

Redwood City  
Tribune  
April 1, 1965

# Benson's Firm Put Up Bonds for Excavation

By **BRUCE B. BRUGMANN**  
Tribune Staff Writer

**BELMONT** — The Argonaut Insurance Co., which employs Councilman Wallace Benson as assistant to the president, has put up three bonds totaling \$252,822 to cover one of the city's most controversial excavation projects.

Mrs. Eve Sterry, long-time critic of council development policies, today called for an immediate investigation by county and state authorities to see if there was any conflict of interest or violation of the state code. Benson heatedly denied any conflicts of interest or code violations.

The three bonds — of \$10,000 to cover dirt hauling, of \$15,000 to cover excavation and of \$227,822 to cover assessment district improvements — were written on the Continentals project.

The 24-acre Continentals par-

cel, she said, was abruptly rezoned from unclassified to apartments in January, 1963, to pave the way for apartments. Continentals is adjacent to the hotly contested Notre Dame Dam property. Benson denied that there were any irregularities in the zoning and said that there had been a public hearing and that the rezoning had followed normal procedure.

The Argonaut bonds came to light when this reporter was checking the files to see why as much as \$28,420 in excavation fees had not been paid to the city by four excavation projects. The \$15,000 bond, dated Aug. 24, 1964, was the only bond in the Continentals file of the city clerk.

Benson himself later found the other two Argonaut bonds for this reporter in the assessment district files. The premium on the \$227,822 bond, dated Aug. 25,

1964, is \$1,421. The \$10,000 bond was dated Dec. 6, 1963.

Asked about the propriety of his firm putting up bonds while he was a councilman, Benson said that the bonds came in after the project was approved, that he knew nothing about the Argonaut bonds at the time and that "the other day was the first I knew" of them.

He said that a Burlingame broker had placed the bonds with Argonaut for the Burlingame dirt hauling and paving contracting firm of Fisk, Firenze & McLean Inc. He had nothing to do with it and benefited in no way whatsoever, Benson said. He said he was not an officer of Argonaut and got no commissions.

These three bonds are the only bonds written by Argonaut involving city projects, he said. "I didn't write any of the city

(See Belmont, Pg. 2, Col. 1)

## Ask Probe of Documents In Belmont

A thorough investigation of the city of Belmont's legal document situation was asked of the district attorney's office yesterday by a Belmont housewife.

Mrs. Eve Sterry, 2045 Monroe Avenue, who has been highly critical of City Council policies in the past, said the "hanky-panky" at city hall has become "unbelievably involved" and "what is needed is a thorough housecleaning."

Mrs. Sterry's call for action was an enlargement of a request sent to Sorenson last week by a two-man "watchdog" team of Murrell Boyd, 2109 Lyon Avenue, and Arthur Weiner, 2100 Lyon, asking for investigation of alleged irregularities and unpaid dirt hauling fees on 13 projects in the city over the past four years.

What brought the pot to a boil for Mrs. Steery was an investigation she said she made at city hall last week, in which she found that a \$1,000 bond on the Continentals subdivision, a 24-acre project in west Belmont, was governed by provisions of the city's switchblade knife ordinance, of all things.

She claimed the agreement between the city and developers also listed Ordinance 202, the switchblade ordinance, as governing ordinance, but that records of that have disappeared from city records.

City hall officials were unavailable for comment this morning.

These charges are nothing new for Mrs. Sterry and the "watchdogs," who repeatedly have claimed that the city's record keeping has been either faulty, incomplete or tampered with, and point to last year's expense account and police car purchasing exposures as examples.

Mistakes in procedure were admitted by city staff members, but no deliberate wrongdoing was ever proven.

# Belmont Bond Probe Asked

(Continued from Page 1)

or county bonds," he said. That this is the first time "shows there's no collusion on the part of contractors," Benson said. Benson started as a special agent at Argonaut in 1949, then became executive special agent, sales manager in 1961 and is now assistant to the president. He was first elected to the council in 1952.

Several years ago when he was up for election, Benson said, some opponents had raised questions as to whether his company was benefiting from his position as councilman and mayor. Benson said he had checked at that time to make certain that he was involved in no conflicts of interest.

Dist. Atty. Keith C. Sorenson said yesterday afternoon that two Belmont citizens, Murrell Boyd and Arthur Weiner, had asked him in a letter to investigate the possibility of conflicts of interest or state code violations in the Argonaut bonds. He said he had turned the matter over to a deputy and that he was awaiting a personal conference with Boyd and Weiner before deciding what action, if any, would be taken.

Any conflicts of interest turn, he said, upon the remoteness of the interest, whether or not a man is a company officer or

employe and the disclosure of interest. He said he always advised county officials to refrain from anything resembling conflicts of interest.

City Atty. Kenneth Dickerson said that Benson was obviously not benefiting in any way from the Argonaut bonds and that Dickerson could, "on the face of it," see no conflict.

Sec. 36526 of the state code provides that "city officers shall not be interested in any contract made by them in their official capacity, or by anybody or board of which they are members."

Sec. 36526 excepts an officer "if he has only a remote interest in the contract and if the fact of such interest is disclosed to the body or board of which he is a member and noted in its official records . . ." (City officials have been unable to produce any records showing disclosure of Benson's interest. Benson said that there wouldn't be because the bonds came in after the council vote and he didn't know about them until recently.)

Sec. 4.52 of the city subdivision code provides that the bonds "must be satisfactory to and be approved by the city attorney as to form and by the city administrator as to sufficiency."

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The body must also approve the contract without the vote of this officer, the state code continues. "Remote interest" is defined in six major ways, but none seems to apply explicitly to this case.

Sec. 36528 provides that any "wilful violation of Sections 36525 and 36526 is a misdemeanor and ground for removal from office."

"From beginning to end," Mrs. Sterry said, the processing of Continentals has been irregular." In 1952, citizen after citizen spoke at a council meeting to have this parcel zoned for single family residences and the council so zoned it, she said.

However, a legal notice was not published that would complete the zoning and keep the tract zoned R-1, she said. "Suddenly, in January, 1963, everyone was flabbergasted to find that the council had one night bypassed the Planning Commission and had abruptly upped the zoning to apartments," she said.

Although at least 118,000 cubic yards of earth have been removed from the site, no building has started.

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~~County Cities & Towns~~  
Belmont

**Belmont Deal  
Is Charged**

Belmont Councilman Ray Faber charged today that there was a deal among Belmont Councilmen Wallace Benson, Joseph Zucca and Robert Fitzgerald to elect Benson mayor for the sixth time.

He said, however, that the deal was not based on anything "as trivial as 'hands-off the city administrator' as was charged yesterday by council critics."

"As to what the deal was, that information will have to come from Benson, Zucca or Fitzgerald," Faber stated today. Faber voted for Councilman Ed Vallerga for mayor last Monday. Benson was elected by a split 3-2 vote.

Faber also said today that he will press for a solution on the Notre Dame Lake problem on Monday and will insist on a decision.

## Argonaut Bonds Revealed

By DRU ANDERSON  
Tribune Staff Writer

BELMONT — Nearly three-quarters of a million dollars in bonds have been written to Belmont projects by Argonaut Insurance Co., which employs Belmont Mayor Wallace Benson as assistant to the president.

The information came to light during a partial check by the Tribune of Belmont city files and San Mateo County records.

The probe recently turned up two bonds totaling \$346,490, written by Argonaut for construction of a Wells Fargo bank addition in Belmont.

The Wells Fargo bonds, each amounting to \$173,245, have caught the interest of the district attorney's office.

Dist. Attorney Keith Sorenson told the Tribune this morning that his office is doing further investigation into a possible conflict of interest involving Mayor Benson and Argonaut bonds in Belmont. He said, "We didn't know about the two bonds to Wells Fargo. They did not come to our attention."

A Tribune story in April brought out that three bonds, totaling \$252,822 had been written by Argonaut to cover the Continentals project, one of the most controversial excavation projects in Belmont.

At the time of the Tribune account, Councilman Benson assured that the three bonds were the only bonds written by Argonaut involving projects in the city.

Since then, Tribune probes show that Argonaut wrote four bonds to the Continentals project, plus two bonds for the Notre Dame Heights subdivision and two bonds to cover the

## D.A. Eyes Belmont Bonds

(Continued from Page 1)

Wells Fargo Bank addition on Ralston Avenue.

The eight bonds, all written last year, total \$724,473.

The Continentals bonds were written to the Burlingame hauling and paving firm of Fisk, Firenze and McLean, Inc., to cover dirt hauling, excavation and assessment district improvements. The four Continentals bonds add up to \$366,733.

In assistant city administrator Robert Seiler's report on excavation and dirt hauling fees due the city, released last month, he lists a fifth bond for \$10,000 and indicates some question as to what the bond is for and whether it has been filed with the city clerk. There is no company listed for the bond.

Argonaut wrote to Joseph Marino for the Notre Dame Heights subdivision, Unit No. 1, a \$7,500 bond for performance and a \$3,750 bond for labor and materials.

The Wells Fargo bonds were written by Argonaut to Morris Daly, Inc., for construction of an addition at the Wells Fargo Bank on Ralston Avenue.

Sec. 36526 of the state code states that "city officers shall not be interested in any contract made by them in their official capacity, or by anybody or board of which they are members. . . ." The officer is excepted, according the state code section, "if he has only a remote interest in the contract and if the fact of such interest is disclosed to the body or board of which he is a member and noted official records. . . ."

# DA Calls Off Bond Probe In Belmont

BELMONT—Dist. Atty. Keith C. Sorenson told the Tribune this morning that he is calling off investigation into a possible conflict of interest between Belmont Mayor Wallace Benson and Argonaut Insurance Co. bonds in Belmont.

Benson is employed by Argonaut as assistant to the president.

Sorenson yesterday said an investigation was under way.

A story April 1 in the Tribune disclosed that Argonaut wrote three bonds, totaling \$252,822, to the Continentals, one of Belmont's most controversial excavation projects.

When asked about the propriety of his firm putting up bonds, Benson said the three bonds were the only bonds written on Belmont projects by Argonaut and added that he did not know about the bonds until later.

When the bonds were revealed, three Belmont citizens, Mrs. Eve Sterry, Murrell Boyd and Art Wiener asked Sorenson to investigate any possible conflicts of interest or state code violations.

The Tribune later turned up more bonds written in Belmont by Argonaut. Close to a week ago, the Tribune presented Sorenson with a new total of bonds written in Belmont by Argonaut and asked for a statement on the status of the investigation.

The new total came close to three quarters of a million dollars and included an additional bond to Continentals, bonds totaling \$11,500 to Notre Dame Heights subdivision and two bonds totaling \$346,490 for a Wells Fargo Bank building on Ralston Avenue.

Yesterday, Sorenson told the Tribune that his office intended to do further investigation into a possible conflict of interest.

He said, "We didn't know about the two bonds to Wells Fargo."

This morning, Sorenson made a rare appearance at the Tribune office, accompanied by his deputy, Louis Giannini.

Sorenson heatedly called off the investigation and stated: "The Wells Fargo Bonds which are posted by Morris Daley, Inc., to guarantee construction of the Wells Fargo building and to guarantee labor and

materials be paid are not connected with the City of Belmont except for site location. Belmont is not a party to the bond contract or beneficiary thereof and I'm very sorry this allegation has been made. In connection with the entire Argonaut matter I have concluded that nothing warrants action by my office or grand jury and have so advised Boyd and Wiener."

Asked why he made yesterday's statement confirming further investigation, Sorenson

explained that he did not know about the two Wells Fargo bonds and had thought there might be reason for investigation. Sorenson said he did not check the records to see if the bonds involved city interests until yesterday after he had made the statement to the Tribune.

Mrs. Sterry today sharply criticized Sorenson's decision to call off the conflict of interest investigation. She said "If we can't get a proper investigation from the district attorney's office, we'll have to go elsewhere."

Benson, she said, had "worked tooth and nail" in 1962 for the rezone that made the

bank addition possible and had used the rezone as an argument against the initiative petition for a master plan. The petition was shelved through Benson's leadership, she said.

ROSS AND WEBBER

SAUL N. ROSS  
ROBERT S. WEBBER  
JOSEPH W. COTCHETT

ATTORNEYS AT LAW

May 27, 1965

600 EL CAMINO REAL  
P. O. BOX 237  
SAN BRUNO, CALIFORNIA  
415-588-0367

Mrs. Eve Sterry  
2045 Monroe Ave.  
Belmont, California

Mr. Murrell Boyd  
2109 Lyon Avenue  
Belmont, California

Mr. Arthur G. Weiner  
2108 Lyon Avenue  
Belmont, California

Dear Mrs. Sterry and Messrs. Boyd and Weiner:

Mayor Wallace Benson of Belmont has contacted this office concerning various charges which have been made against him, primarily through information furnished to the Redwood City Tribune by the three of you.

Various charges have been made against Mayor Benson over a period of time, charging misconduct and culminating in a charge of conflict of interest. The latter charges were investigated by the District Attorney's office and were found to be without merit.

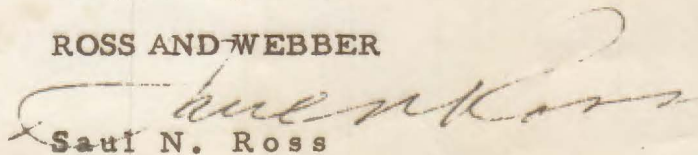
Mayor Benson is aware of the fact that as a public official he is subject to fair criticism; he is willing to put up with fair public criticism.

It would appear, however, that what has occurred over a period of time exceeds fair public criticism and constitutes a personal attack upon Mayor Benson, which we could only conclude to be malicious.

In the event that further, baseless attacks upon the character or integrity of Mr. Benson are made by any of you, in view of the past history we will deem the same to be malicious and will take swift and appropriate legal action.

Very truly yours,

ROSS AND WEBBER

  
Saul N. Ross

SNR/ipb

Redwood City Tribune  
June 15, 1965

## Benson Says: 'I'll Never Run Again'

BELMONT — Mayor Wallace Benson, on the Belmont City Council most of the time for the past 15 years, sang his swan song today.

"I'll never run again for another public office," said Benson, who will turn 65 in December.

He mentioned during a long council public hearing last night that he would not seek re-election to the council next spring. He has been mayor six times.

Benson said the council is taking too much of this time.

He also is director of the West Bay Rapid Transit District, vice chairman of the county's Greater Highways Committee, vice chairman of the Mayors Council of San Mateo County, director of the San Mateo County Development Association, a director of the Governmental Research Council and alternate on Association of Bay Area Governments (ABAG) board and he has just given up posts as county defense representative for Belmont and director for the South San Mateo County Disposal District.

Although he won't run for another council term, he said he would not refuse to accept a commission appointment by either the city or the Board of Supervisors.

Benson is employed as assistant to the president of the Argonaut Insurance Co.



ROSS AND WEBBER

SAUL N. ROSS  
ROBERT S. WEBBER  
JOSEPH W. COTCHETT

ATTORNEYS AT LAW

May 27, 1965

600 EL CAMINO REAL  
P. O. BOX 237  
SAN BRUNO, CALIFORNIA  
415-588-0367

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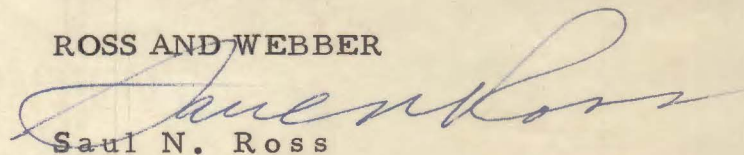
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ROSS AND WEBBER



Saul N. Ross

SNR/ipb

# Belmont Confusion Over New Earth Haul; Finally Beaten

A thoroughly confused Belmont City Council first granted then rescinded a blasting permit and extension of a dirt hauling permit last night amid a running verbal contest between City Attorney Kenneth Dickerson and attorney Ildo Rosellini, himself a former city councilman, over interpretation of city ordinances.

Mrs. Eve Sterry, a frequent council critic, touched off the lengthy debate as the council considered the application of Hallmark Homes for a 60-day extension of its hauling permit from the site of the No. 2 unit of its property south of Ralston Avenue.

Mrs. Sterry asked where the 4,000 yards of earth was going to be hauled. Acting Mayor Joseph Zucca said he didn't think that was important, and Councilman Edward Vallergera said that

it was going to be hauled west on Ralston out of the city and wouldn't go through town.

Rosellini interjected that he thought it was important to know where the fill was going, adding that it was a "fair question."

Zucca declared a five-minute recess for a check of the city ordinance code to determine if listing of the destination of fill removed from within the city is required.

The code states, it developed, that location of places of delivery is required. A check of the original Hallmark hauling permit issued a year ago showed no destination.

William Heiss, engineer for Hallmark, said he had no idea where the fill was going, that the AAA Development Company which is removing the earth would be the people to ask.

Dickerson said he didn't feel literal interpretation of the hauling ordinance requirement was necessary, that the city jurisdiction ended at the city limits and that the destination requirement "was not germane to the situation."

Rosellini interjected that the city would be compounding a mistake by allowing extension of the permit after it had expired. (He later rescinded his objection after learning that Hallmark had applied for renewal (its fourth) before the expiration of the permit earlier this month.)

Continually rapping for order, telling speakers to sit down and ordering councilmen to speak "through the chair," Zucca attempted to have the council take some action.

The council already had approved continuance of the hauling permit until December 1 and had approved the blasting permit when the hassle erupted. Heiss said that blating was necessary because haulers had run into solid rock and could not get the earth out with heavy equipment.

City Manager Arthur Brandow said he had suggested that the developer bypass removal of the 4,000 yards, leaving the area for development of a park and recreation area in the subdivision.

On motion of Councilman Raymond Faber the council decided by a 3 to 1 vote to rescind the blasting permit and continuance of the hauling permit, to continue the matter to its November 8 meeting, and in the meanwhile to have the entire hauling and blasting matter reviewed by the planning commission, with a recommendation to come from that body to the council.

San Times  
10/26/1965