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NEWS RELEASE

MAJOR MONEY LAUNDERING CONSPIRACY UNCOVERED
San Jacinto Elected Officials Among Those Indicted

RIVERSIDE – On November 12, 2009, a 155-count indictment against nine people was unsealed revealing massive corruption among elected officials in San Jacinto, along with their friends, family members and business connections.

“These illegal activities threaten the integrity of our democracy,” said District Attorney Rod Pacheco. “These elected officials were entrusted with power and misused that power to advance their own political ambition and to satisfy their greed.”

Steven Russell Holgate, 62; James Williams Ayres, 48; Nancy Jo Ayres, 44; Byron Jerry Ellison Sr, 70; Jimmie Dale Stubblefield Jr, 41; John Richard Mansperger, 41; Scott Douglas Shaul, 45; Robert Edward Osborne, 69; and James Walter Potts, 67, have been named in the 155-count indictment.

The indictment, which includes 56 felonies and 99 misdemeanors, lists each of the nine defendants and their respective counts. Four of the five San Jacinto City Council members have been included in the indictment. They are Mayor Dale Stubblefield, Vice Mayor John Mansperger, Councilman James Ayres and Councilman James Potts.

On April 14, 2008, the Riverside County District Attorney’s Office received information that set forth various improprieties in the activities of San Jacinto City Councilman James William Ayres. In the following month, an investigation was commenced to review and verify the accuracy of the allegations set forth in the letter. Over the next 18 months investigators prepared and executed 32 search warrants including search warrants on the residences of San Jacinto Council Members Ayres, Mansperger and Stubblefield.

At the conclusion of the investigation it was determined that the council members and various campaign contributors had been engaged in a conspiracy to launder campaign funds into campaign committees which include those of Nancy Jo Ayres for San Jacinto Unified School District board of trustees and the 2006 primary election for James Ayres in the 65th Assembly District.

The conspiracy was designed to avoid the disclosures mandated by the Fair Political Practices Act and to avoid campaign contribution limits. The investigation further disclosed improprieties in the financial relationship between Stephen Russell Holgate, James William Ayres and Nancy Jo Ayres. Several other people played key roles at various stages of the inappropriate financial dealings.

The case, RIF153642, is being prosecuted by Supervising Deputy District Attorney Michael J. Cabral and Senior Deputy District Attorney Deborah Lucky.

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