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Trial, re-election bid could coincide for councilman

Castaneda's term expires at end of '08

Chula Vista City Councilman Steve Castaneda, who has pleaded not guilty to felony perjury charges, expects to go forward with a high-stakes trial in February - at the same time he could be running for re-election.

Castaneda's four-year term expires at the end of 2008. A primary election for his seat will be held in June.

This past June, a county grand jury indicted Castaneda on 13 felony perjury counts related to his sworn testimony during an investigation into his residency in the Sunbow Villas apartment complex while it was being converted to condos. Castaneda allegedly lied to the grand jury about whether he intended to buy one of the condos. In an unrelated matter handled by the grand jury, Castaneda was also indicted on two misdemeanor counts of failing to disclose income from selling a vacant lot.

Castaneda, who has vowed to fight the charges, said he will announce in the next few weeks whether he will run for a second term. "It is very clear that I have not finished the work I promised the voters I would do as their representative, and I intend to work very hard to do that," he said last week.

If he is found guilty on all counts, he faces up to 52 years in prison and would have to resign from the City Council. However, both the prosecution and the defense say that in this case, if there's a conviction, any sentence would entail little or no prison time.

Two Chula Vista residents have filed papers to run for Castaneda's seat: Pat Moriarty, a health care professional; and Richie Macias, a business owner. The candidate nomination period doesn't close until March 7.

Prosecutor Patrick O'Toole, who heads District Attorney Bonnie Dumanis' Public Integrity Unit, sought the indictment. He said it will be "an interesting trial."

"We'll get a glimpse into the seamier workings of politics and the political world," he said.

A trial was originally set for October. But Castaneda's attorney, Marc Carlos, asked to move the date because of a scheduling conflict. The two sides have agreed to a trial date of Feb. 25. Carlos said he sees legal flaws in O'Toole's case.

"The main issue here is materiality," Carlos said. "In 20 years of criminal defense, I have never seen a case where the underlying action is legal. Mr. Castaneda did nothing wrong - and Pat O'Toole even says that in the grand jury transcripts."

The felony counts against Castaneda are related to his grand jury testimony during O'Toole's yearlong investigation.

O'Toole was looking into allegations that Castaneda used his office to receive special treatment from the owner of the Sunbow Villas apartment complex. Castaneda was a tenant at the complex and was accused of seeking favors, such as free rent, from Sunbow owner Ash Israni, according to the 1,200-page grand jury transcript.

The investigation found that Castaneda paid his rent and didn't ask for special treatment.

O'Toole told the grand jury the perjury charges are warranted because Castaneda should be held accountable for "lying about the facts" even if no crime was uncovered.

During O'Toole's questioning, Castaneda answered "no" when asked several times under oath if he had thought about buying one of the Sunbow condominiums while he was a tenant at the complex. O'Toole said that was a lie because Castaneda had asked about the price of the condominiums even though he didn't ultimately buy one, according to at least one witness interviewed by the grand jury.

Carlos said the numerous felony counts are troubling, considering it would have been legal for Castaneda to buy a condo.

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"They're bringing this guy in, they're investigating him, they're finding there's nothing he did wrong — but they can't prove it and charge him anyway," Carlos said. "It's scary that they can do that." Castaneda, 48, is a transportation and land-use consultant who is one of four part-time City Council members. He rented the apartment in Sunbow for about a year, beginning in August 2005.

The two misdemeanor counts are related to omissions on Castaneda's economic interest statements, which all elected officials must file. He didn't report the \$30,000 he made from selling a vacant lot at 40 L St. in a joint venture in 2005 with Chula Vista resident Henry Barros, the indictment says.

Castaneda has been vocal about O'Toole's investigations, saying they are politically motivated. He contended that Dumanis conspired with Chula Vista Mayor Cheryl Cox, his political rival in the 2006 mayoral primary.