

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

October 18, 2016

Restitution to the Los Angeles Memorial Coliseum Commission

In March 2012, the Los Angeles County District Attorney filed criminal charges against the Los Angeles Memorial Coliseum (Coliseum) and Sports Arena's former General Manager, Patrick Lynch, and Assistant General Manager, Todd DeStefano, and against the promoters of certain raves held at the Coliseum and Sports Arena, Pasquale Rotella of Insomniac, and Reza Gerami of Go Ventures, and others. The allegations against the criminal defendants included conspiracy to commit embezzlement, conflict of interest, and bribery. The activities of the criminal defendants resulted in significant financial losses to the Coliseum and Sports Arena.

Shortly after the indictments, the judge in the criminal case accepted a plea bargain from former General Manager Patrick Lynch that included payment of \$385,000 in restitution directly to the Los Angeles Memorial Coliseum Commission (Commission).

In August 2016, the judge accepted plea bargains from Pasquale Rotella and Reza Gerami. Rotella was ordered to pay \$150,000 in restitution and Gerami was

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ordered to pay \$30,000 in restitution. However, the judge allowed these payments to be made to the Los Angeles County Treasurer and Tax Collector (County Treasurer) instead of the Commission. Rotella paid his restitution to the County Treasurer on September 19, 2016. Gerami has not yet paid his restitution to the County Treasurer.

In September 2016, the judge also accepted the plea bargain of former Assistant General Manager Todd DeStefano that includes restitution in the amount of \$500,000 to be paid directly to the Commission.

The combined total of all the restitution amounts ordered to be paid by the criminal defendants comes nowhere near the losses suffered by the Commission as a result of the activities of the criminal defendants. The Commission, whose funds are limited, is still pursuing the civil prosecution of these individuals.

Fairness and equity mandate that all of the restitution paid by the criminal defendants in this case be returned to the Commission, which is the victim of the alleged crimes.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Approve an appropriation adjustment that recognizes \$180,000 new General Fund revenue received from Rotella and Gerami and a corresponding increase in appropriation of \$180,000 to the Nondepartmental Special Account budget unit.

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I FURTHER MOVE THAT THE BOARD OF SUPERVISORS:

Authorize the Chief Executive Officer to execute a funding agreement with the Los Angeles Memorial Coliseum Commission (Commission) in an amount not to exceed the actual receipt of restitution funds pursuant to Government Code section 6504, so funds may be used for the purposes of the Commission, as set forth in the Joint Exercise of Powers agreement entered into between the County, City of Los Angeles and the State of California.

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