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Former Vernon city administrator indicted by grand jury [Updated]

October 19, 2010 | 11:43 am



The former city administrator of Vernon was indicted on three felony counts by an L.A. County grand jury that has been investigating a questionable business contract between the industrial city and his wife.

Donal O'Callaghan faces two counts of conflict of interest and one count of misappropriation of public funds totaling more than \$140,000. He posted \$50,000 bail.

The indictment was handed down a day after the grand jury heard testimony from several Vernon officials involving the case of O'Callaghan.

O'Callaghan was placed on paid leave in August after The Times inquired about consulting fees paid to him through a company headed by his wife, Kimberly McBride O'Callaghan, and about her work as a contract employee under his supervision.

The Times reported in August that O'Callaghan had received \$243,898 in consulting fees from the city through Tara Energy Inc., a company headed by his wife. Billed at \$300 an hour for overtime through the first half of this year, the fees were in addition to his annual salary.

City records show that the council passed a resolution on Jan. 12, 2009, approving a contract with her under the name Kimberly McBride. It called for her "to provide such services as requested by the director of Light and Power, or his designee" but did not note that the two were married.

Kimberly McBride O'Callaghan had been paid about \$13,000 during a three-month stint last year as a \$40-an-hour bookkeeper at the Light and Power Department. Donal O'Callaghan was director of the agency at the time.

O'Callaghan's contract called for a salary of \$32,000 a month — \$384,000 a year — through May 14, 2012. The remainder of the contract is worth about \$600,000.

He could not immediately be reached for comment. But his attorney, Mark Werksman, told The Times on Monday that his client did nothing illegal and that the contract in question was approved by city leaders.

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"I think he's being scapegoated because of a hypersensitivity that is a direct result of the scandal in neighboring Bell," he said.

O'Callaghan stepped down as city administrator in July to oversee capital projects at Vernon's municipal power plant, a job he held until the city placed him on leave. Werksman said he was forced out of that job last week.

[Updated at 1:26 p.m.: Vernon is a largely industrial city with fewer than 100 residents, most living in city-owned housing. Vernon's business community has expressed concern about the various revelations about the city.

After the indictment was announced, Steve Freed, president of the Vernon Property Assn., released a statement saying that some business leaders in the community want additional investigations by the district attorney.

"Many members of the Vernon business community are not surprised that two of the city's recent administrators have gotten caught with their hands in the cookie jar so to speak. We are concerned that this type of behavior will continue as long as the City Council Members and the City Administrators hand pick the 60 or so people who may live and vote in the city," Freed said in the statement. "Some members of the Vernon business community are calling on the District Attorney to investigate the subsidized housing that rewards these hand-picked voters with substantially below market rents and results in the appearance of voter manipulation to get the residents to vote as they are told."]

-- Sam Allen, Hector Becerra and Kim Christensen

Photo: Donal O'Callaghan. Credit: City of Vernon

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