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ENDORSED
FILED
SAN FRANCISCO COUNTY
SUPERIOR COURT
2010 JUN -7 AM 1:05
CLERK OF THE COURT
BY: ~~DEANIS MARK~~

CASE MANAGEMENT CONFERENCE SET

NOV - 5 2010 - 9⁰⁰ AM

~~DEPARTMENT 212~~

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN FRANCISCO

MICHAEL PAUL,

Plaintiff,

vs.

ADMINISTRATIVE OFFICE OF THE
COURTS, JACOBS PROJECT
MANAGEMENT COMPANY, JACOBS
FACILITIES, INC., JACOBS
ENGINEERING GROUP, INC.,
AMERICAN BUILDING
MANAGEMENT, ALEUT GLOBAL
SOLUTIONS, LLC, TEAM JACOBS,
VALLEY FACILITIES MANAGEMENT
CORPORATION, DOES 1 - 20,

Defendants.

) CASE NUMBER
)
) **988-10-500520**
)
) COMPLAINT

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I. NATURE OF ACTION

1. This is an action for injunctive relief and to recover taxpayer funds improperly spent. The action is brought on behalf of the taxpayers in the State of California and arises from a governmental entity's, the AOC herein, illegal and wasteful expenditure of taxpayers' dollars on contractors who were not licensed and who were overcharging for their work.

II. PARTIES

2. Plaintiff, Michael Paul, is a citizen of the United States and a resident of the State of California. He is, and, at all relevant times, was a senior technical analyst in the information services division at the Judicial Council of California and a resident taxpayer living and working in California.

3. Plaintiff brings this claim on behalf of taxpayers in the State of California to remedy the loss of millions of dollars due to the hiring of unlicensed contractors in violation of applicable law, and due to the fact that said contractors grossly overcharged and were paid for said overcharging.

4. Defendant, Administrative Office of the Courts ("AOC") is, and, at all relevant times, was a governmental entity with its principal place of business in San Francisco, California.

5. Defendant, Jacobs Project Management Company ("JPM") is, and, at all relevant times, was a Delaware corporation with its principal place of business in St. Louis, Missouri.

6. Defendant, Jacobs Facilities, Inc. ("JFI") is, and, at all relevant times, was a Missouri corporation with its principal place of business in Pasadena, California.

7. Defendant, Jacobs Engineering Group, Inc., ("Jacobs") is, and, at all relevant

1 times, was a large provider of technical services with its principal place of business in
2 Pasadena, California.

3 8. Defendant, American Building Management ("ABM") is, and, at all relevant
4 times, was a company that specializes in facility services with its corporate headquarters in
5 San Francisco, California.

6 9. Defendant Aleut Global Solutions, LLC ("AGS") is, and, at all relevant
7 times, was a limited liability company that provides "Customer Service Oriented" support
8 to federal agencies, and has its principal place of business in Colorado Springs, CO with an
9 office in the state of California.

10 10. Defendant "Team Jacobs," is a joint venture between Defendant Jacobs
11 Engineering Group, Inc. and Defendant American Building Management.

12 11. Defendant Valley Facilities Management Corporation ("VFMC") is, and, at
13 all relevant times, was a provider of facility services with its principal place of business in
14 San Jose, California.

15 12. Plaintiff does not know the true names and capacities, whether individual,
16 corporate, associate or otherwise, of DOES ONE through TWENTY, inclusive. Plaintiff
17 alleges that each of the fictitiously named Defendants is responsible in some manner for the
18 occurrences herein alleged, and caused the hereinafter-described injuries and damages
19 sustained by Plaintiff.

20 13. Defendants Does 1-20 and each of them, were and are unlicensed contractors
21 and subcontractors doing construction and service management.

22
23
24 **III. GENERAL ALLEGATIONS**

25 14. In August 2007, Plaintiff Michael Paul, was working as a technical analyst
26 in the information services division at the Judicial Council of California. He was assigned,
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1 along with an associate, to remedy the automation system and repair the AC plant at the
2 Larson Justice Center. Plaintiff and his associate began writing a proposal for a plan to
3 replace the Larson Justice Center's Building Management System ("BMS"), a computer-
4 based control system that monitors the building's mechanical and electrical equipment. The
5 Defendant, AOC, through its Facilities Management Unit ("FMU"), rejected the proposal
6 that Plaintiff and his associate had created to update and repair the BMS at the Larson
7 Justice Center and informed Plaintiff that the service provider, "Team Jacobs," would
8 manage the process.
9

10 15. FMU assigned the project at the Larson Justice Center to Defendant "Team
11 Jacobs," a joint venture between Jacobs Engineering Group, Inc. ("Jacobs"), which
12 functioned as the overseer, and Defendant American Building Management ("ABM"),
13 which organized the execution of the project. Defendant "Team Jacobs" was charged with
14 producing a study of the BMS, which would be due in 30 days.
15

16 16. In October, six weeks after it was commissioned to study the BMS,
17 Defendant "Team Jacobs" submitted, as its own work, a plagiarized draft study of the Army
18 Corps of Engineers in building management systems, a study widely available on the
19 Internet. Defendant "Team Jacobs" submitted the study as a bid to the AOC, a public
20 agency, in order to engage in business and act as a contractor. However, "Team Jacobs"
21 was not licensed, and, thus, acted in violation of California Business and Professions Code
22 section 7028.15(a).
23

24 17. Plaintiff Michael Paul, and his associate, rejected the study as plagiarized
25 and as inapplicable to the Larson Justice Center. They further insisted that Defendant
26 "Team Jacobs" was not qualified to perform the necessary work for the AOC. Plaintiff
27 recommended that a qualified contractor, Air Metrx of Walnut, California, which
28

1 previously maintained Riverside County's buildings, and which was experienced and
2 familiar with the system, suggest a way to perform the upgrades. However, FMU hired and
3 paid Defendant "Team Jacobs" to do the work.

4 18. In December 2007, Defendant Air Metrx, a subcontractor hired by
5 Defendant "Team Jacobs," informed Mr. Paul that "Team Jacobs" did not have a
6 contractor's license. Air Metrx also revealed that Defendant American Building
7 Management was only licensed to clean construction sites, but had, instead, been acting
8 beyond its license and had been issuing purchase orders to contractors, hiring
9 subcontractors, and acting as a general contractor for the Larson Justice Center project.
10

11 19. After his conversation with Defendant Air Metrx, Michael Paul verified and
12 confirmed the information he received from Air Metrx. His research confirmed that the
13 contractors lacked contractors' licenses with the Contractors State Licensing Board, that
14 Defendant "Jacobs" had no license, and that Defendant ABM was only licensed to perform
15 janitorial services on construction sites. All of these businesses were contracting without a
16 license in violation of California Business and Profession Code section 7028.
17

18 20. Thereafter, from December 2007 until July 2009, Plaintiff Michael Paul
19 brought the facts, set forth in the paragraph above, to the attention of various individuals
20 within the AOC, including management and the FMU. He discovered that employees at
21 both the Office of the Court Construction & Management ("OCCM") and at the FMU
22 knew, at all relevant times herein, that the contractors were unlicensed.
23

24 21. Plaintiff Michael Paul informed his managers and coworkers, as well as the
25 managers at the OCCM, both in conversation and via email, about the unlicensed
26 contractors who were overcharging. His complaints were received, but no action was taken
27 to remedy the problem.
28

1 22. During the period December 2007 until July 2009, Plaintiff Michael Paul
2 questioned the exorbitant cost of the court construction projects. Defendant "Team Jacobs"
3 was charging and being paid \$1,000 per square foot to build a courthouse, compared to the
4 \$260 per square foot at which the General Services Administration ("GSA") was building
5 courthouses. Further, GSA's costs also included the cost of security requirements
6 implemented post September 11th.
7

8 23. During the period December 2007 to July 2009, Plaintiff Michael Paul
9 reported the lack of licenses and overcharging to the FMU supervisors in all regions, who
10 were in charge of supervising construction work and other related problems. Said
11 supervisors acknowledged receiving the information, but said they transmitted it to
12 management, who they claimed were responsible for such matters.
13

14 24. In Early 2008, Plaintiff Michael Paul increased his reporting to the OCCM.
15 He sought an answer concerning why Defendant "Team Jacobs" was being hired TO do
16 work it was unqualified to perform. His emails were largely ignored until Spring 2009 at
17 which time Jerry Pfab, of OCCM, sent Mr. Paul an email demanding he cease and desist
18 from telling others about the unlicensed contractors who were overcharging.
19

20 25. In June 2009, Plaintiff Michael Paul was charged with redesigning the AOC
21 datacenter in San Francisco. At this same time, Michael Paul's previous associate was
22 assigned to identify, and prioritize for repair, all courthouses over 45,000 square feet
23 requiring facility modifications. Plaintiff Michael Paul informed the FMU that studying
24 buildings and spending money on retro-commissioning of a few buildings would still leave
25 the buildings at risk for premature failure, and such failure would result in the use of
26 taxpayer dollars for further repairs on the hundreds of buildings not being surveyed. The
27 FMU still proceeded with the studies.
28

1 26. On July 24, 2009, Plaintiff Michael Paul visited the Internal Auditing
2 Supervisor, Erik Pulido, and asked what steps he should take if he was aware of a cover-up
3 of fraud, waste and abuse happening within the judicial branch. Mr. Pulido gave him a form
4 that listed the number of the fraud, waste and abuse coordinator's hotline. Plaintiff sent his
5 complaint directly to Mr. Pulido via email.

6 27. On July 24, 2009, Plaintiff Michael Paul began copying Erik Pulido on
7 emails regarding the contractors' and subcontractors' licensing problems, overcharging, and
8 incomplete work. Mr. Pulido copied his senior manager, John Judnick, with whom Mr. Paul
9 then exchanged emails regarding the licensing issues. For the following six months,
10 Plaintiff Michael Paul continually questioned Mr. Judnick regarding what actions were
11 being taken to remedy these problems. Mr. Judnick continually questioned Plaintiff
12 Michael Paul about what he knew about the transactions and said he was investigating the
13 matter; however, nothing was being done. While these discussions took place, the
14 contractors continued to receive millions of dollars illegally for services that required a
15 contractor's license.
16

17 28. On July 23, 2009 Cheryl Miller's article, *Judicial Council Burns \$82 Grand*
18 *on High-End Shindig* was published. Miller's article discussed the AOC's exorbitant
19 spending on events. This article brought scrutiny to the AOC's spending.
20

21 29. In August 2009, an unlicensed contractor was hired by the OCCM to
22 commission a study on some electrical work on Plaintiff Michael Paul's AOC datacenter
23 project. Plaintiff pointed out that he had blown the whistle on the unlicensed contractors
24 before, but they were still being given new projects. Management told him this was not his
25 concern.
26

27 30. On September 30, 2009, Defendant "Team Jacobs" submitted a report on the
28

1 existing generator and electrical work at the datacenter. Plaintiff Michael Paul found the
2 report incomplete and problematic. Further, the report indicated that Defendant "Team
3 Jacobs" was planning to use another unlicensed contractor, Valley Facilities Management
4 Corporation ("VFMC"), to perform the work. Defendant "Team Jacobs" estimated costs
5 over \$189,000 whereas the OCCM's cost estimate for the same work was \$80,000. Plaintiff
6 Michael Paul also obtained a quote for this work from Cupertino Electric, which was just
7 above \$75,000.
8

9 31. On October 8, 2009, Plaintiff Michael Paul blew the whistle again on
10 Defendant "Team Jacobs" and asked for a release for a qui tam suit against the unlicensed
11 contractors. On October 14, 2009, Plaintiff Michael Paul was informed that the AOC
12 directors had met about his email and were not targeting Defendant "Team Jacobs," but
13 instead were targeting Plaintiff for termination. John Judnick was assigned to follow up on
14 Michael Paul's request to investigate the contractor issues. Mr. Judnick proposed dates and
15 times for them to meet, but Mr. Judnick was always unavailable at the times he had
16 proposed.
17

18 32. On December 1, 2009, Plaintiff Michael Paul blew the whistle on Defendant
19 AGS because it was an unlicensed contractor. He emailed Mr. Judnick and asked for
20 records pertaining to Defendant AGS and Defendant "Team Jacobs." Mr. Judnick replied
21 the same day and asked to meet with Mr. Paul. He also told Plaintiff Michael Paul that he
22 would advise him regarding his record requests once the AOC's internal review had been
23 completed. Michael Paul emailed Mr. Judnick and alerted him to the fact that he has
24 repeatedly attempted to schedule meetings with Mr. Judnick, but Mr. Judnick has been
25 continually unavailable at proposed dates and times.
26

27 33. On December 2, 2009, Plaintiff Michael Paul sent an email to Dennis Leung,
28

1 James McCrea, Nick Cimino, Michael Derr, Patrick McGrath, and Patrick Gilleran, of the
2 AOC's Information Services and OCCM units, regarding the Datacenter project. In his
3 email, he wrote that, "we as public employees are obligated to reject estimates that lack
4 proof that the contractors are licensed."

5 34. On December 2, 2009, Plaintiff Michael Paul again brought the
6 overcharging to the attention of John Judnick by emailing him an estimate from Cupertino
7 Electric that was \$110,000 less than Defendant Jacobs' costs for the same datacenter
8 project.

9
10 35. On December 3, 2009, Plaintiff Michael Paul, followed up with John
11 Judnick by requesting responses to 6 different questions, including why Defendant "Team
12 Jacobs" and Defendant AGS were getting paid for overpriced work.

13 36. On December 4, 2009, Plaintiff Michael Paul was getting no response from
14 AOC management regarding these matters, so he emailed the executive director Bill
15 Vickrey, Assistant director Ron Overholt, Chief Justice George, Senator Corbett and
16 Assemblywoman Hayashi.

17
18 37. Curtis Child, who is the director of the Office of Government Affairs for the
19 Judicial Council of California and who works for the AOC, replied to Mr. Paul's email in an
20 email to the individuals listed in paragraph 33 above. Mr. Child stated that the AOC
21 appreciated Mr. Paul's concerns and would bring them to the attention of the AOC's
22 internal Audit manager. He further stated that the AOC had contacted the Attorney General
23 regarding these matters. Mr. Child defended the Defendant AOC's contract with Defendant
24 "Jacobs" by stating that "Jacobs" had all of the necessary licensing at the time of
25 contracting. However, he stated that the contract between Defendant AOC and Defendant
26 AGS would be further examined. Plaintiff Michael Paul responded to Mr. Child's email and
27

1 reiterated that "Team Jacobs" is an unlicensed company.

2 38. On December 5, 2009 Bill Vickrey sent an email to the presiding judges and
3 members of the Judicial Council acknowledging that a whistleblower had "*properly*
4 *reported*" unlicensed statewide activity.

5 39. On December 6, 2009 Plaintiff Michael Paul sent another email to the
6 Senator and Assemblymen. This email contained evidence he collected providing proof that
7 Mr. Child was lying to prevent the AOC's practices from being questioned.
8

9 40. On December 7, 2009 the Attorney General filed suit on behalf of the AOC
10 against two of the five unlicensed contractors, AGS and Jacobs.

11 41. On December 9, 2009 Cheryl Miller published another article, *AG*
12 *Investigating Court Facilities*, which stated that the Attorney General was investigating
13 "allegations that a private company hired to manage and maintain courthouses around the
14 state does not have a legally required contractor's license." The investigation looked into
15 the licenses of both Jacobs Facilities, Inc. and AGS. The article identifies Plaintiff Michael
16 Paul as the one who blew the whistle on these companies. It states that, "these license
17 snafus were brought to light by Michael Paul, a senior technical analyst with the AOC. Paul
18 said he took his concerns to lawmakers last week after AOC officials failed to investigate
19 concerns he raised about the contractors in July." Further, the article stated that Bill Vickrey
20 supported Michael Paul's actions.
21
22

23 42. On December 10, 2009 another article by Cheryl Miller, *Judicial Council*
24 *Sues Its Unlicensed Courthouse Maintenance Company*, was printed. This article reported
25 that the AOC had just discovered the licensing problems, and that the AOC remained
26 confused concerning how contracting issues could have arisen without its knowledge.
27 Miller's article indicated that the AOC's Ron Overholt was having the Attorney General
28

1 further investigate these licensing issues.

2 43. On December 14, 2009 Plaintiff Michael Paul emailed Frank Koenig of the
3 OCCM and a field supervisor on a power project in Sutter County Courthouse, to clarify
4 that while he submitted recommendations to Defendant AGS, a contractor he knew was
5 unlicensed, this in no way indicated that he endorsed or approved working with an
6 unlicensed entity. Instead, Mr. Paul stated that he did not authorize any unlicensed
7 contractor to perform work. Further, he stated that it is a violation of California Business
8 and Profession Code section 7028.15, for a person or public agency to engage in business
9 "in the capacity of a contractor within this state without having a license therefore."
10

11 44. On December 15, 2009 Defendant AOC revoked Mr. Paul's network
12 permissions as an enterprise systems administrator and ordered him to cease his
13 investigation. This revocation interfered with Mr. Paul's investigation and violated
14 California Government Code section 12653. Defendant AOC also denied his access to
15 records via US mail. This denial of access narrowed the scope of Mr. Paul's search making
16 it equivalent to a public records request. Michael Paul interpreted Defendant AOC's actions
17 to be a denial of a records request against an employee pursuing false claims against the
18 state under government code 12653.
19

20 45. In January 2010, Plaintiff Michael Paul read a US General Accounting
21 Office report on GSA court construction costs. The report stated that Congress was "up in
22 arms" because it had budgeted \$55 per square foot for federal courthouses, and it
23 discovered that GSA's construction costs were \$264 per square foot. Congress wanted
24 further investigation of the reasons for such high construction costs. Congress' reaction
25 spurred Mr. Paul to again question why the state courthouses were costing \$1,000 per
26 square foot.
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46. Plaintiff Michael Paul is informed and believes that subcontractors who had bid jobs for the AOC were being asked by Defendant Team Jacobs to reduce their bids after their contracts were awarded. He was concerned that bid shopping after a contract was awarded as well as the AOC's selective pre-approval process were questionable contracting practices and were contributing to costs being three times higher than GSA's costs in 2005. Bid shopping is considered an unlawful business practice that cheats taxpayers. The subletting and subcontracting practices prohibit bid shopping and outline requirements for contractors who bid on public works with the use of subcontractors.

FIRST CAUSE OF ACTION

**For Illegal Expenditure of Public Money
and Injunctive Relief Against All Defendants**

46. Plaintiff realleges paragraphs 1 through 46, inclusive.

47. This Count is brought by Plaintiff Michael Paul on behalf of the taxpayers of the State of California.

48. Code of Civil Procedure section 526(a) permits a taxpayer to bring an action to restrain or prevent illegal expenditure of, or waste of, public money. Such an action need not include special damage to a particular taxpayer. Rather, taxpayer suits provide a general citizen remedy for controlling illegal governmental activity. Further, Citizens need not show a legal interest in the result since the issue is one of public right and the objective is to enforce a public duty.

49. The purpose of the Code of Civil Procedure section 526a is to enable citizenry challenges to governmental action.

50. Plaintiff Michael Paul brings this action to restrain the acts of Defendant

1 AOC in hiring and overpaying unlicensed contractors, Defendant "Team Jacobs,"
2 Defendant AGS, as well as other Defendant subcontractors. Defendant AOC has already
3 spent millions on courthouse construction and repair jobs. This action intends to prevent
4 any further wasteful and illegal expenditure of taxpayers' dollars. Evidence such as the
5 GSA's lower construction costs, as well as Congress' disbelief at the courthouse
6 construction costs, shows that the unlicensed contractors are overcharging and being
7 overpaid, therefore, taxpayer's dollars are being wasted.
8

9 WHEREFORE, Plaintiff prays for relief as will hereinafter appear.


10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff Michael Paul, on behalf of himself and the taxpayers in the
12 State of California, requests the following relief:

- 13 (a) Plaintiff seeks injunctive relief against all Defendants to cease wasteful
14 and illegal expenditures of public money.
15
16 (b) Plaintiff be awarded all costs incurred, including attorney's fees.
17
18 (c) Such other relief as this Court deems just and appropriate.

18 DATED: June 7, 2010

HERSH & HERSH

19
20 By 
21 Nancy Hersh
22 Mark E. Burton, Jr.
23 Attorneys for Plaintiff
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26
27
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