


# 7 former Beaumont city officials charged in \$43M corruption case

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Seven former city of Beaumont officials were charged Tuesday in connection to a public corruption case of nearly \$43 million in city funds.

BEAUMONT, Calif. (KABC) -- Seven former city of Beaumont officials were charged Tuesday in connection to a public corruption case of nearly \$43 million in city funds.

The following face a slew of charges: Alan Charles Kapanicas, 63, former city manager, William Kevin Aylward, 53, former finance director, Joseph Sandy Aklufi, 69, former city attorney, Francis Dennis Coe Jr., 51, former police chief, and former city department heads David William Dillon, 62, Deepak Moorjani, 70, and Ernest Alois Egger, 59.

The group faces charges ranging from embezzlement of public funds, misappropriation of public funds, conspiracy and conflict of interest. Authorities suspect the group took \$42,967,421.90 in city money.

If convicted on all charges, the individuals would be barred from ever holding public office again. Kapanicas and Alyward face 26 years in prison, Dillon, Egger and Moorjani face 16 years, Aklufi faces 15 years and four months, and Coe faces five years.

Authorities arrested Aylward, Aklufi, Dillon, Kapanicas, Moorjani and Coe Tuesday. Egger surrendered Wednesday. All suspects, except Egger and Coe, were booked in lieu of \$5 million bail. Coe's bail was set at \$100,000.



In the early 1990s, city officials brought in Urban Logic Consultants principals Dillon, Egger and Moorjani to serve as heads of the planning, economic development and public works departments, according to the Riverside County District Attorney's office.

Authorites suspect Kapanicas, Aylward and Aklufi, who gained their city positions at the time, used the positions' influence to funnel work into their own companies.

In 2003, Beumont adopted an ordinance mandating that the city collect Transportation Uniform Mitigation Fees on new developments. Under the law TUMFs are required to be sent to Western Riverside Council of Governments to be pooled with fees from other areas in the county to be used on regional transportation projects.

Authorities suspect the officials caused the city to collect the funds and then failed to give the money over to the regional program. Instead, they are suspected of maintaining control of the money and using the funds on projects in the city by awarding work to their own companies.

The individuals are suspected of illegally taking \$36.6 million in TUMF money.



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From 2010 to 2013, Kapanicas, Aylward and Coe came up with a way to loan Coe \$45,000 in interest-free city funds without city council approval. In total. About \$113,700 in interest-free money was given to members of the police department.

The district attorney also suspects that from 2009 to 2015, Kapanicas and Aylward inflated the city's sales tax by lending the city's resale tax permit to private business Beaumont Electric, Inc. The scheme required defendants to lend city funds to the company to make purchases on electrical equipment, according to authorities.

The private company never signed a contract, came up with a repayment agreement nor paid interest on the money.

All the defendants, except for Egger, are scheduled to appear in court on Thursday. Egger will be arraigned Friday.

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