



San Francisco City Hall.(Mike Koozmin/S.F. Examiner)

City contract followed campaign gifts for Mayor Lee

JOSHUA SABATINI / Jan. 21, 2016 12:00 a.m. / NEWS / THE CITY

The pair who allegedly solicited with Mayor Ed Lee's knowledge a \$10,000 bribe to help retire his 2011 campaign debt also arranged \$1,500 in campaign contributions with an employee of a lumber company that later received a city contract, according to emails recently obtained by the San Francisco Examiner.

While those at the center of the bribe allegation have not been charged with a crime, the emails suggest a pay-to-play culture in San Francisco politics.

In 2012, Zula Jones was a contract compliance officer with the Human Rights Commission, and Nazly Mohajer, a Marin County businesswoman, served as a Human Rights Commissioner. The two discussed among themselves, and

others, the retiring of Lee's campaign debt, planning fundraising events and arranging contributions with an employee of Richmond-based Channel Lumber, according to the emails the Examiner obtained through a Freedom of Information Act request.

Channel Lumber later obtained a city contract. As of press time, it was unclear exactly what the nature of the work was that the company performed for The City.

Federal evidence of the alleged \$10,000 bribe solicited from an FBI agent posing as a businessman was disclosed in August during the federal criminal proceedings against Raymond "Shrimp Boy" Chow, by Chow's attorneys.

The government's case against Chow ended Jan. 8 without further details emerging about the alleged bribe involving the mayor. Neither has additional information come from Jones or Mohajer, who have not spoken publicly about the allegations nor have they been charged with a crime.

The mayor has denied any wrongdoing. Mayoral spokeswoman Christine Falvey said Wednesday that "the mayor's campaign received thousands of individual contributions and every one of them has been thoroughly vetted to ensure they all comply with the law." She added the Ethics Commission also audited the campaign and "determined there was full compliance."

The new emails obtained by the Examiner reveal more details about the pair's activities, shedding more light on how the two hustled money for the mayor.

ED LEE'S \$1,500 LUMBER CONTRIBUTION

Mohajer and Jones communicated with Karen Rathe, an employee of Channel

Lumber to arrange three \$500 campaign contributions from a lumber company president and two other high-ranking executives to Mayor Lee's campaign. In a March 2, 2012, email to Mohajer, Rathe wrote she had provided three forms for \$500 donations with corresponding credit card numbers.

But there appeared to be a problem with the charges. In an April 11 email, Mohajer wrote back to Rathe to tell her there was only one valid credit card number and asked her to provide the correct credit card numbers — identifying Michael J. DeSimoni and Bill DelRio as the contributors whose donations didn't process.

Rathe asked for the receipt of one \$500 contribution that went through. Rathe then attached forms with the new contribution information, which Mohajer sent to Jones. The attachments read "Ed Lee for Mayor — Contribution Form."

DeSimoni was a \$500 contributor to Mayor Lee's 2011 campaign and was identified as Channel Lumber's president, according to city records. DelRio's contribution is also listed and he is identified as general manager of Industrial Whole Sale Lumber in American Canyon.

The emails do not name the third contributor. But Mark Durk, general manager of Adobe Lumber in American Canyon, is listed as making a \$500 donation to the mayor.

The three companies are owned by the DeSimoni family.

A month later, Rathe emailed Jones to confirm a meeting in person. The May 9 email says: "Good afternoon Zula: Just would like to confirm a meeting for Friday, May 11th at 10 am at the Bayshore office. Can you please provide that address? Thank you kindly."

Later, Channel Lumber received business from City Hall, according to the City Controller's Office vendor payment database, which reports the company was

paid nearly \$60,000 for services in each of the fiscal years 2013-14 and 2014-15. The database shows no other payments to the company in recent years.

When reached by phone Tuesday, Rathe said she had to go into a meeting and couldn't talk at that time with the Examiner.

"I'll call you back," Rathe said, but the call was not returned. DelRio and Durk did not respond to requests for comment.

On Wednesday, DeSimoni acknowledged the donations after first saying the contributions arranged by Rathe were "not to my knowledge."

"We do a lot of contributions to a lot of people," DeSimoni said. "Is it against the law to contribute to a campaign?"

When pressed further, DeSimoni said that "we have an ex-49er who works with us" who was a supporter of Mayor Lee who asked for contributions to the campaign. DeSimoni declined to provide the name of the ex-49er.

"He was trying to help Mayor Ed Lee, that was the crux," DeSimoni said.

DeSimoni revealed he was visited by investigators a "couple of months ago" who interviewed him, his father and the "ex-49er" for 20 minutes, saying they were "asking the same questions that you're asking us."

DeSimoni said he could not recall who those investigators were, but he said they were city officials possibly with the District Attorney's Office. "If there was anything to it, they would be revisiting us," DeSimoni said.

"It was totally innocent," DeSimoni said of the contributions. "It wasn't to gain

OTHER EFFORTS

In May 2012, Jones and Mohajer exchanged emails about a birthday-themed campaign fundraising strategy connected to the mayor turning 60 on May 5, 2012. Another person involved in the email chain was Shelley Bradford-Bell, who once served on the Planning Commission as an appointee by Willie Brown during his mayoral administration, and is currently a business consultant.

On Tuesday, Bradford-Bell said she didn’t specifically recall the birthday fundraiser emails. “We did a lot for the mayor at that time,” said Bradford-Bell, who also co-chaired the controversial “Run, Ed, Run” political committee supporting Ed Lee to run for mayor before he publicly declared he would run after being appointed to the post.

Bradford-Bell said she knew Mohajer and Jones “like I know anybody else in The City — it’s like that.” She seemed to distance herself from them. “I was in communication with a lot of people after I talked to the Mayor’s Office because we wanted people to do the contribution. I probably sent out a thousand emails.”

When asked about the \$10,000 bribery allegation, Bradford-Bell declined to comment. “I got such long distance from any of that,” she said.

UNDERCOVER

As previously reported in August, the undercover FBI agent listed as UCE-4773 — who was posing as Michael King, an Atlanta-area businessman — talked with Jones and Mohajer in taped conversations about donating \$10,000 and breaking it up in \$500 chunks to skirt campaign laws that allow only \$500 contributions per person. Mohajer arranged a meeting between the agent and the mayor at her 945 Front St. office. The mayor has said he doesn’t recall the meeting with the undercover agent.

The agent had requested Jones provide the list of the straw donors and Jones tells him to email his contact information to her work email —

There is no email record from Jones responding to it.

A Michael King contributed \$500 to the campaign on March 15, 2012, according to filings.

Jones is quoted in taped conversations part of the federal evidence saying, "Ed knows that you gave \$10,000 ... he knows that you will give another \$10,000. He also knows that we had to break the \$10,000 up." And she also is quoted as saying Willie Brown taught herself and the mayor how to do business. "You got pay to play here," she is quoted as saying.

It is unclear if the City Attorney or the District Attorney are investigating the matter. City Attorney spokesman Matt Dorsey said Tuesday, "I have to decline to comment because of our office's policy to neither confirm nor deny the existence of investigations."

The San Francisco Examiner was unable to reach Jones or Mohajer for comment Wednesday. Both are no longer employees of The City.

The emails obtained through a public records request were from Jones' City Hall government email account, messages forwarded or copied to her, during the months of April 2012 through June of 2012. Jones rarely sent any emails herself.

Would you attend a "Summer of Love" concert?

- ☐ Yes
- ☐ No
- ☐ I don't know
- ☐ Indifferent

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