For Issa and Recall Drive, Long Shot May Pay Off

By Rene Sanchez Washington Post Staff Writer Tuesday, July 8, 2003; Page A01

DEL MAR, Calif. -- He is being denounced by Democrats as a right-wing zealot orchestrating a coup. Even some of his Republican allies are worried that the one-of-a-kind campaign he is bankrolling will backfire. And almost every time he encounters reporters, he has to deny he's a thief.

But when Rep. Darrell Issa (R-Calif.) came bounding into a county fair here last week, beckoning disgruntled voters to join a recall movement against Gov. Gray Davis (D) that is engulfing California in turmoil, he was swarmed with thanks and praise.

"Hope this works for you," said one man, who shook his hand.

"It's going to work for all of us," Issa replied.

"He's telling it like it is!" cheered another man. "This state is in so much trouble, it's ridiculous."

Issa basked in the support -- until a gang of hecklers showed up. "Release your criminal records!" they screamed. Then cameras turned away from him to zoom in on their signs: "You Can Steal Cars. But You Cannot Steal Our Vote."

So goes California's surreal summer. The Golden State is broke, drowning in a record \$38 billion deficit. Davis, who was elected to a second term in November, is suddenly at risk of being removed from office. Issa is caught up in the growing frenzy like no one else -- writing fat checks to stoke and organize public unrest, and under attack from forces that fear he is pushing California to the brink of a political meltdown.

He is a junior House member barely known outside the San Diego suburbs he represents. He's a staunch conservative in a state that liberal Democrats dominate. He's a high school dropout who became a multimillionaire selling car alarms -- and who has been arrested twice as an adult on charges of auto theft.

There's nothing new about a rich man trying to be a political king in California. But Issa, 49, is not simply running in an election. He is on the verge of creating one.

Only weeks ago, the recall drive that a small band of Republican activists launched against Davis earlier this year looked as dead as all of the other 31 attempts political gadflies have made to throw California governors out of office during the past century. Then Issa, whose fortune is estimated at more than \$100 million, stepped in with cash.

He hired respected political consultants and assembled an army of petition gatherers to search for voters angry with Davis. That was not difficult. Polls show the

governor's approval ratings have plunged to 21 percent amid California's fiscal crisis, which has paralyzed the legislature and forced the state to make deep cuts in education and health care, and triple taxes on vehicles.

The recall group that Issa is leading, Rescue California, has turned in nearly 400,000 voter signatures to state officials. But he is promising that the tally will eclipse 1 million as early as this week -- and political strategists in both parties say they no longer doubt his word.

Issa needs about 900,000 voter signatures to force the nation's first recall election of a governor in more than 80 years. It could be held as early as this fall -- and cost the state \$30 million. Polls suggest Davis could lose.

If a recall election occurs, it would be nothing like any California voters have ever seen. First, they would be asked whether Davis should be recalled. Then, on the same ballot, they would be asked to choose a new governor. Candidates would need only a small number of signatures to qualify for the special ballot, and there would be no primaries to whittle the field. The winner would need only a plurality of votes, not a majority, and would take office the next day.

So far, Issa is the only declared candidate for such a race, although several other prominent Republicans, including film star Arnold Schwarzenegger, are hinting they may run. Issa has spent more than \$1 million promoting the recall and his gubernatorial campaign.

He is accusing Davis of grossly mismanaging state government and deliberately concealing the size of the budget deficit when he ran for reelection last fall, a charge the governor denies. He also is telling anxious voters that California's economy, one of the largest in the world, is on a road to ruin.

"We have a governor so ineffective he's dangerous," Issa said during his stop last week in this beach town just north of San Diego. "All he does is overspend and then says to the people that we need more tax increases."

Issa was elected to Congress in 2000, two years after spending \$10 million on a Senate campaign that fizzled in the Republican primary. He has close ties to the Bush White House, which has dispatched him several times in recent months on diplomatic missions to the Middle East because his family's roots are in Lebanon. But President Bush has taken no position on the recall campaign.

Some Republican strategists say the recall is too risky because a Democrat more formidable than Davis could end up on the ballot in a special election and win -- and the last thing they need is another defeat. Republicans hold no statewide offices in California.

But other GOP leaders are so furious with Davis -- and so tired of having virtually no power in the nation's most populous state -- they are ecstatic over Issa's audacious step.

"Darrell's got guts," said Michael Capaldi, chairman of the Lincoln Club of Orange County, a prominent Republican group. "This is not a time to stand by and watch the state sink."

Until recently, Democratic leaders had scoffed at Issa's campaign, saying it had little chance of succeeding. Now they are so concerned about its momentum they are rushing to try to convince California's voters that he is a sore loser hellbent on overturning last fall's election, and a reckless ideologue out of touch with the electorate's views on bedrock issues such as abortion and gun control. They also are accusing Issa of failing to account for alleged criminal misconduct in his past.

Issa has been arrested twice on felony auto theft charges. The first time, in 1972, he and his older brother were accused of stealing a sports car from a dealership in Cleveland. But he was not prosecuted.

That incident was widely publicized when Issa first ran for political office. He has told voters that he had nothing to do with the theft, and had been arrested only because he was spotted near the stolen car with his brother, who had a criminal record.

Last month, the San Francisco Chronicle reported that Issa and his brother also had been arrested in San Jose in 1980. In that case, they were accused of faking the theft of Issa's car and then selling it to a dealership. Citing court records, the newspaper said a judge ordered them to stand trial, but prosecutors did not proceed because they believed they lacked evidence for a conviction. Issa has denied involvement in the incident, which he had never disclosed, and again blamed it on his brother.

Davis allies call that assertion dubious. "If there's nothing to this, why did he hide it?" said Carroll Wills, spokesman for a group known as Taxpayers Against the Recall.

Issa also came under criminal suspicion in 1982 when a fire gutted the manufacturing plant of his company, which was based in Cleveland at the time. The blaze occurred shortly after Issa and business associates expanded insurance coverage for the factory.

Investigators reported "suspicious burn patterns" and said the fire may have been set. A company bookkeeper, Karen Brasdovich, also told them that computers and records had been removed from the site days before the fire for no clear reason.

"It was totally out of normal practice," she said in a telephone interview last week.

No one was charged in the case, which the Los Angeles Times detailed during Issa's Senate campaign in 1998. He has said he had nothing to do with the fire and suffered heavy losses from it.

As he courted voters at the county fair here last week, Issa said he was being smeared by allies of Davis desperate to stop the recall. "Many people will be on the ballot, and they're going to sleaze and slime everyone," he said.

He told fairgoers he is a "hard-nosed businessman" who knows how to create jobs and keep companies from fleeing the state. He did not outline how he would solve California's budget crisis, but promised Davis soon would be ousted.

"When you have a situation like this, you call it Enron, you call it WorldCom, and you prosecute the chief executive," he said, and voters passing by who heard him kept stopping to sign recall petitions.

Special correspondent Kimberly Edds contributed to this report.

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