

DAN MORAIN



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Dan Morain: Money lures politicians, and FBI

BY DAN MORAIN, SENIOR EDITOR - DMORAIN@SACBEE.COM

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Sen. Ron Calderon, whose Capitol office was searched by the FBI last week, may never be indicted or see the inside of a prison cell.

But ever since he arrived in Sacramento, Calderon's fundraising has intersected with his legislation, his lifestyle and his family. Democrats who control Sacramento have enabled it.

Calderon dwells on legislation that might seem trivial. But his bills can mean millions for the small groups of insiders who seek his assistance. It's a way of Sacramento. Business lobbyists seek narrow legislation on behalf of clients. Certain lawmakers dutifully agree. The interests dole out donations. It's perfectly legal.

Not much has changed from the mid-1980s when FBI agents posing as businessmen from the South sponsored a phony bill to create a fictional shrimp processing plant, and used money as bait.

On Aug. 24, 1988, they raided the Capitol offices of several legislators in what became known as Shrimpscam. One of those lawmakers was Sen. Joseph Montoya, a Democrat from La Puente.

"You're scared. You're scared to death," Montoya told me last week, recalling what went through his mind when he arrived at work on Aug. 25, 1988. "The bogeyman at the time was not the IRS, but the FBI."

The FBI executing a search warrant is not an indictment or a conviction. Still, feds don't search the offices of duly elected officials lightly. Montoya guesses that for Calderon, the gravity of the

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About This Blog

Dan Morain was a columnist and Editorial Page Editor for The Sacramento Bee until

situation might not have sunk in.

"Eventually, he'll end up understanding there is nothing more powerful than the federal government," Montoya said.

There is a certain symmetry to it all.

In 1978, Montoya won a San Gabriel Valley Senate seat by knocking off an incumbent who was the focus of an FBI investigation. After Montoya's conviction and resignation in 1990, Ron Calderon's oldest brother, Charles Calderon, won the seat. Ron Calderon now represents some of Montoya's old turf east of Los Angeles.

Montoya has served his debt to society, and talked over coffee at Les Baux, an east Sacramento bistro owned by a former Senate fellow.

At 74 and remarried, Montoya stays active, overseeing real estate investments and chatting with cronies from his Senate days. He is sharp, witty, tough, angry and hopes one day to prove his innocence.

In office, Montoya made serious money by buying up real estate and making winning bets on stocks. He traveled the world, paid for by various interests, and made a practice of taking honorariums, payments made for giving speeches, no matter how brief, or showing up at prearranged meals, comped, of course.

He took in \$50,000 in honorariums in 1986, second only to then-Speaker Willie Brown.

During his trial, prosecutors showed jurors a video of Montoya accepting a \$3,000 check over breakfast from an FBI undercover agent who posed as a shrimp company owner lobbying for legislation authorizing construction of the processing plant. Montoya assured the agent he would support the measure.

Montoya entered a federal prison camp in Kern County, Boron - he calls it the Boron Institute of Technology - in July 1990, and served five years. In 1991, the 9th U.S. Circuit Court of Appeals overturned convictions on five of the seven counts against him, but upheld racketeering and money laundering charges.

The U.S. Supreme Court earlier in 1991 had ruled that in a corruption case, jurors must find there is "an explicit promise or undertaking by the official to perform or not perform an official act" in exchange for a campaign contribution or, in Montoya's case, an honorarium. That decision could become highly relevant to Calderon if he ever is indicted.

Honorariums since have been banned. But there are other ways for legislators to live well while doing the public's business, as Calderon demonstrates.

He is a regular at fundraisers and conferences at Pebble Beach and in Hawaii, and helps pay for his lifestyle by convening fundraisers in Las Vegas and at Edgewood Tahoe Golf Course.

Diversity PAC, a political action committee operated by the Calderons, spent \$82,941 between 2009 and 2012 at exclusive Bandon Dunes Golf Course on the Oregon coast. Ron spent another \$5,880 at the Dunes through a legal defense fund he once set up.

Calderon reports paying \$157,000 in consulting fees to a brother, Tom Calderon, and Tom's consulting firm, Calderon Group. Tom, a former assemblyman, has been raising money to run for Ron's Senate seat when Ron is termed out next year. Perhaps he will ask himself what his legacy might be.

Imagine that you have the high honor of being elected to serve the people of the state of California. You might spend your time trying to make the tax code fair, improving education, or figuring out how to feed the poor.

Ron Calderon proposed Senate Bill 777, to expand the market for fireworks by permitting them to be sold during the days leading up to New Year's Eve. The bill proposes to deal with the disposal of seized fireworks, which contain hazardous material. To help pay for disposal, the bill would permit the state fire marshal to sell seized fireworks.

But a Senate analysis cited a problem: "Staff believes that it is unclear whether the firework sales would generate enough revenues to offset the costs of the sell-back program. This bill does not create a reimbursable mandate."

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Despite the doubts about funding for disposal, the California Senate approved the bill 31-6, and sent it to the Assembly. Over the years, the bill's backer, a fireworks manufacturer out of Alabama, has donated \$3,500 to Calderon, who has carried similar bills in past sessions.

Then there was Calderon's 2007 legislation legalizing the sale of running shoes made of kangaroo leather through year 2011. The Senate and Assembly approved it, and Gov. Arnold Schwarzenegger signed it into law.

In 2010, Calderon pushed through a follow-up bill that permitted the sale of kangaroo shoes until 2016. The Senate approved it 23-5. The Assembly approved it 53-19. Again, Schwarzenegger signed it.

Adidas, which sought the legislation, has been a minor campaign donor in California.

However, as the bill awaited a final vote in August 2007, Adidas gave \$1,500 to then-Assemblyman Charles Calderon, and paid \$1,230 for a Ron Calderon fundraiser.

Adidas donated \$2,360 to Ron Calderon in October 2007, two days before Schwarzenegger signed the bill into law, and contributed \$13,600 to the California Democratic Party during the fall of 2007. Such is the way of Sacramento, enabled by politicians who control the town.

In 1989, the Los Angeles Times quoted Montoya as offering this wisdom: "We're all on the borderline of being felons (because) there are votes being switched for money. If we're not there, we're on the verge of it."

Not much has changed.

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