

DATE ISSUED: July 16, 2001

**SUPPLEMENTAL REPORT TO
REPORT NO. 01-113 REVISED**

ATTENTION: Honorable Mayor and City Council
Docket of July 24, 2001

SUBJECT: Failure to Provide Information Solely Within J.G.'s Control Bearing on its
Relationship to SoCal.

Proposed Debarment of J.G. Pipeline, Inc., its divisions and organizational elements, its Affiliates, Richard Andrade, Jaime Parraga, George Rogers Frost, Judy Ng Go, and James Jackson [These individuals, the corporate entity, its divisions and organizational elements, and its Affiliates will hereinafter be referred to as "**J.G.**" for convenience and clarification].¹ This debarment is separate and distinct from the procedural process of the debarment of Southern California Underground Contractors, Inc., its divisions and organizational elements, its Affiliates, James Craig Jackson, and George Rogers Frost [These individuals, the corporate entity, its divisions and organizational elements, and its Affiliates will hereinafter be referred to as "**SoCal**" for convenience and clarification.]

Reference: Revised City Manager's Report Nos. 01-113, 01-068 and all documentation incorporated by reference. Both Reports are incorporated into this Report by this reference.

INTRODUCTION

J.G. has repeatedly failed to provide information solely within their control. This report is a Supplement to two Revised City Manager's Reports previously provided to you. As you know, SoCal was originally debarred on June 26, 2000. Four days later SoCal created another corporate entity named J.G. Pipeline, Inc. It is the City Manager's contention that SoCal created J.G. in order to circumvent the debarment and to continue doing business with the City. The individuals that created J.G. to circumvent the debarment include: Richard Andrade, Judy Ng Go, Jaime Parraga, George Frost and James Jackson. These parties, acting under the new name, continued the same bidding practices as they did under SoCal, as described in the City Manager's Reports referenced above. As a result of their conduct, the City rejected J.G.'s low bids. Under San Diego City Council Policy 000-29, a bidder may protest a contract award and have an administrative hearing by a Protest Board.

HEARING

In February of 2001, a Protest Board hearing was held relating to five separate contracts on which J.G. was the apparent low bidder. This information was not previously included in City Manager's Report No. 01-113, because J.G. had filed a writ in Superior Court challenging the Hearing. Once the City noticed depositions pursuant to this litigation, J.G. dismissed these cases, as described below. At the Protest Board hearing, J.G. requested that the hearing include not only three bids rejected by the City in the fall of 2000, but also two additional contracts rejected in early 2001. However, at the hearing, J.G. changed its mind and argued that testimony and evidence should be limited to only those specific reasons for rejection enumerated by the City in the rejection letters for the first three contracts. J.G. objected to consideration of any other evidence known to the City supporting the City's rejection. If J.G.'s motion were granted, J.G. argued the City would be precluded from introducing any evidence not specifically mentioned in the rejection letters. The Protest Board heard arguments on the motion, reviewed pertinent correspondence, took the issue under submission, and ultimately decided that all evidence was admissible in the administrative hearing. The Protest Board heard all evidence and testimony, engaged in extensive questioning of both parties, and ruled that J.G. was SoCal. As a result, the Board upheld rejection of J.G.'s bids.

DEPOSITIONS

Subsequent to that Protest Board hearing, J.G. filed two actions against the City. On June 12, 2001, the City noticed the depositions of Judy Ng Go and Jaime Parraga pursuant to the litigation. The depositions were to take place on June 25, 2001 (Jaime), and June 26, 2001 (Judy). However, on or about June 15, 2001, J.G. dismissed the litigation. By dismissing those lawsuits J.G. now could argue that the City had no legal authority to compel witnesses to appear for depositions. It is possible J.G. will seek to refile this litigation subsequent to the debarment. We believe that a court would require a significant factual showing before allowing J.G. to refile.

Suspicious that J.G.'s dismissal of the litigation was to thwart the City's ability to depose Judy Ng Go and Jaime Parraga, individuals who possess crucial information regarding J.G., the City

again noticed their depositions pursuant to the debarment. Two working days before the depositions were to take place Andrade & Associates, attorney of record for Judy Ng Go, Jaime Parraga, J.G. Pipeline and Richard Andrade, faxed a letter to the City. The letter indicated that Andrade & Associates no longer represented anyone other than Richard Andrade. The letter did not mention that the Andrade & Associates' office location was moving or had moved despite that Judy Ng Go's noticed deposition was scheduled to be held at the vacated office in a matter of days. By dropping the representation, Andrade & Associates' clients again avoided depositions. Although there is no absolute right to depositions in an administrative hearing, the City previously accommodated SoCal's request to depose six City inspectors prior to the June 2000 debarment even though no litigation was pending.

Neither Judy Ng Go nor Jaime Parraga attended their depositions. On June 25, 2001, Deputy City Attorney Sim Von Kalinowski, and a court reporter, were available to take Mr. Parraga's deposition, but Mr. Parraga never showed. On June 26, 2001, Mr. Von Kalinowski and a court reporter arrived in Orange County at the Andrade & Associates law firm where Judy Ng Go's deposition was scheduled to take place. The office had moved. Mr. Von Kalinowski called Jennifer Friend and informed her he was at their vacated office. Jennifer Friend informed Mr. Von Kalinowski that Judy Ng Go would not be attending her deposition. Ms. Friend did not mention why Ms. Ng Go would not attend, nor did she say anything about Ms. Ng Go retaining a new attorney. However, at 10:40 p.m. that night James DeOlden, Esq., faxed a letter to the City stating that he represented Judy Ng Go and Jaime Parraga. His letter was back dated to June 19th. In that letter he objected to the depositions on the basis that all Superior Court matters were dismissed and as a result, the City had no legal authority to compel the depositions. Any information dispelling the aura that J.G. is SoCal operating under another name is entirely within the control of these individuals who have consistently and repeatedly refused to voluntarily provide information on this issue.

Finally, the City encouraged the newly retained attorneys to have their clients voluntarily deposed. In that letter, the City informed J.G. that if they had any information disproving the contents of the Revised City Manager's Report No. 01-113 and No. 01-068, the City Attorney's Office would recommend that the City Manager reconsider moving forward on the debarment. There has been no response.

CONCLUSION

SoCal and J.G. have committed and continue their corrupt practices. Swift and permanent debarment of J.G. is necessary to protect the health and safety of the citizenry, the full and open competition, namely the integrity of our bidding system, granting contract awards only to responsible contractors.

Respectfully submitted,

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Deputy Director

Approved: George Loveland
Senior Deputy City Manager

Frank Belock, Jr.
Director
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LOVELAND/BELLOCK/SS