributed to this report.

CHART:

PROFILE

GADDI VASQUEZ

departing county supervisor

Born: Jan. 22, 1955, in Carrizo Springs, Texas

## **Attachment 2: Gaddi Vasquez and the Recall Election**

Residence: Orange

Personal: Married, to Elaine; one son, Jason

Education: Bachelor of arts in public-service administration, University of Redlands, 1980

Represents: District 3, including La Habra, Brea, Yorba Linda, Fullerton, Villa Park, east Orange, Lake Forest, Mission Viejo Pay: \$82,500 per year

Next: Gov. Pete Wilson will name a replacement. Three names are said to be on the governor's short list: lawyer Lisa Hughes and former Tustin Mayors Frank Grienke and Don Saltarelli.

### Article 3

The Orange County Register

#### ***Lobbyists, developers to fete Vasquez***

POLITICS: Critics question the purpose of a testimonial dinner for the ex-supervisor.

***November 16, 1995***

Byline: CHRIS KNAP: The Orange County Register

Credit:

Lobbyists and land developers are sending out hundreds of invitations to a testimonial dinner for Gaddi Vasquez, the supervisor who resigned midterm after the county's \$1.7 billion investment loss.

The dinner planned for Vasquez is similar to those thrown last year for retiring supervisors Tom Riley and Harriett Wieder. Those parties occurred before the county's investment loss was revealed.

Vasquez has taken a job as a government-relations executive with Southern California Edison.

"This is a chance for people, especially people outside of politics, to be able to pay tribute to Gaddi for his time and grade in office," said Don Willet, a lobbyist, former Vasquez colleague and dinner host.

"There's a lot of people that think Gaddi's a wonderful person, did a great job, and this is a way for them to express that."

But some critics found the dinner inappropriate in light of grand-jury criticism of the supervisors' role in the fiscal collapse.

"The purpose of the dinner escapes me. Vasquez hasn't resigned in a situation with a lot of honor," said local government watchdog Bruce Whitaker.

"I can only surmise that the reason is to keep his name out there in front of his supporters and the lobbyists in case he wants to run again."

Organizer Joan Gladstone, another government-relations consultant and former supervisorial aide, said the dinner, to be held Nov. 30 at the Irvine Hyatt, is

## **Attachment 2: Gaddi Vasquez and the Recall Election**

intended to attract as many of Vasquez's supporters as possible and will not be a fund-raiser. The cost is \$25.

Gladstone said those speaking at the event will include conservative guru and speech writer Ken Kachigian, Timm Browne from the Orange Police Department, Placentia Police Chief Manuel Ortega, Gaddi's brother Ben Vasquez, developer Tony Moiso and Orange County Register staff writer Jean Pasco.

"Nobody in our group got an invitation," joked Whitaker, who is the spokesman for the often-critical Committees of Correspondence. "I feel spurned."

## Sweep 'em out is clarion call

### ***REACTION: Not all supervisors got their***

due.

### ***December 14, 1995***

Byline: MARILYN KALFUS: The Orange County Register  
Credit:

The grand jury charges leave another messy blot on Orange County's image, but local residents aren't reacting too squeamishly.

"If you want to hear the pigs squeal, take away their pension funds!" said Ric Leach, 46, of Santa Ana upon learning of Wednesday's actions against two supervisors, the county auditor and a former budget director. Leach said he was upset that some former supervisors, including Gaddi Vasquez, dodged the bullet by stepping down.

Vasquez announced his resignation shortly after investigators visited him in July.

"He's smart enough to have seen this coming, yet he wasn't smart enough to take care of county business," said Leach, a homebuilder. "He got out in order to save whatever is left of his egg-stained face."

Others said the county is past due for some serious house sweeping.

"It's unfortunate that it came to this. The honorable act the sitting supervisors should have taken was to have resigned at the time that the bankruptcy had occurred," said Paul Nussbaum, an investment banker and former assistant to William Popejoy, the county's former chief executive officer, who resigned in July.

Floyd Shadwick, a time-clock salesman from Yorba Linda, scoffed at all the finger pointing preceding the charges.

"They were all protecting themselves, trying to blame one or two people," said Shadwick, 53. "I'm sorry, but this thing was too big for one or two people."

It's critical that Orange County own up to the fact that it wasn't the victim of its own innocence, others said, and that the truth emerges.

"It's probably a good thing that this came out," said William Redman, 68, of Mission Viejo. "I would not want to see it covered up. That happens so often in politics.

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People merely retire and walk away. It shows we have gotten rid of those people who were in there at the time.

"We're a little bit the laughing stock of the nation right now," said Redman, a retired fire chief. "An affluent county like this, going bankrupt?"

"It was not innocence on the part of these people," said Dale Jelinek, 42, a marketing consultant from Irvine. "To claim ignorance is a fallacious argument. They should have known, or the people supervising them should have known. They were in those positions for a reason. Their duty was to the public, and to the safekeeping of public funds."

The prevailing sentiment: bring on the brooms.

"We need to clean house," said Ann Egan, a retired nurse from Buena Park. "They (the supervisors) were asleep at the switch, it's as simple as that. "

"We don't want business as usual anymore."

Some of the debacle's victims saw the charges as the inevitable result of the supervisors' refusal to promptly accept blame, apologize and quit.

Frank Eley, president of the Orange County Employees Association, recalled stumping for the proposed county bankruptcy tax last June. No one, he said, asked about the details of the financial jam.

"People just wanted to know, `When are the supervisors going to step down, when are they going to own up to that?"

But not everyone was screaming for William Steiner's or Roger Stanton's blood.

"It's probably a stretch to include Bill Steiner in all of this," Leach said. "It's probably ludicrous to include him. He wasn't in long enough to have any impact on this budgetary mess."

"I'm upset because the grand jury should first be looking at our D.A., Mike Capizzi," said Carole Walters, a leader of the watchdog group Committees of Correspondence. "Why didn't he do something?"

"Stanton and Steiner are being used as scapegoats," she said. "Mike Capizzi has a conflict of interest and they should be investigating him."

Local activist Tom Rogers fumed that former supervisors Harriett Wieder and Tom Riley, who he said "rode roughshod over the citizens," were "let off scot-free."



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"Wieder and Riley have been part of the downhill slide of the county for a number of years," Rogers said. "To pick out Steiner and Stanton and not mention the other supervisors, it seems to me, is somewhat disingenuous."

Staff writers Teri Sforza and Jeff Kramer contributed to this report.

## **BLAME GAME**

### ***Testimony painted supervisors as unwilling to take responsibility or take action***

FINANCIAL CRISIS: The handling of the pool collapse by county leadership unfolds in 9,000 pages of grand jury transcripts.

#### ***December 29, 1995***

Byline: RICKY YOUNG: The Orange County Register  
Credit:

Orange County supervisors failed to take charge when their treasury collapsed, with some focusing more on political fallout than on saving the county, according to transcripts of grand jury testimony.

Supervisor Roger Stanton warned colleagues that solving the problem would demonstrate that they could have solved it all along, witnesses said. "You have to be careful because if you take any action that looks like we can solve this now, it's going to look like we could have solved it before and it is our problem. And we cannot have that perception," Stanton was quoted as saying by former Finance Director Eileen Walsh.

The picture of the county's leadership unfolds in 9,000 pages of transcripts of previously secret grand jury testimony that led to accusations that top leaders failed to do their jobs.

Stanton's attorneys say he was right to distance himself from former Treasurer Robert Citron \_ an admitted felon who used astrologers and psychics for investment decisions, according to testimony.

And Supervisor William Steiner told the grand jury he was far from the only person who lacked diligence before the county collapse.

Steiner wondered out loud at one meeting early in the crisis why the supervisors were there, according to testimony.

"We have to wait until we get the governor or someone involved," Steiner was quoted as saying by Walsh.

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At one meeting, Walsh said, supervisors were getting up and moving around and getting antsy \_ until a staff member mentioned deferred compensation retirement money.

Walsh testified that Supervisor Harriett Wieder said, "Deferred comp? That's my money. My money is involved in all that. That's my personal money."

And \_ the day before the county declared bankruptcy \_ Wieder took a moment to call the retirement board and make sure her most recent retirement contribution was kept out of the treasury, Walsh testified.

Wieder's suggestions on how to handle the crisis were not constructive, Walsh said, including a suggestion that Federal Reserve Chairman Alan Greenspan be asked to lower the interest rate.

Wieder declined on Thursday to comment.

Three of the supervisors, Wieder, Tom Riley and Gaddi Vasquez, have since left office.

But the grand jury has issued accusations of misconduct against the remaining two \_ Roger Stanton and William Steiner \_ for failing to do their jobs. The sole penalty is removal from office.

Both have denied wrongdoing.

Walsh's was the most colorful, vivid recollection of a county in chaos. An insider for the first weeks of the scandal, she was demoted in February and has filed a lawsuit against the county for sexual harassment.

Her account of the days before the Dec. 6, 1994, bankruptcy filing says supervisors berated her for calling them into 2 a.m. meetings, slept through conferences or complained that their legs hurt and they wanted to go home.

Several witnesses said Stanton tried to deflect responsibility \_ testimony that led to additional accusations that he made deliberate attempts to distance himself from responsibility for the collapse and urged others to do so.

"The treasurer-tax collector is the bad guy," Stanton was quoted as saying by Walsh. "We are the good guys. It's us vs. him. When the rest of you start talking about 'our problem' and 'our solutions,' I am going to correct you. You have to say over and over in your heads, 'his problem,' 'his problem.' "

Others recalled similar comments by Stanton.

"It seemed to me to be an effort to separate things and to protect the board and

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the board offices from the whole thing by putting the treasurer on an island over here and the county someplace else," county attorney John Abbott said.

"I perceived it to be

'I-need-to-distance-myself-from-this-to-save-my-political-integrity, ' I guess, for lack of a better term," county spokeswoman Lynne Fishel testified.

"I just recall Roger saying that we need to put some distance between us," former County Administrative Officer Ernie Schneider testified. "This is Citron's problem. We can't take the hit, is maybe the term. We can't take the hit for this."

Stanton attorney Wylie Aitken said Stanton was proper in distancing himself from Citron, who has pled guilty to six counts of fraud and misappropriating funds.

"He didn't want the board identifying itself with someone who has admitted to felony criminal conduct," Aitken said, adding Stanton still distances himself from Citron. "The district attorney misses the mark 100 percent."

The strong stance, Aitken said, will help the county in its lawsuits against Wall Street brokers and dealers.

"His position is important \_ that Citron was acting as a rogue, a maverick and not with the authority of the board," Aitken said. "The distancing was a very strong tactical measure."

Both supervisors are accused of failing to cast informed votes on \$975 million of county borrowings, failing to oversee Citron and failing to make sure county agenda information was adequate.

Prosecutors asked a lot of questions about Stanton's relationships with financial advisers, but no charges resulted.

Steiner faces an additional accusation that he never learned his job.

Early and often in his testimony, Steiner made comments such as, "My knowledge of public finance matters was nil prior to the bankruptcy, was extremely limited."

Steiner took his cues from county staff, did not read any Citron reports and never read resolutions he approved for hundreds of millions of dollars of borrowings, he told the jury.

Rarely, he said, did he question staff on financial matters.

"I wouldn't know the kinds of questions to ask," Steiner testified.

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Prosecutors insisted that scrutiny of financial dealings was Steiner's responsibility \_ asking him to read aloud Government Code sections that said so.

"Would you in your personal life borrow more than your annual income in order to invest with an investor or broker whose investment practices you did not understand?" prosecutor Wally Wade said.

"Probably not," Steiner responded.

Prosecutor Jan Nolan asked whether Steiner had inquired about county debt limits, and whether he was adhering to them. Steiner responded that staff members and consultants had not brought any limits to his attention.

"So it's staff's fault, not yours?" Nolan said.

"I think it's everybody's fault that this occurred," Steiner replied, later adding, "I believe there are a whole lot of folks in the county at all sorts of levels from the average citizen to department heads to the Board of Supervisors that should have had better checks and balances in place to avoid this calamity."

One of the main staff members Steiner relied on was Citron, the treasurer forced to resign the day after several officials learned at dinner that he was getting investment advice from diviners.

"Bob had a mail-order astrologist that gave him interest-rate predictions and a psychic he consulted," Walsh testified that Assistant Treasurer Matt Raabe said at the dinner.

"I thought we were in a lot deeper than anyone could possibly imagine," Walsh said.

Former Supervisor Gaddi Vasquez also testified that he relied largely on staff members and professionals.

Attorneys defending the supervisors say they plan to file motions Jan. 8 to disqualify the district attorney as biased and motions Jan. 25 saying the accusations are inadequate.

Register staff writers Ronald Campbell, Kim Christensen, John Gittelsohn, Marilyn Kalfus, John McDonald and Ernie Slone contributed to this report

(SIDEBAR)

The O.C. Grand Jury interviewed 103 witnesses before accusing three top county officials of misconduct Dec. 13 and charging the ex-budget director with two felony counts. Testimony also implicated two previously charged officials. Here

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are highlights:

ROGER R. STANTON

Supervisor, 1st District

Accusations: Willful misconduct in office; removal from office is maximum penalty; awaiting trial.

Testimony: "I would say that Supervisor Stanton's work habits were extremely lax ... Well, it was common knowledge that Roger was never \_ I shouldn't say never \_ rarely in the office. ... He was just never there. Roger would come in at maybe 3 or 4 in the afternoon. He would stay for a few hours, and then he would leave." \_ Ernie Schneider, former county administrative officer Quote: "The (grand jury) accusations are patently absurd." \_ Stanton's attorney, Wylie Aitken.

WILLIAM G. STEINER

Supervisor, 4th District

Accusations: Willful misconduct in office; removal from office is maximum penalty; awaiting trial.

Testimony: Q: "And when you voted to borrow \$600 million to invest, did you go outside the county and ask someone to explain whether the borrowed money would be invested wisely?"

Steiner: "No, I had no reason to do that."

Quote: "The question is whether any of this rises to the level of willful misconduct. It may mean at most that someone was not careful enough. It may mean he didn't judge the situation correctly. But willful misconduct means something like corruption, somebody doing something because they got paid off. There is no suggestion of any of that sort of thing." \_ defense lawyer Allan Stokke

ROBERT L. CITRON

Former Treasurer-Tax Collector

Charges: Six felonies, including misappropriation of public funds; 14 years in prison is maximum penalty; pleaded guilty, awaiting sentencing.

Testimony: "Bob was always very unusual, eccentric, different, but I attributed it to, you know, brilliant physics. Chess masters are not normal people." \_ Ernie Schneider, former county administrative officer, on Citron

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Response: Citron's attorney, David Weichert, has said that Citron was suffering from "dementia" in his last years in office. He also has charged that Ronald Rubino, former budget director, played a leading role in orchestrating the diversion of funds to the county from other local governments.

STEVEN E. LEWIS

Auditor-Controller

Accusations: Willful misconduct in office; removal from office is maximum penalty; awaiting trial.

Testimony: "(Lewis) said that it would make Bob Citron mad, and he wasn't sure that it would actually do any good as far as instigating changes in the treasurer's office and how he ran the office." \_ Evelyn Law, auditor, on whether to cite problems with Citron's office in a 1993 audit report

Quote: "If there was anyone in the county's governmental hierarchy who was raising these questions it was Lewis." \_ Brian Sun, attorney for Steven Lewis

MATTHEW RAABE

Former Assistant Treasurer

Charges: Six felonies, awaiting trial.

Testimony: "We didn't have a firm understanding of what went on in that office and where the funds came from, how the funds of other entities came to fall into the Economic Uncertainty Fund under the guise of ownership of the county." \_ County Budget Director Fred Branca, commenting on Raabe's lack of explanation for \$60 million in other agencies' money that was improperly diverted into a county fund

Quote: "This was to be Citron's legacy to the county." \_ Raabe lawyer Richard Schwartzberg, who contends former Treasurer Robert Citron ordered Raabe to make the diversion.

RONALD S. RUBINO

Former budget director

Charges: Two counts of diverting interest income from the county's investment pool.

Testimony: Q: "(So) Mr. Rubino knew that money was being taken from the commingled pool earnings ... and given to the General Fund?"

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Citron: "I would say that would generally be correct." Quote: "I'm really trying to be calm but those are bold-faced lies that are being made up." \_ Rubino, from grand jury transcript