

Grand jury probes financial dealings in Ravenswood

By John Raess
Times Tribune Staff

EAST PALO ALTO — The San Mateo County grand jury has been conducting a secret investigation of financial dealings in the Ravenswood City Elementary School District for possible financial misconduct in contracts totaling more than \$50,000.

Several sources in positions of authority told the Times Tribune the jury has been auditing the district's books for the past week.

The jury is in the process of issuing subpoenas for testimony later this month.

Its investigation could end in criminal indictments.

The sources said the jury's investigation centered on possibly improper financial dealings authorized by the Board of Trustees.

The district administers five schools in East Palo Alto and eastern Menlo Park.

The investigation apparently was prompted by the revelation last November that Trustee Pamela Haggans' husband Bruce had

been employed by the district as a vice principal, even though he did not possess the correct credentials for the position.

A brief investigation of the district's records over the Haggans affair apparently prompted the jury to broaden its search.

A confidential letter from the district's attorney to the trustees last October stated that the district was legally obligated to recover all money paid to Haggans.

It also stated that voting to pay Haggans' salary was an illegal gift of government money if it was done knowing he did not have credentials for the job.

Haggans was demoted from vice principal to a teaching position last June.

Since then, the board apparently has taken no action to recover the two years worth of salary he was paid.

Among the other board dealings sources said were being examined were payments to an Oakland law firm.

Please see PROBE, A-8

PROBE 2/6/80

Continued from A-1

District financial warrants show that at least \$10,000 has been paid to the firm of Moore and Bell since last October to review the environmental impact report on the proposed widening of Bay Road in East Palo Alto for possible grounds for a lawsuit.

The law firm received a \$3,500 retainer from the board in December and two other payments for legal research.

One person said the grand jury is now investigating board actions for the past two years or more.

The jury has been requesting bits and pieces of information but apparently has not come to any solid conclusions, only more questions, one person said.