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## Department of Justice Press Release

**For Immediate Release**  
May 29, 2009

**United States Attorney's Office**  
**Eastern District of California**  
**Contact: (916) 554-2700**

### **33 Months in Prison for Novato Man for Bribing City Employees in Sacramento, Sonoma, and San Francisco**

SACRAMENTO, CA—Acting United States Attorney Lawrence G. Brown announced today that United States Chief District Judge Garland E. Burrell Jr. sentenced SHELDON MORRIS, 77, of Novato, to two years and nine months in prison for making over \$200,000 in unlawful bribes to six separate municipal employees of Sacramento, Sonoma, and San Francisco. MORRIS pleaded guilty on July 25, 2008.

This case was the product of an investigation by the FBI, the Sacramento County District Attorney's Office, and the Sacramento Police Department.

According to Assistant United States Attorney S. Robert Tice-Raskin, who prosecuted the case, MORRIS admitted that between 1999 and 2007 he paid more than \$200,000 in bribes to at least six (and likely as many as eight) Sacramento, Sonoma, and San Francisco municipal employees.

Judge Burrell noted that MORRIS committed a "series of long term public corruption offenses between 1999 and 2007 during which the defendant bribed six separate public officials in separate municipalities for private self-gain and at the expense of corrupting bribed officials and the ideal system of municipal government."

"The use of bribes and kickbacks to influence the actions of city employees in Sacramento, Sonoma, and San Francisco deprived the citizens of those communities from decisions made solely in their best interests," stated Acting United States Attorney Brown.

#### **Sacramento Bribery Scheme**

MORRIS owned and operated Underground Express, a business that transported used municipal equipment to recyclers in exchange for a fee and purchased and sold used municipal equipment.

Between 1999 and 2007, MORRIS had an oral agreement with various employees of the Water Distribution Branch for the City of Sacramento under which he would retrieve used meters from the Branch, transport them to a recycler, and sell them for profit. MORRIS would keep a portion of the meter sale proceeds for himself as a fee and would maintain a separate portion of the meter sale proceeds in a "slush fund," which he later would disburse to certain employees of the Water Distribution Branch or make purchases for the benefit of the Water Distribution Branch, all to reward employees for allowing him to conduct the used water meter transactions.

Between October 1999 and November 2005, MORRIS gave 16 checks and cash totaling approximately \$10,371.62 to Barry Holland, the then Water Distribution Superintendent for the Branch, and also gave various machinery to Holland for use by the Branch, including two air motors with a combined value of approximately \$7,200, and a tapping machine with an approximate value of \$8,000 to \$9,000.

Between November 2006 and March 2007, MORRIS gave two checks totaling approximately \$2,300 to Mike M., Water Distribution Superintendent for the Branch, and also paid \$1,304 for catering for a Branch holiday party. In addition, between March and April 2007, MORRIS offered to give Mike M. an additional \$750 with the intent to reward him in connection with the proposed sale of certain equipment by MORRIS to the Branch. (Unbeknownst to MORRIS and others, Mike M. was cooperating with law enforcement).

Between approximately December 2005 and December 2006, MORRIS gave a third Water Branch employee a check for \$200, a check for \$100, and a storage container valued at approximately \$2,000–\$2,100. During the same time period, MORRIS also gave this employee a check for \$752.57 (reportedly used to purchase a television for a giveaway at a branch social event), a check for \$1,600.09 (reportedly to purchase ladders for use by the Branch), a check for \$1,656.12 (reportedly to purchase a lawn mower for use by the Branch), and two vending machines with an aggregate value of approximately \$3,200 (reportedly for use by the Branch).

In addition, MORRIS separately admitted during a law enforcement interview that he had the same type of scrap water meter arrangement with two of the Water Distribution Superintendents in Sacramento who served before Barry Holland. In total, thus, it appears that MORRIS offered bribes/gratuities to five separate Sacramento employees.

### **Sonoma Bribery Scheme**

MORRIS also sold used water meters on behalf of the Water Department, City of Sonoma (the Department), and maintained a portion of the proceeds in a “slush fund,” which he later would disburse to Randall Cover, the Water Operations Supervisor for the Department. In addition, MORRIS sold parts and equipment for the Department requested by Cover and then sent Cover kickbacks. Between 2002 and 2007, MORRIS gave Cover approximately 38 checks totaling approximately \$149,529.84, and cash totaling approximately \$1,500. He gave the money to Cover with the intent to reward him for allowing MORRIS to conduct the above-described sales of used water meters and to conduct the above-described sales of equipment to the Department.

### **San Francisco Bribery Scheme**

Between 2002 and 2007, MORRIS, as part of the same course of conduct, gave numerous checks to two employees of the San Francisco Public Utilities Commission, namely checks to one employee in the aggregate amount of approximately \$4,575, and checks and cash to a second employee in an aggregate amount of approximately \$13,348.50, intending to reward each of these employees for purchasing or selling goods to MORRIS on behalf of the Commission.

### **Restitution**

As part of the sentence, MORRIS was ordered to pay restitution to the City of Sacramento in the amount of \$22,449.91, to the City of Sonoma in the amount of \$144,029.84, and to the City of San Francisco in the amount of \$19,762.90.

### **Related Proceedings**

On January 25, 2008, Barry Holland entered a guilty plea before Judge Burrell to accepting unlawful bribes while serving as Superintendent for the Water Distribution Branch. Sentencing for that matter is scheduled before Judge Burrell on June 19, 2009 at 9:00 a.m.

On May 6, 2009, Randall Cover entered a guilty plea before Judge Charles Breyer in the United States District Court for the Northern District related to his misconduct. Sentencing for Cover is scheduled on August 19, 2009 at 2:15 p.m. in San Francisco.

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