

[back to story page](#)

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N.M. Cash Over Limit In Calif. Campaign

By Mike Gallagher*Copyright © 2006 Albuquerque Journal; Journal Investigative Reporter*

In the fall of 2003, California Lt. Gov. Cruz Bustamante was locked in a struggle with Arnold Schwarzenegger for the Golden State's top job.

With about a month to go before the October special election, the California Democrat's campaign received an injection of more than \$150,000 in cash from three prominent New Mexicans or companies with which they are affiliated.

Records show that, on Sept. 3, Bustamante received separate donations of \$51,400 from then-Sen. Manny Aragon, D-Albuquerque; Parra & Gagnon Consulting, an engineering firm in which Raul Parra was a partner; and Smart Solutions Inc., an Albuquerque company in which former Metro Court administrator Toby Martinez had an interest.

California records show the contribution from Aragon was from "Manny M. Aragon, Attorney at Law."

All three contributions exceeded the amount candidates are allowed to accept under California law.

In New Mexico, lawyers familiar with an FBI investigation into possible inflated contracts and kickbacks in the construction of Metro Court, state District Court and the Metropolitan Detention Center in Albuquerque say federal agents here are interested in the three campaign contributions.

The names of Aragon and Parra have previously surfaced in connection with the investigation, which became public when agents inspected records at Metropolitan Court last spring.

The contribution from Parra's company came while another of his engineering firms, P2RS, was in receivership in state District Court because of a partnership dispute. Aragon, according to testimony in the P2RS civil lawsuit, was a consultant to the firm.

The P2RS lawsuit also brought out testimony by a contractor who said he believed the contract for computer and video cabling in Metro Court was padded by \$1.5 million.

The contribution from Smart Solutions came two months after Martinez was fired as Metro Court administrator.

The FBI will not discuss the investigation. Attorneys for Aragon, Parra

and Martinez either declined comment or did not return telephone calls seeking comment about the donations.

More cash from N.M.

The contributions by Aragon, Parra and Martinez were made a few weeks after Gov. Bill Richardson's political action committee, Moving America Forward, donated the legal limit of \$21,200 to Bustamante.

There were several other donations from New Mexico to Bustamante's campaign, according to California campaign finance filings, but for much smaller amounts. They ranged between \$500 and \$1,000.

Richardson's office did not respond to a question about whether he solicited donations on Bustamante's behalf.

Questions were raised about Bustamante's campaign finances after he lost the election.

The California Fair Political Practices Commission, which enforces the state's campaign finance laws, sued Bustamante in 2004 for accepting contributions over the allowable limit of \$21,200.

Under California law, it is the candidate who is held accountable for violating campaign laws—not those making the contributions.

The Aragon, Parra and Martinez contributions were among 44 cited by the commission in a civil lawsuit against Bustamante's campaign as exceeding the limit.

The commission claimed Bustamante received \$3.8 million in excess contributions. Some of the money went into other campaign accounts Bustamante controlled and was then transferred into his gubernatorial campaign fund.

Initially, the commission attempted to hold Bustamante accountable for each \$51,400 contribution from the three New Mexicans. That was later reduced to \$30,000 for each contribution—roughly the amount over the limit.

The case was settled in April 2004 when Bustamante agreed to pay a civil settlement of \$263,000.

A commission spokesman said the fine was the highest imposed since California reformed its campaign finance laws in 2000.

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[Back to story page](#)