

Editorial City of Industry: What gives?

By **THE TIMES EDITORIAL BOARD**

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Something is rotten in City of Industry. The sour odor is emanating from lucrative city contracts — several hundred million dollars' worth — awarded over two decades to companies owned by former Mayor David Perez and his relatives.

This is a city of only 400 residents, where political power has been concentrated in the hands of a few for nearly 60 years. An independent audit ordered by current city leaders looked into city contracts worth \$326 million awarded to companies owned by Perez's family, and although the auditors could not say for certain that the billings were reasonable, they are certainly suspicious.

Two contracts in particular deserve closer scrutiny: \$4.9 million for lawn mower rentals and street cleaning services that the auditors said were billed at six times the rate offered by a competitor; and \$28 million for vehicle and equipment rentals over 11 years that the auditors also said seemed excessive.

The district attorney's office should take another look at the contracts — and this time dig deeper into the city's finances. The DA's Public Integrity Division opened an inquiry in 2009 into complaints about Perez and the contracts awarded to his family's companies. It closed the case two years later after concluding that there was no conflict of interest because the contracts were awarded before Perez took office and because he abstained from related votes.

There's no reason to doubt that the DA's office did what it could with the information it had. But the details in the audit raise enough red flags to merit new attention from prosecutors who know the tricks public officials can use to loot city treasuries. Making a case will not be easy in this tiny city where everyone knows everyone else and their financial interests are often intertwined.

If these sketchy deals and billings are not illegal, perhaps they ought to be. Maybe California needs tougher oversight to keep small city governments from turning into corrupt fiefdoms. That's a job for legislators such as state Sen. Ed Hernandez (D-West Covina), who represents City of Industry. Hernandez said the audit raises questions about whether officials in Industry are "playing by the same rules as their neighbors."

This city of just 187 voters lacks the ability to reform itself. Even the upcoming election — the first in 20 years because every other one has been canceled — doesn't offer much hope of change. The

three people challenging two incumbents in June are backed by the Perez family. Among them is Mark Radecki, who is the brother of the city manager and who has worked for a Perez family company.

Yes, something stinks in City of Industry, and it's not the industry.

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