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Issa was charged in San Jose car theft - Lance Williams and Carla Marinucci, Chronicle staff writers Wednesday, June 25, 2003



Republican Rep. Darrell Issa, the driving force behind the effort to recall Gov. Gray Davis, was prosecuted with his brother in San Jose in 1980 for allegedly faking the theft of Issa's Mercedes Benz sedan and selling it to a car dealer for \$16,000, according to court records.

Issa, in a phone interview with The Chronicle Tuesday, blamed his brother for the car theft, which was detailed in documents on file in Santa Clara County Superior Court and which has never been made public.

"I do not steal," Issa said.

The second-term San Diego area congressman has pumped \$1 million into the campaign to recall Davis and has declared he will run for governor should the recall qualify for the ballot this year. Issa's previous political campaigns have been roiled by allegations that twice -- once while a student in his hometown of Cleveland and once while a soldier in Pennsylvania -- he also was involved in car thefts.

In the San Jose case, Issa, who at the time was a 27-year-old U.S. Army officer, and William Issa, 29, were arrested by San Jose police on a felony auto-theft charge in February 1980.

They were accused of a scheme in which Issa's brother allegedly sold Issa's cherry-red Mercedes 240 to Smythe European Motors in San Jose for \$13,000 cash and three \$1,000 traveler's checks. Within hours, Issa reported the car stolen from a lot at the Monterey airport, near his Army post at Fort Ord.

Issa and his brother pleaded not guilty. A judge ordered them to stand trial on felony charges, saying he had a "strong suspicion" that the men had committed the crime, according to the records.

CASE DISMISSED

But in August 1980, a prosecutor dismissed the case for lack of evidence. The men later were charged with misdemeanors, but that case was not pursued, said retired police detective Richard Christiansen, lead investigator in the case.

Issa, 49, became a multimillionaire manufacturer of electronic auto alarms, including the popular "Viper" anti-theft device. "When people ask me why I got into the car alarm business, I tell them the truth," he said in a statement to The Chronicle. "It was because my brother was a car thief."

He was elected to Congress in 2000 from the San Diego County town of Vista after losing a bruising, high-profile campaign for the Republican nomination for the U.S. Senate in 1998.

In those campaigns, Issa denied allegations of car theft and sought to blame political opponents, including U.S. Sen. Barbara Boxer (D-Calif.) for planting news stories about the allegations to discredit him.

"They can't beat us on a good stand-up-for-families, stand-up-for-law-and-order type agenda," he told the Riverside Press Enterprise during his 1998 Senate Race. "They have to do it with lies in the last minute of the campaign."

THE BEARDED LIEUTENANT CAPER

The San Jose case began on Dec. 28, 1979, when a bearded man identifying himself as "Lt. Darrell Issa" and using Darrell Issa's Ohio driver's license for identification drove up to Smythe European Motors on Stevens Creek Boulevard in a new Mercedes and said he wanted to sell it.

In a preliminary hearing, salesman Norris Poulsen testified that the driver -- police contended it was Issa's brother, using Darrell Issa's driver's license for identification -- agreed to take \$16,000 for the car. Then he asked for a ride to a nearby Bank of America branch.

There, the driver obtained \$13,000 cash and three \$1,000 travelers' checks, said teller Marcela Lawrence.

Meanwhile, according to the records, Darrell Issa had called police, saying that upon his return from a Christmas vacation in Ohio he had discovered his Mercedes was missing from the parking lot at the Monterey airport. The car's pink slip had been locked in the trunk, Issa told police.

Police investigated the case for two months, records show. Detective Christiansen testified that he repeatedly had interviewed Issa by phone and had even driven with him from Monterey to the old Fort Hunter Liggett Army base south of Big Sur to distribute a police sketch of the person who had sold the Mercedes.

The detective said he suspected William Issa was the man who had sold the car because he closely resembled the sketch of the suspect. He began to suspect Darrell Issa also was involved because some of his statements seemed unbelievable or inconsistent, he said.

Christiansen said that at first, Darrell Issa had denied he had recently gotten a new driver's license. But later, the detective said Issa acknowledged that while in Ohio he had obtained two new driver's licenses -- one a renewal, the second to replace the first because he didn't like the photo on it.

Issa also said he didn't recognize the composite sketch but wanted to send a copy of it to his mother to see if she knew the man. Christiansen said he found that unbelievable. The sketch was "absolutely dead right on the brother, and how anyone in the family could fail to recognize him I couldn't understand," he said in a phone interview.

In legal papers, prosecutor Donald Mulvey contended that "Darrell falsely reported the theft of his vehicle at a time when he was aware that (William) had sold the vehicle to the dealership." The prosecutor also said Darrell Issa had tried to mislead police about his brother's role in the theft.

BROTHER NOT REACHED

Efforts to reach William Issa Tuesday were unsuccessful.

Issa told The Chronicle that he believed police had targeted him because "they always thought I was not coming clean enough essentially to (help them) prosecute my brother." He blamed his brother for the San Jose arrest.

He said he couldn't answer every question about the case because "it's been enough years that I don't remember any level of details like that." But he denied complicity in the crime, saying, "It is impossible to believe that anyone would be stupid enough to steal a car and sell it under their own name."

Issa said he never tried to conceal his San Jose arrest. He said his campaign managers had advised him not to discuss it unless he was asked about it.

The Cleveland arrest "came out in the first election, and I asked my own people, 'Should we tell them about the other one?' " Issa said. "They said, 'No, they'll bring it out.' "

In court, defense lawyer William McCrone argued that Issa's statements to police should be thrown out because he hadn't been given a Miranda warning.

The lawyer also wanted the case dismissed because he said Issa's right to a speedy trial had been violated. He said that while the case was stalled, Issa had left the Army and obtained a job with a "major oil company," which fired him when it learned of the theft allegation.

William Issa's attorney contended that no crime had been committed because Darrell Issa had offered to buy the Mercedes back from the dealership for more than the amount it had paid.

The court rejected the arguments. But in August 1980, when the case was called for trial, the DA's office chose not to proceed, Christiansen said .

"Most auto thefts are fairly easy, but this one is obviously a lot more involved," he said. He said he had persuaded the district attorney's office to re-file the case as a misdemeanor, but it was never prosecuted.

ANOTHER CASE IN '72

The San Jose case was the second time that Issa and his brother were allegedly involved in car theft.

In 1972 Issa, then 19, was indicted with his brother William on a charge of felony grand theft for allegedly stealing a red Maserati sports car from a car dealership in Cleveland, court records show.

The case was dropped. When the Los Angeles Times reported on it in a 1998 story, Issa told the newspaper he had been wrongly implicated because his brother William had an arrest record.

"I was exonerated of all wrongdoing. My brother went on to have a long and sordid career," he told the Times. "I am not my brother. I am not my brother's keeper."

In the third incident, a retired Army sergeant claimed that in 1971 Issa, then an enlisted man, had stolen a Dodge sedan from an Army post near Pittsburgh. The allegation was published in a 1998 story in the San Francisco Examiner. It quoted the retired sergeant as saying he had recovered the car after confronting Issa and threatening him. Issa denied the allegation, calling it reckless, the newspaper reported. No charges were filed.

When his opponent in the 2000 campaign for Congress raised the same auto-theft allegations, Issa denounced them as lies, according to press accounts.

Issa, who was re-elected to Congress last year, has emerged as a major player in state politics by becoming the main financial backer of the drive to recall Davis.

Issa founded Rescue California, a pro-recall organization, and has donated \$1 million of his own money through Greene Properties, a real estate firm he owns with his wife.

The funds pay for a statewide network of professionals who aim to gather the needed 900,000 valid signatures to put the recall on the ballot.

Issa has launched his own campaign for governor and is campaigning around the state, while insisting the required number of signatures will be submitted to county registrars by mid-July.

If he makes his goal, the matter could go before the voters later this year.

But Issa said Tuesday he believed the accusations, though in the public record, had surfaced as an attempt to derail his political plans.

"I don't think this was fair game" on the part of his political opponents, he said, adding they were "looking for things other than legitimate policy issues to go after."

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