

## In East Palo Alto

# Grand jury is investigating the City of East Palo Alto

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Times staff

A San Mateo County grand jury is investigating the City of East Palo Alto, grand jury foreman Harry Quinn disclosed last week.

The jury had been looking into operations of the city even before receiving a letter late last month from the United Homeowners of East Palo Alto requesting an investigation, Quinn said.

The homeowners' group asked the grand jury to investigate "implications of misconduct, collusion and malfeasance of public funds."

Quinn said grand jury members already had been looking into the "inner workings between the managers and the council, not necessarily any one individual."

"Now we're taking basically an overview," he said. "We're looking into all the allegations made by the United Homeowners."

Quinn noted, however, that there are only three to four months remaining before the present grand jury goes out of existence.

"I don't know if we have time to really look into it," he said. "There's a possibility it may be carried over to the next grand jury."

## Investigation was under way even before homeowners requested it

Mayor James Blakey said he was not aware of the grand jury investigation.

Pat Johnson, chairman of the United Homeowners' political action committee, said the homeowners' group was concerned about the "general decay and suffering that we are experiencing in the community."

"The air is filled with governmental stench, and we need to clear the air," Johnson said.

Gertrude Wilks, a United Homeowners member, said: "A grand jury investigation will clear up some things for people."

Wilks noted that the request for a grand jury investigation was supported by all the group's members, who number more than 100.

"As a taxpayer, I'm certainly concerned about what's happening to all the (city's) money, not just the little bit spent for taking staff out to lunch," Wilks said. She referred to \$3,000 in credit card charges by former acting city manager James White for staff lunches. White no longer is with the city.

"The inability of the council to involve all the people of the community has made people very suspicious of what's going on,"

Wilks said.

"We're concerned as homeowners about what impact the city's present financial situation will have on us in terms of assessments," Johnson added.

East Palo Alto officials say they are in the midst of a "cash flow" problem and have applied to San Mateo County for a \$600,000 advance on the property tax money normally turned over to the city in December.

In a letter to the grand jury, the United Homeowners wrote, "The economic development and civic progress of East Palo Alto seems to be stagnating by the adverse result of mysterious political and governmental forces emanating from the City Council. We feel that an official grand jury investigation is warranted to determine if corruption exists."

The homeowners also questioned "suspect business arrangements between certain City Council persons and members of the East Palo Alto Planning Commission, peculiar zoning ordinances and negligence to hold public hearings on zoning changes and public good and welfare issues."

Among the questions raised by the homeowners were:

- Whether council members and planning commissioners improperly exchanged knowledge of property for sale or depressed property values through zoning changes.

- What the relationship is between Community Development Institute, a private, non-profit organization, and elected officials in terms of management of governmental activities and city expenditures. City Councilwoman Barbara Mouton is an employee of CDI, which is headed by former councilman Omowale Satterwhite.

- Why there were apparently inadequate fiscal policies on use of city credit cards, travel expenses, petty cash and the unauthorized hiring of consultants.

- Why the city's publicly funded publication, City Connections, is used in an allegedly discriminatory fashion and not made available to announce a broad base of community activities.

The homeowners also questioned why the authority to direct personnel was placed in the hands of the City Council and not the city manager. However, the council changed that policy earlier this year and authority over the staff now rests with the city manager.

Mouton, when told the United Homeowners had requested a grand jury probe, said sarcastically, "My favorite people!"

Mouton and the homeowners were divided over the issue of the city's incorporation in 1983 and continue to be on opposite sides of most issues.

Mouton refuted the suggestion that CDI influenced her actions on the council, declaring, "That's just bunk. I'm a good listener but I make my own decisions."

In raising the question of inappropriate actions by the council and Planning Commission, the homeowners' letter to the grand jury mentioned a "housing development project purchased through the guise of newly formed development corporations comprised of council members, planning commissioners and an ex-councilman who is close to the sphere of association to get inside information."

The reference was to the Paul Robeson Court, a nine-unit planned development on Weeks Street. The project is a joint development of Serr Corp., Foster City, and Community Opportunities Corp., an East Palo Alto-based nonprofit organization headed by Omowale Satterwhite, a former councilman.

Mouton said there were no planning commissioners involved in the project, adding, "There was just me, and I didn't vote for it."