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HEADLINE: Six city officials cleared of wrongdoing;
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BYLINE: RAD SALLEE, MATT SCHWARTZ

BODY:

A Harris County grand jury found Wednesday that Mayor Lee Brown and four Houston City Council members did nothing wrong with regards to Christmas presents sent them by a businessman who had a \$ 6 million insurance contract with the city.

The panel cleared, or no-billed, Brown, his chief of staff, Al Haines, and council members Annise Parker, Jew Don Boney, Chris Bell and Carroll Robinson.

It also returned no indictments against Lutfi Hassan, the businessman whose misplaced generosity triggered the probe.

The grand jury, which heard Monday from Boney and Robinson and last week from Bell, Brown, Parker, Haines and Hassan, had dealt with the case in six sessions since early March. The city's inspector general, Tim Ottmeier, began investigating in January.

Hassan is president and chief executive officer of Apex National Insurance Group Inc., part of a venture with Atlanta-based Hobbs Group that won a controversial \$ 6.3 million contract in May for insurance coverage of airport improvement projects here worth \$ 544 million.

All the gifts - 85-piece sets of gold-plated flatware, some bearing \$ 200 price tags, clocks and vases - have been returned, given to charity or held as evidence, said Houston Police Sgt. Scott Atwood.

Texas law forbids public servants from receiving gifts worth \$ 50 or more from people they know to be interested, or likely to be interested, in contracts over which the officials have some discretion.

It is also illegal to give such gifts - but only if the giver knows that the public servant may not legally receive them, said Assistant District Attorney Roberto Gutierrez, chief of the public integrity division.

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Gutierrez said he is forbidden to reveal what happened before the grand jury. However, he said jurors apparently were not convinced the recipients intended to keep the gifts, or that Hassan knew they were illegal.

Gutierrez said the investigation put Hassan on notice not to repeat the mistake, and was "a wonderful learning process for everybody over at City Council."

Despite the outcome, Gutierrez said, the investigation was not "much ado about nothing." Similar allegations in the future will be examined and prosecuted if warranted, he said.

When public officials accept gifts from interested parties, Gutierrez said, it erodes confidence in government. "Aside from whether it's legal or not, it doesn't look right," he said.

Gutierrez said the investigation showed several "tiers" of alleged culpability, depending on what the recipient did with the items.

Mayor Brown and Haines did the right thing by immediately returning their gifts with notes explaining that they could not accept them, Gutierrez said.

Parker told an aide to return hers, but that was not done immediately, Gutierrez said. Boney put his in his car trunk, while Bell and Robinson took theirs home and were "closest to the line" of illegality, he said.

Bell said in January that he had a policy of not returning gifts because the giver might be offended. Robinson said his wife had seen a similar set of flatware marked down to \$ 100.

Gutierrez said the grand jury considered only cases of gifts that exceeded \$ 50 in value, making them illegal. Other council members also received gifts from Hassan, though: Rob Todd and John Castillo received crystal mantel clocks, and Councilman Bruce Tatro a crystal vase, investigators said.

Brown spokeswoman Laurie Fickman said the mayor called the grand jury's decision an "example of the judicial system doing its job properly. He said it was his feeling that Mr. Hassan had no ill intent and was just unaware of the some of the rules."

Fickman said that Brown remarked that his years in law enforcement have led him to a policy of returning anything more than a nominal gift of, say, a T-shirt.

Boney issued a short statement through an aide, saying, "I'm pleased the grand jury found no wrongdoing, and I'm happy that the matter is behind me."

Robinson echoed the sentiment.

"Let me say I'm relieved that they saw that we didn't do anything illegal and we all made a forthright effort to comply with the law," Robinson said.

Asked whether the experience had changed his office policy, Robinson said gifts are now donated to charity.

Bell said he has instituted a policy of rejecting all but the most minimal gifts, citing instances in which nonprofit institutions will send council members T-shirts to promote an event.

"I think as elected officials a lot of times we walk around on eggshells trying to make sure that we don't hurt anyone's feelings or offend anyone," he said. "And sometimes that has a tendency to get in the way of our better judgment, like it did in this instance.

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"In the future, I don't think I'll be so concerned about other people's feelings in this type of situation."

"I'm grateful to the grand jurors who examined those issues and came to the conclusion that, while my action was perhaps regrettable, at no time did I have any intent of giving special consideration to or benefiting from what was, quite simply, a holiday gift."

Bell, who chairs the City Council Committee on Ethics, said he hoped to use the lessons he learned from the experience to improve the city's ethics rules and initiatives.

"And over the next few weeks, I'll be proposing to my colleagues on the Ethics Committee that we work together to bring city ethics ordinances in line with state law," Bell said.

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