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Report: Desert Hot Springs City Manager Rick Daniels not harassed

However Councilman Russell Betts may have leaked confidential city information, investigation suggests



Desert Hot Springs City Manager Rick Daniels (left) and City Councilman Russell Betts (right). / File, The Desert Sun

DESERT HOT SPRINGS — A nine-month investigation found “insufficient evidence” to justify [City Manager Rick Daniels’ complaints of workplace harassment](#), but accuses a councilman of improperly leaking confidential closed-door discussions.

Daniels’ claims that Councilman Russell Betts “routinely” violated the Brown Act, including that Betts recorded “one or more closed session meetings,” were supported by attorneys at Renee Sloan Holtzman Sakai. Such findings will be sent to the Riverside County District Attorney’s Office, according to the city attorney.

DOCUMENTS: [Desert Hot Springs City Manager Rick Daniels' letter of complaint](#) | [Desert Hot Springs confidential investigative report](#)

Council members [released the 93-page document](#) Tuesday after a lengthy closed-door discussion in which they also discussed Daniels’ resignation plans. Daniels, who has led the city since 2007, has been offered the same job in Needles, a much-smaller town on the Colorado River.

Betts, first elected in 2007, has repeatedly denied any wrongdoing.

In a statement to reporters this week, he described Daniels’ claims as “unfounded, meritless allegations” that already involved reports to the district attorney and Riverside County Grand Jury.

“I am not comfortable with what has become an endless attempt to divert attention from differences over policy and council votes using what I consider to be a politically motivated witch hunt,” Betts said in the statement.

Renee Sloan Holtzman Sakai was hired in November to investigate Daniels’ claims. By February, their legal fees had topped \$77,400.

“After two years of this distraction, it is time for the distraction to end,” Betts wrote. “It is time for this city council to put this matter behind us and pledge to work together even if we disagree on votes before the council.

“It is long past time to put all our efforts towards the very serious issues facing our city.”

The report released Tuesday stems from a complaint that Daniels filed in October about Betts “in conjunction with” Councilman Adam Sanchez.

Sanchez and Betts have insisted any actions were within their roles as elected watchdogs of taxpayer funds.

“While the evidence clearly demonstrates that an extremely dysfunctional working relationship exists between Daniels and Betts and Sanchez, the evidence does not support Daniels’ central allegation of hostile work environment or retaliation,” the report found.

It noted that Daniels “did not produce adequate documentary evidence to back up many of his very broad assertions.”

The report describes both Betts and Sanchez as “evasive” in the interviews.

Daniels said Tuesday evening he wasn’t disappointed in the results of the investigation and chalked it up to a “learning experience for the city.”

“Success requires teamwork down the line. Otherwise they can’t achieve their goals,” Daniels said. “My goal was to bring issues to light and create a productive work environment for the community to progress.”

The San Francisco law firm Desert Hot Springs hired to investigate found the most credible accusation involved Betts’ communication with local media.

Daniels’ letter references and interviews with city officials portrayed a close collaboration between Betts and Dean Gray, a city hall critic who runs an online publication.

Interviews with witnesses say Betts penned articles about Daniels for Gray, an assertion that Betts denied. The investigator found Betts “likely assisted Gray in writing the articles.”

Gray, who hadn’t seen the report Tuesday, told The Desert Sun that Betts is his “best friend” who has occasionally helped out with looking for grammatical errors.

“It’s an informal relationship,” Gray said. “I don’t have the resources of a copy writer.”

Gray and Betts collaborated on a book about the first settler of Desert Hot Springs. But he insisted that Betts never has given him confidential information.

“He refuses to do that,” Gray said. “If I had information from closed session, I would publish it.”

Daniels also claims that, in one interview, a Desert Sun reporter identified Betts as the source of closed-door information the paper obtained.

Daniels’ account is inaccurate. The Desert Sun reporter did not identify Betts. In 2011, The Desert Sun declined a request by the former city attorney to divulge the name of its source.

“The investigator also finds that Betts has likely recorded one or more closed session meetings,” the report said. “With the exception of Sanchez, all of Betts’ fellow councilmembers believe that he has recorded some of the meetings.”

City Attorney Steve Quintanilla said he was in contact with the district attorney’s office. However, he noted a criminal violation would have to be proven beyond a reasonable doubt — a higher benchmark than used in this investigation.

Betts said the district attorney has already investigated the accusation and that “it never happened.”

“It’s a subjective report,” Betts told The Desert Sun. “I would never have leaked closed session information.”

In Daniels’ complaint, he blames Betts and Sanchez for the departures of notable staffers.

“Councilor Betts has created a hostile work environment for me by outrageous behavior during closed session discussions shouting crude and extremely rude comments at his fellow Councilor members adding to the stress of my position and affecting my ability to service all Councilors equally and fairly,” Daniels wrote in his letter.

“His actions are intentionally divisive and destructive. His actions contravene my objections to create a cohesive and collaborative City Council that can address the serious and significant challenges facing the City.”

Parks said she wasn’t getting into the report’s findings Tuesday evening as the council was addressing other city business. But she said she was comfortable with the process.

“It says what it says,” Parks noted. “I don’t think it could have been handled any better.”

Among Daniels accusations:

- **Betts “continuously and intentionally violated the Municipal Code and the Council Policies and Procedures” by an overload of record requests and “a ‘gotcha’ form of raising questions.”**

The investigator noted that city guidelines require council members contact the city manager before a meeting with their inquiries, but points out that Daniels has sent “mixed messages” to Betts about when he can contact him.

“It is unreasonable and unrealistic for Daniels, as City Manager, to expect that he will never receive an email communication from council members outside of normal business hours,” the report stated. “Betts has not harassed Daniels by sending email requests for information after-hours.”

- **Betts expressed “racial prejudice against developers” by saying the Coachella Valley Housing Coalition only rents to “Mexicans.”**

The report found that Betts “likely” said that, but found “insufficient evidence” that it rose to a violation of the city’s harassment policy.

- **Betts and Sanchez attempted to interfere with a personnel matter involving Officer Paul Tapia, the former police union president who was at the center of well-publicized disciplinary hearings in 2012. Daniels said the two council members traded political favors**

with the union and then threatened to “disband the police department” as they were “conspiring with a disgruntled employee to threaten, embarrass, and attempt to intimidate.”

The report found the council members “attempted to interfere” in the matter by “assisting in the organization of a protest.” Getting involved in the matter constituted a violation of city code and Daniels’ employment contract, the report noted.

Sanchez said that simply didn’t happen. “I didn’t organize it,” he said.

- Sanchez has tried to get Daniels fired “outside of the due process” after Daniels refused to loan him city equipment for his non-city job and failed to help him get work at the Coachella Valley Boys & Girls Club or the city’s new wellness center.

The investigator found that Daniels “failed to produce any evidence to support his assertions.” When asked about the accusations, Sanchez denied them with a repeated “no.”

- Betts is inconsistent about reporting which properties he owns on the annual form disclosing his personal economic interests. After The Desert Sun requested the forms, Betts told the paper he recognized the filing error and has filed an amended form.

Daniels also said Betts used his city position to avoid paying \$20,000 in code enforcement fines associated with a foreclosure he bought. The report found “insufficient evidence,” but noted that the issue was already the focus of a criminal investigation.

Additionally, Daniels also claimed he’s violated land-use rules by refusing to get a business license for a “logistics type business” operating out of his house.

Betts said he does not have a business in his home. And the investigator found it was “beyond the scope of the investigation” to determine whether the business — which has apparent ties to China — requires a license. But it did find evidence there is “limited” work conducted from the house that includes “occasionally making phone calls in the early hours.”

Daniels last month submitted a resignation letter. He is expected to stay with the city until September.

Needles officials will finalize a contract with him at their Aug. 13 council meeting.

“This continuous and unrelenting harassment, hostile work environment and retaliation by Councilor Betts and recently by Councilor Sanchez has adversely affected my health and overall well being,” Daniels wrote in his letter. “I have been subjected and remain subject to undue and unreasonable stress. Mr. Betts’ improper conduct has caused me emotional distress, harm and damage.”

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