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DHS official's possible conflict of interest examined

Jose Paul Corona

Staff

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Council members approved contract for firm where city manager's son works

By Jose Paul Corona

The Desert Sun

DESERT HOT SPRINGS - City Manager Jerry Hanson insists he has done nothing wrong.

But a city contract with the company that employs his son has made the city manager the focus of an investigation into possible ethics code violations.

At issue is an \$8,600 contract the City Council entered into with Tyco Fire and Security, where Hanson's son, Justin, works to install security cameras.

Council members say they approved the contract unaware of the father-son relationship.

The council on Feb. 4 voted unanimously to approve the contract.

The city's ethics code states that city employees cannot engage in any business or transaction in which they have a personal or financial interest. That, in part, is defined as relationships by blood or marriage.

Hanson was not in his office Friday and a message left on his cell phone was not returned. In an interview Tuesday, he defended the contract, saying his son works for one of the biggest security alarm firms in the area and therefore should not be barred from doing work for the city.

"I have no benefit or interest whatsoever," Hanson said.

The possible conflict of interest was brought to light at Monday's City Council meeting by resident Karl Baker, a previous unsuccessful City Council candidate.

Following the meeting, Councilwoman Mary Stephens and Councilman Will Pieper were appointed to investigate the matter. Stephens on Friday declined to comment. Pieper could not be reached for comment. The council is expected to discuss the allegations with a city attorney who handles personnel issues and make a report at the Aug. 5 meeting.

Documents obtained by The Desert Sun through a public record request reveal that Hanson, who served as the city's engineer and public works director at the time, presented a staff report to the council Feb. 4 recommending the council award a contract to Tyco Fire and Security for the purchase and installation of a security system. The staff report called Tyco's bid the "lowest best bid." According to the minutes of the meeting, the council unanimously agreed and awarded the contract.

There were a total of five bids, three of which were submitted by Tyco, ranging from \$3,400 and \$19,700.

According to the city clerk, a written request for proposals was not submitted by the city, but rather bids were solicited from the telephone book.