

## COMPLAINT RECEIVED

The Enforcement Division of the Fair Political Practices Commission received the enclosed complaint, COM-08162018-01425, on 8/16/2018 4:06:00 PM. The information filed in the complaint is below.

The Complainant is:  
Anonymous

The Complaint was formally filed against:

Friends of Linda Handy 2014

Linda Handy

Kneal Resource System

The Violations alleged are:

Campaign Reporting Inaccurate/Incomplete

Campaign Form Incomplete or Inaccurate (84211)

In multiple instances over multiple years starting in the 2000s the Handy campaign cited a \$8,000 debt without disclosing that debt was owed to the business (Kneal Resource Systems) of the then Peralta Community College District Chancellor's, Elihu Harris, ex-wife and ongoing business partner Kathy Neal whom was simultaneously being employed by the District as an independent consultant using District restricted bond money. 460 Filings don't acknowledge to whom debts are owed until after the 2010 Peralta Trustee reelection of Handy when an additional \$7,500 is now listed as owed to Kneal Resource Systems (this is also following the dismissal of Chancellor Harris but is still occurring while Kneal Resource Systems is being paid through an ICC by the Peralta District). In 2014 460 filings \$8,000 is listed as loaned to the Handy campaign which seems to be a restatement of the \$8,000 debt carried from at least 2008 and subsequently this "loan" is restated as a loan in 2015 but then never repaid or re-characterized as a contribution (to date) and only intermittently recorded by name. (The Handy campaign also seems not to have filed a 460 form for the second half of 2016.) In sum Kneal Resource Systems has been, sometimes at least, acknowledged to be owed between \$8,000-\$15,500 by the Handy campaign, never repaid any money directly, yet been employed by the District Trustee Handy represents for at least \$300,000 during this period while the relationship between Kneal Resource Systems and Trustee Handy was repeatedly not recorded in campaign filings and not disclosed to the Board of Trustees.

Loans

#### Disclosure (84216)

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#### Recordkeeping (84104)

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\$300,000 during this period while the relationship between Kneal Resource Systems and Trustee Handy was repeatedly not recorded in campaign filings and not disclosed to the Board of Trustees.

#### Violation of Rules Regarding Contributions

In multiple instances over multiple years starting in the 2000s the Handy campaign cited a \$8,000 debt without disclosing that debt was owed to the business (Kneal Resource Systems) of the then Peralta Community College District Chancellor's, Elihu Harris, ex-wife and ongoing business partner Kathy Neal whom was simultaneously being employed by the District as an independent consultant using District restricted bond money. 460 Filings don't acknowledge to whom debts are owed until after the 2010 Peralta Trustee reelection of Handy when an additional \$7,500 is now listed as owed to Kneal Resource Systems (this is also following the dismissal of Chancellor Harris but is still occurring while Kneal Resource Systems is being paid through an ICC by the Peralta District). In 2014 460 filings \$8,000 is listed as loaned to the Handy campaign which seems to be a restatement of the \$8,000 debt carried from at least 2008 and subsequently this "loan" is restated as a loan in 2015 but then never repaid or re-characterized as a contribution (to date) and only intermittently recorded by name. (The Handy campaign also seems not to have filed a 460 form for the second half of 2016.) In sum Kneal Resource Systems has been, sometimes at least, acknowledged to be owed between \$8,000-\$15,500 by the Handy campaign, never repaid any money directly, yet been employed by the District Trustee Handy represents for at least \$300,000 during this period while the relationship between Kneal Resource Systems and Trustee Handy was repeatedly not recorded in campaign filings and not disclosed to the Board of Trustees.

#### Conflict of Interest in Public Contracts (GC 1090)

In multiple instances over multiple years starting in the 2000s the Handy campaign cited a \$8,000 debt without disclosing that debt was owed to the business (Kneal Resource Systems) of the then Peralta Community College District Chancellor's, Elihu Harris, ex-wife and ongoing business partner Kathy Neal whom was simultaneously being employed by the District as an independent consultant using District restricted bond money. 460 Filings don't acknowledge to whom debts are owed until after the 2010 Peralta Trustee reelection of Handy when an additional \$7,500 is now listed as owed to Kneal Resource Systems (this is also following the dismissal of Chancellor Harris but is still occurring while Kneal Resource Systems is being paid through an ICC by the Peralta District). In 2014 460 filings \$8,000 is listed as loaned to the Handy campaign which seems to be a restatement of the \$8,000 debt carried from at least 2008 and subsequently this "loan" is restated as a loan in 2015 but then never repaid or re-characterized as a contribution (to date) and only intermittently recorded by name. (The Handy campaign also seems not to have filed a

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