**Facts of Complaint**

Complainant advised that he is employed for the San Bernardino County Public Works Department - Flood Control District. San Bernardino County is currently in a lawsuit with a real estate developer called the Colonies in Upland, CA. The lawsuit concerns the Colonies challenging a flood control ordinance imposed on the Colonies. A court decision on an appeal is near, and the rumors were that the County will win. The County Board of Supervisors recently asked the Flood Control District to prepare for the possibility of a $22 million dollar settlement to be paid to the Colonies. Complainant was...
asked by his supervisor to do all the work in preparation for a settlement. On 04/05/2005, the San Bernardino County Supervisors will hold a closed session to the public to discuss the $22 million dollar settlement. If approved in the closed session, the County Supervisors will hold an open session to the public to vote on the settlement.

Complainant and members of his staff believed that the Supervisors may be doing something illegal. The Complainant did not understand that if the county was going to win the lawsuit, then why would they be paying a large amount of money to the Colonies. Complainant advised that the $22 million dollars would almost be the entire budget of the county flood control district. Complainant was not aware of any out of court settlement the County may be doing with the Colonies. With all the recent rains, the money would be needed for major flood area repairs.

Complainant stressed that he wished for his identity to remain confidential.

PROTECT SOURCE
ADDENDUM to FD-71

Jeff Burum, a developer building a housing project by the name of "The Colonies" in the city of Upland, California, is currently involved in a law suit against the County of San Bernardino "Flood Control District".

Several years ago when the project was started, the County Flood Control District (CFCD) stopped the project as the development was infringing on a flood control easement identified as Cucamonga Basin #6. The stoppage resulted in a law suite which was eventually ruled in favor of the developer. The court ruled that the CFCD had not maintained the easement for an extended period of time, and therefore had relinquished the rights to the property.

CFCD hired a private law firm to pursue an appeal which is currently leaning in the favor of CFCD. The appeals court has given the two parties until June 15, 2005 to reach an agreement, or the appeal court will finalize a ruling.

Note the following problems and/or appearances of corruption:

1) County Supervisor Paul Biane is pushing CFCD to pay a settlement of $22,000,000 to the developers even though it has been the opinion of private council that CFCD is winning the appeal.

2) Biane was previously employed and/or partners with the developer Jeff Burum who stands to gain from the settlement.

3) While in office, Previous Assemblyman Jim Brulte pushed through legislation to take $10,000,000 from Proposition 50 to specifically be directed to the Colonies Development in Upland. Since then, Brulte has gone into private consulting practice. He is currently consulting for the Colonies, and County Supervisor Biane has approved $50,000 in consulting requisitions to be paid to Brulte for consulting the County on how to obtain the $10,000,000.

The requisitions are being generated in the amount of $24,999 in order to avoid a public hearing on the matter. Anything below $25,000 can be approved in closed session.

4) Biane has approved the hiring of an appraisal firm "Waldron and Associates" to appraise several CFCD properties in critical development areas of Rancho Cucamonga, Chino, Chino Hills, Ontario, Upland and Montclair. This firm is known to Biane through his business prior to becoming a County Supervisor. It is believed that the appraisals will be undervalued, and the
properties will be offered as part of the settlement to the developer (with whom Biane was a previous partner). Thus the developer will receive prime land for development at below market prices.
April 11, 2005

A few weeks ago, my supervisor reported to you that there may be more fraud being committed by San Bernardino County Board of Supervisors over the Colonies project in Upland California (Colonies vs. San Bernardino County Flood Control). You told my boss not to report this to the papers pending a possible investigation by your office.

I just found out this week that we are being asked to prepare a purchase order for $24,999 to Jim Brulte and associates so that he can be a consultant on this project. Jim Brulte put a clause in the proposition 50 funding that so many millions of dollars will be used specifically for the Colonies project. We have been told to issue one purchase order this year and one for the same amount next year. This dollar amount will keep it under the radar and will keep it from going onto the Board of Supervisors agenda. I feel this is just another stab in the back by the board of supervisors. I’m sure there is some kind of web between Brulte, Biate and the Colonies partners. I wanted to give you this information but remain anonymous if possible. If you decide not to investigate this, I will go to the newspapers, the SB County fraud and abuse hotline and any other avenue I can take to get this issue out in the open. I am sick and tired of this going on in my county and the abuse of the taxpayer’s money.
April 27, 2005

Enclosed is a copy of a requisition that is being prepared to Jim Brulte from the Flood Control District regarding the Colonies project. I had sent you some correspondence a few weeks ago regarding this. The Flood Control District of San Bernardino County is currently involved in a lawsuit with the Colonies Partners regarding property located in the City of Upland. We were actually winning this lawsuit (the appeal) but have been told by the board of Supervisors (particularly Bian) that we are going to settle. So today I found out that yes indeed we are going to settle and that we will be doing both a cash payment and a land settlement (basically the contractor will get a large amount of prime land—so they can make more money). I feel that Bian is committing a fraudulent act and not acting in the best interest of the county taxpayer but in his own interest and the interest of his developer friends. Not to mention that now Brulte will be benefiting financially from this. The Req attached has been purposely kept under $25,000 as directed from the board of supervisors so it will not be put on the public agenda. We will be doing another one after July 1st for the same amount. So we will be paying Brulte almost $50,000 and the public will never know. The public will never know that the supervisors sold them short in a lawsuit that we were winning. I still want to remain anonymous. I sure hope you guys are investigating this. I am so tired of this county getting away with things like this. It’s the good ol’ boys network thru and thru. Exempt employees are not happy and counseled the BOS against this decision but they can be fired at the will of the board. I feel for them as they are trying to do a good job but do not want to lose their jobs either. I however am not exempt. And if it have to come out of the woodwork I will. I’m sure I’ll be made miserable but I’m willing to go thru it if it saves our department money. Giving money hungry land developers more money instead of using our money for it’s intended purpose (flood control) just gets my goat.
DELIVER TO: Department of Public Works
025 E, Third Street
San Bernardino, CA 92415-0835

REQUISITION

Transmittal Code: 122

BILL TO: same as above

REQUESTED BY: Annesley Ignatius
TELEPHONE: (909) 367-8120

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- Monitor activities related to Prop 50 within Dept. of Water Resources (DWR)
- Assess Key personnel and policy-makers involved within the Prop 50 decision making process
- Provide analysis of the DWR Prop 50 process
- Review and analyze the County Prop 50, Chapter 3, applications (for Step 1 and provide preliminary guidance for Step 2)
- Make recommendations to the County as to key items to include in the Prop 50 applications
- Attend meetings with San Antonio Water Co., Cucamonga Valley Water District, City of Upland and other agencies to incorporate agency requirements, etc. into Prop 50 applications

For Purchasing Department Use Only:

□ COMPETITIVE
□ NONCOMPETITIVE
□ SOLE SOURCE
□ OTHER

Approved:
Prepared By:
Entered By:

Type Name: Quility Purchasing Agent

070742
Per our discussions last week, here is a suggested scope of work for the first submittal that is due in mid-June:

1. Monitor activities related to Prop 50 within the Department of Water Resources
2. Assess the key personnel and policy-makers involved within the Prop 50 decision-making process.
4. Review and analyze the County Prop 50 application.
5. Make recommendations to the County as to key items to include in the Prop 50 application.

Let me know if this is consistent with your thinking.

I will be available on Friday for a follow-up discussion.

4/27/2005
Thanks for your interest and I look forward to chatting with you again soon.

Jim Bruite  
California Strategies  
10661 Foothill Blvd.  
Suite 340  
Rancho Cucamonga, CA 91730  
(909) 945-2250

4/27/2005