



Bell City: Lessons in Looting

Eight former or current Bell, California, officials were arrested on Tuesday for looting the city for themselves and their friends, according to Los Angeles County District Attorney Steve Cooley. "We are alleging they used the tax dollars from the hard-working citizens of Bell as their own piggy bank, which they looted at will," noted Cooley at a news conference. "It's corruption on steroids."

The arrests followed <u>charges filed</u> by California's Attorney General Jerry Brown last week in a civil complaint against the same individuals, accusing them of wasting public funds, negligence, fraud, conflict of interest and breach of fiduciary duty.



Bell, a small city about 10 miles southeast of Los Angeles, has a population of 38,000 and a per-capita income of less than \$25,000. Cooley said that his office had been investigating charges of excessive salaries and payoffs since March, but it didn't attract national attention until the *Los Angeles Times* wrote about it four months later.

Former Bell City Manager Robert Rizzo was charged with 53 counts of misappropriating public funds and conflicts of interest. His base salary in 2010 was \$787,500. In 2008, the city's council members provided him with 107 days of vacation and 36 days of sick leave, which they allowed Rizzo to convert into additional compensation of \$360,000, which brought his total pay in 2009 to more than \$1.1 million. Because his pension benefits are based upon salary levels, his total compensation exceeded \$1.5 million for the year.

Rizzo's Assistant City Manager Angela Spaccia was making \$376,288 a year, and members of the city council were receiving \$96,000 a year, compared to \$4,800 a year earned by council members in similar-sized cities.

Cooley explained how Rizzo was responsible for millions in misappropriations by making illegal loans to himself and members of the council and friends. He wrote his own employment contracts, and allowed council members to be paid \$1.2 million for phantom meetings, many of which never took place, or lasted only a minute or two. In addition, Rizzo pushed Bell City to raise property tax rates above statemandated caps and, in a separate investigation by the federal government, to target young Hispanic drivers in traffic stops in order to raise additional revenue.

The pattern of excessive salary increases began in 1993, with Rizzos salary being raised 16 times since then, with an average increase of 14 percent per year. In 2005, Rizzo received an increase of 47 percent, said Cooley. And council members voted themselves salary increases 16 percent annually since 2001. Rizzo and his fellow looters developed the scam over many years but excessive greed and hubris apparently finally caught up with them.



Written by **Bob Adelmann** on September 22, 2010



By maintaining tight relationships with his friends and supporters and by buying off members of the city council, Rizzo was aided in his conspiracy by a disinterested public. That's all it takes, really, for governments to loot their citizens: greed, power, influence, and apathy. This is something for citizens to remember when applying the lessons of Bell City to other government entities, state and federal.

Cooley said that his investigation involved more than 60,000 pages of evidence, and that more arrests could be expected.

Photo of Robert Rizzo: AP Images





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