MEDIA ADVISORY FOR: Tuesday, April 18, 2017

Contact: Coral Itzcalli, (213) 321-7332

On Tax Day, Riverside County Employees and Residents Condemn the County's Potential $119 Million Waste of Taxpayer Dollars; Demand Riverside County CEO Jay Orr Renegotiate Toxic Bank Deal

Toxic Swap with Wells Fargo Could Drain County Coffers Up to $69.4 Million in Excessive Fees over Life of Deal; KPMG and Huron Consulting Bagged $49.6 Million in Sweetheart Contracts

Riverside, CA—As taxpayers throughout the County race to meet their tax obligations, Riverside County employees represented by SEIU Local 721 and community advocates will gather on the steps of the Riverside County Board of Supervisors to condemn the up to $119 million in taxpayer money that could be wasted by the County's leaders.

A whopping $98.6 million has already been drained from the County's tax coffers in lucrative consulting contracts and a toxic "interest rate swap" deal entered into in the year 2000. Riverside County residents and workers demand that County CEO Jay Orr step up to protect taxpayer dollars from Wall Street's greed.

Who: **SEIU Local 721 Members, County Residents and Community Advocates**
What: **Tax Day Press Conference Calling Attention to County's Potential $119 Million in Revenue Waste**
When: **Tuesday, April 18, 2017 at 10 A.M.**
Where: **In front of Riverside County Board of Supervisors at 4080 Lemon St., Riverside, CA 92501**

In the "swap deal," approved by a body of the Board of Supervisors that included Supervisor John Tavaglione, the County was sold on the idea of an interest rate swap as a means of achieving a lower "synthetic" fixed rate that could be achieved by issuing plain vanilla fixed-rate bonds. Riverside County was not alone in being duped into these swap deals; other municipalities like the City of Richmond, the City of San Francisco and Jefferson County in Alabama also made similar dealings.

As a result of entering into this bad deal, the County has already paid $48.9 million in excessive fees and is on the hook for up to $20.5 million more until the deal ends in 2032, totaling a possible $69.4 million in wasted taxpayer money. At the time the County considered this deal, it could have issued variable rate debt with no swap and saved up to $69.4 million in bank fees over the life of this bad bank deal.

Unlike Riverside County, the City of Richmond, the City of San Francisco and Jefferson County in Alabama have all successfully renegotiated the terms of their bank deals. To date, there is no record of Riverside County CEO Jay Orr attempting to renegotiate the toxic swap deal with Wells Fargo in order to save million that could be used for critical County services. The CEO must demand that Wells Fargo either reduce the County's synthetic fixed rate or allow the County to end the deal with no termination fee.

The Tax Day Press Conference arrives just weeks after County employees and community advocates delivered thousands of petitions to the Board of Supervisors pleading with them to put a stop to the cuts in services being proposed at the bargaining table. The coalition will be making the call for CEO Jay Orr to renegotiate the bad swap deal as was done around the country.

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