

January 22, 2009

Ms. John Russo  
Oakland City Attorney  
1 Frank Ogawa Plaza, 6th Floor  
Oakland, CA 94612

**RE: Filing of Complaint against Mayor Ron Dellums for Acts of cronyism by appointing an unqualified person, Dan Lindheim, as Interim City Administrator, as well as Interim Director of Economic Development, based on a 25-year political relationship, irrespective of Mr. Lindheim being unqualified for both positions.**

**Background Statement:**

Oakland residents deserve excellent leadership at all levels, and in all departments. Given the challenges of the worsening economy, high crime rates, and increasing budget deficits, there have been few other time in our history when we so desperately needed effective leadership, particularly in "Director" and "Administrator" positions. Our greatest hope for making a positive and smooth recovery from the economic crisis is to have excellent and proven leadership in these positions. Without strong leadership, the likelihood that Oakland will suffer more dire consequences and remain in a state of prolonged budget deficits is increased. Our residents cannot, and should not, have to face these circumstances.

Mr. Lindheim served as Mr. Dellums' legislative aide in Congress for over 20 years, as a policy person at the World Bank, and has also run a small business. But he does not have anywhere close to "12 to 15 years of senior level executive management experience preferably in a large sophisticated diverse urban governmental organization" (*a primary qualification excerpted from the Mayor's own job description for the City Administrator position*).

While serving as a council aide for almost seven years, I observed that the most important job a mayor can do is hire great administrators and department heads. One of the reasons that Jerry Brown was so successful at achieving his goals of attracting downtown housing, building two pioneering charter schools (School for the Arts and the Oakland Military Institute), reducing crime, and growing Oakland's budget was because he was surrounded by national leaders in municipal management; people like Robert Bobb, known as a top leader in his field of government administration and management; Claudia Cappio, a top administrator in economic development; and Raul Godinez, Oakland's current Public Works Director who is winning awards for his innovative management efforts.

In turn, Robert Bobb surrounded himself with highly competent staff assistants, with advanced degrees in public administration, who were highly motivated and ambitious; people like Edward Reiskin (then his deputy administrator) who is now Director of Public Works in San Francisco, and Rosie Rios (then Director of Economic Development) who now works for the MacFarlane Partners, an investment group that manages over 11 billion dollars in assets.

People often forget that Oakland had relatively low crime rates in 2003, 2004, 2005, *even though our police department was severely understaffed at the time*. In 2004, for example Oakland had 82 homicides and less than 730 officers. This success was based on the fact that we had excellent management that demanded results from Oakland's workforce.

Much of this success began to deteriorate after Robert Bobb left, and then Mrs. Rios, and then Mr. Reiskin, and finally Mrs. Cappio. As a result, the management of our city is in shambles, and no restructuring plan will save us. The only thing that will save us is decisive leadership, which Mayor Dellums is incapable of; and effective management, which Mr. Lindheim has no experience in.

Oakland has an opportunity to neutralize the ineffective leadership of the Mayor by filling the key positions of the city--City Administrator, Director of CEDA, Fire Chief, Police Chief--with proven leaders in their respective fields.

The appointment of Dan Lindheim as Interim City Administrator and interim Director of CEDA was a slap-in-the-face to Oaklanders in that it exemplifies the worst kind of crony-based governing, where it is more important to reward your friends, then it is to deliver excellent services to residents. Making Mr. Lindheim the permanent City Administrator, particularly at a time when Oakland is in crisis, would be unconscionable.

Oakland residents must demand excellent management of its city.

#### **Complaint:**

Acts of cronyism, by Mayor Dellums, by appointing an unqualified person, Dan Lindheim, as Interim City Administrator and Interim Director of Economic Development based on a 25-year political relationship, irrespective of Mr. Lindheim being unqualified for both positions.

#### **Facts:**

On December 9<sup>th</sup>, the Oakland City Council voted unanimously to pass Ordinance No. 12908, "***An Ordinance Amending Title 9 of the City of Oakland Municipal Code by Adding A New Chapter, 2.38, Entitled Anti-Nepotism Policy, to Prevent Nepotism and Cronyism in Hiring and Administration.***"

Section 2.38 of the Ordinance defines "Cronyism" as "*participating in any employment decision that may be viewed as a conflict of interest, such as one involving a close friend, a business partner, and/or professional, political, or commercial relationship, that would lead to preferential treatment or compromise the appearance of fairness.*"

Sitting next to Councilmember Nadel, the sponsor of the Cronyism amendment, as the council passed this Ordinance unanimously, was Mr. Dan Lindheim, Interim City Administrator and Interim Director of Economic Development, a 30 year political ally of Mayor Dellums, who lacks the qualifications, identified in the Mayor's own job description for the City Administrator's Position, to serve as Interim City Administrator or Interim Director of Economic Development.

Merriam-Webster defines Crony as "*a close friend especially of long standing*".

Merriam-Webster defines Cronyism as "*partiality to cronies especially as evidenced in the appointment of political hangers-on to office without regard to their qualifications*".

Dan Lindheim is certainly a "political hanger-on" of Mayor Dellums, having served as his political aide in Congress since the 1970's.

Since it can easily be established that Mr. Lindheim has a long political relationship with Mr. Dellums, the litmus test of whether or not Mr. Lindheim's appointment as Interim City Administrator constitutes Cronyism is whether

or not Mr. Lindheim is qualified to even apply for the position under Mayor Dellums own list of qualifications posted in the job announcement for the position (Attachment A). In fact, it states:

**Qualifications**

*"The City Administrator must be a dynamic, creative and results oriented executive capable of working effectively in a large, diverse and complex Mayor-Council form of government. The Mayor is seeking a City Administrator who can assist in implementing his vision. Candidates must be team oriented and able to work well with all city elected officials, a diverse staff, a highly active and diverse community and numerous business, civic and neighborhood organizations. A generalist background is desirable with strong fiscal, administrative management, and economic/community development expertise. ~~Twelve (12) to fifteen (15) years of senior level executive management experience preferably in a large sophisticated diverse urban governmental organization.~~ A Bachelor's degree from an accredited college or university in public or business administration or a related field is required with an advanced degree being highly desirable."*

Mr. Linhdeim does not have "12 to 15 years of senior level executive management experience preferably in a large sophisticated diverse urban governmental organization." He has been a political aide, an economist at the World Bank, and ran his own small business. But he has never had "senior level executive management experience in a large sophisticated diverse urban governmental organization".

Furthermore, the January 2009 Strategic Planning Report to the Mayor by The PFM Group clarifies that the Charter of Oakland has the following language relative to the Mayor's appointment of the City Administrator:

*"The Mayor shall appoint a City Administrator, subject to the confirmation by the City Council, who shall be the chief administrative officer of the City. He shall be a person of demonstrated administrative ability with experience in a responsible, important executive capacity and shall be chosen by the Mayor solely on the basis of his executive and administrative qualifications."*

Therefore, the appointment of Mr. Linhdeim as Interim City Administrator and as Interim Director of Economic Development, and any potential consideration of appointing him as permanent City Administrator can only be construed as "Cronyism", an act that the City Council, led by Councilmember Nadel, unanimously voted to prohibit in the City of Oakland hiring procedures in December 2008.

**Action Requested:**

I formally request that the Public Ethics Commission, the Director of Personnel, and the City Attorney immediately begin investigating whether the Mayor's appointment of Mr. Lindheim as Interim City Administrator and Interim Director of Economic Development constitutes Cronyism, and whether the possible appointment of Mr. Lindheim to Permanent City Administrator would also constitute Cronyism.

Respectfully,

Carlos Plazola  
Oakland Resident

Cc: Oakland City Council Members; Office of the Mayor