



**SACHI A. HAMAI**  
EXECUTIVE OFFICER

## COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 383  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1411 • FAX (213) 620-0636

MEMBERS OF THE BOARD

GLORIA MOLINA

MARK RIDLEY-THOMAS

ZEV YAROSLAVSKY

DON KNABE

MICHAEL D. ANTONOVICH

September 11, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

### ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

15 September 18, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

### ELECTION OF THE THIRD MEMBER OF THE BOARD OF INVESTMENTS AND THE THIRD MEMBER OF THE BOARD OF RETIREMENT (ALL DISTRICTS) (3-VOTES)

#### SUBJECT

Declare official the election results of the Third Member of the Board of Investments and the Third Member of the Board of Retirement of the Los Angeles County Employees Retirement Association (LACERA).

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Reject the protest of the result of the election for the Third Member, Board of Investments and declare Herman B. Santos elected to that office for the term expiring on December 31, 2015.
2. Reject the protest of the result of the election for the Third Member, Board of Retirement and declare Vivian H. Gray elected to that office for the term expiring on December 31, 2015.
3. Instruct the Executive Officer/Clerk of the Board of Supervisors to send notices of the election results to the Chief Executive Officer of LACERA and Chairpersons of the Board of Investments and Board of Retirement.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On April 3, 2012, your Board approved the procedures for the election of the Third Member of the

#15

OF SEP 18 2012

Board of Investments and the Third Member of the Board of Retirement of the Los Angeles County Employees Retirement Association (LACERA). Accordingly, the election was held on July 31, 2012. Before elected members of the board may assume office, your Board must declare the results official.

Pursuant to Government Code Sections 31520.1, 31520.2, and 31523, the Board of Supervisors approves the procedures for the elections to fill the vacancies on the Board of Investments and the Board of Retirement. After the Registrar-Recorder/County Clerk certifies the election results, the Board of Supervisors must also declare the election results official. The person who receives the highest number of votes in each race is to be declared elected.

At the completion of the official canvass of all ballots received for the election, the Registrar-Recorder/County Clerk certified that Herman B. Santos was elected to the office of the Third Member, Board of Investments and Vivian H. Gray was elected to the office of the Third Member, Board of Retirement. A copy of the certification is enclosed (Attachment A).

In accordance with the resolution establishing the procedures for the elections, a candidate may file a protest of the result of the election and describe the grounds for the protest. The written protest must be accompanied by supporting documentation. The resolution provides that in lieu of declaring the results of the election official, your Board may order a new election if it determines, on the basis of written protest or on your Board's own motion, that any error, omission or neglect occurred that was attributable to the County in the administration of the election sufficient to change the result. Furthermore, the election resolution provides that allegations of candidate misconduct shall not constitute grounds for a new election, but, if later substantiated, may lead to imposition of administrative discipline or criminal culpability.

Mr. Simon Russin, an unsuccessful candidate for the Third Member, Board of Investments and the Third Member Board of Retirement filed a protest of the election results on August 10, 2012.

Mr. Russin's protest (Attachment B) alleges that Mr. Santos and Ms. Gray violated the election resolutions by giving their permission to the SEIU Local 721 ("SEIU") to send emails to County employees which were received on county time. He further alleges that SEIU is also in violation of the election resolutions and their sending of mass e-mail prejudices the election in favor of the SEIU control. In addition, he states that emails sent in support of the candidates were defamatory and violated a candidate statement guideline published by the Registrar-Recorder/County Clerk. He further alleges that during the election process the SEIU placed on flyers the County seal which gave the impression they were being endorsed by Los Angeles County officials and this somehow damaged the election process.

Mr. Russin has failed to support his protest with documentation showing that an error, omission or neglect occurred that was attributable to the County in the administration of the election sufficient to change the result, as required by your Board's election resolution. Therefore, under the terms of your Board's election resolution, Mr. Russin's allegations do not constitute grounds for a new election and his protest should be rejected.

#### **Implementation of Strategic Plan Goals**

Approval of the recommendations contained in this letter broadly supports the County Strategic Goals of Operational Effectiveness.

**FISCAL IMPACT/FINANCING**

The Third Members of the Board of Investments and the Board of Retirement do not receive compensation for their service to LACERA, since they are active County employees.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The elections were conducted in accordance with procedures approved by your Board on April 3, 2012. Pursuant to the County Employees Retirement Law of 1937, only eligible General Members of LACERA were allowed to vote for the Third Member of the Board of Investments and the Third Member Board of Retirement.

Mr. Russin filed with the Executive Office a protest of the election results for the Third Member of the Board of Investments and the Third Member of the Board of Retirement. The resolutions adopted by your Board on April 3, 2012 require that a protest demonstrate that a defect or defects in the election that are attributable to the County's administration of the election changed the outcome of that election. Mr. Russin provided no evidence or supporting documents to support that conclusion. Further, the resolutions state that allegations of candidate misconduct shall not constitute grounds for a new election.

It is appropriate at this time to declare the results of the election for the Third Members of the Board of investments and the Board of Retirement official.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Declaring official the election results for the Third Members at this time will ensure a quorum at the meetings of the Board of Investments and the Board of Retirement, in addition to providing proper employee representation on each Board.

Respectfully submitted,



SACHI A. HAMAI  
Executive Officer, Board of Supervisors

SAH:DG

Enclosures

c: Chief Executive Officer  
County Counsel  
Chief Executive Officer, LACERA  
Registrar-Recorder/County Clerk

*Los Angeles County*  
*Registrar-Recorder/County Clerk*

**Certificate of the Canvass of the Election Returns**

I, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, do hereby certify that on Thursday, August 2, 2012, I canvassed all ballots received by this office for the election of **THIRD MEMBER, BOARD OF INVESTMENTS** and **THIRD MEMBER, BOARD OF RETIREMENT (General Members)** of the **LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION ELECTION** held on July 31, 2012.

I further certify that the total ballots cast is as follows:

<b>THIRD MEMBER, BOARD OF INVESTMENTS</b>	<b>THIRD MEMBER, BOARD OF RETIREMENT</b>
<b><u>TOTAL BALLOTS CAST</u></b>	<b><u>TOTAL BALLOTS CAST</u></b>
8,946	8,946

I further certify that the total number of votes cast is as follows:

**GENERAL MEMBERS**

<b><u>Third Member, Board of Investments</u></b>	<b><u>Total Votes Cast</u></b>
BLANCA FUNES	1,175
HERMAN B. SANTOS	4,020
SIMON S. RUSSIN	3,681
<b>TOTAL</b>	<b>8,876</b>
<b><u>Third Member, Board of Retirement</u></b>	<b><u>Total Votes Cast</u></b>
VIVIAN H. GRAY	4,947
SIMON S. RUSSIN	3,914
<b>TOTAL</b>	<b>8,861</b>

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 2<sup>nd</sup> day of August, 2012.



*Dean C. Logan*  
DEAN C. LOGAN  
Registrar-Recorder/County Clerk  
County of Los Angeles

ATTACHMENT B

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August 10, 2012

Sachi A. Hamai

Executive Officer

County of Los Angeles

County Board of Supervisors

Dear Ms. Hamai:

I am seeking the disqualifications of Herman B. Santos, candidate for 3<sup>rd</sup> member Board of Investments; and of Vivian Gray, 3<sup>rd</sup> Member Board of Retirement from the July 31, 2012 Los Angeles County Employees Retirement Association Election.

Both candidates, Mr. Santos and Ms. Gray did violate the Resolutions Establishing the Election for The Third Member Board of Investments and Third Member Board of Retirement of the Los Angeles County Employees by violating article 16.

Article 16 states: Any County employee who is a candidate in this election is a candidate in his or her personal capacity, and may not use County time or County resources to further his or her campaign or election. Any candidate who violates this provision is subject to discipline, including discharge from County employment.

By the union's violation of county equipment and county employees' time, the county election process is undemocratic and puts vast billions of county dollars in the hands of publicly unelected union officials. Giving mass e-mail privileges in violation of county election rules, prejudices the election in favor of union control.

SEIU Local 721 membership consists of 58,000 represented employees who received emails to their work addresses at least four times in mass e-mailings during the campaign. This had a very negative effect on Mr. Russin's campaign and the e-mailings were in direct violation of the Board of Supervisors' resolutions on using county time and equipment and employees' time in opening, reading, considering these political messages. These union-backed candidates did receive significant political advantage in abusing county rules

Page 2 of 3

and regulations. This illegal and substantial political advantage in ignoring these rules definitely changed the political outcome in that Mr. Russin fell 339 votes short of Mr. Hermann Santos. Mr. Santos had the ability— by violating county in use of county equipment and county employee time— to send derogatory and inflammatory emails to 58,000 county employees over county equipment.

With the permission of these candidates Mr. Santos and Ms. Gray, emails were sent in behalf of the union supported candidates that were received on county computers. The emails in favor of the candidates were also read by county employees on county time in direct violation of election rules.

In addition the emails sent in support of the candidates that were received on county computers and read by county employees during county times did defame candidate Simon S. Russin in violation of “Candidate Statement Information and Guidelines” published by Los Angeles County.

The Candidate Statement Information and Guidelines state:

“RESTRICTIONS: Statements shall not, in any way, make reference to other candidates for office to other candidates’ qualifications, character or activities. Moreover, no statement shall contain any demonstrably false, slanderous or libelous statements nor any obscene or profane language statements or insinuations.”

Using county computers, the SEIU Local 721 did send defamatory statements about candidate Simon Russin to be received and read by county employees on county time. Some of defamatory statements received on county computers and read on county time read:

“Russin is lying or he doesn’t know the difference”

“...he’s unqualified to invest our money.”

“He (Russin) can no longer be trusted...”

These statements received on county computers and read during county time were political statements sent on behalf of candidates opposing Mr. Russin, and as such do violate county restrictions.

Inasmuch as the candidates and benefactors of that statement did violate county restrictions and election rules, and inasmuch as the retirement and investment boards both make decisions overtime that involve billions of county dollars, Mr. Russin, who has served more than 30 years on the LACERA Board of

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Retirement and 21 years on the LACERA Board of Investment, asks for a redress in that the two candidates violating county rules are disqualified as candidates.

To not disqualify the candidates would make the violations of county rules involving the use of county equipment and prohibition of reading of those statements on county time null and void.

Also, the derogatory and defamatory statements sent over county computers were in behalf of the candidates and in violation of county rules.

In addition, during the election process the union placed on political flyers the County Seal which gave the impression they were being endorsed by Los Angeles County officials and the LACERA logo. The union was ordered to cease using the County Seal, but the damage had already been done.

By allowing the union to use work addresses is a dangerous political precedent, which influences the voting employees while those employees only have limited information about the campaign affecting the financial stability of the county.

The union's violation in use of county equipment and county employee work time is especially disturbing in that the election was close. Mr. Russin lost the seat for the Board of Investment by only 339 votes.

These violations by the union of county rules and regulations puts the union in substantial control of the \$38.7 billion pension fund and in the granting of disability retirements, administration of the retiree medical plan and oversight of the entire LACERA organization.

Considering the gravity of the union's violation of rules in the election contest, to grant Mr. Russin's request that these candidates be disqualified. For further information on this petition to the Board of Supervisors, please refer to the attached emails sent to the employees' worksites, or contact Mr. Russin at his residence 626-355-9191, or his cellphone number at 626-353-6632.



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Simon S. Russin

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Vice-Chairman, LACERA Board of Retirement



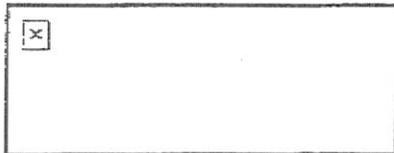
**Cynthia Brown - Elect Santos and Gray to LACERA Boards**

**From:** SEIU 721 Executive Board <info@seiu721.org>  
**To:** CYNTHIA BROWN <cybrown@ph.lacounty.gov>  
**Date:** 6/21/2012 10:16 AM  
**Subject:** Elect Santos and Gray to LACERA Boards



Dear Cynthia,

Your LACERA ballot is in the mail and should arrive in the next few days. LACERA oversees, invests and protects our retirement money. **SEIU Local 721 has endorsed the re election of Herman Santos (Chair of the Board of Investments) and the election of Vivian Gray (an Alternate Public Defender) for the Board of Retirement.**



**Read more about SEIU Local 721's endorsed candidates.**

There is really only one issue in this campaign: trust. Simon Russin, who has been a LACERA trustee for 30 years, is running for both Boards. Local 721's Executive Board has decided that he can no longer be trusted despite our support over the past several decades.

While on the Investments Board in 2010, Simon announced he would vote to lower LACERA's assumption rate even though it would cost the county over \$200 million and lead to layoffs and furloughs. Despite many pleas from concerned members, Simon voted to lower the rate. Layoffs were averted only because he lost the vote. In 2011 we endorsed David Green who defeated Simon by a wide margin for the Investments Board.

We knew Simon was running for re-election to the Board of Retirement this year. Since that Board can't influence the County budget, many members urged his endorsement. But that became impossible when Simon, still angry and bitter, filed to run against Herman Santos, whom we had already endorsed for the Investments Board. Simon didn't inform anyone and submitted his papers literally at the last possible moment. Worse, Simon's candidate statement is misleading and clearly anti-union.

This is not a time to take chances. Voters in San Diego and San Jose gutted pensions for their city workers earlier this month, and Wisconsin's public sector unions are on the ropes. Here in California, millions will be spent to silence our political voice in November, crippling our power to win for our members. Tragically, Simon Russin is trashing his own legacy. Don't let him trash our futures. **Vote for Herman Santos and Vivian Gray.**

In Solidarity,

Fwd: Elect Santos and Gray to LACERS Boards

Page 1 of 1



From: Jennifer Coddington <jcoddington@ph.lacounty.gov>

To: hannah136 <hannah136@aol.com>

Subject: Fwd: Elect Santos and Gray to LACERS Boards

Date: Wed, Jul 18, 2012 2:23 pm

>>> SEIU 721 Executive Board <info@seiu721.org> 6/19/2012 5:17 PM >>>

Dear Jennifer,

Your LACERA ballot is in the mail and should arrive in the next few days. LACERA oversees, invests and protects our retirement money. **SEIU Local 721 has endorsed the re election of Herman Santos (Chair of the Board of Investments) and the election of Vivian Gray (an Alternate Public Defender) for the Board of Retirement.**

Read more about SEIU Local 721's endorsed candidates.

There is really only one issue in this campaign: trust. Simon Russin, who has been a LACERA trustee for 30 years, is running for both Boards. Local 721's Executive Board has decided that he can no longer be trusted despite our support over the past several decades.

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This is not a time to take chances. Voters in San Diego and San Jose gutted pensions for their city workers earlier this month, and Wisconsin's public sector unions are on the ropes. Here in California, millions will be spent to silence our political voice in November, crippling our power to win for our members. Tragically, Simon Russin is trashing his own legacy. Don't let him trash our futures. Vote for Herman Santos and Vivian Gray.

In Solidarity,  
SEIU Local 721 Executive Board

This email was sent to:  
[jcoddington@ph.lacounty.gov](mailto:jcoddington@ph.lacounty.gov)

To unsubscribe from the SEIU Local 721 Action Center, go to:  
<http://faction.seiu721.org/unsubscribe>

Fwd: Last week to vote to protect your pension

From: Jennifer Coddington <jcoddington@ph.lacounty.gov>

To: hannah136 <hannah136@aol.com>

Subject: Fwd: Last week to vote to protect your pension

Date: Fri, Jul 20, 2012 3:08 pm



Another e mail and I got a phone call 2 nights ago from the union asking me if I had voted! And what would they have said if I had said no.

>>> SEIU 721 Executive Board <[info@seiu721.org](mailto:info@seiu721.org)> 7/20/2012 2:21 PM >>>

Dear Jennifer,

**LACERA ballots must be received by the Registrar-Recorder by July 31**, which leaves only one week to vote to protect your pension.

Please find the envelope from the Registrar-Recorder / County Clerk, retrieve your ballot and vote for our endorsed candidates: Herman Santos for the Board of Investments, and Vivian Gray for the Board of Retirement.

**Herman Santos**, an L.A. County Deputy IV Public Defender, is the Chair of the Investments Board. He's been on the board since 2004 and has been twice elected chair by his Board colleagues. Simon Russin, who is running against Herman, served on that board for 22 years and was never elected Chair by his colleagues.

**Vivian Gray**, a former Deputy Sheriff and an attorney with the Alternate Public Defender's office, wants to improve the Retirement Board's review process. Right now members applying for a disability retirement have to wait 15 - 18 months for a decision. Some workers have lost their homes or gone bankrupt while waiting. Simon Russin, who has been on the Retirement Board for 30 years, doesn't seem to think it's a problem.

Having been a LACERA trustee since 1982, Simon has clearly lost touch with County workers. Possibly because he doesn't even work as a County employee anymore - he's on 100% release for LACERA even though he retains his job title and salary. The whole idea of electing a general member trustee is to have someone on the Board who understands and represents county workers. Simon just doesn't fit the bill anymore. It is time for a change.

Please vote for Herman Santos and Vivian Gray and return your ballot right away.

In Solidarity,  
SEIU Local 721 Executive Board

This email was sent to:  
[jcoddington@lachs.org](mailto:jcoddington@lachs.org)

To unsubscribe from the SEIU Local 721 Action Center, go to:  
<http://action.seiu721.org/unsubscribe>

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# What do these two have in common?



Simon S. Russin



Pinocchio

- ❑ **Shameful and false:** Simon says Investments Board Chair Herman Santos is a candidate for the 1% — like Mitt Romney!
- ❑ Simon says that Romney's Bain Capital is a "Hedge Fund Company," which is **factually wrong**. Bain is a private equity firm that piles up debt on companies, breaks them up, busts unions, fires workers and sells off the pieces for huge profits. Either Simon doesn't understand the difference or he's being dishonest. In either case, **he is unqualified to invest our retirement money.**
- ❑ Simon denounces Herman as "management." Yes, he is a Deputy IV Public Defender and supervises other attorneys while still defending disadvantaged youth at Pomona Juvenile Court. But as a Chief Environmental Health Specialist, **Russin is also a manager. Maybe he forgot — after all, he's on 100% release and hasn't performed his County job duties for many years.**
- ❑ Simon claims on his website that he is "Vice-Chair" of the Investments Board. **But he was defeated for the Board of Investments last year for a vote that could have led to layoffs and furloughs of County workers. He is either deluded or in denial.**
- ❑ The reality is that Simon is angry and bitter, and blames "the unions" for his defeat last year. But unions are the last line of defense for working families and the middle class, and are the only institution capable of defending our pensions.



Herman Santos is endorsed by SEIU Local 721, IAF Local 1014 (Firefighters), AFSCME District Council 36, AFSCME Local 685 (Deputy Probation Officers), CAPE (Professional Employees), LA County Public Defenders Association, LA County Public Defender Investigators Association and ADDA (District Attorneys).  
 (Russin is endorsed by IBT-911)

**Cast your vote for integrity, honesty and reality.  
 Vote for Herman Santos for the Board of Investments  
 and Vivian Gray for the Board of Retirement.**

Employees are prohibited from using County time or County resources to further the campaign or election of any candidate.

AAKeto op/dv 137, 21-cv-7712

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# Compare the Candidates for LACERA's Board of Investments

Compare	Herman Santos	Simon Russin
<b>L.A. County Position</b>	Deputy Public Defender IV, Deputy-in-charge, Pomona Juvenile Court. Herman manages a staff of attorneys, and appears in Court in addition to his work as a trustee.	While his job title is Chief Environmental Health Specialist, Simon apparently works from home. Unknown when he last worked in the field.
<b>LACERA Experience</b>	Chair of Board of Investments, completing his 3 <sup>rd</sup> term as trustee (9 years), 2 <sup>nd</sup> term as Board Chair. During his 1 <sup>st</sup> term as Chair in 2010 he led Board to <b>reject</b> lowering of the assumption rate which would have caused layoffs and furloughs of County workers.	LACERA trustee since 1982, including 20+ years on Investments Board; never elected Chair of that Board. Defeated last year by David Green after voting to lower the assumption rate which would have led to layoffs and furloughs of County workers.
<b>Fighting Attacks on our Secure Retirement</b>	Founded and Chairs Local 721's Secure Retirement Committee. Led the fight against Schwarzenegger's attack on public pensions. Member of National Pension Roundtable. Lobbied legislators this year against Jerry Brown's pension "reform".	Spoke against Schwarzenegger's attacks and currently opposes Brown's "reforms", but never lobbied legislators, attended hearings, or wrote letters in favor of public pensions.
<b>Corporate Governance and LACERA</b>	Long time Chair of LACERA Corporate Governance Committee. Worked with SEIU International and AFL-CIO to fight for re-regulation of financial industry. Went to DC to lobby for Dodd-Frank reforms.	Gives lip service to corporate governance but hasn't actively lobbied for many years. A strong ally of Antonovich appointee John Barger, and voted with him often when both were on the Board of Investments.
<b>Keeping Promises</b>	Has always put LACERA members' interests first, has been a national leader in corporate governance, has improved returns on investments and has educated members about pensions and plans, all as he promised.	On May 22 Simon filed to run against Herman Santos for the Investments Board even though Herman had been endorsed, a violation of SEIU policy, with which he is very familiar.
<b>Union Commitment</b>	First elected a Steward in 1974. In 1976 joined the staff of SEIU Local 144 in New York. In 1985 joined SIEU 660 staff. Later joined 660 Legal Department. Remains active with SEIU 721.	A former Steward and Board member of legacy Local 660, Russin has turned against unions, as evidenced by his own candidate statement.
<b>Education</b>	Bachelors Degree in Business Admin. from Baruch College, CUNY. Bachelors degree Science of Law Glendale University College of Law; Juris Doctor in 1994.	B.A. in biology, Wilkes University; graduate work in marine biology, Long Island University.
<b>Endorsements</b>	Herman has been endorsed by SEIU Local 721, AFSCME Local 685 (Probation Officers), AFSCME Dist. Council 36, Local 1014 (Firefighters), CAPE (Assessors, Engineers), ADDA (District Attorneys), LAPDIA (Investigators) and LAPDA (Public Defenders).	Simon has received the endorsement of only one union, Teamsters 911.

**Vote for Herman Santos**

Employees are prohibited from using County time or County resources to further the campaign of any candidate.

