

# **Bond Case Briefs**

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## **SEC Closes Investigation into Bell, Calif. Bond Debt.**

Feb 24 (Reuters) – The Securities and Exchange Commission has closed its investigation into bonds issued by the scandal-plagued city of Bell, California, and plans no enforcement action, according to filings posted on Monday.

Federal securities regulators opened an investigation into Bell's bond debt in October 2010 after large scale fraud by the city's former administration surfaced.

In a letter to the city's attorneys dated Feb. 18, Robert H. Conrad, the SEC's assistant regional director, wrote: "We have concluded the investigation into the City of Bell. Based on the information we have as of this date, we do not intend to recommend an enforcement action by the Commission against the City of Bell."

Conrad added, however, that the letter "must in no way be construed ... that no action may ultimately result from the staff's investigation."

Five former officials from Bell, a working class municipality near Los Angeles with a population of roughly 40,000, were convicted in 2013 of corruption charges. They had stolen nearly \$11 million from taxpayers, in part through awarding themselves lavish salaries, often for work they did not do.

The SEC investigated \$184 million in debt issued by Bell between 2004 and 2007. The bond debt in question, and the conclusion letter from the SEC, were posted by the city on the Municipal Rulemaking Board's EMMA website, a repository for information relating to municipal bonds.

Bell is now run by an entirely new administration. The SEC did not immediately return emailed requests for comment.

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(Reporting by Tim Reid; Editing by Alan Crosby)