

Bankrupt Food Vendor Keeps Grinding Out Meatloaf

(continued from cover)

before they started advertising him?" asked a whistleblowing former Chef Mario, Inc. employee quoted on condition of confidentiality. "Mario's claims of experience are so bizarre that they're kind of entertaining. One of his catering websites actually said that he has done black tie formal dinners for former Presidents Regan [sic], Carter, Nixon and Garfield. That kind of says it all. He doesn't even know when to stop lying."

Current advertising flyers created by Caltrans contractor Glass-McClure make the claim that for "over 30 years, Chef Mario has been delighting Hollywood's elite with his culinary creativity and flamboyant style." But Mario's own resume, provided by one of his vendors, shows Northern California residency over the entire period. The closest thing to Hollywood he claims is catering jobs for film crews two years around 1973.

Caltrans managers say that the state did not sign the Chef Mario contract, Amtrak did, and therefore there can be no possible conflict of interest or impropriety. However, one rail staff member has admitted that he was on the selection panel that picked Chef Mario.

Who's Being Investigated?

The whistleblower approached Caltrans a month ago, but agreed to be interviewed after Caltrans apparently disclosed her identity to Chef Mario, Inc. Two days after meeting with Caltrans and telling rail managers about Mario's rodent problems at his restaurant, chronic nonpayment of employees and vendors, and improper handling of employee tax and workmans compensation deductions, she received an e-mail threat from PPS Rail Gourmet Catering carrying the heading "Cease and Desist." Ordinarily cease and desist orders are issued by a judge.

The e-mail begins, "it has come to our attention that you have contacted several of our contract/business associates." Says the whistleblower, "My identity and e-mail address came to their attention because the Caltrans Division of Rail and Amtrak disclosed them to its vendor instead of investigating Chef Mario's fraudulent experience claims, nonpayment of vendors and employees, and workmans comp violations. They seem to be circling the wagons instead of getting to the bottom of this."

According to Caltrans Rail Chief Warren Weber, the western food service manager for Amtrak is not investigating Mario, but the whistleblower. Weber says the Amtrak food manager told him that the whistleblower represented herself as a state employee when talking to him. The whistleblower rejects this claim, and says she said nothing of the sort.

Sole-Sourcing Lives at Caltrans

The practice of sole-source contracting on state projects has been greatly restricted following the Oracle software debacle. The public reaction to the scandal is generally credited with making Governor Gray Davis vulnerable to recall.

However, inside Caltrans Division of Rail, sole sourcing continues unabated. This is because its ties with Amtrak allow its managers to pick vendors yet keep their hands nominally clean by avoiding being the contract managers of record. This swift route around the State Administrative Manual allows managers to direct funds to vendors, yet feel no compunctions about having Chef Mario do the honors for personal banquets.

Sole-source Caltrans contracts finessed through Amtrak have reportedly become a sore subject with Amtrak President David Gunn, after a string of bus feeder, marketing, and public relations contracts have been handed to vendors on projects designed by Caltrans staff without competitive bids.

Audit-Proof Records at Amtrak

One month after a public records act request was filed with the Caltrans Division of Rail, the agency had produced some marketing contracts and bills and 4 of 24 months of e-mail traffic requested. However, it still not provided most requested financial data and contracts regarding Chef Mario.

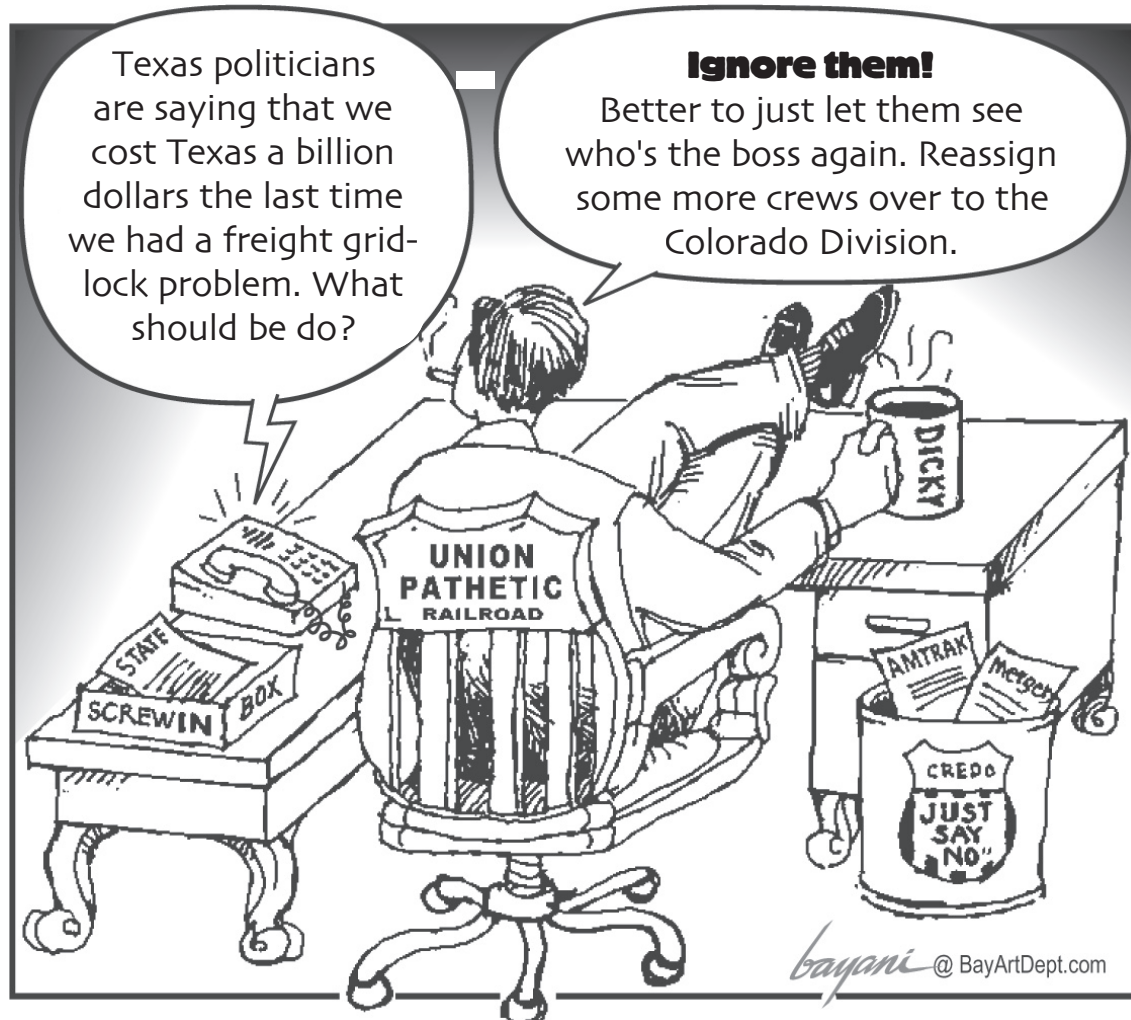
For example, Caltrans has not disclosed how much it pays for the meals that Chef

Mario provides. Unofficially, Caltrans staff says that Amtrak's charter lets it keep business records confidential, and even Caltrans has had trouble obtaining information it wants. The state has not cited this excuse in correspondence to date, and in fact Amtrak has been compelled in some cases to provide financial data. Maintaining the position that the price of meatloaf is privileged might seem frivolous.

The fact that Caltrans still has not produced some records raised eyebrows at TRAC. "Even the High Speed Rail Authority complied with the 10 calendar day rule and provided all correspondence, e-mail, and payment records we requested regarding a range of vendors," said Miller. "We don't understand this behavior."

Chef Mario's ex-employees have no such trouble interpreting what is going on. They claim that Amtrak suits repeatedly had free dinners and entertainment at the now-closed Chef Mario's Island Lighthouse Seafood Grotto, which is only about two miles from the Oakland Amtrak headquarters.

The former Mario employees say the free meals started with a November 2002 negotiation to extend Mario's contract and continued for at least six months afterwards. "Mario may have been able to do that two years ago, but things have changed. They need to wake up and see that Mario is no longer in a position to be such a generous guy anymore," said the whistleblower.



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