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FILED
SUPERIOR COURT
SAN BERNARDINO COUNTY
JUL 30 2007
BY: [Signature]

FSB 1101877

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

NEILAND KENNETH DERRY
(DOB: 01/24/1969),

Defendant.

Case No.
FELONY COMPLAINT

The undersigned, certifying upon information and belief, complains that in the County of San Bernardino, State of California, defendant did commit the following crime(s):

COUNT 1 (Pen. Code, § 118)
Perjury

On or about July 31, 2007, in the County of San Bernardino, State of California, NEILAND KENNETH DERRY, being a person who testified, declared, deposed and certified under penalty

1 of perjury in a case in which such testimony, declaration, deposition, or certification is permitted
2 by law under penalty of perjury, did unlawfully and willfully state as true a material matter which
3 he knew to be false, and delivered such testimony, declaration, deposition and certification with
4 the intent it be published as true, to wit: that the information within the Recipient Committee
5 Campaign Statement, Fair Political Practices Commission Form 460, for Neil Derry for
6 Supervisor was true and complete, and by omitting, a material matter, that he received \$5,000
7 from Arnold Stubblefield-Highland Town Shops, in violation of Penal Code section 118, a
8 Felony.

9 **COUNT 2 (Pen. Code, § 115)**

10 **Offering False or Forged Instruments for Filing**

11 On or about July 31, 2007, in the County of San Bernardino, State of California, NEILAND
12 KENNETH DERRY did unlawfully and knowingly offer a false or forged instrument for filing,
13 registration, or recordation in a public office within the State of California, which instrument, if
14 genuine, was entitled to be filed, registered, or recorded under the law of the State of California, to
15 wit: the Recipient Committee Campaign Statement, Fair Political Practices Commission Form
16 460, for Neil Derry for Supervisor, in violation of Penal Code section 115, a Felony.

17 **COUNT 3 (Govt. Code, § 84302)**

18 **Failure to Report Contribution**

19 On or about July 31, 2007, in the County of San Bernardino, State of California, NEILAND
20 KENNETH DERRY did knowingly and willfully fail to include in his Recipient Committee
21 Campaign Statement, Fair Political Practices Commission Form 460, the full name and street
22 address, occupation, name of employer, or principal place of business of a contributor or
23 intermediary, to wit: Arnold Stubblefield-Highland Town Shops, in violation of Government Code
24 section 84302, a Misdemeanor.

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27 ///

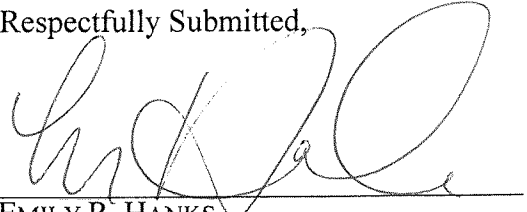
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1 REQUEST FOR DISCOVERY

2 Pursuant to Penal Code section 1054.5, subdivision (b), the People are hereby informally
3 requesting that defendant's counsel provide discovery to the People as required by Penal Code
4 section 1054.3.

5 I declare under penalty of perjury that the foregoing is true and correct and that this
6 Complaint consists of Three Counts. Executed this 25th day of April, 2011, at San Diego,
7 California.

8 Respectfully Submitted,

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11 EMILY R. HANKS
12 Deputy Attorney General
Attorneys for the People

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DECLARATION OF PERSONAL SERVICE

Case Name: *People v. Neiland Kenneth Derry*

Case No.:

I declare:


I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is: 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266.

On April 26, 2011, I served the attached **Felony Complaint and Notification Letter** by personally delivering a true copy thereof to the following persons at the address as follows:

Neiland Kenneth Derry
County of San Bernardino
Board of Supervisors
385 North Arrowhead Avenue, 5th Floor
San Bernardino, CA 92415

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on April 26, 2011, at San Diego, California.

Gary W. Schons
Declarant


Signature

1 KAMALA D. HARRIS
Attorney General of California
2 DANE GILLETTE
Chief Assistant Attorney General
3 GARY W. SCHONS
Senior Assistant Attorney General
4 JAMES D. DUTTON
Supervising Deputy Attorney General
5 EMILY R. HANKS
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8 San Diego, CA 92186-5266
Telephone: (619) 645-3196
9 Fax: (619) 645-2191
E-mail: Emily.Hanks@doj.ca.gov
10 *Attorneys for the People*

RECEIVED
JUL 14 2011
BY: [Signature]

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SAN BERNARDINO

15 **PEOPLE OF THE STATE OF CALIFORNIA,**

Case No. **FSB 1101877**

16 Plaintiff,

**DECLARATION IN SUPPORT OF
COMPLAINT**

17 v.

18 **NEILAND KENNETH DERRY,**

19 Defendant.
20

21
22 THE UNDERSIGNED HEREBY DECLARES, UPON INFORMATION AND BELIEF:

23 That I, Shannon Williams, am a Special Agent with the California Department of Justice,
24 Bureau of Investigation and Intelligence, Office of the Attorney General. I have been employed
25 as a Peace Officer/Agent within the State of California within the meaning of Penal Code section
26 830.1(3)(b)[6] in excess of fifteen years, currently assigned to the Attorney General's Special
27 Investigations Team. Prior to my appointment as a Special Agent, I was employed as a Peace
28 Officer with the San Diego Sheriff's Department for approximately seven years, where I

1 participated in numerous criminal investigations. I hold an advanced certificate issued by the
2 Commission on Peace Officer's Standards and Training as well as a Bachelor of Arts degree in
3 Sociology from San Diego State University. Additionally, I have attended classes relating to
4 criminal investigations taught by experienced investigators and prosecuting attorneys. Which
5 include, but, are not limited to: Advanced officer training in officer-involved shootings,
6 interview and interrogation, and financial crimes investigations. I am familiar with California
7 codes related to financial crimes, conspiracy, and the rules of evidence.

8 That a 3-count felony complaint charging Neiland Derry with Perjury, in violation of
9 Section 118 of the Penal Code, a felony; Filing a False Document, in violation of Section 115 of
10 the Penal Code, a felony; and Failure to Report Contribution, in violation of Section 84302 of the
11 Government Code, a misdemeanor, has been issued and is filed here within San Bernardino
12 County with the Clerk of the Court.

13 During the course of my duties, I have read the official files and reports of the San
14 Bernardino District Attorney's Office, Bureau of Investigation, concerning the conduct described
15 below, which contents I believe to be true, and documents seized during the course of the
16 investigation.

17 **DETAILS OF THE INVESTIGATION**

18 Neiland Derry is the elected 3rd District Supervisor for the County of San Bernardino.
19 Arnold "A.H." Stubblefield is a San Bernardino property owner and developer. Stubblefield has
20 told investigators that on May 31, 2007, he wrote a check on a business account of Highland
21 Town Shops for \$5,000 payable to the Inland Empire Political Action Committee ("PAC"), a
22 PAC controlled by then County Assessor and former chairman of the Board of Supervisors,
23 William Postmus. Stubblefield intended to make a contribution to the supervisorial campaign
24 fund of Derry and understood that is where the funds from the \$5,000 check would go.
25 Stubblefield does not remember who told him to make the check payable to the Inland Empire
26 PAC and he had no knowledge of the Inland Empire PAC or who controlled it. Stubblefield
27 remembers either mailing or handing the check to Derry.

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1 Derry told investigators that he contacted Stubblefield during the campaign seeking a
2 contribution. Derry related that Stubblefield told him that for “political reasons” he did not want
3 to show up on campaign reports as supporting Derry, and asked if there was a PAC he could
4 donate to (which was supporting Derry). Derry said he told Stubblefield it was his understanding
5 the Inland Empire PAC was “probably” going to support his campaign. Derry did not remember
6 how he received the Stubblefield check. However, Derry admitted he gave the check to Postmus,
7 who he knew controlled the Inland Empire PAC. Derry admitted his campaign later received
8 contributions from the Inland Empire PAC. Derry admitted that it was “understood” that the
9 Stubblefield funds were to support his campaign.


10 In June, 2007, Derry was at a lunch meeting at a San Bernardino Coco’s restaurant, with
11 Jim Erwin, Mike Richman, Bill Postmus, and Postmus’ associates Dino DeFazio and Adam
12 Aleman. Richman, Aleman and Postmus have told investigators that on that occasion Derry gave
13 Postmus a number of checks made out to the Inland Empire PAC, including the Stubblefield-
14 Highland Town Shop check for \$5,000. Postmus indicated he believed Derry provided checks
15 totaling \$10,000. Postmus did not recall the names of the donors for the additional \$5,000.

16 Postmus told investigators that at the behest of Jim Erwin, who was working on Derry’s
17 campaign, he agreed with Erwin and Derry to “launder” \$5,000-\$10,000 of contributions intended
18 for Derry’s campaign through the Inland Empire PAC. Postmus understood that Derry did not
19 want to receive (and be required to report) these contributions directly to his campaign, and so
20 Postmus agreed with Derry to accept the contributions into the Inland Empire PAC and then to
21 pay out that amount to Derry’s campaign.

22 Political Reform Act (“PRA”) reports and bank records of the Inland Empire PAC reflect
23 that on June 25, 2007, the PAC deposited into its account the May 31, 2007, \$5,000 Stubblefield-
24 Highland Town Shops check. E-mails reflect that Postmus directed the Inland Empire PAC
25 treasurer to draft a check in the amount of \$10,000 to Derry’s campaign on June 28, 2007. Bank
26 records and the Inland Empire PAC PRA reports reflect that the PAC issued a check (#1011) in
27 that amount to Derry’s campaign on June 29, 2007. Bank records reflect that the check (#1011)
28 was deposited into the Derry campaign account on July 11, 2007.

1 On July 25, 2007, Derry signed a Recipient Committee Campaign Statement (Gov. Code,
2 §§ 84200-84216.5) Fair Political Practices Commission ("FPPC") Form 460 under penalty of
3 perjury. On July 31, 2007, the report was filed with the San Bernardino County Registrar of
4 Voters. The report reflected that the campaign received \$10,000 from the Inland Empire PAC on
5 June 30, 2007. The report failed to reflect that the campaign received any amount from
6 Stubblefield-Highland Town Shops.

7 I declare under penalty of perjury that the foregoing is true and correct to the best of my
8 knowledge. Executed in the County of San Diego, California, on this 25th day of April, 2011.

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12 SHANNON WILLIAMS
13 DECLARANT

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