Davis, top aides scramble to avoid onus for Oracle contract debacle

By Dan Walters -- Bee Columnist
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It's amusing, in an appalling sort of way, to watch Gov. Gray Davis and his top aides scramble to shun responsibility for the Oracle Corp. computer software scandal.

This is, after all, a governor who has boasted that he controls virtually every decision made in his administration -- who, in fact, has profanely berated underlings who did something without his approval.

It stretches credulity to the snapping point for Davis' spinners to insist that the governor was completely unaware that his administration was signing a massive software deal with Oracle, especially because Oracle delivered a $25,000 campaign contribution to the Democratic governor's treasury just days after the contract was signed.

The $95 million contract, for software that few in state government apparently wanted in the first place, first surfaced in a San Jose Mercury News article, and a couple of weeks ago, the state auditor's office issued a scathing report, suggesting that rather than saving money, as Oracle has claimed, the software may wind up costing the state many extra millions of dollars.

The audit report touched off the finger-pointing scramble. During a Legislative Audit Committee hearing, heads of three state agencies disclaimed responsibility for evaluating the software, each saying that he assumed that someone else had done it.

Subsequently, the least politically secure of the three, General Services Department Director Barry Keene, was sent packing. Keene is a former state senator whose erratic personality and lack of administrative experience ill-suited him for the job in the first place. Making Keene the sacrificial lamb (Keene suggested that his marital woes may have contributed to his attention deficit) suited Davis better than dumping Finance Director Tim Gage, whom Davis needs to get through the state budget crisis, or Elias Cortez, who heads the Department of Information Technology.

Cortez would be the more appropriate official to hold responsible for the Oracle debacle because his department was created to guard against such expensive technology mistakes, but Davis had already fired several high-ranking Latino officials and could ill-afford another incident, especially because the Legislature's most vociferous guardian of Latino affairs, Sen. Richard Polanco, was supporting Cortez.
The question remains, however: What did Davis know and when did he know it? Claims of gubernatorial ignorance are undercut by revelations that one of Davis' closest aides, Susan Kennedy, signed off on a memo summarizing the contract. Keene, in fact, testified that Steve Nissen, the head of Davis' reinventing government initiative, had urged him to speed up the contract. A few months later, Nissen left the administration for a position with a Los Angeles law firm, headed by former national Democratic Chairman Charles Manatt, that also represents Oracle in the software dispute.

Despite all of this, the governor's official mouthpieces insist that Davis knew nothing of the pending contract and that there is no connection between it and the hefty campaign contribution.

Audit Committee Chairman Dean Florez, a Democratic member of the Assembly from Fresno, commendably resisted pressures to avoid embarrassing the governor. Florez wants to schedule additional hearings on the debacle, and it will be interesting to see if Herb Wesson, the newly minted Assembly speaker, sanctions a wider probe. Wesson is a Davis loyalist who also received a $10,000 contribution from Oracle last year.

Davis, as part of his effort to deflect attention from himself, says he wants Attorney General Bill Lockyer to investigate what happened. But Lockyer received a $25,000 check from Oracle less than a month after the contract was signed last May, and leaving it to Lockyer is a surefire way to keep the matter bottled up until after the election.

The Legislature should pursue this matter vigorously -- as vigorously as it did the scandal enveloping former Republican Insurance Commissioner Chuck Quackenbush -- but if it is unwilling to do so, perhaps the U.S. attorney's office should be brought into the case.