

July 15, 2019

Mr. Alan Yochelson  
Head Deputy  
Bureau of Fraud and Corruption Prosecutions Public Integrity Division  
Los Angeles County District Attorney  
Sent Via Email: [AYochelson@da.lacounty.gov](mailto:AYochelson@da.lacounty.gov)

RE: Report of LA Metro Fraud, Waste, Abuse and Corruption

Dear Attorney Yochelson:

Thank you for following up on my LAPD reported claims related to LA Metro's fraud, waste, abuse and corruption. Here in presented is information related to the various violations of law as committed by Metro Executive Leadership and Metro Board Members.

I am currently in good standing as a Metro employee, I have, however, taken Baby Bonding as a means to buy time to protect myself as I have filed EEOC claims and filed an IG complaint at the Metro agency and I am now filing this case with the LA County District Attorney's office. I am currently protected under whistleblower status, however, it is well understood by the Metro Board and agency at large that I am reporting various illegal issues in the agency and as a result I have been subject to retaliation as a Metro employee by LA Metro Board Members, the Metro CEO, Metro's Ethic's Officer and Metro Executive Leadership. These issues have risen to criminal matters as I am now in fear of my safety. On July 12, 2019 I notified Metro's Human Resources office that I wanted to stop by Metro after hours to pick up personal belongings such as eyeglasses. At that point I was notified that in order to ensure my safety I needed a coordinated security detail to travel with me throughout the agency which is outside of the normal a customary agency practices for visitors after hours. I am in the process of filing a police report as a result and will likely request a restraining order.

Waste, Fraud, Abuse and Corruption by Metro's Inspector General and Ethics Officer- Karen Gorman

- Karen Gorman is Inspector General, Ethics Officer and Hearing Officer of the Metro agency and has been for over 5 years, possibly even 11 years, which in of itself is a conflict of interest and by way of holding both positions is corruptive yet holding both positions remains condoned by the Metro Board for years. After years, the position Ethics Officer Position is finally being advertised in job posts, but it has been posted over 5months—there does not appear to be any actual intent to separate the two functions with two different people and advertising the job is simply ceremonial. The job has been posted for years and it has never hosted interviews nor has it been filled by someone who is not conflicted with other positions.

- Yet, the agency identifies that the Ethics Officer position is vacant as it has been for the last 5+ years therefore, the codes of conduct of the agency are not being enforced, especially codes of conduct where the IG or the Hearing Officer is violating the rules. The Ethics Officer oversees all of the agency codes of conduct including the Board Member Code of Conduct, If Karen Gorman is serving in both roles as Inspector General and Ethics Officer, in addition to holding Metro Chief Hearing Officer, then that is a clear conflict of interest as the Ethics officer is not able to hold the Inspector General, Chief Hearing Officer, Metro employees or the Board Members accountable to the Codes of Conduct that goes against the state charter and further demonstrates collusion to engage in fraud waste and abuse. Therefore, there are 4 Codes of Conduct not being enforced as noted on the Metro website: Passenger Code of Conduct, Employee Code of Conduct, Metro and Contractor Code of Conduct, and Board Member Code of Conduct.
- Karen Gorman, as Inspector General is to, under California PUC to lead independent investigations. However, in my EEOC and IG claims, is colluding with Metro Executive Leadership to fraud the taxpayers of LA County. In doing so, she has reported to me that she will have her IG Investigator depend on the findings of the assigned Metro EEOC investigator to my EEOC case to inform my reported IG case. I conveyed my concerns related to the express conflicts of interests and it was ignored by Karen Gorman, the Metro Board and Metro Executive Leadership of which confirms their intent to act in a corruptive, fraudulent, abusive and wasteful manner and have the two investigators collude with one another.
- Ms. Susan Woolley, the hired Metro EEOC investigator that would collude with the Metro lead IG Investigation to inspect the actions of the Metro CEO, Metro Executive Leadership and the Metro Board of Directors which include all 5 LA County Board of Supervisors was hired despite clear conflicts of interests. Ms. Woolley is an LA County Board of Supervisors appointed sitting member on the LA County Equity and Oversight Panel. In light of Ms. Woolley's clear conflict of interest, I reported to Ms. Woolley, Karen Gorman (Metro Inspector General and Ethics Officer, Metro's Executive Leadership in the Human Resources Department—Joanne Peterson, LA County, County Council Mary Wickham and Charles Safer, Metro Board of Directors etc. that Ms. Woolley should likely recuse herself from the EEOC and IG case ■ she cannot hold those who are in charge of her pay check and her appointments accountable for wrongdoing and she has not since been recused from either case.
- Karen Gorman has forced the Metro System Security and Law Enforcement Department to pay over \$20 thousand dollars in retrofitting expenditures at Metro Transit Court so that she did not have to report the use of funds under her budget and be accountable to LA County taxpayers, the Metro Board of Directors, or the State and Federal Government. These acts of IG fraud have been reported by Metro employee Helen Valenzuela to the Metro Board of Directors whom directly oversee Karen Gorman as

both the IG and the Ethics Officer and the Metro Board of Directors refuse to investigate Karen Gorman for fraud, waste abuse and corruption. Furthermore, all actors, including Metro Executive Leadership and the Board of Directors had knowledge of the Fraud Waste and Abuse by Karen Gorman, but the Metro Board and Metro Executive Leadership (Joanne Peterson, Charles Safer, Mary Reyna, and Phillip Washington) refused to report it as is their duty under the law.

Fraud, Waste, Abuse and Corruption by Metro Executive Leadership including CEO Phillip Washington and Human Resources Chief Joanne Peterson. Actions have also included Metro employee Jackie Bobo-Fabre

- Phillip Washington and Joanne Peterson with full knowledge that they were defrauding the taxpayers of LA County hired unqualified personnel costing over \$600 thousand dollars. In fact, personnel, Jon Gordon, Sandra Solis, Patricia Martin, Harold Martin, Ashley Martin, Joyce Burrell Garcia, and Patrice McElroy were not required by CEO Washington or Chief Peterson to comply with Department of Labor Law hiring practices nor did they meet the standards of Metro hiring procedures applied to other employees of Metro. These individuals did not meet the basic job qualifications for which they were hired, did not interview for their jobs, did not interview with at least three member panels, had arbitrary salaries applied and in many cases were directly appointed by the Metro CEO with full knowledge of Chief Human Resources lead, Joanne Peterson. Jon Gordon (Metro System Security and Law Enforcement Department) in particular, who is the son of Phillip Washington's family, had zero work experience as a community liaison, was hired as a community liaison outside of the regular HR processes, was directly appointed to the job, and was given a salary above the median range for the position and it was done so arbitrarily. Same actions occurred for Sandra Solis. Sandra was an office clerk in Chicago and was brought into Metro as a direct appointment by Phillip Washington to oversee Metro's Law Enforcement compliance. Sandra did not go through the Labor Law hiring practices and had an arbitrary set salary. Within one year of being at Metro Sandra was made a Director receiving a salary increase of roughly \$30 thousand dollars if not more.
- Each of the friends of Phillip Washington noted above and particularly those friends whom were directly appointed failed to meet the basic requirements of their job and it was brought to the attention of Senior Metro Leadership including Phillip Washington, Chief Joanne Peterson, Alex Wiggins and Aston Greene, and yet these personnel remain as employees of LA Metro working in positions without any work output and the agency continues to pay them at the detriment of tax payers of LA County. I have been specifically instructed by Phillip Washington that these people are to be paid and remain employees regardless if they have any production or for that matter show up for work. I have aware of these specific employees however, there are more employees who have

this same relationship with Phillip Washington—where they are not required to perform at their job nor come to work.

- Friends of Phillip Washington including Jon Gordon have been given free rein in the agency by Phillip Washington's direction and are allowed to use public cars for personal use without having to pay a tax, are allowed to report that they are in office even though they are on vacation etc. at the fraud and waste of taxpayer dollars. Phillip Washington has acted corruptively to support these fraudulent practices of his friends. These employees are considered to be "protected" by Phillip Washington and are paid despite having little to no work production.
- I was held in duress under Phillip Washington to hire Jon Gordon and Joyce Burrell Garcia despite both of them having no qualifications for their job nor going through the regular interview processes. In fact, I told Alex Wiggins, my direct Supervisor, that Joyce Burrell Garcia was the wrong person for the job and I was forced to hire her because Phillip Washington wanted financial gain by being friendly with Bishop Blake, a friend of Joyce Burrell Garcia's and in order to personally gain with the Crenshaw community and earn favorability with Supervisor Mark Ridley Thomas.
- Phillip Washington knowingly defrauded the federal government, receiving Federal Grants, not using the funds and used them for other projects in the System Security and Law Enforcement Department.
- Phillip Washington launches his own Metro HR investigations for personnel such as Vilma Jones, outside of the policies of the HR Department and originally rejected by HR because Vilma Jones is a personnel friend of Phillip Washington. Thus, misusing taxpayer dollars and launching investigations that cost over \$150 thousand dollars using money from the Metro system security and law enforcement budget that should have otherwise been spent on minimizing crime on the transit system.
- Phillip Washington and Alex Wiggins knew that the LA County Sheriff's department did not return phone equipment when the sheriff's contract reduced in scope at Metro in 2018. The value of phones was in the thousands and was the property of LA Metro. In fact, Helen Valenzuela, a manager was told by Alex Wiggins and Phillip Washington that the lost items should be forgiven at the expense of taxpayers despite contracts because it "was the cost of doing business". Helen Valenzuela can testify that she was held in duress.
- Phillip Washington and Alex Wiggins allow personnel, including Jon Gordon who was told he did not qualify for Family Leave to travel across the country to do community work in LA County, as a community liaison, while he was physically in Florida despite having no work output. In advance of leaving, this information was not shared with me as Jon's supervisor, but instead I received an after-action memo from Jon Gordon, Alex Wiggins and Phillip Washington.
- Despite earmarking funds in the Metro System Security and Law Enforcement Budget for homeless outreach Metro Personnel, Jackie Bobo Fabre has noted that she does not

know where funds are to pay for these contractors. Yet, funds remain available for her friends such as Joyce Burrell Garcia to buy lunch her contractors and to go to weeklong conferences on the other side of the country outside her work purview.

Fraud, Waste, Abuse and Corruption has taken place at the direction of Phillip Washington, Mayor Eric Garcetti, Supervisor Mark Ridley-Thomas, Supervisor Kuehl and County Council

- Phillip Washington conspired with LA City Councilmember Gil Cedillo to defraud the citizens of LA County to not enforce terms under their Metro contract for the Westlake/MacArthur Park Vendor Pilot program. In fact, as the project manager I was held in duress and told = by Phillip Washington that I was forbidden to enforce the terms of their contracts for \$3 thousand dollars in permit fees and would not be able to enforce the terms of their contract to pay for \$500 thousand in LAPD Costs over the last two years totaling One million dollars. Phillip Washington continually refuses to enforce past payments that are due because as he noted to me, it was not worth damaging his relationship with the Council office and the Mayor of Los Angeles. This information can be affirmed by various Metro personnel including Dianne Dominguez and John Potts in the Metro Real Estate Department.
- Having been in the political process in the past, I approached County Counsel, Charles Safer, Eric Garcetti's Office Transportation Deputies and Sheila Kuehl's deputies to outline the fraud and corruption of Phillip Washington and Karen Gorman—I was told by Charles Safer that he could offer to move me to another department rather than addressing the issues, by Sheila Kuehl's office to keep my head down...that Phillip Washington only had two years left on his contract and to not stir the pot and by Eric Garcetti's office and Chairman Butt's office that they did not want to hear what I had to say, to go through the normal process and not involve their bosses.

Sole Source Contracts—Phillip Washington requiring sole source contracts to his friends- Fraud, Waste and Abuse

- There are a number of sole source contracts in the agency that should have been open to competitive bid, however in many cases, sole source contracts were issued at the direction of the CEO. The Metro Department Office of Extraordinary Innovation, a department specifically created by Phillip Washington has historically had sole source contracts. Many of these contractors were brought forward by the Mayor of Los Angeles.
- Over the past several years, over numerous occasions, I have been required by the CEO to draft sole source contracts despite my objection or to forgive costs associated with contracts so that the CEO could gain personal favor and benefit. Phillip Washington does not adhere to the RFP process when he wants to hire a friend or if he wants to gain

favor of the Board Members to further his contract with the agency as CEO. I am currently being forced to justify a second sole source contract for Phillip Washington's friend, Flora Castillo of Pivot Strategies out of fear of further additional retaliation by Phillip Washington. Flora Castillo and Phillip Washington sat as board members on APTA together. When I was out on maternity leave a sole source contract with Pivot Strategies for \$100 thousand dollars for six months of work was executed by Jackie Bobo-Fabre. When I returned from maternity leave, I found that the scope of work was very generic and did not have any measurable deliverables. At the near end of their contract, Pivot Strategies flew to Los Angeles and met privately with Phillip Washington, without Alex Wiggins or I present, and immediately following their trip, we were mandated to execute a six month contract extension to Pivot Strategies as a sole source for an additional \$100 thousand dollars. When Pivot Strategies made their second sole source contract proposal, their scope of work was the exact same as their first. I had to demand that they expand their scope of work, knowing I would gain little input for the expanded scope and ultimately do the work myself and have to allow the contractor, Pivot Strategies to take credit and defraud the agency. I felt tremendous pressure to work out a sole source contract for Phillip Washington's friends out fear of being retaliated against again by the CEO as he had done so previously to myself and other employees. It was not until I filed for whistleblower status did, I feel conformable writing my boss, Aston Greene that I no longer would

- Similar corruptive practices occurred with Peace Over Violence, the operator of Metro's Sexual Harassment Hotline, who were another sole source contract for \$160,000. Phillip Washington required that the contract for hotline services be sole source to get in the good graces of Sheila Kuehl who is a close friend of Peace Over Violence's Director, Patti Giggins who has appointed her to the Sheriff's Oversight Committee. That contract was extended for three years without competitive bid or analysis. There was no legitimate reason for us to sole source this contract, but it was the required path forward so that Phillip Washington could gain favorable support from Board Members. The hotline only receives on average one call per day despite the numerous complaints of sexual harassment by customers through Metro customer complaint resource, CCATS. After the first year I brought my findings of lack of use to Chief Alex Wiggins and he said that maybe the program needs to be marketed more heavily. I followed his directive and the call volume remains the same. This highly ineffective program has been proven to be a misuse of funds and when I brought my concerns to Metro Executive Leadership they were effectively dismissed.
- I have also been advised directly by Phillip Washington to not enforce terms of agreements so that he could gain favorable support from the Mayor of Los Angeles. The Westlake MacArthur Park Vendor Market which is run by LA City Councilman Gil Cedillo's office was delinquent in paying past permit expenses of \$3,000 and did not have the money to fund the next permit of \$3,000 nor pay the \$500,000 LAPD law

enforcement fee for fixed post law enforcement all of which is enumerated in their agreement. I was told by Phillip Washington that requiring that the City pay for the fees under contract was not worth running the relationship with the City and I must forgive payment. As such, Phillip Washington defrauded the taxpayers of over one million dollars. These same efforts to not enforce material terms of contracts were the case for the Sheriff's department. I recall, that Alex Wiggins made numerous statements to internal staff that the Sheriff's department was not riding trains, returning equipment etc. It was not until we were already 2.5 years into their new contract that Alex Wiggins decide that maybe it was time to start holding them accountable. In fact, I remember meeting in April 2019 and Alex said that Phil Washington was against the idea of enforcing the agreement terms and going to the board due to not wanting to upset his bosses, the Board Members.

- Additionally, there have been multiple sole source contracts in my department that never merited not going out to competitive bid including Lex Ray, Transit Watch etc. over the course of both Duane Martin and Alex Wiggins' leadership. These contracts were for millions of dollars.

I remain available to provide detail to the fraud and corruption above at the cost of taxpayers of LA County and the Federal Government.

Sincerely,

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LA Metro Employee and Whistle Blower