

# Sacramento News & Review

## Beyond driven!

**For decades, California legislators have been driving on our dime**

By R.V. Scheide

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**California's state legislators are different from you and me.** Yes, they have more money. But it's not just wealth that separates our senators and Assembly members from most of their constituents. They soar above the fray, encased in state-of-the-art steel-and-glass vessels, gazing through darkened panes upon the masses below, most of whom are oblivious to the fact that their representative's blinged-out \$50,000 Lincoln Navigator was bought and paid for by we, the people.

Not David Palmer, though.

For 22 years, Palmer has waged a one-man war against government corruption. The Toledo native calls himself the Watchdawg, and public officials from Ohio to Texas have learned to fear the Dawg's bite. His self-financed investigations have forced resignations of judges in Ohio, Florida, and Louisiana, and sparked a major ongoing ethics investigation of the Texas Legislature.

Public officials who've mistaken the 64-year-old Folsom resident, who resembles a weathered version of the character actor Chris Cooper, for an average run-of-the-mill gadfly have paid the price, more than a few times with their jobs. For reasons of his own, he is beyond driven, a talented, relentless investigator with the time, wherewithal and will to go for the jugular.

**Last year, Palmer informed SN&R he'd launched an investigation** of a little-known state program that provides taxpayer-funded automobiles to legislators in their home districts. California is one of only two states that have the program, and legislators who've taken advantage of it—nearly all do—have logged nearly 100 million miles since 1975, costing taxpayers \$80 million.

The program is administered by the Senate and Assembly rules committees for their respective members. Both committees told SN&R the automobile lease program is completely aboveboard. Palmer begs to differ.



David Palmer, a.k.a. the Watchdawg, has spent two decades pursuing government corruption. California public officials beware: His bite is definitely worse than his bark.

PHOTO OF DAVID PALMER BY LARRY DALTON

If you'd like to review all of the details of David Palmer's investigation, you can find it all on his Web site, [www.noethics.net](http://www.noethics.net), under "California Reporter." And Palmer says, "If you have any information about public corruption, drop me a line at [noethics1@aol.com](mailto:noethics1@aol.com)."

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“Would they have us believe that each and every one of those 100 million miles was in the performance of official state business?” he asks. “That doesn’t pass the involuntary laugh test! We’re talking about millions of taxpayer dollars.”

Against the backdrop of the state’s downwardly spiraling fortunes, the facts about the lease program Palmer has uncovered so far are fairly damning in themselves. Legislators are routinely furnished with fully loaded luxury cars, SUVs and hybrids. Absurd fuel and repair charges go unchallenged. The perk is so ingrained, members pick out their taxpayer-funded automobile before they take the oath of office.

“How can any of these so-called dedicated public servants justify purchases of a Camaro Z28 convertible, Mustang Mach 1, Cadillac XLR Roadster, Mustang Saleen or Chrysler Sebring convertible?” Palmer asks. “Will they now demand a BMW, Porsche, Mercedes, Infiniti or a Jaguar, like their colleagues in Texas?”

But Palmer alleges there’s more going on here than just hubris and bad taste. He estimates he spent 1,000 hours compiling a database from Senate and Assembly records going back to 1975, keying in the older data by hand, listing the type of vehicles, the purchase prices, the aggregate fuel and repair costs incurred. Then he crunched the numbers and discovered that many of them just didn’t add up.

One legislator’s Prius got 88 miles per gallon; another’s got 8 mpg; a legislator from Los Angeles got 40 mpg with a Ford Expedition. Several legislators would have had to drive more than 24 hours per day to justify their fuel and mileage claims. Expensive upgrades such as custom rims and sound systems are the norm. Records of what happened to previously leased vehicles were incomplete or nonexistent.

Since January, Palmer has filed repeated public-records requests with the Senate and the Assembly, seeking answers to these apparent discrepancies. By and large, they’ve denied his requests, citing security reasons. SN&R requested the same information and was also denied.

That’s why Palmer is suing them.

**To understand what drives Palmer, it’s** necessary to travel back in time, to his native Toledo, Ohio. In the 1980s, Palmer and his wife owned and operated one of the most popular Asian restaurants in the Midwest and a wholesale Asian-food distribution company. The couple and their three daughters were living a near idyllic version of the American Dream when a near-fatal automobile accident left Palmer’s wife permanently disabled in 1987.

The case went to court, and Palmer alleges the attorney he hired to represent his wife removed \$17,000 from her medical reimbursement account for his fee. He fired the attorney and reported the incident to the Toledo Bar Association and the Ohio Supreme Court. The complaints went nowhere and the attorney countersued, claiming that Palmer’s wife owed him 30 percent of all medical expenses she incurred until she died, a multimillion-dollar medical settlement. If Palmer seethes like it all happened yesterday, perhaps that’s because just this week he had to attend yet another hearing in Toledo for a case that has dragged on for 22 years, and has at least two more years to go.



As an assemblyman, current Los Angeles Mayor Antonio Villaraigosa burned 5,483 gallons of gasoline in 1999, four times the amount he'd burned in any previous year. Coincidentally, Villaraigosa was running for mayor of Los Angeles at the same time.

"I got involved in this because my wife got victimized," recalls Palmer, seated behind a flat-screen monitor and surrounded by stacks of government documents in the small office he maintains in a Rancho Cordova industrial park. "That was the impetus, not financial gain."

After he began investigating the attorneys and judges involved in his own case, he quickly found that abuse was widespread throughout the system. He's received reports of from as far away as outer Mongolia. "I came to realize it wasn't just about me," he says. "Some of the horror stories were so utterly disgusting, they gave me the impetus to carry on my investigations. I'm just one guy, but I had to do something."

In 1997, he set up a Web site, [www.noethics.net](http://www.noethics.net), documenting his extensive inquiries online.

Reporters from Toledo to Dallas to Sacramento consider him a trusted source; he's lost official count, but estimates he's been featured in some 500 news articles, not counting magazine, radio and TV interviews. His investigation of the California Legislature is one of his biggest projects to date.

After researching the lease program for months, Palmer began attempting to crack the veil of secrecy surrounding it in January. "Secrecy" is not too strong of a word. He has repeatedly requested copies of redacted gas charge-card receipts, lodging and meal receipts, VIN numbers and other records from the Assembly and Senate, to no avail.

The California Public Records Act requires public agencies to provide such information. In fact, Palmer has requested and received the same information from other public agencies, including the Board of Education, secretary of state and attorney general. The Sacramento County Sheriff's Department actually provided redacted fuel records of its undercover officers.

However, the Legislature has an out. It's called the Legislative Open Records Act, and according to the Secretary of the Senate Gregory Schmidt's denial of Palmer's requests, it just happens to exempt "the mandatory production ... of records pertaining to the name and location of recipients of automotive fuel or lubricants expenditures, provided that records of the total charges for those expenditures shall be open for inspection."

Schmidt said the Legislative Open Records Act prohibits the release of such information to anyone, including SN&R.

Palmer's request for air-travel receipts from Assembly members was similarly rebuffed by Assembly Rules Committee Chief Administrative Officer Jon Waldie. "We believe that the disclosure of their air schedules and related travel information poses a serious risk to the security of individual Assembly Members and therefore, the public interest served by its disclosure is clearly outweighed by the public interest served in not making the disclosure public."

Waldie had not responded to SN&R's request for travel records, gas charge-card receipts, vehicle logs and billing statements.

Palmer is accustomed to such stonewalling from government officials.

“What could be more in the public interest than finding out how they’re spending our money? The only thing they have to fear is finding out who’s been naughty and nice.”

When Palmer requested vehicle maintenance records from the Senate Rules Committee, he was directed to the Department of General Services. DGS sent him back to the Senate and the Assembly. The runaround can get wearisome, Palmer notes, since the rules committees, unlike most public agencies nowadays, don’t accept requests for information via fax or e-mail.

State Controller John Chiang agreed to provide Palmer with the W-2s for every member of the Legislature, but with the pertinent information—the amount of taxes withheld—redacted. Without it, there’s no way to determine if legislators are declaring the private use of their taxpayer-funded automobiles as income, as required by law. Palmer responded by sending Chiang copies of W-2s from six Ohio Supreme Court justices, as well as the Ohio attorney general, secretary of state and state auditor, all of which were provided voluntarily. In fact, Palmer has more than 1,000 W-2s dating back to the ’80s for Ohio judges and justices from previous investigations.

After repeated inquiries seeking official documentation on the lease program, the Senate Rules Committee sent Palmer the following short description:

“Upon request to the Senate Rules Committee, a member is furnished an automobile at a reasonable cost. That vehicle must be American made unless it is a hybrid. There are two programs from which to choose their payment program. The two year program will pay up to \$500 maximum or 90 percent of the monthly cost (whichever is less) and the Senator will pay a minimum of 10 percent or the amount in excess of \$500 as their personal responsibility. The four year program will pay up to \$350 maximum or 90 percent of the monthly cost (whichever is less) and the Senator will pay a minimum of 10 percent or the amount in excess of \$350 as their personal liability.”

The Senate and Assembly rules committees provided the same information to SN&R.

If only it was that simple. Attempting to wrap your head around the murky details of the Legislature’s lease program is akin to viewing a stereogram for the first time. No matter how hard you concentrate, you can’t quite bring the image into focus.

Just try and follow the money. A legislator, whose salary is paid for with taxpayer dollars, requests a car. The rules committee purchases the automobile with public funds. The committee then leases the vehicle to the legislator, who pays a small portion of the lease with his taxpayer-provided salary. We the people pick up the remainder of the tab, which is returned to the rules committee. Based on the limited public information about the program, it nearly appears the public is paying for the automobiles twice.

It gets worse.

When legislators trade up for a new model, the rules committee sells the old automobile. According to documents obtained by Palmer, the cars are auctioned or sold outright to



Another sweet perk legislators enjoy with their taxpayer-funded automobiles is free repair costs. For example, former 2nd District Assemblyman Doug LaMalfa racked up \$25,000 in repair bills on his 2003 Mustang V8 Mach 1 over a two-year period, nearly matching the car’s \$29,000 sticker price. About \$1,400 of those repairs were incurred after LaMalfa struck a raccoon.

anonymous dealers or unnamed government agencies, often for a fraction of the retail price, and sometimes for significantly more. In 21 cases, no buyer is listed at all. Like the lease payments, where the proceeds for the sales go is unclear.

“They seem to be using our tax money to purchase new vehicles and then resell them to themselves,” Palmer remarks. “It’s akin to me paying cash for a car with family funds, and then having my wife resell the car to herself or our children for a profit.”

Adding to the confusion is the fact that the Senate and the Assembly use completely different methods to administer their respective programs. Schmidt clearly thinks the Senate’s accounting method is superior.

“The lease figure is a placeholder,” he explained, referring to the figure that is listed annually in the Senate journal, along with the legislator’s name, automobile type, fuel consumption and maintenance costs. The figure merely keeps track of how much the Senator has paid for the automobile. “There’s no transfer of cash,” Schmidt said. Therefore, the public is not paying for the car twice. He also noted that rules prohibit the Senate from selling cars directly to senators. However, there’s nothing stopping members from buying back their automobiles from the dealers the Senate sells them to.

Waldie’s explanation of the lease program clouds the issue even further. According to him, the lease figure is not a placeholder. Each Assembly member is granted \$292,000 annually in public funds for staff expenses. The lease payment is taken from that amount and returned back to the rules committee. He insisted the public isn’t paying for the automobiles twice. Nevertheless, it’s difficult to tell exactly what’s going on with the meager information provided.

**Fortunately, other data gleaned from the available public documents** is more revealing. Against a bleak economic backdrop in which elected officials announce new cuts in public programs nearly every day, the figures are a cold slap in the electorate’s face.

Nowhere is the hubris of our legislators more blatantly displayed than their selection of automobiles and luxury options. Former senator for the 26th District Kevin Murray heads the top of a long list of legislators who’ve spent more than \$45,000 on automobiles. In 2001, he leased a \$53,000 Lincoln Navigator, which he replaced in 2005 with a \$57,000 Lexus RX 440 H. Murray termed out in 2006. Schmidt informs the \$57,000 Lexus is now used by the sergeant-at-arms to shuttle people to the airport.

Murray, who works at the William Morris advertising agency in Bel Air, did not respond to SN&R’s request for an interview. However, Schmidt defended such expenditures as falling within the “cap of common sense,” and even seemed to pine for the good old days 15 years ago, when legislators had a more avid interest in pimping out their rides. Not that today’s members are slouches by any means.

There’s the five grand Sen. Alex Padilla, D-Pacoima, spent on 18-inch wheels and a body kit for his \$38,000 Toyota Camry hybrid. Sen. Bob Huff, R-Diamond Bar, couldn’t help but keep up with his colleague and spent \$4,200 on his own 18-inch wheels and a Bluetooth hands-free system. Assemblyman Curren Price’s \$29,000 Chrysler 300 just wouldn’t have looked fly rolling through the 51st District in Los Angeles without a chrome Bentley grille, which, along with a navigation system, cost an additional \$2,500.

SN&R could not reach Padilla, Huff or Price. But like his counterpart in the Senate, Waldie defended the members’ spending on automobiles, pointing out that the Assembly now places a \$40,600 limit on standard automobiles and a \$48,500 limit on hybrids. It must also be noted that according to figures provided for the Assembly’s four-year lease plan, the member’s share of the

lease payment for a \$40,000 automobile is \$136. Taxpayers foot the remaining \$350. So it's not like we're paying the entire bill—just 90 percent of it.

More astonishing is the endurance some of our legislators seem to possess.

For example, in 1999, then-Assemblyman Antonio Villaraigosa had to be on the road some 27 hours per day to account for the nearly 5,500 gallons of gasoline he burned that year, which was four times his previous high. Coincidentally, he happened to be running for mayor of Los Angeles.

"I have absolutely no doubt that Villaraigosa was pilfering fuel for his own failed mayoral campaign," Palmer alleges. "How ironic. Voters throughout the state unwittingly funded Villaraigosa's failed campaign, through their own taxes."



As an assemblyman, Sacramento's Darrell Steinberg could have had the taxpayer-funded automobile of his choice. Typically, Steinberg chose a sedate 2001 Ford Taurus, costing a mere \$21,466. Upon becoming Senate pro tem, he upgraded to a 2009 Toyota Prius for \$29,572.

consumed by the automobile's fuel efficiency, which yields the distance traveled. Using an average rate of speed based on federal Department of Transportation guidelines, he calculates how many hours per day the legislator would have to drive to account for the reported figures. It's a simplistic formula, but Palmer's methods have been validated by the Ohio state auditor and courts in Ohio and Texas.

Palmer uses similar calculations to uncover the pilfering of gasoline, probably the most common petty offense in the public-employee domain. How is that one state legislator's Prius gets the advertised 48 mpg and another's gets only 8 mpg? Palmer speculates that family members of the latter are more than likely using Mommy or Daddy's government-issued credit card to fill up their own rigs. Conversely, if one Cadillac Escalade gets the advertised 15 mpg and another gets 41 mpg, it's a safe bet that the latter legislator is putting their own gas in the vehicle and racking up personal miles on the taxpayer's dime.

SN&R contacted Villaraigosa's spokesperson, who asked that a former interview request be made by e-mail. At press time, Villaraigosa had not responded to SN&R's request.

Villaraigosa won his second run for mayor in 2004 and is being touted as a potential candidate for governor in 2010. Judging by the hours he puts behind the wheel, he has the stamina for the job. But he isn't the only legislator doing the time warp, baby. In fact, he's only third on the list. Former Assemblyman Bill Jones of the 32nd District, who went on to serve two terms as secretary of state, set the all-time record, averaging 33 hours per day behind the wheel in 1986. Apparently, there's a temporal vortex somewhere out near Bakersfield.

"I'm hoping Tony and Bill will give me a DNA sample," Palmer quips. "If we cloned them, these miracle workers could solve the state's perpetual budget problems overnight."

To extrapolate such figures, Palmer first presumes that legislators annually spend 145 days in their districts. He then divides the amount of fuel

Both Waldie and Schmidt defended what appears to be excessive gasoline use on behalf of some of their members, for different reasons.

Waldie said members who appear to be spending excessively are given a warning, though he named no specific circumstance of that happening. At the same time, he said the Assembly's lease program is self-limiting, since fuel expenses come out of each member's \$292,000 budget, and if he or she is spending it on gasoline, that means doing without something else—extra staff members, for instance.

Schmidt's explanation seems more suspect. Although the Senate owns 100 percent of each car, because individual senators pay for 10 percent of the lease out of their own pocket, the rules committee permits unlimited personal usage of the taxpayer-subsidized automobile. "They pay for part of the car," Schmidt said. "They can go anywhere they want." Yet paradoxically, he said the rules committee reviews the mileage log for every senator, to ensure commuting miles are properly reported to the Internal Revenue Service. Schmidt said no red flags have ever turned up during such reviews.

The Sacramento region's legislators remained off Palmer's radar for the most part, although Sen. Lois Wolk made the ignominious list of officials whose cars were purchased before their actual swearing-in date.

Wolk did not return SN&R's request for an interview. Schmidt denied that any senator has ever accepted delivery of an automobile before taking the oath. However, Senate records clearly show Wolk's 2009 Camry was purchased for \$31,981 on November 11 of last year, nearly three full weeks before she was sworn in. Perhaps the car wasn't "delivered," but Wolk and more than a dozen other legislators were clearly shopping for cars before being sworn in, according to the purchase dates on the automobiles.

Technically, it's illegal for an elected official to perform official duties before taking the oath of office. Whether that extends to lease program is unclear. It and other issues Palmer raises may seem like minor points to many of us, but from his point of view, there are no minor points.

"They're supposed to hold themselves to a higher standard than us," Palmer says. "They don't even try to fake it."

The state controller has yet to send the W-2s promised more than a month ago, but Palmer's already convinced many legislators may be facing substantial tax liabilities if they haven't kept records of business and personal mileage and notified the IRS about the lease arrangement. Since he's unlikely to get that information from the redacted W-2s that are supposedly in the mail, the only way to discover what's really going on is through the records the Senate and Assembly rules committees are refusing to divulge.

"It's their own numbers," he teases. "You'd think they'd be proud to share them."

Earlier this week, Palmer filed a public-records lawsuit against the Senate and Assembly rules committees. In the suit, he argues that "California legislators cannot constitutionally provide themselves with greater protections and rights than those afforded to other government agencies in California and elsewhere."

The name at the top of the suit? Sen. Darrell Steinberg, president pro tem of the Senate and chairman of the Senate Rules Committee.

If it gets to court—and if the past is any indication, it almost certainly will—Palmer will represent himself in pro per. Public officials who write off Palmer as just another angry old man, a gadfly, do so at their own peril.

“They don’t want to get in a courtroom with me,” he snarls.

It’s not hard to believe him at all.

## By the numbers

### How far can you get on \$80 million?

Amount	Estimated costs for legislative cars—1960 to 2008
\$34.0 million	1,900 new cars (\$18,000 average cost per vehicle)
\$17.5 million	Lease costs on 1,900 legislative vehicles
\$8.9 million	Fuel costs for legislative vehicles
\$4.8 million	Maintenance and repair costs for legislative vehicles
\$1.2 million	Liability insurance costs for legislative vehicles
\$6.7 million	420 total cars for Southern California Assembly members for Sacramento use
\$1.5 million	Maintenance, insurance and fuel costs for Sacramento-based vehicles
\$2.4 million	Wages and benefits for two staff to oversee programs
\$500,000	Cars for Assembly/Senate leaders (24 cars at \$17,000 each)
\$2.4 million	Wages and benefits to employees to chauffeur leaders
<b>\$79.9 million</b>	<b>Total costs to taxpayers</b>

The above chart was compiled by David Palmer. Because it is based on incomplete information, the numbers should be considered rough estimates.

## Driven to excess?

### All-time top ten legislative car spendthrifts, according to Assembly and Senate records

Amount	Estimated costs for legislative cars—1960 to 2008
\$465,000	Assy-Sen. John Vasconcellos, Santa Clara, 1967-2004
\$360,000	Assy-Sen. Charles Calderon, Los Angeles, 1982-2008
\$325,000	Assy. Lou Papan, San Mateo, 1973-1986, 1997-2002
\$309,000	Assy-Sen. Mike Machado, Vacaville, 1994-2000
\$298,000	Assy. Stan Statham, Eureka, 1976-1992
\$291,000	Assy-Sen. Kevin Murray, Los Angeles, 1994-2008
\$280,000	Assy-Sen. Roy Ashburn, San Diego, 1996-2008
\$275,000	Assy-Sen. Jim Costa, Long Beach, 1978-2002
\$500,000	Cars for Assembly/Senate leaders (24 cars at \$17,000 each)
\$270,000	Assy-Sen. Jim Battin, Palm Desert, 1994-2000
\$249,000	Assy-Sen. Dick Ackerman, Laguna Hills, 1995-2008

The above chart was compiled by David Palmer. Because it is based on incomplete information, the numbers should be considered rough estimates.

# Pimp my ride!

## A list of legislator-ordered options

Name	Vehicle options ordered	Cost
Sen. Bob Huff	Cadillac CTS wheels, Bluetooth	\$4,226
Sen. Ron Calderon	Cadillac CTS 18" wheels, tires	\$2,400
Sen. Alex Padilla	Toyota Camry hybrid 18" chrome wheels	\$5,650
Sen. Kevin Murray	Lexus 400H DVD player	\$1,900
Sen. Ed Vincent	Lincoln Town Car Tires, CD player	\$1,455
Assy. Mary Salas	Ford Escape Sunroof	\$1,495
Assy. Cathy Galgiani	Ford Crown Victoria Navigation system	\$1,600
Assy. Curren Price	Chrysler 300 Navigation, Bentley grille	\$2,478