

1 MICHAEL A. HESTRIN  
2 District Attorney  
3 County of Riverside  
4 3960 Orange Street  
5 Riverside, California 92501  
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7 Amy Barajas, Deputy District Attorney  
8 State Bar No. 237141  
9 Emily R. Hanks, Deputy District Attorney  
10 State Bar No. 230442

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE

DEC 19 2017

MARLENE ACUÑA 

11 SUPERIOR COURT OF CALIFORNIA  
12 COUNTY OF RIVERSIDE  
13 (Riverside)

14 THE PEOPLE OF THE STATE OF  
15 CALIFORNIA,

16 Plaintiff,

CASE NO. RIF1602262

FACTUAL BASIS

17 v.

18 ALAN CHARLES KAPANICAS,

19 Defendant.

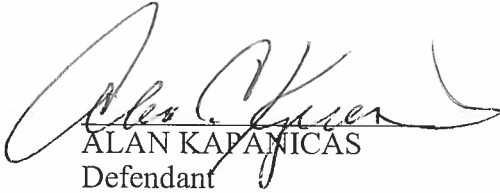
20 I worked for the City of Beaumont between 1993 and 2015 in various capacities  
21 including Administrative Services Director, City Manager, and special tax consultant. In early  
22 1996, I started my own business called General Government Management Services (“GGMS”).  
23 I was contracted through GGMS to serve as the City Manager of Beaumont, and at the same  
24 time to provide special tax functions to the City.

25 Between July 2003 and June 2009, the City of Beaumont collected millions of dollars  
26 from developers in the City as Transportation Uniform Mitigation Fees (“TUMF”). Pursuant to  
27 local ordinances adopted by the City, these TUMF funds should have been remitted to the  
28 Western Riverside Council of Governments (“WRCOG”). During this time, I was continually  
29 advised by City Attorney Joseph Aklufi and made the decision not to remit those funds to  
30 WRCOG as was legally required, instead withholding and diverting those funds, from which  
31 my company ultimately profited.

32 Between 2010 and 2013, myself and City Finance Director William Aylward gave out  
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1 \$113,773 in interest free loans to City employees, including \$45,000 to then-Beaumont Chief of  
2 Police Frank Coe. These interest free loans were not authorized by City Council or any City  
3 program.

4 Between 2009 and 2015, myself and City Finance Director William Aylward allowed a  
5 private company called Beaumont Electric Inc. to use the City's resale permit and borrow  
6 \$6,247,458.86 in public funds interest free to make company purchases. This use of public  
7 funds by a private corporation was not authorized by City Council or any City program.

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11 ALAN KAPANICAS  
12 Defendant

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GREG KASSEL  
Attorney for Defendant

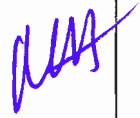
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SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE  
(Riverside)

THE PEOPLE OF THE STATE OF  
CALIFORNIA,  
  
Plaintiff,  
  
v.  
ERNEST ALOIS EGGER,  
  
Defendant.

CASE NO. RIF1602262

FACTUAL BASIS

Between 1993 and 2012, I was an employee and shareholder of Urban Logic Consultants (“ULC”), a professional engineering services company that provided services to the City of Beaumont (“the City”). For purposes of employment and taxation, I was considered a “consultant” to the City and an independent contractor. However, as a practical matter, I ran the Department of Planning for the City, and as such, functioned as a City officer and employee for purposes of Government Code section 1090. At all times, my work was subject to the oversight and approval of the City Manager and the City Attorney.

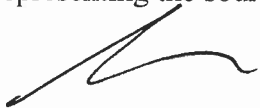
My partners in ULC, Deepak Moorjani and David Dillon, also functioned as City officers and employees for purposes of Government Code section 1090, despite the fact that they too were considered as consultants and independent contractors. Mr. Moorjani ran the Department Public Works and Mr. Dillon ran the Department of Economic Development.

As City officers, we advised the City on and participated in the making of City contracts that financially benefited our company ULC because ULC was paid for providing planning,

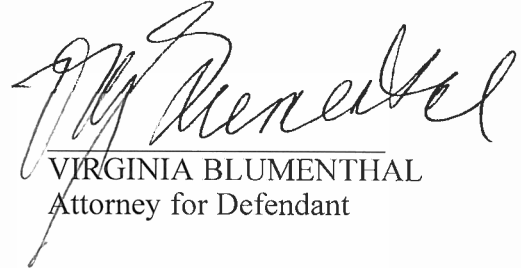
MICHAEL A. HESTRIN  
DISTRICT ATTORNEY  
3960 Orange Street  
Riverside, California

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4 economic development and engineering services for the City, which were provided. Although I  
5 was not paid directly by the City, I was paid by ULC based upon the contracts ULC had with  
6 the City. In May 2012, through my employment at ULC, I participated in the making of a bond  
7 contract for improvement area 7B and 7C. I had a personal financial interest in this bond  
8 because it generated funds for development of infrastructure that were used, among other  
9 things, to pay ULC for planning and engineering and public works oversight, which funds, in  
10 turn, were used to pay my salary as a consultant employed by ULC.

11           Between July 2003 and June 2009, ULC received millions of dollars in fees for its work  
12 in managing the City from public funds that were collected from developers in the City as  
13 Transportation Uniform Mitigation Fees ("TUMF"). Pursuant to local ordinances adopted by  
14 the City, these TUMF funds should have been remitted to the Western Riverside Council of  
15 Governments ("WRCOG"). As a shareholder in ULC, I personally profited from the diversion  
16 of funds from WRCOG to ULC. The plan to divert these funds was developed in consultation  
17 with and based upon the guidance of City Attorney Joseph Aklufi. Mr. Kapanicas and Mr.  
18 Aklufi deceived WRCOG regarding the withholding and diverting of TUMF monies by  
19 misrepresenting the source and use of the monies.

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22 ERNEST EGGER  
23 Defendant

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VIRGINIA BLUMENTHAL  
Attorney for Defendant

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MARLENE ACUÑA *MA*

11 SUPERIOR COURT OF CALIFORNIA  
12 COUNTY OF RIVERSIDE  
13 (Riverside)

14 THE PEOPLE OF THE STATE OF  
15 CALIFORNIA,

16 Plaintiff,

17 v.

18 WILLIAM KEVIN AYLWARD,

19 Defendant.

CASE NO. RIF1602262

FACTUAL BASIS

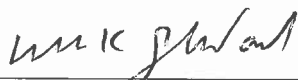
20 I worked for the City of Beaumont between 1993 and 2015 in various capacities  
21 including accounting manager, finance director, and assistant city manager in charge of finance.

22 Between July 2003 and June 2009, the City of Beaumont collected millions of dollars  
23 from developers in the City as Transportation Uniform Mitigation Fees ("TUMF"). Pursuant to  
24 local ordinances adopted by the City, these TUMF funds should have been remitted to the  
25 Western Riverside Council of Governments ("WRCOG"). Urban Logic Consultants ("ULC")  
26 principles David Dillon, Ernest Egger, and Deepak Moorjani, along with City Manager Alan  
27 Kapanicas and City Attorney Joseph Aklufi made the decision not to remit those funds to  
28 WRCOG as was legally required, instead withholding and diverting those funds for personal  
29 profit. I aided and abetted in the embezzlement of these monies by setting up and managing  
30 funds within the City to conceal the diverted fees and assisting in the direction of those fees to  
31 unauthorized purposes. Mr. Dillon, Mr. Kapanicas, and Mr. Aklufi deceived WRCOG and City  
32 Council regarding the withholding and diverting of TUMF monies by misrepresenting the  
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1 source and use of the monies. At the instruction of Mr. Kapanicas, I directed millions of dollars  
2 to be paid to ULC that the company was not legally entitled to receive.

3 Between 2010 and 2013, myself and City Manager Alan Kapanicas gave out \$113,773  
4 in interest free loans to City employees, including \$45,000 to then-Beaumont Chief of Police  
5 Frank Coe. These interest free loans were not authorized by City Council or any City program.

6 Between 2009 and 2015, myself and City Manager Alan Kapanicas allowed a private  
7 company called Beaumont Electric Inc. to use the City's resale permit and borrow  
8 \$6,247,458.86 in public funds interest free to make company purchases. This use of public  
9 funds by a private corporation was not authorized by City Council or any City program.

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13 WILLIAM AYLWARD  
14 Defendant

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19 JAMES TAYLOR  
20 Attorney for Defendant

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11 SUPERIOR COURT OF CALIFORNIA  
12 COUNTY OF RIVERSIDE  
13 (Riverside)

14 THE PEOPLE OF THE STATE OF  
15 CALIFORNIA,

16 Plaintiff,

17 v.

18 DAVID WILLIAM DILLON,

19 Defendant.

CASE NO. RIF1602262

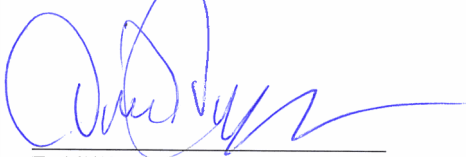
FACTUAL BASIS

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24 Between 1993 and 2012, I was an employee and shareholder of Urban Logic  
25 Consultants (“ULC”), a professional engineering services company that provided services to the  
26 City of Beaumont (“the City”). For purposes of employment and taxation, I was considered a  
27 “consultant” to the City and an independent contractor. However, I functioned as the Director  
28 of Economic Development for the City and was therefore a City officer.

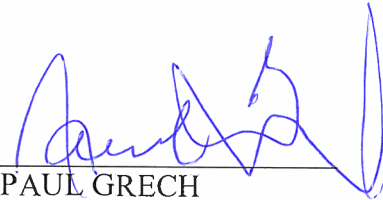
29 As a City official, I advised the City on and participated in the making of City contracts  
30 that financially benefited my company ULC because ULC was paid for providing planning,  
31 economic development and engineering services for the City, which were provided. Although I  
32 was not paid directly by the City, I was paid by ULC based upon the contracts ULC had with  
33 the City. In May 2012, through my employment at ULC, I participated in the making of a bond  
34 contract for improvement area 7B and 7C by providing services to the City, bond counsel, and  
35 the financial advisor. I had a personal financial interest in this bond because it generated funds  
36 for development of infrastructure that were used, among other things, to pay ULC for planning

1 and engineering services in accordance with ULC's contracts, which funds, in turn, were used  
2 to pay my salary as a consultant employed by ULC.

3           Between July 2003 and June 2009, ULC received millions of dollars for its work in  
4 managing the City from public funds that were collected from developers in the City as  
5 Transportation Uniform Mitigation Fees ("TUMF"). These TUMF funds should have been  
6 remitted to the Western Riverside Council of Governments ("WRCOG"). As a shareholder in  
7 ULC, I personally profited from the diversion of funds from WRCOG because a portion of this  
8 money came as fees to ULC. My decision to engage in this course of conduct and to follow this  
9 plan of action was arrived at, developed and implemented in consultation with and based upon  
10 the guidance of City Attorney Joseph Aklufi.

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14 DAVID DILLON  
15 Defendant

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19 PAUL GRECH  
20 Attorney for Defendant

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