



L.A. County Assessor John Noguez hit with more felony charges



Los Angeles County Assessor John Noguez appears in court in April. Noguez took a leave of absence in June 2012 after the arrest of one of his deputies in a alleged bribery scheme. (Irfan Khan, Los Angeles Times)

By JACK DOLAN AND RICHARD WINTON

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Los Angeles County Assessor John Noguez and tax consultant Ramin Salari, who are accused of orchestrating a wide-ranging pay-to-play scheme, were hit with a dozen new felonies Monday charging them with illegally lowering taxes on three more commercial buildings.

Both men pleaded not guilty to the new charges, which include grand theft and embezzlement, and have denied wrongdoing since their arrests in October 2012. Prosecutors say Salari paid hundreds of thousands of dollars in bribes over the years to get Noguez and two of his deputies to illegally lower property taxes for his clients.

Prosecutors said Monday that the total loss to the county from the long-running scheme is more than \$10 million in tax revenue.

Despite the charges, and five months in jail while trying to raise money for his \$1-million bail, Noguez remains the assessor of Los Angeles County, an elected position that makes him responsible for setting the taxable values on more than a 2.5 million pieces of real estate, the largest local tax roll in the country.

Noguez took a leave of absence in June 2012 after the arrest of one of his deputies, but he continues to receive his roughly \$200,000 county salary. He cannot be removed from office unless he is convicted of a crime or a new assessor is elected. The next election is scheduled for November 2014.

A preliminary hearing in the criminal case is set for Jan. 30, 2014.

Noguez's attorney did not return a call requesting comment.

In addition to the new grand theft and embezzlement charges, Salari was also charged with three new counts of tax evasion for allegedly failing to file complete California tax returns from 2010 to 2012 for his firm, Assessment Appeals Services.

Salari's attorney, Mark Werksman, said his client filed state taxes in California and Arizona, where he lives, and followed the advice of a professional tax preparer. Werksman said he was "mystified" by the new charges, calling them "indecipherable gibberish".

The three commercial buildings listed in the new charges, all on South Broadway near 6th Street in downtown Los Angeles' Jewelry District, received a combined \$7 million in assessment reductions between 2006 and 2009, public records show.

"There's nothing we have at this point that shows [the owners] knew the properties were being reduced illegally," Deputy Dist. Atty. Craig Hum said. A management company that owns two of the buildings did not respond to a request for comment.

The normally off-the-radar assessor's office came under intense scrutiny in February 2012 after employees started complaining that they were pressured to lower property taxes for Salari's clients.

One complaint came from appraisers who resisted reducing the assessed value of one such property from \$44 million to \$30 million. Noguez allowed Salari to go to the office, where he berated those employees "in a condescending and bellicose tone," prosecutors said. It was highly unusual for a private tax consultant to be invited to such a meeting. Assessor's office staff called the incident "Black Tuesday."

Prosecutors say the meeting demonstrated the "strategic alliance" between Noguez and Salari, who is paid a percentage — in some cases 50% — of the tax reduction he wins.

District attorney investigators searched Noguez's Huntington Park home in April 2012. They found what they characterized as a list from Salari of 18 properties whose values he wanted reduced. The assessor's office made good on nearly all of Salari's requests, prosecutors said.

Bank records also showed \$180,000 in personal checks from Salari to Noguez in 2010. The two men have described the checks as loans, but prosecutors say Noguez made no effort to pay the loans back until Los Angeles Times reporters started asking questions about possible misconduct at the assessor's office in early 2012.

Prosecutors say the checks were bribes.

Former assessor's office employee Scott Schenter, who is also charged in the alleged scheme, took at least \$275,000 in bribes from Salari to lower values of homes and businesses over the years, prosecutors say. Around the time of Noguez's election, in November 2010, Schenter is accused of shaving \$172 million from the assessed values of Westside properties in the hope that their owners would contribute to Noguez's campaign. Many of those owners were Salari's clients, records show.

Developers who bought the property of the closed Old Spaghetti Factory in Hollywood also got illegal reductions, as did property owners in Santa Monica, Hermosa Beach and Torrance, according to court documents.

With the new charges, Noguez, 48, faces up to 50 years in prison if convicted on all counts. Salari, 50, faces up to 75 years, prosecutors said.

jack.dolan@latimes.com

richard.winton@latimes.com

Times researcher Sandra Poindexter contributed to this report.



Jack Dolan

[Twitter](#) [Instagram](#) [Email](#) [Facebook](#)

Jack Dolan is an investigative reporter for the Los Angeles Times. A winner of several national investigative reporting awards, he was a finalist for the Pulitzer Prize in 2001 for a series revealing the doctors with the worst disciplinary histories in the country, using records the federal government sought to keep secret. He began his newspaper



Richard Winton

[Twitter](#) [Instagram](#) [Email](#) [Facebook](#)

Richard Winton is an investigative crime writer for the Los Angeles Times and part of the team that won the Pulitzer Prize for public service in 2011. Known as [@lacrimas](#) on Twitter, during 25 years at The Times he also has been part of the breaking news staff that won Pulitzers in 1998, 2004 and 2016.

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