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REPORT TO THE HONORABLE  
MAYOR AND CITY COUNCIL

*Richard B. Andrade v The City of San Diego*  
San Diego Superior Court Case No. GIC 773095  
Court of Appeal, Fourth District Case No. D040811

On December 12, 2003, the Court of Appeal, Fourth Appellate District, upheld the City Council's permanent debarment of Richard B. Andrade. In July 2001, J.G. Pipeline, Inc., including its officers Judy Go and Jamie Parraga, its "Responsible Managing Employee" Andrade, and the officers of Southern California Underground Contractors Inc. [SOCAL], George Frost and James Jackson, were permanently debarred by Council pursuant to the San Diego Municipal Code for "corrupt practices involving the award of City contracts."

Evidence was presented at the Council hearing that J.G. Pipeline was a front for SOCAL and its officers, who had previously been permanently debarred by Council. A person or entity debarred by Council may not enter contracts with the City. The evidence indicated that J.G. Pipeline was formed so that SOCAL and its officers, as J.G. Pipeline, could bid on City contracts in circumvention of the debarment. Of those debarred, only Andrade challenged his debarment by filing a lawsuit. Andrade was a former owner of SOCAL, and continued to represent them as their attorney, including representing SOCAL at its previous debarment hearing before Council. Andrade prepared documents creating J.G. Pipeline only four days after SOCAL was debarred, used his contractor's license to allow J.G. Pipeline to obtain a contractor's license, and listed himself as the "Responsible Managing Employee", or RME, for J.G. Pipeline on the contractor's license application. By legal definition, the RME is responsible for managing the day to day operations of the company.

Andrade's legal challenge to his permanent debarment alleged that the Council's decision was not supported by the evidence. In June 2002, the trial court upheld the Council's permanent debarment, stating that the "evidence is substantial that J.G. was created to circumvent the

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permanent debarment of SOCAL” and that “the circumstantial evidence is overwhelming that Andrade knew J.G. was simply a continuation of SOCAL.” Andrade appealed the ruling. The appellate court found that substantial evidence supported the trial court’s ruling upholding the Council’s permanent debarment of Andrade, and affirmed the ruling.

Senior Deputy City Attorney Sim von Kalinowski handled the above litigation on behalf of the City of San Diego.

Respectfully submitted,

CASEY GWINN, City Attorney

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RC-2004-2