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### D.A. investigating Vernon official's compensation

September 27, 2010 | 5:25 pm

The Los Angeles County district attorney's office has launched an inquiry into a contract created last year between the city of Vernon and an energy firm owned by the wife of the then-city administrator, marking the second outside investigation into potential wrongdoing in the industrial city.

The probe comes after The Times reported last month that through the first half of this year, Donal O'Callaghan received \$243,898 in consulting payments through Tara Energy Inc., a company headed by his wife, Kimberly McBride.

This was in addition to O'Callaghan's yearly salary of \$380,000. After the contract was reported, Vernon placed O'Callaghan on leave to investigate the matter.

David Demerjian, head of the D.A. office's public integrity division, said prosecutors were trying to determine whether the contract represented a conflict of interest.

"It would be a conflict for him to make any official decision or enter into any contract in which he had a financial benefit," Demerjian said. "We're also looking at whether he entered into any contract that financially benefited his wife."

Mark Werksman, an attorney representing O'Callaghan, said his client has done nothing wrong and said his total compensation was "well within the salary range that one would expect for someone required to manage a utility."

"His pay was absolutely appropriate and reasonable," Werksman said. "Donal served the city of Vernon well. ... It's hard to imagine that the district attorney would pursue criminal charges in a situation where a city official did so much of such great value for the community that he served."

Earlier this month, the state attorney general's office announced it was issuing subpoenas in Vernon after a series of stories in The Times about high salaries and pensions and lavish travel by top Vernon officials, including longtime official Eric T. Fresch, who earned more than \$1.6 million in 2008. Like other top Vernon officials, O'Callaghan billed the city for extra hours worked each month.

The former city administrator billed \$300 an hour for time worked in excess of 160 hours a month — an arrangement equivalent to overtime that is unusual for salaried workers and all but unheard of in the public sector. The city has since scrapped the two-tier salary structure that allowed top officials to bill for "extra" hours. O'Callaghan stepped down from the city administrator position in late July to become head of capital projects for the city-owned power plant.

Two weeks ago Vernon's City Council appointed its fire chief, Mark Whitworth, as the permanent city administrator for the city of roughly 90 residents.

-- Hector Becerra, Sam Allen and Kim Christensen

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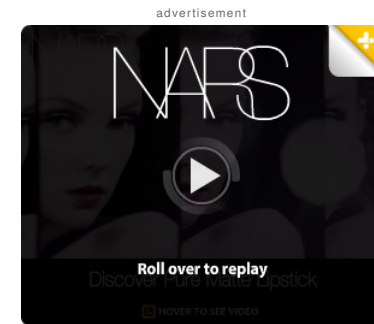
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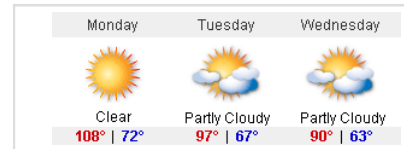
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