

City of Industry elects 3 new council members with ties to Perez family

<http://www.latimes.com/local/politics/la-me-industry-election-20150603-story.html>



City of Industry city council candidate Cory Moss, left, celebrates her win with husband Erik Moss, center, and another winning candidate Mark Radecki, right. (Brian van der Brug, Los Angeles Times)

By **FRANK SHYONG AND PALOMA ESQUIVEL** *contact the reporters*

All three new Industry council members acknowledge ties to the Perez family but say that won't influence them
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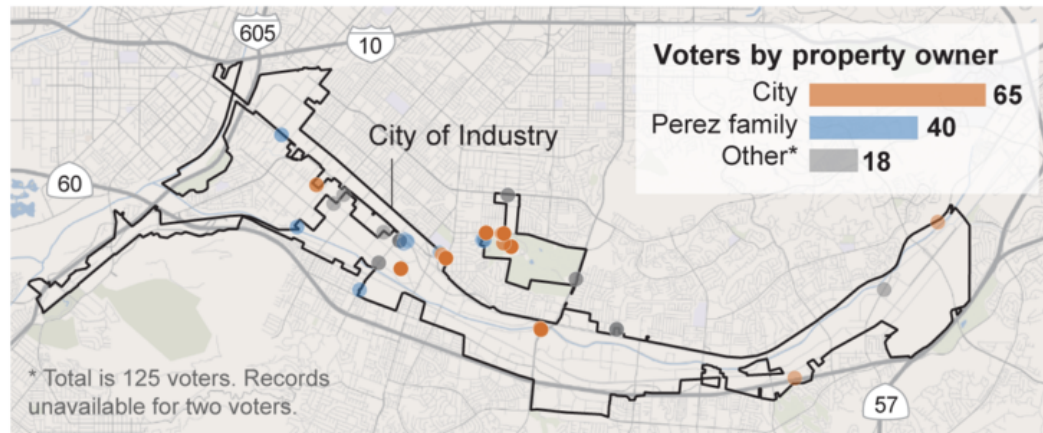
Since the City of Industry was incorporated in 1957, the industrial suburb of 2,500 businesses and about 400 residents has been controlled by a small group of financially connected families.

Council members sometimes serve for decades and seats are sometimes filled by the city's business partners. Elections are conducted entirely by mail-in ballots and past races have seen unanimous or near-unanimous votes. The vast majority of voters rent property from the city or from the city's most influential family: The Perezes.

But lately, things in Industry haven't been so harmonious.

Where City of Industry voters live

Nearly 85% of voters are registered at properties owned by the city or the Perez family.



Source: Los Angeles County. Graphics reporting by Frank Shyong

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The Perez family's political grip started to erode in 2012, when then-Mayor David Perez stepped down, citing health issues. After that, city leaders commissioned an internal audit published in April that found Perez family companies had reaped \$326 million in contracts over the last two decades.

The city canceled a lucrative contract with a Perez company, and in May, the Los Angeles County district attorney's office and the state controller launched investigations into Industry's contracts with the Perez family. The city also filed a lawsuit against David Perez, his companies and four members of his family, alleging the misappropriation of millions of dollars in public funds through false or inflated invoices and the performance of unauthorized work on city contracts.

Tuesday's election, city leaders say, marked an attempt by the Perez family to regain control of city affairs, with three seats up for grabs.

Two incumbents vied against what City Manager Kevin Radecki called a Perez-backed bloc of candidates: Cory Moss, Newell Ruggles and Mark Radecki, the brother of the city manager.

After 88 of the 96 ballots cast were counted, the incumbents had the fewest votes, giving the so-called Perez bloc a majority.

All three new council members — Moss, Ruggles and Mark Radecki — acknowledged their business or personal ties with the Perez family but denied they were supported or would be influenced by the Perezes. Each criticized the way Industry has been run recently.

"The council hasn't been standing up for us," said Moss, a bookkeeper at the company managed by Carol Perez, the wife of the former mayor's nephew. "I don't feel like they're doing their job."

It was not immediately clear what effect the new council members will have. Kevin Radecki, who is estranged from his brother, believes the Perez-backed council members intend to fire the employees responsible for blowing the whistle on Perez contracts, including himself.

Ruggles, the top vote-getter with 58 votes, said the first order of business is to comply with ongoing investigations. He said he would not ask the council to restore a recently canceled contract with a Perez family company, saying city staff were correct to cancel because of possible lawsuits.

The eligibility of eight voters was challenged by city officials. Whether their ballots will be counted will be decided Monday, when the results are certified.

Industry's strange elections are a product of its unusual design, said Victor Valle, who wrote a 2009 book about the city. Founder James Stafford drew the city's borders to include railroads, freeways and valuable industrial land — but so few residents that the proposal was redrawn to include the 169 patients and 31 employees of El Encanto Sanitarium to meet the minimum residential requirements for cityhood, Valle said.

Stafford never held office in the city, but exercised his influence to award exclusive rights to Industry's trash gathering to his business partner, Vicente Perez, without a bidding process or public hearings, Valle said. Stafford was later convicted of accepting construction kickbacks and spent three years in prison, according to news reports at the time. Perez's relatives Manuel and David formed the companies that won the lucrative city contracts currently under scrutiny.

The city has always been run like a family, according to Stephen Stafford, the city founder's son. Council members typically served long terms and elections never really served a purpose because the families in power wanted to keep things stable, he said. Stephen Stafford never lived in Industry or participated in its politics, but he maintains friendships in the city and attended the Perezes' annual Christmas party.

Even the city's streets reflect the city's family ties.

There is Parriott Place, which shares the name of City Councilman and former Mayor Jeff Parriott, whose family has been in Industry from the start. Ferrero Parkway shares the name of Councilman John Ferrero, and his father, who was Industry's mayor for decades and co-owned cattle with Stafford. Radecki Court shares a name with Radecki and his brother, City Manager Kevin Radecki. The street that leads to City Hall is named for C.C. Stafford, the founder's father, Stephen Stafford said.

Family ties are also obvious on the 2015 registered voters list, where 10 last names account for 37% of the electorate.

With so much power concentrated among so few families, elections don't offer much hope for change, Valle said.

"They're beholden to their landlords, whether it's the city or the Perez family," he said. "Whatever happens, it's not going to change the system that is operating in Industry."

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