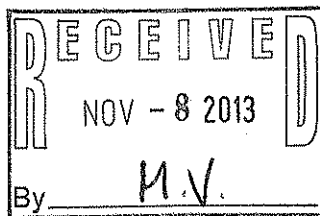


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## CHAN ADMITS PAYING FOR HIS SON TO MAKE CAMPAIGN CONTRIBUTIONS TO CITY POLITICIANS

### Building and Safety Chief's Statement Raises Questions of Possible Money-Laundering

Opponents of the Millennium project in Hollywood today revealed a letter by Raymond Chan in which the city's interim Dept. of Building and Safety boss told Mayor Garcetti's office that he provided money that his son used to make campaign contributions to three candidates for city office.

Tomorrow (Friday, Nov. 8) the City Council will hold a public hearing to consider Mayor Eric Garcetti's reappointment of Chan to a new six-month term as interim GM.

Millennium project opponents believe the City Council should be fully informed about Chan's conduct and question him about it during tomorrow's hearing. The council should also ask Chan to explain his role in his department's efforts to cover-up evidence about the location of an earthquake fault to the controversial Millennium project.

"We believe this letter may constitute evidence of money-laundering," said George Abrahams, who represents a city-wide coalition of community groups opposed to the Millennium high-rise project in Hollywood. "That a top city official would engage in such conduct would be extremely troubling. The Council should perform its due diligence before voting on Chan's reappointment."

A copy of the Chan letter is attached. Opponents of the Millennium project will make comments at tomorrow's hearing on Chan's reappointment.

Abrahams filed a complaint in September asking the Ethics Commission to investigate allegations that Chan possibly violated not only anti-money laundering laws but also conflict-of-interest laws by acting on matters involving the Millennium project while his son worked as a paid law clerk for the Millennium developer's chief advocate at City Hall. The recent discovery of Chan's statement to Garcetti's office came after Chan boasted to the news media two weeks ago that Ethics Commission staff had dropped Abrahams' complaint and given him, in Chan's words, a "clean bill of health." Ethics Commission staff refused comment when asked by the news media to verify Chan's claim.

The City Council and the public deserve an explanation for the discrepancy between Chan's apparent admission of money-laundering and his claim he was exonerated by the city Ethics Commission, Abrahams said.

"Did Chan mislead the media about getting a complete clean bill of health from the Ethics Commission," said Abrahams. "That would be very alarming, especially for a top city official."

"If the Ethics Commission staff did in fact exonerate Chan but was unaware of this letter then we stand ready to immediately make this document available to the Ethics Commission," Abrahams said.

Abrahams also respectfully reminded the Ethics Commission of its own decision in a recent money-laundering case. That case involved businesswoman Young Ran Kim, fined by the Ethics Commission in June, 2013 for laundering a campaign contribution through her son, Benjamin Huh.

"The parallels between the facts of the Kim case and the Chan case are striking," said Abrahams. He pointed out that Chan junior and Huh were both law students when their parents gave them money to make political contributions in their (the childrens') names that effectively hid from public disclosure the real source of the money.

“An aggravating circumstance present in the Kim-Huh case that’s missing in the Chan case is that Kim made secret contributions through several other individuals,” said Abrahams. “However, in the Chan case we have the aggravating circumstance of possible money-laundering by a top city official, who should know better. That certainly shocks the conscience. Our top officials should be above reproach but at least held to the same standard as private citizens.”

In the newly-disclosed letter, Chan told Deputy Mayor Kelli Bernard that his son had a “keen interest in local politics” and wanted to “partake and contribute in the recent election cycle.” Chan added that “[M]y son made these campaign contributions on his own volition and I financially supported him on his contributions [emphasis added]....” See p. 2, paragraphs 3 and 4 of Chan’s attached statement.

In all, Chan’s son “contributed” a total of \$4,200 – \$2,600 to Wendy Greuel, \$1,300 to Garcetti and \$700 to Cindy Montanez.

Chan’s claim that he was only helping further his son’s political interests falls short of credibility when records showed that as of two months ago, his son was not even registered to vote in Los Angeles County. “That’s not a sign of political interest,” said Abrahams. “That’s a sign of political apathy. Could the real purpose of the contributions have been Chan senior’s attempt to curry favor with elected officials who could have a say in his future employment?”

In his undated letter to Bernard, Chan claimed the charges of conflict-of-interest and money-laundering were “false and frivolous.”

Regarding Abrahams’ complaint that Chan possibly violated conflict-of-interest laws by working on the Millennium project while his son was a paid law clerk at Sheppard Mullin, the Millennium project’s chief advocate at City Hall, Chan asserted in his letter to the deputy mayor that: “I did not make ANY DECISIONS regarding the Millennium Hollywood Development Project before, during or after Jeremy’s clerkship with Sheppard Mullin.”

“Chan’s denials are suspect,” said Abrahams.

“We know at the very least that Raymond Chan was in the loop as his office reviewed the Millennium’s earthquake issue,” said Abrahams. “We have seen an email exchange Chan had with the Sheppard Mullin firm and his staff about the possibility that a project-killing earthquake fault might run through its client’s property.”

The fact that Chan was communicating with the Sheppard Mullin firm about the Millennium project was revealed in documents obtained in a California Public Records Act request filed by attorney Robert P. Silverstein. Silverstein represents the coalition fighting the Millennium project. Silverstein says his team has not finished processing other written materials obtained through the CPRA. Nor, he said, has his firm received all the documents it has requested under the CPRA.

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