

LATEXTRA

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Pentagon can't account for Iraqi billions

It has few records for most of \$91 billion it got from oil revenue for reconstruction.

LIZ SLY
REPORTING FROM BAGHDAD

The Defense Department is unable to properly account for \$8.7 billion out of \$9.1 billion in Iraqi oil revenue entrusted to it between 2004 and 2007, according to a newly released audit that underscores a pattern of

poor record-keeping during the war.

Of that amount, the military failed to provide any records at all for \$2.6 billion in purported reconstruction expenditure, says the report by the Special Inspector General for Iraq Reconstruction, which is responsible for monitoring U.S. spending in Iraq. The rest of the money was not properly deposited in special accounts as required under Treasury Department rules, making it difficult to trace how it was spent.

Though there is no apparent evidence of fraud, the improper accounting practices add to the pattern of mismanagement, reckless spending and, in some instances, corruption uncovered by the agency since 2004, when it was created to oversee the total of \$53 billion in U.S. taxpayer money appropriated by Congress for the reconstruction effort.

"The breakdown in controls left the funds vulnerable to inappropriate uses and undetected loss," notes the audit report, a copy of which was obtained Monday by the Los Angeles Times.

Special Inspector General Stuart Bowen, who heads the agency, said repeated investigations have shown that "weak oversight is directly correlated to increased numbers of cases of theft and abuse."

In this instance, the audit focused on Iraqi revenue earmarked for reconstruction under a 2004 arrangement granting the Defense Department access to Iraq's oil proceeds at a time when the country did not have a fully functioning government and was unable to undertake urgently needed projects. The oil revenue is deposited in a special account in New York, called the Development Fund for Iraq, from where it is disbursed for Iraqi expenditures.

The report comes as Iraqis are increasingly frustrated with their own government's inability to provide basic services, or to explain how tens of billions of dollars' worth of oil revenue has been spent since 2007. The

[See Iraq, AA5]

RECORD GIFT FOR CAL POLY POMONA

The largest cash grant in Cal State history will expand education diversity initiatives.

CARLA RIVERA

Cal Poly Pomona announced Monday that it has been awarded a \$42-million cash gift — the largest such donation in the history of California State University — by the W.K. Kellogg Foundation, whose cereal magnate founder established an Arabian horse ranch in the hills that is now part of the campus.

The grant will be given over five years, beginning with an initial \$10 million in August, followed by yearly awards of \$8 million, officials said.

The money will be used to increase the enrollment of first generation college students, recently emancipated foster youth, military veterans and other underrepresented populations in Southern California.

"This is really going to be an extraordinary addition to the university," Cal Poly Pomona President J. Michael Ortiz said. "The foundation has been impressed with the way the university has evolved and the direction in which we've been headed. There are a number of initiatives we've been working on all along and we'll be able to expand those and create new ones."

The university was originally an extension of Cal Poly San Luis Obispo and became an independent campus in 1966. It serves more than 20,000 students, 31% of whom are Latinos, 26% Asian and Pacific Islanders, 25% white and 3% black.

In a statement, W.K. Kellogg Foundation President and Chief Executive Sterling K. Speirn said the gift was to celebrate the 150th anniversary of the birth of the breakfast cereal pioneer, who was a strong believer in higher education and investing in vulnerable youth.

[See Cal Poly, AA4]



SACHI CUNNINGHAM Los Angeles Times

Lola's found, Lola's found

The wayward African gray parrot, left, is back with her Silver Lake owner, who started a billboard campaign to find the pet when it flew off for 24 days. AA3



Photographs by DON BARTLETT Los Angeles Times

COUNCIL: Vice Mayor Teresa Jacobo and Mayor Oscar Hernandez, second from left, will finish their terms without pay. The salaries of Councilmen George Mirabal and Luis Artiga, far right, will be cut to \$8,000 a year.

Bell council members cut pay 90% to 100%

In a reversal, mayor apologizes for salary scandal. The state subpoenas city files.

RUBEN VIVES
AND JEFF GOTTLIEB

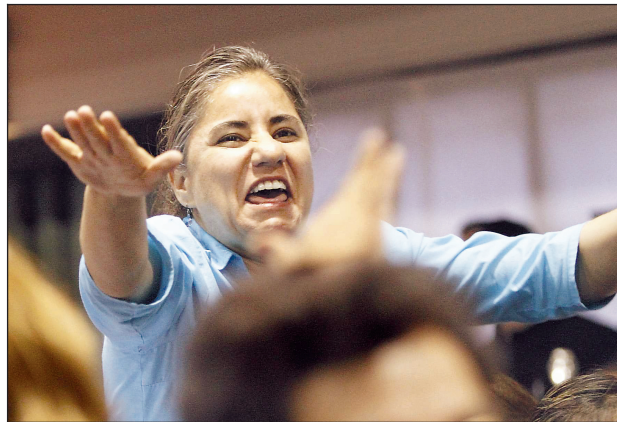
City Council members in Bell unanimously agreed Monday to give up their controversial \$96,000-a-year salaries and instead draw \$673 a month — a 90% decrease.

Council members in the small, working-class city southeast of downtown Los Angeles have been under mounting pressure since the salaries for the part-time jobs were reported in The Times this month.

Mayor Oscar Hernandez and Vice Mayor Teresa Jacobo went a step further Monday and said they will finish off their terms without pay.

Hernandez also apologized to residents for the high salaries the city paid to administrators, a reversal from the defiant tone he struck last week.

"Since my first day as



FURY: An angry Bell resident gestures at the City Council during Monday night's crowded meeting.

mayor, my priority has been to make Bell a city its residents can be proud to call home," he said. "I apologize that the council's past decisions with regard to the indefensible administrative salaries have failed to meet that test." Hernandez said he will not seek another stint as mayor.

A Times report revealed that the city's top officials received some of the highest municipal wages in the nation. City Manager Robert

Rizzo made \$787,637 a year, almost twice the salary of President Obama; Police Chief Randy Adams made \$457,000, 50% more than Los Angeles Police Chief Charlie Beck; and Assistant City Manager Angela Spaccia made \$376,288, more than the top administrator for Los Angeles County.

All three resigned last week.

In agreeing to sweep back their salaries, Councilmen Luis Artiga and George

Mirabal put themselves on par with Lorenzo Velez, who has been paid \$673 a month since he was appointed to the council last summer. Velez said he was unaware his colleagues were making so much.

Mirabal also said he will not seek reelection.

Ali Saleh, a member of the Bell Assn. to Stop The Abuse said Monday that the group welcomes the salary cut. But he added, "It's not enough. The people don't trust them anymore. They lost complete trust from the community, and for the better of the community, they should resign."

The group also demands "a full disclosure of administrative salaries, and any retainers or project contracts provided by outside consultants, followed by a forensic audit by a neutral third party."

Saleh threatened council members with a recall effort if they did not order a forensic audit of the city's books and disclose administrative salaries as well as contracts awarded to outside consult-

[See Bell, AA5]

OXNARD BY THE SEA?

The city considers a new name to 'shore' up its image

STEVE CHAWKINS

Years ago, an Oxnard booster group made tongue-in-cheek bumper stickers that read: "Oxnard — More Than Just a Pretty Name."

Now an image consultant hired by the city has addressed the awkward-sounding moniker head on, suggesting the more sun-splashed, salt-soaked and tourist-friendly "Oxnard Shores."

"It's meant to add a physical picture," said Roger Brooks, the head of Destination Development International, a Seattle firm that says it has advised more than 900 cities. "If there were a town called Pismo or Seal, would it mean anything to you?"

The recommendation was one of several unveiled by Brooks at a meeting last Thursday. The centerpiece was the idea of branding Oxnard — that is, Oxnard Shores — as "The International City" and building a 100,000-square-foot downtown emporium showcasing local produce and restaur-

[See Oxnard, AA5]



AL SEIB Los Angeles Times

SCENE: More than 100 firefighters responded to the blaze on Whittier Boulevard early Monday. The fire was fueled by petroleum products and tires.

2 dead in Boyle Heights fire

Several people reportedly lived in the Whittier Boulevard auto repair shop.

ESMERALDA BERMUDEZ

Jaime Buenrostro was in his kitchen after 6 a.m. Monday when he heard the desperate screams from the auto repair building behind his Boyle Heights home. Several people, who reportedly lived inside the business, were trapped.

"It's burning!" they yelled in Spanish. "Help. Help. Get

us out of here!"

He raced to the Whittier Boulevard shop to find it engulfed in smoke. His wife, Ana, called 911 as he and his son-in-law fought to open a sliding gate on the structure's north end. They doused the gate with water, but it only grew hotter.

"We tried and tried," Buenrostro said. "But it was locked."

After a few moments, the screaming stopped.

More than 100 firefighters responded to the blaze at 6:30. They found five people who had escaped the building trapped in the parking lot behind the locked, 8-foot

gate. Two people were found dead inside the building. Their ages and identities were not immediately available.

A 61-year-old man was taken to County-USC Medical Center in critical condition, with burns over 40% of his body. A 33-year-old man was also burned on the shoulders and arms.

Two German shepherds that guarded the property also died in the blaze.

Witnesses told police that eight to 11 people lived inside the business, known as Gamez Auto Center. Some possibly paid rent to

[See Blaze, AA5]

Dishonesty cited in Tribune deal

A court examiner's report could complicate the company's bankruptcy case. AA2

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Weather: Morning fog, then sun. Downtown L.A.: 76/63. AA8