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AUDIT RAISES CONCERNS ABOUT CITY FINANCES

By Chris Frost
Bulletin Staff Writer

COMPTON—The 2010 annual financial report raises doubt about Compton's ability to continue operations in the foreseeable future.

The report, released on April 28 by the accounting firm Mayer Hoffman McCann P.C., details overspent budgets and large deficits as of

June 30, 2010. The general fund balance showed a shortage of \$14.6 million, while the unreserved fund balance of the general fund stands at \$17.8 million, according to the report.

"The city has suffered substantial recurring losses in its general fund, has a deficit in its general fund, a deficit in unrestricted net assets of the governmental funds and deficits in its equipment rental and self-insurance internal service

funds, and those funds have a lack of liquidity that raise substantial doubt about the city's ability to continue as a going concern," the report said.

Overall expenses increased by \$16.9 million from 2009, according to the report, with increases in expenditures relating to public safety, management services to maintain city operations, interest expenses for the city's bond obli-

gations, as well as environmental and human services.

Despite the fee increases to offset the maintenance cost of the city's antiquated water wells and pipelines, the water fund's net assets decreased by \$1.6 million due to a cost increase. The revenue from the rate increase was not

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Foster Elementary students party down



Bulletin photos by Chris Frost

Kindergarten students at Foster Elementary School have a blast while taking part in the "Head Shoulders Knees and Toes" celebration on May 20. More photos, Page 4A.

COLLEGE LAYOFFS SPARK STUDENT DEMONSTRATION

By Cheryl Scott
Bulletin Staff Writer

COMPTON—Students at El Camino College Compton Center put their lives on the line for education on May 18 in protest against recently announced layoffs by the Compton Community College District.

About 100 students were involved in the demonstration, in which they lay as if lifeless on the ground, some with signs

protesting the layoffs and budget cuts.

Interim CEO Dr. Keith Curry said the layoffs were necessary because of state budget cuts that will take \$3.8 million from the center's operating budget.

Additionally, next year will be the first that Compton will not be compensated by the state for all full-time students. The center currently has 7,000 full-time students registered, and all are being

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Bulletin photo by Chris Frost

A Compton Center student participates in the "die-out" demonstration held May 18 to protest layoffs.

Zurita residency under investigation before election

By Chris Frost
Bulletin Staff Writer

COMPTON—Janna Zurita's candidacy is under investigation as questions about whether she is a resident of District 1 or District 3 have surfaced. Zurita is facing incumbent Barbara Calhoun in the June 7 runoff election.

Zurita said that she lives on Arbutus Street in District 1, but there are conflicting reports that list her as the owner of a property on Northwood Street, which is in District 3.

The district attorney's office has received numerous complaints about the residency of Janna Zurita in February, said Dave Demerjian, head deputy from the public integrity division, who also confirmed that the investigation remains open.

The website Block Shopper Los Angeles reported that Janna Zurita is the owner of a property on Northwood, which is in District 3. It showed that she bought it in January 2007 from the Community Redevelopment Agency. The property on Arbutus, her registered address, is owned by her mother De-

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First charter school set to open in Compton in September 3A

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Bulletin photos by Chris Frost

These El Camino Compton Center students are among approximately 100 who played dead in protest against layoffs and budget cuts.

LAYOFFS

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fully funded by the state.

However, this arrangement is temporary and was a response to the loss of accreditation of Compton Community College and an attempt to rebuild the school's enrollment. Beginning next year, the state will only fund a total of 5,700 full-time students.

Students and supporters of the college are outraged by the layoffs and have questioned the rationale behind them. Last Wednesday at 11:30 a.m. students came onto the quad from their classes and fell down as if dead to demonstrate the drastic effect the cuts would reportedly have on their education.

Among those being laid off is Joseph Lewis, who heads the school's career center and is the president and chief negotiator for the union representing classified employees.

"It's unheard of to lay off the chief negotiator in the middle of negotiations," Lewis told The Bulletin. "It's unconscionable."

Curry said he cannot talk about negotiations because they are confidential. In response to a question about what will happen with the negotiations that are underway, he said, "I prefer not to answer."

Student Trustee Camille Johnson said, "We have a responsibility as students to move into the community as gainfully employed citizens. Mr. Lewis provides a necessary service to students that is necessary."

Another unpopular decision is the layoff of a technician in the Theater Arts Department. "The college is spending \$100,000 to beef up the department and build a new theater," said Johnson. "Now they lay off the person who runs the lights and sound. It doesn't make sense."

Curry said the layoffs were decided based on the least impact on students as the district cuts classes, also called "sections," to allow for the lower number of full-time students. In a message posted on the center's website, he made the

following statement: "Student learning and student success are key to every recommendation and decision [we make]," he said. "As we will not be able to offer the same number of programs and class sections, nor the same level of student support services, reductions will be achieved by assessing all programs and services for their viability, relevance, cost effectiveness and ability to meet community needs. Remaining programs and student support services will be of high quality and appropriately supported. All efforts will be made to create and support revenue-generating opportunities. We are creating a dynamic, flexible organization that can easily adapt as future changes to our state's economy unfold."

Of three available options, the district has chosen the second one.

"With option 2 we would have a reduction of one management/supervisor position, and freeze one current vacant management position for a total savings of \$156,000," Curry said. "Nine current faculty vacant positions would not be filled for a savings of \$450,000; seven classified vacant position would also remain vacant for an additional savings of \$385,000. Option 2 would also require a reduction in force of nine existing classified positions estimated to save approximately \$55,000 per position (salary and benefits) for a total savings of \$495,000. Total estimated savings for Option 2 would be approximately \$1,486,000."

The district will conduct workshops for staff and faculty members during the next few months. "We understand the stress this situation has on everyone," Curry said. "These budget cuts have a huge impact on everyone, faculty, staff and students. My concern is on this impact. Students will be looking for classes and services we cannot offer next year. We will have to reduce the number of students who can attend classes. We have a fiduciary responsibility to make the best choices we have. It's very difficult, and no matter which choices we make, many people will be unhappy."



Bulletin photo by Chris Frost

Student protesters gathered in the El Camino Compton Center quad on May 18 to demonstrate their opposition to recently announced layoffs

LA gets tough on banks over foreclosure blight

By Christina Hoag
Associated Press

LOS ANGELES—A dead dog lies among the knee-high weeds, a sign to Guillermo Elenes that the burned out, boarded up house is being used as a dump. Inside, soiled diapers, fast-food trash and the strewn beer and vodka bottles indicate squatters have been living there.

The dumping ground-crash pad serves as a squalid symbol of how the foreclosure crisis is riddling communities with blight because no one wants to shoulder the responsibility of maintaining foreclosed homes.

"There's one on every block," said Elenes, a community organizer with the Alliance of Californians for Community Empowerment in Watts, a low-income South Los Angeles neighborhood pockmarked with foreclosed homes. "All we want is for the banks to step up and be good citizens."

Communities across the nation have made little progress in getting banks to maintain foreclosed properties, and as the ongoing crisis matures and bank-owned homes fall into advanced stages of disrepair, cities and residents are getting desperate. In a keenly watched move this month, Los Angeles forged a new strategy — it sued one of the world's major financial institutions, Deutsche Bank, to force it to take care of 166 properties, both vacant and renter-occupied, charging the blue-chip German giant has turned into the city's largest slumlord.

"The buck stops with the owner of record. We're saying, 'You are an owner like any other owner,'" said Julia Figueira-McDonough, deputy city attorney.

Not according to Deutsche or other banks. They say they aren't really the owners, despite the fact that their name appears on the property title. They also say they are not responsible for

maintenance.

Representatives of Deutsche, as well as U.S. Bank, BNY Mellon and HSBC — three other major lenders that Los Angeles is investigating with an eye to suing, all said that loan servicers are responsible for property upkeep, as well as tasks such as sending default notices, modifying loans, selling homes, and collecting rent and mortgage payments.

"We're there in name only," said Teri Charest, spokeswoman for U.S. Bank. "We're trustees. We have a very limited role."

The real owners, the banks say, are the holders of the mortgage-backed securities — financial instruments comprising a pool of mortgage loans that are held in a trust and sold. The banks maintain they are simply distributors of the proceeds from the securities — the payments of a homeowner's loan principal and interest — to the investors.

Although the bank contracts the loan servicer, the bank's role does not include pressing servicers to properly maintain the trust's assets on behalf of its beneficiaries, bank representatives said. U.S. Bank, however, has sent notices to loan servicers that they must maintain properties in accordance with applicable laws, a statement said.

Loan servicers, however, usually have a contract loophole that allows them an easy out from the maintenance burden.

Typically, they're only required to spend money on upkeep if they believe the outlay is recoverable, according to Laurence Platt, a Washington D.C. lawyer who has represented banks in foreclosure-related litigation.

Los Angeles, like many cities, last year enacted an ordinance mandating that banks register defaulting properties and pay a \$155 fee so the city can track the property and collect funds for expenses.

But despite the penalty of \$100,000 fines for non-registration, the ordinance hasn't worked because it relies on banks to self-report the properties. "There's been minimal compliance," said Figueira-McDonough.

CSU Dominguez Hills to host Pacific Islander Fair June 4

From staff reports

CARSON—On Saturday, June 4, California State University Dominguez Hills will host Journey to Success: Pacific Islander College Fair from 8 a.m. to 2 p.m. in the Loker Student Union on campus.

The fair will feature a variety of interactive workshops and information sessions on topics including financial aid, admissions, and college life. Assemblyman Warren Furutani (55th District) will be guest speaker at the event.

Journey to Success is a component of the CSU's Asian American and Pacific Islander Initiative, one of the first in the country with the goal of improving college access and graduation achievements among underserved students within the AAPI community. The CSU has established a number of successful similar initiatives for other underserved communities.

The AAPI Initiative targets California's Samoan, Tongan, Marshallese, Hawaiian, Cambodian, Hmong, Laotian, Fijian and underserved Chinese, Vietnamese and Filipino communities.

Four CSU campuses will host Journey to Success college fairs targeting a specific cultural group within the AAPI communities, with CSU Dominguez Hills organizing the fair for Pacific Islander families.

To RSVP for the June 4 fair at CSU Dominguez Hills, visit www.calstate.edu/pacificislander.