

**NORMA J. TORRES**  
35TH DISTRICT, CALIFORNIA

WASHINGTON OFFICE:  
516 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
PHONE: (202) 225-6161  
FAX: (202) 225-8671

DISTRICT OFFICE:  
3200 INLAND EMPIRE BLVD., SUITE 200B  
ONTARIO, CA 91764  
PHONE: (909) 481-6474  
FAX: (909) 941-1362



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

COMMITTEES:  
**HOMELAND SECURITY**  
SUBCOMMITTEES:  
BORDER AND MARITIME SECURITY  
OVERSIGHT AND MANAGEMENT EFFICIENCY  
**NATURAL RESOURCES**  
SUBCOMMITTEES:  
INDIAN, INSULAR AND ALASKA NATIVE AFFAIRS  
WATER, POWER AND OCEANS

November 4, 2015

The Honorable Kamala Harris  
Attorney General, State of California  
1300 "I" Street  
Sacramento, CA 95814-2919

Dear Attorney General Harris:

I write today to raise concerns regarding the Los Angeles County Fair Association (the Association), located in Pomona, California, which is the governing entity for the Los Angeles County Fair, Hotel and Expansion Complex (the Fairplex). I have serious concerns regarding the federal tax status of the Association, which holds a 501(c)(5) exemption intended for organizations engaged in agricultural education, but in recent years the Association has moved away from this purpose. Enclosed please find a letter addressed to Internal Revenue Service (IRS) Commissioner John Koskinen which details specific concerns and requests an audit of the organization's federal tax status.

I wish to raise this issue with you because I believe that your office may also have jurisdiction over the state-level conduct of this organization. A recent LA Times article raised many concerns with the Association including: excessive compensation to executives, misuse of funds, a problematic board structure, and a board which seems to have lost its focus on agriculture. I ask that you conduct an investigation and help the Association to restructure so that it better serves the public.

First, the LA Times investigation found that not only has the Association been losing money since 2010, but that in 2013, the organization's Chief Executive received more in bonuses and incentives than the Association paid to the county for year-round use of the Fairplex. The excessive compensation for Association executives stands in stark contrast to its home city of Pomona, which is a predominately minority, working-class city. It has also been reported that the Fairplex has filed taxes to the IRS for receipts unrelated to its nonprofit purposes in an amount nearly equal to the Association's revenue from the fair.

I also am concerned with the independent operating nature of the Association. The Association falls outside the purview of any county or state government entity, which is unusual for most major fairs in California. Having a private nonprofit manage the fair instead of a government organization is supposed to provide added benefits to taxpayers. However, as previously stated, the Fair has lost money every year that has been reported since 2010. Additionally, the

Association consists of 60 members, including an 11-member board of directors. The Association's members annually elect its board of directors, and in return, the board of directors selects the Association members.

As described in the enclosed letter to the IRS, I also have serious concerns that the Association and its board have lost their focus on the betterment of the region. In addition to the annual LA County Fair, the fairgrounds have recently hosted huge concert events and raves which the residents, traffic patterns and local law enforcement are not equipped to handle. At two separate events, hundreds of young people were arrested and two died of apparent overdoses.

I also request that you investigate whether a tax burden is being shifted from the Association to the local residents, City, County, and State. When the Association uses its tax status as a nonprofit to avoid paying taxes but is no longer providing a public service, it is effectively withholding money from local schools, the county, and the cash-strapped city of Pomona. One specific example of the direct cost of the mismanagement by the Association to taxpayers is in the need for construction of a new Emergency Vehicle Operations Center (EVOC) in the county. The Los Angeles County Sheriff houses its EVOC on Fairplex grounds which should benefit the County, providing a location to train law enforcement in safe and effective driving techniques at the fairground's motor race track. However, the Sheriff's Department has said that it does not have enough access to the EVOC because of the fair and other events held on the grounds, forcing the LA County Board of Supervisors to approve a plan to build a new, \$10.5 million EVOC at taxpayer expense.

The Association's mismanagement is affecting the daily lives of citizens in Pomona as well as across the region and I appreciate your swift attention to this matter. I ask that you move quickly to conduct an investigation into the Association's conduct, and press the organization to work with your office and the IRS to migrate to a new structure that will provide a long term benefit for the citizens of Los Angeles County and the region.

Thank you for your attention to this important request. If you have any questions, please contact my Legislative Director Grant Kerr at 202-225-6161.

Sincerely,



Norma J. Torres  
Member of Congress

Enclosure

cc: The Honorable Hilda Solis, LA County Board of Supervisors