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August 6, 2018

Governor Edmund G. Brown  
c/o State Capitol, Suite 1173  
Sacramento, CA 95814

Dear Governor Brown

I am writing to you to inform you of rampant violations of California Education code 7050 – 7058 by the Hermosa Beach City School District among other unethical and illegal activities before, during and after the bond campaign of June 2016. I am requesting that you personally, along with Superintendent of Public Schools, Mr. Tom Torlakson, call for an investigation of illegal behavior by our school district, their attorneys and hired consultants. Although these issues are exemplified by HBCSD, they are issues that are potentially affecting taxpayers in many other school districts in California.

In the Spring of 2017 I sent a small sample of the information we have regarding illegal activity by HBCSD to you and Superintendent Torlakson as well as to the Los Angeles County District Attorney, Division of Public Integrity office, the Los Angeles County Department of Education, the California Department of Education and have investigated the Fair Political Practices oversight – and have found no one who will investigate clear violations of Ed Code 7050-7058 among other certainly illegal activities. If our information did not represent illegal activities than I believe it is extremely unfair to taxpayers and voters and as a taxpayer I request a review of current practices used by school districts and their taxpayer funded consultants by the Department of Education.

I am enclosing a brief summary of the issues experienced by taxpayers and voters of the Hermosa Beach City School District. There is much more information and egregious examples of unethical behavior by HBCSD than is included in my summary. I am also enclosing a 27 page write-up of unethical and illegal practices used by school districts and their bond counsel that was written by Mr. Richard Michael and sent to the Los Angeles County Registrar Recorder and County Clerks and to the Los Angeles County Supervisors for your information.

Please consider making this important taxpayer issue a priority for the final days of your administration as Governor of California.

Sincerely,  
Miyo Prassas

Cc: Mr. Tom Torlakson, Superintendent of Public School Instruction, CA Dept. of Education

August 6, 2018

Request for a State investigation of **illegal activities by the Hermosa Beach City School District June 2016 bond campaign and an illustration of the extreme and unfair disadvantage of private individuals and groups in dealing with school districts.** Since 2002, the Hermosa Beach City School District's bond campaigns and subsequent actions are a perfect example in a small (less than 1,500 students, K-8<sup>th</sup> grade district), simple (one superintendent, one business manager and five school board members) school district of all the issues and violations outlined below. We have specific examples and concrete proof. Our information is very well documented with actual district emails, billings, detailed transcripts of recorded meetings, etc. However, **after two years of effort by a group of community members we are unable to get State or County officials to do anything about this continuing illegal and unethical behavior by HBCSD.**

Our story is a perfect example of how wealthy school districts using hired consultants can game the system and waste millions of dollars of taxpayer funds. We have evidence of:

- The egregious violations of Education code 7050-7058 (Political Activities of School Officers and Employees) and the lack of investigation or enforcement of the code by State and County Dept. of Education, Public Integrity division of the District Attorney's Office or FPPC (FPPC only has standards for School Board candidate campaigns and campaign expenditures disclosing.). There needs to be a definition as to what constitutes 'fair and impartial' information for voters. There needs to be a hot-line for immediate help and answers from the CDE. The CDE should provide official, unambiguous, one-page answers to questions and facts on CDE letterhead that can be posted to Facebook.
- The availability by school districts to hire consultants and attorneys who will mislead, fabricate facts and out-right lie in official reports (demographics, historical assessments, facility master plan assessments and recommendations, traffic studies, Environmental Impact Reports, etc.) and in public meetings at the school district's bidding. There needs to be regulation, reporting of violations to an online searchable data base and negative repercussions for violations by consultants and attorneys who deal with school districts at taxpayer expense.
- The self-serving perversion of district bond project lists. There are often no priorities or associated costs or the use of probable future costs predictions presented by school districts in pages of possible bond fund usage to-do lists. District's use these lists to mislead voters to the true intention of bond expenditures and give themselves essentially blank-checks for bond fund usage.
- School districts using public funds to hire professionals or staff to direct district websites, Twitter accounts and Facebook accounts and district sponsored newsletters and use parents' emails and addresses to circulate misinformation and/or slanted information to the public.
- The lack of oversight, transparency or negative repercussion for "trusted" school district employees (i.e. superintendent) and school board members to verbally provide misinformation to the public at essentially private meetings, since bond-opposition groups are not notified of such meetings or invited to attend, with community groups and through their supporters.

- The questionable ethics of donations made to school district bond campaigns by architects, engineers, bond personnel etc. who would profit from the passage of the bond. HBCSD received \$22k from one architect for their bond campaign who they ended up not using after the bond passed. The CDE needs to spot-check possible (and very probable) reimbursement of those donations by school districts.
- The unethical and unfair advantage of seamless coordination of pro-bond activities and communication between district personnel (during working hours), school board members and their immediate family members and supporters without the required separation between the official pro-campaign and district. School bond campaign donations were mailed to school board members' home addresses. School board members and the board president's spouse, who was the pro-bond campaign chairman, seamlessly worked with the district superintendent and other school board members directing campaign activities and interfacing with hired professional campaign consultants using district resources and taxpayer funds.
- The empty promise to unsuspecting voters that Citizen's Oversight Committees will protect taxpayer bond funds from waste and misuse.
- The illegal withholding of information by school districts.
- The extreme trust and lack of proof required of statements from school board members and superintendents by the community and local newspapers.
- The learning curve and prohibitive cost and sheer amount of time and effort required by private individuals to contest illegal activity by school districts.
- The use of trained and readily available attorneys held on retainers by school districts using unlimited public money to fight legitimate taxpayer concerns.
- The pervasive attitude by judges to disregard the legitimacy of taxpayer complaints and automatically rule in favor of school district actions and decisions.
- Reluctance by local newspapers, city council members, and other State and County elected officials to get involved or report on anything negative regarding school district actions.

### **THE BACK STORY:**

After more than a decade of dealing with HBCSD and the HB City Council on HBCSD facility issues, we have finally realized what has been driving HBCSD's illegal behavior. In 1978, as enrollment at HBCSD was significantly declining, HBCSD sold its 4.7 acre, 15 classrooms middle school with a 250 seat auditorium, gymnasium, changing rooms, tennis courts, and kitchen to the City of HB with the expressed provision (in the form of an MOU) that if district enrollment rose back above 1,266 students the district would be given priority access to rent classrooms, office space and storage at Pier Avenue School (PAS) from the city. This could be accomplished through joint use of PAS which the Department of Education encourages. To accommodate the stated lease back provision the district agreed to sell Pier Avenue School (PAS) campus, aka The Community Center to the City of HB for less than fair market value - \$650k. The city agreed to these terms at their June 14, 1977 city council meeting and executed

the agreement by opening up an escrow following the instructions in the Memorandum of Understanding.

In 1980, after dropping to a district wide low enrollment of 666 students, enrollment at HBCSD steadily began to rise again. In 2002, twenty five years after the sale of PAS, most residents did not know or remember the details of the sale. Behind the scene, a self-styled group of Hermosa power elites, led by two former city council members who had in fact personally agreed to the terms at the time the city purchased PAS from the school district, realized that if student enrollment continued to rise the city would have to share PAS with the school district. It appears that the power elite began to develop a plan to keep PAS out of the hands of the school district. For this reason, unbeknownst to voters, several of the power elite ran for school board and won.

HBCSD's 2002 Facilities Master Plan recommended building 16 classrooms within 10 years to prepare for a predicted, ongoing 2.6% annual enrollment increase. The district had two possible solutions: reopen the circa 1934 North School campus or use the iconic 1939 PAS campus for students. School board members rejected both options.

In the early 2000s other school districts in California began to prepare for the predicted enrollment increase. Locally Manhattan Beach USD spent \$1M to renovate Robinson Elementary School and reopened it for district use. El Segundo USD spent \$5.3M to renovate their circa 1936 Richmond Street School. In 2002 Newport-Mesa USD spent approximately \$5M to renovate their circa 1936 Newport Elementary School.

In 2002 HBCSD passed a bond for \$13.6M. However, instead of building classrooms as was promised in the text of the facilities bond ballot, school board members (the power elite who had been elected to the school board with their as yet unknown plan to keep PAS out of the hands of the district) spent \$11M building a gymnasium at Valley School and two science classrooms that replaced existing portable classrooms but did nothing to add additional capacity. Why build a gym instead of classrooms? We believe the plan was so that parents wouldn't use the gymnasium at PAS as a reason to reenter PAS when enrollment rose. At the time the 3rd-8<sup>th</sup> grade Valley School did not possess a gymnasium.

Some brave community members publically challenged the district and advocated for the district and city joint use of PAS. Our entreaties were ignored and labeled undoable by school board members and city council members. The "Nay-sayers" as we were labeled by the school board members (i.e. the power elite) were personally and roundly attacked in letters to the editor, on Facebook etc. by district supporters.

Of course there is nothing illegal with coming up with a plan and working to execute it. The problem lies with the power elite's ability to hire professionals and consultants using taxpayer money to assist them in their deception of the Hermosa Beach electorate. Key among these hired professionals was the school district's attorney Mr. Terry Tao of the legal firm Atkinson, Andelson, Loya, Ruud and Romo. Mr. Tao has bragged in meetings that he has worked with hundreds of school districts in Southern California.

From 2002 to 2008 HBCSD superintendent and school board members insisted that enrollment was not rising and claimed that the district could not re-enter PAS or renovate its other 1934 campus at North School for students. We believe that unbeknownst to taxpayers and parents, the power elite had promised a BRAND NEW campus at North School as a quid pro quo to school board members for not contesting the district's rights to use the PAS campus.

Enrollment rose at HBCSD matching exactly the 2.6% annual increases predicted in the 2002 Facilities Master Plan. In 2010, district enrollment rose past the 1,266 that should have triggered the districts contractual use of the PAS campus. HBCSD's other two campuses, Valley School and View School, were severely overcrowded. Two classrooms of students were forced to share both multipurpose rooms at Valley and View schools, and the district spent millions on 10 temporary classrooms and over \$100k moving its District office to another complex of six classrooms at South School also owned by the city. Like PAS, South School, along with another school, Prospect Heights, were also previously gifted by HBCSD to the City of Hermosa Beach in the 70s when enrollment was dropping. In addition, the increased enrollment at Valley and View schools created traffic and parking nightmares in and around the schools. In 2014 HBCSD enrollment rose to 1,472. Parents and teachers were in a panic. Still, however, parents and teachers and most people in Hermosa Beach trusted the school district's assertions, decisions and actions.

During this time of greatest need, city and school district officials rejected the district's use of PAS classrooms stating without proof that PAS was structurally unsafe and that the Sales Agreement did not provide for HBCSD contractual use of PAS. In the summer of 2015 a structural assessment and a building assessment of PAS reported that PAS is earthquake safe and is in very good condition. However, then as now most residents still believe that PAS is structurally unsafe for students. Neither the city nor the school district has brought up the fact of the positive, independent structural and building assessments of PAS during their joint meetings.

Also, unbeknownst to taxpayers, the Memorandum of Understanding that outlined the lease agreement for district use of classrooms was "missing" from copies of the city and district's PAS sales agreements. After the MOU was "discovered" at the LA County Registrar's office by a parent investigating the sale of PAS in 2013, the HBCSD attorney (Mr. Terry Tao) and the HB City attorney both still claimed that HBCSD did not have the right to use classrooms at PAS. Most people in Hermosa would not believe that school board members and city council members, who are our friends and neighbors, would lie. Most people completely trust school district pronouncements and decisions and still do.

Although the California Department of Finance demographics were reporting that statewide and LA County student enrollment was predicted to decrease after 2014, according to HBCSD hired demographic consultants (Decision Insite) HBCSD enrollment was predicted to, in one report, double in 20 years. Even though this is a ridiculous demographic prediction, since HB is already a densely populated city with no new housing developments planned, most people and the local newspapers believed the district's demographic consultants. Again, parents and teachers panicked with the news of increased enrollment.

Hired consultants and school board members claimed that the circa 1934 North School buildings did not have historical significance. The district's Historical Assessment Report written by a hired historical preservationist misidentified the famous architect of the buildings along with several other provably false statements. School board members claimed that it would be cost prohibitive to renovate North School. Therefore the district decided to demolish and rebuild the entire NS campus - finally bringing to fruition the power elite's plan and promise in their quid pro quo to the school district.

The district's attorney Mr. Terry Tao came in particularly useful to the power elite when he gave a one hour presentation to school board members and city council members in a joint meeting that was broadcast live and video tapped and embedded into the district's website, one week before the June 2016 vote. Members of the community were not allowed to question Mr. Tao during the meeting. We have proof that 90% of what Mr. Tao said in his presentation were lies and purposeful mischaracterizing of facts. We also have proof that Mr. Tao spent at least six hours during the month of May 2016 developing his presentation to deceive voters in collusion with our district superintendent.

HBCSD was able to pass a \$59M bond, Measure S, in 2016 using reports and studies that have since been proven by us to have been rife with incorrect information. Six months after the 2016 bond election, the district's hired demographic consultants changed their enrollment predictions from that of a substantial future increase in enrollment to one of substantial DECREASE in HBCSD enrollment. Although enrollment is now rapidly decreasing in the district, school board members are still planning on completely demolishing and rebuilding an unneeded campus for 510 students. When we have used HBCSD own official reports to the CDE predicting three-years of decreased enrollment to argue against completely demolishing and rebuilding historically significant buildings, HBCSD officials have delete the reports from their website. HBCSD and their attorneys are in the process of spending hundreds of thousands of dollars to finish an Environmental Impact Report using the same consultants whose work has been proven by us to be full of errors. However, like the fox guarding the hen house, HBCSD is both the creator and the final decision-maker on the acceptance of their own outrageously biased, taxpayer funded EIR.

In addition, HBCSD has hired consultants to lobby the State of CA for millions in new construction matching funds for an unneeded brand new North School campus.

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