

BUSINESS

Colorado's 10 appointed public trustees resign

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Colorado's appointed public trustees agreed to step down Tuesday, two days after a Denver Post report outlined the questionable spending practices of some of those individuals.

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Gov. John Hickenlooper accepted the resignations of nine of the trustees Tuesday, officials said, and the 10th said she decided Monday to retire.

The resignations are effective in 30 days, and Hickenlooper is expected to name replacements within 45 days, according to Roxane White, his chief of staff.

“The Hickenlooper administration is about good government and reinstalling confidence in the public, and we must get back to a place where that happens,” White told The Post in announcing the resignations. “We are about hiring those who exemplify the good standards of ethical conduct.”

Public trustees are to impartially oversee and administer the state’s foreclosure system, as well as maintain the filing of deeds of trust on properties.

But The Post on Sunday detailed how some had personally benefitted or profited from their position, while in other cases trustee employees received benefits not available to other county government employees.

Resignations were submitted by: Paul Brown in Mesa County; Susie Velasquez in Weld County; Deborah Morgan in Larimer County; Richard Gebhardt in Boulder County; Margaret Chapman in Jefferson County; Ana Maria Peters-Ruddick in Arapahoe County; Thomas Mowle in El Paso County; Nicholas Gradisar in Pueblo County; and George Kennedy in Douglas County. Carol Snyder of Adams County chose to retire, submitting her paperwork on Monday, effective at the end of the month.

From Atlanta, Hickenlooper on Tuesday requested the resignations during a conference call in which all 10 trustees participated. One trustee had suggested resignations might be in order.

Hickenlooper “made it very clear this was an extremely serious issue and wanted a clean start,” his deputy chief of staff Kevin Patterson said.

All 10 trustees — the only public trustees among Colorado’s 64 counties who are hired in that manner — are eligible to reapply for appointment, White said, though it’s unclear if or how many will.

Snyder said she was in the middle of writing a letter telling Hickenlooper of her choice to retire when the conference call came.

“I never said the words ‘I’m resigning’ to anyone,” Snyder, 66, said. “It’s been something I’ve been mulling and mulling for a very long time.”

Three trustees — Mowle, Kennedy and Gebhardt — said they expected to reapply. Others did not return a call.

"I'm going to re-apply because I have absolutely no reason to believe I did anything wrong," Gebhardt said. "I'm still the best person to be public trustee."

Only Kennedy was a first-time appointment by Hickenlooper. Nine others were appointed by previous administrations and reappointed by Hickenlooper last year.

"It just seemed appropriate to suggest resignations," said Mowle, a retired Air Force major. "If we're embarrassing the governor, and if there are doubts, the appropriate thing is to offer my resignation."

The resignations and retirement come after a number of Denver Post stories about the conduct of some of the public trustees, the most recent on Sunday showing how some trustees spent money to benefit themselves or their staff.

Among the examples, Gradisar, an attorney and president of Pueblo County's water board, has been a public trustee since 1985 — though he did not serve during Gov. Bill Owens' administration. For years he's rented office space for the trustee in a building owned by a partnership of which he holds an interest, according to trustee records.

Gradisar said he never revealed the conflict of interest to any governor who appointed him.

Brown last year declared the publication of foreclosure notices an open-bidding process but didn't reveal he'd already signed a contract for the work a month earlier, records show.

Last year, The Post also detailed how several trustees accepted contributions — political and to a nonprofit association they formed — from several foreclosure attorneys and businesses in which they had an interest, all of whom the trustees by law are to oversee impartially.

Many also gave lucrative no-bid contracts to businesses those same attorneys owned.

Those disclosures led to a lawsuit by Colorado Ethics Watch and a determination that the trustees had violated state rules prohibiting the acceptance of gifts. The trustees were admonished and given training on state ethics laws.

"This certainly doesn't solve the issue, which is the patchwork system that's been inherited and not thought through," Ethics Watch executive director Luis Toro said of Tuesday's resignations. "What makes sense is for the legislature to take a look at this and get a single approach for the whole state. We don't need something that's just sat around without attention all these decades."