

To the judges,

Serving one of the poorest communities in Los Angeles County, the Centinela Valley Union High School District was on the brink of insolvency a few years ago when Jose Fernandez became superintendent. A Cuban immigrant who was the product of the district, the soft-spoken leader had gathered political savvy as a local city councilman and was well-connected.

He balanced the budget, successfully campaigned for money to repair broken-down schools and launched academic programs that created a buzz in educational circles. In a short amount of time, he buoyed hopes for revitalizing the district.

The real story was one of manipulation, intimidation and corruption.

Reporter Rob Kuznia worked for months to decode the superintendent's byzantine contract. Hidden in the opaque language, we found the leader of the tiny district with just four schools and 6,000 students made more than \$660,000 in 2013. That's nearly double the compensation of the superintendent of nearby Los Angeles Unified, the country's second-largest district.

The densely legal contract hid not only the superintendent's true compensation but a variety of other lucrative perks unheard of in K-12 education leadership.

In February 2014, we launched a series of articles examining the inner workings of Centinela Valley and exposed how this came to pass. The reporting has included hundreds of interviews with current and former employees of the district, dozens of public records requests and poring through tens of thousands of documents.

As a direct result of our reporting, more than 50 stories, the FBI and Los Angeles County District Attorney's Office have launched ongoing criminal investigations.

Our reporting found:

- The superintendent took out a district-funded \$750,000 whole life insurance policy without board approval and then had the board approve it retroactively. We later reported he could cash out policies for in excess of \$200,000.
- After his *second* personal bankruptcy, the board threw him a golden lifeline — a \$910,000 home loan with no down payment to be repaid at 2 percent interest over 40 years. The loan terms are exceptional to anyone with excellent credit and unheard of for someone who has just gone through bankruptcy.

- Fernandez was selected by politically naive school board members whose campaigns were financed by a construction company to which the superintendent later awarded about \$200 million in construction bonds. He also put a stipulation in his contract that he could only be fired by a “supermajority” of the board (four of the five members).
- The superintendent steered other lucrative contracts to political allies.
- The district spent as much as 10 times what neighboring districts did on legal fees, using lawyers to bully opponents into submission.
- The superintendent had a contracted work year of 215 days, 30 days shorter than other superintendents, which meant he was paid overtime for “extra” time he worked. Additionally, he claimed he had worked every legal holiday and had never taken a vacation day throughout his tenure, resulting in even more pay. Investigators found that was highly unlikely.
- School board members were paid more than five times the legal limit for a district of its size, which spans just 4 square miles -- including \$600 a month in mileage. Prompted by our reporting, the county ordered an end to the stipends.
- Fernandez had just one performance review in five years, despite the fact that a 9 percent automatic annual raise was hidden in his contract.
- Despite the spending on the superintendent and his lawyers, the district laid off teachers and shut down the popular vocational program citing lack of funds.
- The superintendent ushered in a “reign of terror” at the district, surrounding himself with yes men who feared to speak out against him.
- Despite the superintendent’s high compensation, the district was among the worst academically in California, ranking 80th out of 80 in Los Angeles County.

Digital presentation -- a URL is included in this entry as supplementary material -- featured public documents we gathered, an interactive timeline that leveraged our archives to show the superintendent’s machinations through the years and live coverage of school board meetings with video capturing community outrage.

Based on our coverage, which came to include reporter Rebecca Kimitch and editor Frank Suraci, the superintendent was fired and a state assemblyman put forth legislation that would prevent abuse and create more accountability for school districts in California. We await the results of the law-enforcement investigations.

For their lucid, original and highly local work, the Daily Breeze is proud to nominate Kuznia, Kimitch and Suraci for the Pulitzer Prize in Local Reporting.

Michael A. Anastasi / Executive Editor