

19. Our investigation into the garage permit allegation revealed that the Public Works Director did in fact build a large (26' x 40') two story, gambrel roof garage without first obtaining a City building permit.

██████████ Rio Dell's ██████████ told us the following during ██████████ interview: In mid 2008 Jim Hale phoned ██████████ and asked for a final inspection on his garage. ██████████ told PWD Hale that ██████████ first needed to apply for a City building permit [for the building, itself and not just for the foundation, which had been processed in 2005] and pay the fees required for ██████████ services. ██████████ informed PWD Hale that ██████████ only gets paid ██████████ are paid. When ██████████ later arrived at PWD Hale's residence for the final inspection, ██████████ learned that PWD Hale still had not applied for a building permit. So, on September 9, 2009 ██████████ completed ██████████ portion of PWD Hale's "City of Rio Dell Application for Permit to Construct," and ██████████ explained to PWD Hale of ██████████ necessary fee for the City permit. (A review of City records shows that the building permit fee of \$921.19 for the garage—and a building permit for re-roofing his residence and repairs to a bathroom for \$47.50 have still not been paid. Refer to Exhibits 19-(a) through 19-(d) for copies of building permits. Refer to Exhibit 19-(e) for photos of PWD Hale's garage.

During our 3/21/09 interview with PWD Hale and ██████████ he first denied that he didn't have a completed building permit on file for his newly constructed garage, passing the blame on to ██████████ and ██████████ however, contradicted his statement by stating ██████████ had contacted the City a short while back and was aware of the past debt for the building permit. During our interview both PWD Hale and ██████████ appeared to be evading the truth when asked specific questions as to when the garage was completed and ready for final inspection, who worked on it, and how much (and how) they were paid.³

At one point in our interview, PWD Hale stated he was told by ██████████ not to worry about paying for the permit until the garage was completely finished, but he also stated that the garage was completed in mid 2008. Additionally, PWD Hale acted as if he was ignorant of the City's building permit process, when in fact he had obtained three previous building permits at his ██████████ Rigby Avenue property. Again, refer to Exhibits 19-(b), 19-(c) & 19-(d) for copies of permits.

Additionally, our investigation revealed that the Humboldt County Assessor's Office was unaware of any construction of a garage at Jim Hale's residence. According to County Assessor's records, Jim Hale had only applied for a building permit for the foundation of a future 26' x 40' garage. Their records indicated that they inspected the site in 2005 and a conducted a final inspection on the foundation in mid 2006. The County Assessor's Office had not been notified of any permit for a structure to be built on the foundation, nor were they notified that the structure had been started, let alone completed. Therefore the County Assessor's Office did not have knowledge of the construction of the garage and did not bill for required property taxes.

Our evidence of three prior building permits along with the unsigned building permit prepared by ██████████ on 09/09/2009, displays sufficient evidence that PWD Hale possessed both the knowledge and understanding of the City of Rio Dell's building permit process. Additionally, it appeared evident in our interview that PWD Hale was attempting to complete his garage without early notification to the County Assessor's Office—in what appeared to be an effort to avoid paying increased property taxes and possibly so as not to have to pay required State Worker's Compensation fees required in case of injury to paid workers.

██████████ with a document listing the allegations in this matter. When we queried PWD Hale about this during his 3/21/09 interview, he told us he had received the document from ██████████

³ These questions were asked because: 1) County and City tax revenues are based on percentages of construction completed to completion; 2) Worker Comp coverage is required for qualifying paid labor employees; and 3) the losses to the City of Rio Dell in labor, materials and equipment use needed to be assessed. As outlined on the City of Rio Dell's Application for Permit to Construct, PWD Hale was required to sign (as he did on prior City applications) that he would not "...employ any person in any manner so as to become subject to the Workers Compensation Laws of California."