

Governor Gary Herbert and Attorney General Sean Reyes Protect Developer-Related Corruption in Eagle Mountain, Utah.

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Background

In early 2014 I obtained about 1,100 pages of Eagle Mountain City credit card statements with their supporting documentation. This is what I found:

Partial List of Eagle Mountain City Credit Card Purchase Locations 2010-2013

FOOD (Total: \$42,886--that we know about!)

Apollo Burger	Five Guys	Los Hermanos	Smart Cookie Co
Applebee's	Gateway Grill	Maceys	Smith's Food
Arctic Circle	Gloria's Little Italy	Market Street Grill	So. Pt. Coroafo Café
Astro Burger	Golden Corral	Marley's Gourmet Sliders	Sonic Drive-in
Bajío Mexican Grill	Gondolfo's Deli	Maverick Country Store	Su Casa Mexican Restaurant
Braza Grill	Goodwood BBQ	McDonald's	Subway
Buffalo Wild Wings	Gourmet Gift Baskets	McGrath's Public Fish House	Sushi House
Burger Inc.	Great Steak and Potato	Mimi's Cafe	Taco Time
Burger King	Gun Barrel Steak	New China Express	TCBY DIA Conc
Café El Lago	Hall of Fame Grill	Nothing Bundt Cakes	Tenochtitlan Market
Café Rio	Happy Sumo	Olive Garden	Texas Roadhouse
Café Zupas	Harmon's	Outback Restaurant	Thaifoon Taste
Carl's Jr	Hires Big H	P.F. Chang's	Thanksgiving Point
Chick-Fil-A	iHop	Papa John's	The Dodo Restaurant
Chili's	In-N-Out Burger	Paradise Bakery & Cafe	The Downtown Philly
China Express	Jalisco Market	Pizza Hut	The Italian Place
Chipotle Restaurant	JB's Restaurant	Pizza Pie Cafe	The Ranches Grill
Chuck-A-Rama	JCW Restaurant	R & R BBQ	The Smoking Apple
Circle K	Jim's Family Restaurant	Red Iguana	TITA's Grill & Catering
Clubexpress	Jimmy John's	Red Lobster	Tokyo Japanese Steakhouse
Cold Stone	Joe Morley's BBQ	Red Robin	Tucanos Brazilian Grill
Costa Vida Restaurant	KFC	Rib City Grill	Village Inn Restaurant
Country Bakery	Kneaders	Rodizio Grill	Village Pizza
Cracker Barrel	Koi Japanese Cuisine	Ruby River	Wal-Mart Supercenter
Crown Burger Restaurant	Leslie's Family Tree	Rumbi Island Grill	WalMart
Del Taco	Lisa's Country Kitchen	Seaddy Time	Wasatch Deli
Denny's Restaurant	Little Caesars	Sconecutter	Wendy's
Dickey's	Little Corner Café	Sean's Smokehouse	Wingers
Dippidee	Loftes - A Private Club	Shari's Berries	Wingnutz
Dunford Bakery	Lokals	Simply Ice Cream	Won Won Wok
El Paisa Grill	Longhorn Steak House	Sizzler	Yapona Japanese Cuisine
El Pollo Loco	Los 2 Amigo's	SLCC Capitol Dining	Yogurt Bliss

OTHER

A A Callister Inc.	Deb's Shops	Lisa's Embroidery	Sportsman's Warehouse
A Mad Mans Hobby Store	Dillard's	Maurice's	Spread shirt
Accessorygeeks.com	Disco Go Tech	Maynard Buckles	Stop Falling .com
All About Fuel and Food	Eddie Bauer	MTM American Watch	Target
Amazon	Epic Biking	Mybullfrog.com	The Buckle Online
Apple iTunes Store	Express	Natl Ropers Supply	The Hawaiian Lei
Apple Online Store	EZ Ticket live	Old Navy	The Webstaurant
Aprons and Socks	FTD Flowers	Oriental Trading Post	TJ Max
Backyards Inc	Fun saver	Partyland	TL Marshall Company
Banana Republic	Gamestop	Petsmart	Tough Enough to Wear Pink
Barnes & Noble	Guitar Center	Pioneer Party	Towne Cinemas
Bass Pro Shops	Gumball Machine Factory	Pro Rodeo Hall of Fame	Toywiz
Best Buy	Hancock Fabrics	Professional Rodeo Cowboy	Trafalga Place
Big 5 Sporting Goods	Happy Trails Tack	Ream's Western Outfitters	Utah Jazz
Bouncing Bins rentals	Hermanstreet.com	Red Hanger	Utah RV Rentals
BUY.COM	Hoffman Boots	Res Kayak.com	Van Heusen
BYU Ticket Office	Hogle Zoo.org	Ribbons Galore	VF Outlet
Cabela's	Home Fabrics	Ross Store	Wal-Mart
Cal Ranch	Hy O Silver	Runners Corner	Water Gardens Cinema
Christmas LI	Jack and Jills Bowling	Sankey Rodeo School	Wilkinson Trophy
Columbia Sportswear	Joann Fabric	Scentsy	www.Kohls.com
Coyote Threads	King	Snapfish	Zagg Mill Creek
Custom Wristbands	Kohl's	Spirit Halloween	Zerbee

Scanned copies of Eagle Mountain's Zions Bank Credit Card statements with explanatory info:
<http://eagleshare.org/credit-card-scandal-docs/>

Criminal Complaint Filed with Attorney General's Office

In utter disgust I filed a criminal complaint with Attorney General Sean Reyes' newly formed public corruption unit (SIPCU) so the state could investigate and prosecute my city officials for misusing public funds, among other things.

In my complaint letter I also outlined an even bigger scam that my city employees were helping to perpetrate that was potentially cheating the city's residents out of tens of millions of dollars by not requiring the city's developers to follow building codes.

Here is the text of my April 13, 2015 letter to Attorney General Reyes and his staff explaining what I had discovered:

*Mr. Sean Reyes
Office of the Attorney General
Utah State Capitol Complex
350 North State Street Suite 230
SLC UT 84114-2320*

Dear Mr. Reyes and Staff:

Attached to this email are copies of the "Pigs in Suits" executive summary and report I told your office about earlier today when I called your corruption tip line. The first part of the full report contains a detailed description of some of my city's illegal activities. The second part documents how government officials at the city, county and state level have worked overtime to protect my city's corrupt employees from accountability.

At the end of the report I ask the simple question, "Why would so many people go to so much effort just to protect a bunch of small town crooks?" While I haven't had time yet to write up a new report that answers this question, I have gathered enough evidence to posit a credible explanation. In short, I believe the city's officials have cooperated with at least one of the city's developers in a long running scheme to defraud consumers and mortgage lenders in the Eagle Mountain City residential housing market. And I believe that if the city's current employees were replaced by honest and competent professionals this scheme would likely fall apart and expose its participants.

This is how I think the scam has worked: First, a developer builds a home that doesn't meet code. Then the city issues it a certificate of occupancy that certifies it meets code even when it doesn't. This enables the developer to sell his substandard home in the real estate market for the same price as a comparable home that does meet code. The result is that unsuspecting consumers and banks end up owning homes that often have serious flaws and developers get to make a ton of extra money by cutting corners in the construction process.

To give you some idea of the possible scope of the fraud here are some quick back-of-the-napkin calculations to consider. First of all, how much do you think a developer could save if he wasn't required to meet code? Five percent? Ten percent? More? For

arguments sake, let's assume he only saves 5 percent. If the average sale price of an Eagle Mountain home is \$150,000, he would get to pocket an extra \$7,500 above and beyond his normal profit margin. If you multiply that amount by 100 homes you get an additional \$750,000 in profit. If you multiply that by 1,000 you get \$7.5 million. As you can see, the numbers add up pretty quickly.

There are approximately 5,500 homes in Eagle Mountain and one of the city's largest developers is notorious for building poor quality homes. There are also other developers and builders that have horrible reputations. If these men managed to save more than 5 percent per home and they also collectively sold thousands of homes between them that had serious flaws, they may have pocketed tens of millions of dollars in illegal profits.

Do you think that amount of cash would be incentive enough for the city's developers to pull out all the stops to protect my city's corrupt employees from getting fired?

I have a copy of an amended 1997 master development agreement that clearly exempts one of the city's developers from needing city approval for his development activities. This includes approval for building permits, certificates, etc. I have photos of his builders and contractors cutting corners, including neglecting to install footings and foundation walls where they are needed to support roof structures. I have photos of homes that were purchased less than a year ago by first-time homeowners that are already failing as a result of these omissions. And for one of these homes I was able to get copies of the certificate of occupancy and the inspection reports which prove that the city certified this substandard home as saleable.

What really blows me away though is that no one in the city seems willing to do anything to stop the fraud except to wait for the 20 year development agreement to expire. Can't they challenge the legality of this agreement in court? Can't they prosecute the developers, builders, contractors, attorneys and city employees that have participated in the fraud? To me it's totally unacceptable that our political leaders and city employees are willing to let dozens, perhaps hundreds of additional homeowners become new victims of the city's building fraud just so their roles in this scandal aren't exposed.

If you have time I would like to walk you through some of the evidence I've collected and explain a few of the nuances of this case that might not be obvious to the casual observer. It's actually a pretty slick scam that deserves to be exposed to the fullest extent possible.

For the last 18 years Eagle Mountain's officials and developers have been illegally taking advantage of the city's mostly young and inexperienced residents in all kinds of creative ways. It's about time they are prosecuted for their crimes and when I write up my next expose I would like to be able to report that your office stood up to them and held them accountable.

Sincerely,

Sam Allen

FYI: You ought to know that if the state chooses to relocate its main prison to Eagle Mountain it will be buying land from one of the city's most notorious developers. This developer doesn't deserve to be rewarded with a multi-million dollar land purchase. In my opinion, he deserves to be put in prison.

Referral of Complaint to Utah County Attorney's Office

On April 24, 2015 I got a call from Nate Mutter, the section chief of the public corruption unit. He informed me that my complaint was being referred to the Utah County Attorney's Office and that it had already been assigned to a star investigator. This is the same office that had previously failed to prosecute my city officials for a variety of other crimes that I had already reported to them.

When I asked Mr. Mutter what I should do with all the evidence I had gathered regarding the building fraud I had discovered in my city, he informed me that I should take it to my local sheriff's office, as if they could handle that kind of large-scale public corruption investigation. Isn't that what his office was specifically formed to do?

As expected, the Utah County Attorney's Office never replied to my complaint, let alone prosecute any of my city's employees.

Follow-up with Public Corruption Unit

On June 23, 2015 I sent a follow-up email to Reyes' public corruption unit asking how long I had to wait before I could appeal to the AG's office again.

I never got a response.

Official Appeal with Public Corruption Unit

On October 5, 2015 I sent an official appeal request to Attorney General Sean Reyes' public corruption unit.

Dear Attorney General Sean Reyes and Staff:

It's been over five months since I first submitted my public corruption complaint to your office on April 13, 2015 regarding the illegal activities of Mayor Heather Jackson and Eagle Mountain City's other officials, and so far, no one has been held accountable for any of the crimes I reported to your office. Is it really that hard to prosecute government employees who misused their city-issued credit cards to buy over \$42k worth of meals for themselves, their coworkers, their friends and their families at dozens of area restaurants up and down the Wasatch Front?

Nate Mutter, the section chief of your newly formed Special Investigations and Public Corruption Unit (SIPCU), informed me over the phone on April 23, 2015 that he and his staff had thoroughly reviewed my Eagle Mountain "Pigs in Suits" report and that he was referring it to the Utah County Attorney's Office, presumably for prosecution. He also told me that Jeff Robinson, the Chief of the Utah County Bureau of Investigations, had already assigned the case to a star member of his staff. Yet in the five months since then nothing has happened.

This is the third time in as many years that Jeff Buhman, the Utah County Attorney, has refused to prosecute corruption in my city. I am now officially appealing to your office, again, to take up the case as it should have done in the first place. I am also requesting

an investigation into Buhman's refusal to prosecute because he appears to be actively protecting corruption in my city.

If Beau Babka, a former Cottonwood Heights police officer, can be charged with two third-degree felonies for using his government-issued credit card to make \$48.17 worth of personal gas purchases, I know you can find something in my city's \$42k worth of food purchases that is prosecutable, especially since I've already done the hard work of compiling the credit card data and highlighting some of the most egregious transactions.

This nation is a nation of laws but if the laws of the land don't also apply to government officials, the republic will eventually die. My government employees need to know there are consequences for breaking the law or else they will keep doing it.

I would like a written response to this appeal as soon as possible because I believe every Utahn deserves to know in your own words where you really stand when it comes to public corruption.

One frustrated watchdog,

Sam Allen
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eagleshare.org

Of course, neither the Utah County Attorney's Office nor the Attorney General's Office ever prosecuted anyone for the illegal credit card transactions I had discovered. Nor did they investigate or prosecute anyone for the building fraud scam I also told them about.

Eagle Mountain's Developer Utopia

Out of frustration with their lack of integrity, I conducted my own private investigation over the next year into Eagle Mountain's fraudulent building activities and compiled a 57-page report to document my findings.

Eagle Mountain's Developer Utopia--Building Codes Optional, Profits Extra-Rich
<http://eagleshare.org/dev-utopia>

It's pretty obvious from this report that Eagle Mountain has some serious corruption issues at City Hall that include the city's top executives, including the city's legal counsel.

FBI Public Corruption Complaint

Since Attorney General Sean Reyes refused to investigate or prosecute anyone in Eagle Mountain, I then filed an official complaint with the FBI on October 11, 2016 to alert them to the public corruption in my city and state. Here is the text of my letter:

Agent Eric Barnhart
Special Agent in Charge
FBI Salt Lake City Field Office
5425 West Amelia Earhart Drive
Salt Lake City, UT 84116

Dear Agent Barnhart:

I am a blogger that has been writing about government corruption in Eagle Mountain, Utah for about four years now and I have recently uncovered what I believe to be a multi-million dollar, government-sanctioned, building and development fraud operation. I believe our city's building department, with the full knowledge of the city's administrators, has been intentionally putting the health and safety of residents at risk by not requiring local developers to follow all of the city's building codes.

When I first became aware of the true scope of the problem--thanks to an indiscreet conversation a former city inspector had with a friend--I took my complaint directly to Attorney General Sean Reyes' public corruption unit (SIPCU) and offered to walk them through the evidence I had gathered to-date. But Nate Mutter, the section chief, declined my invitation and referred me back to my local sheriff's office as if it could or would do anything about it.

My city's developers may be making tens of millions of dollars in illegal profits by cutting corners on their projects, and my AGs office isn't even interested. I don't want to believe it but I think Attorney General Sean Reyes may be involved in developer-related corruption just like his predecessors.

If you would like more information about my city's building and development fraud activities, please read my latest report, "Eagle Mountain's Developer Utopia--Building Codes Optional, Profits Extra-rich." You can find it here: eagleshare.org/dev-utopia

We would really like your help in making our city a safer place to live because our city, county, and state officials have shown absolutely no interest in prosecuting government corruption in Eagle Mountain. Please let me know if you can assist us with this matter or if there is someone else who can.

If you could also acknowledge receipt of this complaint, I would very much appreciate it.

Kind regards,

Sam Allen
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eagleshare.org

Conclusion

Utah's two previous Attorney Generals, John Swallow and Mark Shurtleff, which each indicted for multiple felonies tied to developer-related corruption. And Governor Gary Herbert, a former real-estate professional who has close ties to the state's developer community, appointed Sean Reyes to succeed them.



Source (9-28-2016): <http://votesmart.org/candidate/campaign-finance/50344/gary-herbert>

And after being appointed attorney general, Sean Reyes refused to investigate, let alone prosecute, any of the government officials in my city for any of the crimes I documented. This has directly endangered the health and safety of the city's residents by allowing dangerous building practices to continue.

Doesn't it make you wonder what these two politicians might be receiving for protecting Eagle Mountain's developer-related corruption?

[end]