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## Lockyer: No illegality found in Oracle pact

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By Dan Smith

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--A state investigation into the Davis administration's troubled 2001 software deal with the Oracle Corp. showed "no evidence of illegality" or corruption relating to the contract, Attorney General Bill Lockyer said Tuesday.

What Lockyer called the "possible conclusion of the Oracle investigation" came as he filed 12 felony counts against former Gov. Gray Davis' policy director, Kari Dohn, for allegedly falsifying computerized documents nearly a year after the deal was completed in May 2001 - just as investigations were getting under way.

The Davis administration's no-bid, \$95 million deal to license all state employees to use Oracle's database software came under intense scrutiny after the state auditor criticized it as an unnecessary and costly purchase negotiated by top state officials ill-equipped for the task. Davis fired four top appointees as details of the transaction became public, and the deal was ultimately rescinded.

Controversy over the contract escalated when lawmakers learned that Oracle's lobbyist, Ravi Mehta, delivered a \$25,000 contribution from Oracle to Davis' computer adviser at the time, Arun Baheti, at a Sacramento nightspot just days after the deal was signed.

But Lockyer said a 22-month investigation by his office - including the review of 34 boxes of documents, 40 computer hard drives and interviews with 70 witnesses - turned up no illegal acts by state employees or company officials, and no public corruption.

"The contracting process shows no evidence of scandal relating to corruption," Lockyer said. "Most everyone," he said, did conclude there was "haste and incompetence" involved.

Lockyer said there was no evidence that a \$25,000 campaign contribution Mehta handed to Baheti "was relevant to the contracts being performed or decisions made that would have been criminal."

Lockyer declined to describe the nature of the alterations Dohn allegedly made to "schedules and logs and reports," in April and May 2002, but added that "we wouldn't charge unless we thought these were serious matters and crimes were committed."

Last year, The Bee reported that investigators had begun focusing on obstruction-of-justice charges, in part because Dohn's calendar was turned over to a legislative committee after references to Oracle Chairman Larry Ellison were omitted.

That calendar, for May 22, 2001, listed two meetings relating to the deal, one with Mehta and another with representatives of Logicon Inc., a company that brokered the agreement, which was signed nine days later.

Investigators believed a reference to Ellison was omitted from the calendar turned over to the committee.

The complaint alleges that Dohn altered three of the documents soon after the legislative committee began its hearings in April 2002 and two others on the day after she testified before the Joint Legislative Audit Committee - May 6, 2002.

Dohn testified that day that she knew very little about the deal and heard a pitch "in concept" about it from Mehta at the May 22 meeting. She also said Mehta had told her that Ellison might call Davis about the deal, but she said she didn't think the call was ever made.

A sixth charge stems from an alteration she allegedly made on May 14, 2002, the day after the committee filed a records request with the Governor's Office.

In all, Lockyer charged Dohn with 12 counts relating to the six specific allegations. Each act was charged under two separate, but similar, state laws involving the alteration of records. Depending on which law is used, Dohn could face up to 24 years in prison if convicted. She is scheduled to be arraigned today in Sacramento Superior Court.

Her attorney, Allen Ruby, said she is not guilty.

"She will be exonerated," Ruby said. "Unfortunately, she will have to endure the pain of the wrongly accused, but in the end, the process will vindicate her."

Dohn, 40, left the Governor's Office last May and now works in governmental affairs for the Rose and Kindel lobbying firm in Sacramento. She was not available to comment Tuesday.

Only one of the two laws cited in the charges requires Lockyer to prove that Dohn altered public records "for a fraudulent or deceitful purpose," and the attorney general wouldn't speculate whether Dohn's alleged actions were designed to protect others.

"Probably speculating about motives isn't something that's necessary here," Lockyer said. "We have no evidence of other people being involved in some criminal way."

Steve Maviglio, a spokesman for the former Democratic governor, said Lockyer's announcement proves what the administration argued all along - that Davis and top officials did nothing wrong.

"After almost two years of investigation ... what they come up with is a series of technical charges against Kari Dohn, who is well known as a straight shooter, somebody who's a dedicated public servant," Maviglio said.

Davis, who was not interviewed by investigators, "stands foursquare and a thousand percent behind Kari," Maviglio said.

Davis has said he didn't know of the Oracle contract, never discussed it with Ellison, and was unaware for months of the contribution from Oracle.

Senate President Pro Tem John Burton, D-San Francisco, defended Dohn as "a person of the highest

moral rectitude," and suggested she is taking the fall for an overblown scandal.

"I don't know much about the (expletive) Oracle thing, but let me tell you, I don't think Gray Davis was going to do something hinky for a \$25,000 contribution. That was like tip money in his campaign," Burton said. "I think there's a lot of smoke - heap big smoke, but no fire."

Mehta, meanwhile, "certainly feels vindicated," said **Matt Jacobs**, his attorney. "We've both always believed he did nothing wrong."

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