



# "...they are making the planet a better place. It's about stewardship."

-Eric O'Keefe, editor of The Land Report, a magazine that publishes an annual list of top 100 US landowners.

This stretch of Interstate-5 runs in an absolute straight line for 250 coma-inducing miles through an endless expanse of farmland, orchards, arid dirt, howling winds, spooky rural desolation and clouds of airborne fecal matter. It's the main road connecting Northern and Southern California and the trick to navigating it is to set your cruise control to as close to 100 mph as you dare and gun it, eyes peeled for the

Standard Oil, Los Angeles Times owner and super-speculator Harry Chandler, obsessive-compulsive cattle baron Henry Miller... the list goes on and on.

"You could call it Oligarch Valley," our fictional motorist might joke. And he'd be right.

The same small clique of families still owns the place and runs it like their very own banana republic. They commute in on private jets to attend to the business of the day: buying politicians, taking over entire towns, importing immigrant slave labor, organizing astroturf campaigns, picking welfare checks, polluting and generally plundering with impunity... and then off they hop again before the smell of shit gets too strong.

But for all the wealth the region generates for its small low-key aristocracy, Oligarch Valley exists in a perpetual state of third-world buying \$73 million worth of water from a Central Valley family farm. It was enough to sustain up to 30,000 families for an entire year or to fill a kiddie pool the size of San Francisco. And all of it would be shipped down to Victorville, halfway between Las Vegas and Los Angeles, down from the Bay Area through hundreds of miles of California's public aqueducts.

The sale piqued my curiosity. Who the hell was this farmer, and how did he have so much water to spare during a drought?

Most of all it seemed strange that a city would buy water from a private entity. Water, according to California's constitution, is a public resource. So why was the state buying it the way it would order printer paper, cookies and office supplies from OfficeMax? That's the kind of thing Bechtel would do in Bolivia, not here in sunny, liberal tax-and-



sleek black CHP cruisers that prowl the highway.

The 5 bisects the Central Valley, a giant tub 450 miles long and 50 miles wide in the heart of California. It is not a place in which motorists dawdle or on which any sane human mind dwells—and that suits the people who own it just fine. The area along the 5 from Silicon Valley to Los Angeles County is one of the most productive agricultural regions in the United States. The last thing they need is people realizing this and asking themselves, "Hmmm, I wonder who owns all this cow shit?"

The answer to that unasked question is this: a small group of billionaires who can trace their roots back to the landholdings of America's most notorious criminal visionaries and syndicates. They are the heirs and descendants of such old-timey tycoons and firms as the Union Pacific Railroad, John D. Rockefeller's

impoverishment. It rates as one of the poorest areas in the United States, with a disproportionate share of illiteracy, teen pregnancies, birth defects, agri-industrial pollution and rape.

And the flies... the fucking flies.



My interest in Oligarch Valley developed purely by accident: I stumbled onto it blindly after moving into a McTractHome in the subprime desert suburb of Victorville in 2009. I came to Victorville to see what life was like in a post-bubble subprime suburb and discovered that out here in the arid west, massive real estate development and industrial farming were almost always linked.

At the time, California was in the grip of a minor drought and the local water agency was forced to replenish its dwindling supply by regulate California. But the more I learned, the more I realized that Bolivia and California might not be so far apart.

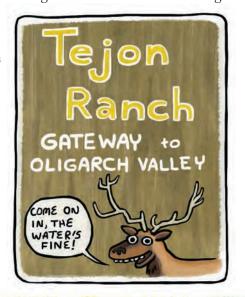
The "farmer" selling the water was a private agriculture and real estate development company called Sandridge Partners. It was based in the Silicon Valley and owned by the Vidovich family. The Vidoviches own cotton fields and almond orchards in the Central Valley, and run a small real estate empire in the Bay Area, complete with office complexes, condominiums, mobile-home parks, hotels and shopping centers. The family's current elder couple—John and Lydia—live in the upscale suburb of Los Altos Hills overlooking San Francisco Bay. Their house is valued at \$11.4 million—remarkable even for the nation's eighth most expensive zip code. Clearly the Vidoviches aren't poor, struggling farmers, and yet the federal government has seen fit to

award them \$11 million in subsidies since 1995, making them one of the biggest welfare-junkie farmers in California.

Still, the Vidoviches were just bit players in California's public water jamboree. A handful of the largest farmers in Oligarch Valley had pulled off a scheme that privatized California's water supply and put themselves at the controls of the state's water market. They used some of that water to fuel real estate developments and some they just sold back to California at ridiculously marked up prices, siphoning millions from state and municipal governments during a severe depression.

Once I had a taste of that story, I knew I needed to get to know Oligarch Valley better. I needed to really get my fingernails dirty and my nostrils filled with the stench of cow dung to figure out who these fuckers

ranching and hunting preserve that sits atop the Tehachapi Mountains, which separate the Central Valley from greater Southern California's metropolitan sprawl. The ranch is about 30 miles north of Six Flags Magic Mountain. Full of swerving



For nearly a century, Tejon provided income, sustenance, private hunting grounds, prestige and vast hereditary wealth to one of Southern California's most powerful oligarch clans: the descendants of Harry Chandler, L.A.'s alpha-oligarch and owner of the Los Angeles Times. But now the land is the hands of a consortium of powerful private equity firms and hedge-fund scammers. And they have a mind to wring huge profits from their investment by remaking Tejon Ranch into a series of sprawling master-planned suburb cities.

Tejon Ranch is the perfect gateway to our journey of discovery through Oligarch Valley. It demonstrates how farmland, privatized water rights and real estate development go hand in hand in the Golden State. It also shows how a small clique of low-key aristocratic families continue to plunder California, all because one of

were. I put in a call to NSFWCORP HQ: I needed a rental car with windows that close tight, a full tank of gas and a dozen or so clean pages in the magazine. In hindsight I should have asked for some bug spray.

#### **TEJON RANCH (EXIT 215)**

In Oligarch Valley, you can drive for an hour at 80 mph along the side of a single oligarch-family farm. And yet, these giant farms are nearly invisible to the general public. That's maybe the most shocking thing of all: these billionaire planation owners have somehow been able to blend into the woodwork, conning Americans by masquerading as small family farmers and selfless stewards of the land. They've gamed us so well that we not only support their land wealth with our hard-earned money, but are grateful for the privilege to do so.

Tejon Ranch is a mixed farm,

big rigs, steep grades and traffic jams, it marks the beginning of the long tortuous drive through the Central Valley. From I-5—at a speed of 80 mph—it doesn't look like much: some sunbaked golden hills, grazing cattle and a couple of gas stations along the

But Tejon Ranch is unlike any other place in California. Even among the vast landholdings of Oligarch Valley's billionaire farmers, it stands out. It's called a "ranch," but it's more like a duchy or fiefdom.

Sitting almost a mile above sea level, Tejon Ranch encompasses somewhere around 425 square miles of land. Ten times the size of San Francisco, it is considered the largest single piece of private property left in California—part private nature preserve, part diversified business containing farming, ranching, oil and gas extraction and real estate development operations.

their ancestors got here earlier than anyone else.



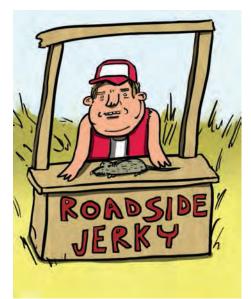
Tejon's size bedazzles every journalist who visits it. "To stand on a windswept hill at Tejon Ranch is to be at once humbled, enthralled, and saddened by vistas that in years past defined California and the West by their plenty rather than their dearth," wrote Edward Humes in the Los Angeles Magazine. East Coast urbanites also love to get poetic with the subject matter, although they seem to prefer a more impressionistic style: "Seen from afar [Tejon Ranch] looks like a swatch of green-and-gold fabric, rumpled here and there in small pleats and gathers, spread over an area six miles long and three miles deep. Behind it rise the Tehachapi Mountains, and if you look closely you can see a glint of silver running

through the landscape: the water of the California Aqueduct flowing south," gushed New York Times magazine contributor Jon Gertner.

And it's true. Tejon Ranch is majestic. But it's also strategic. Just about everything and everyone that travels by land between Southern and Northern California passes through it: people, food, electricity, oil and natural gas pipelines and telecommunication lines. Even the drinking water that keeps Los Angeles and Southern California from dying of thirst passes through Tejon.

Tejon is a choke point in a supply line that serves tens of millions of people. It's also a pristine wilderness, spanning rolling pastures, narrow valleys, streams, grasslands and old oak growth. Wild boars, mountain lions, coyotes and herds of deer and elk roam the land. Nearly one hundred rare and endangered species depend

either side of I-5. There's not much of interest here: a school, a few homes, an ExxonMobil oil pipeline substation and a reconstructed Fort Tejon historical landmark, the site of the



vanquished crescent—adorns a couple of massive signs along the freeway. These signs bear the cryptic message "Tejon Ranch: Preserving California's Legacy." Yeah, "preserving." Good to know that the owners of Tejon Ranch haven't lost their sense of humor.

The paved public road abruptly turned into gravel switchback that climbed up one of the sides of Grapevine Canyon. It was a private road. The shrill "Posted! No Trespassing" signs hanging every 100 feet left no doubt about it. I drove maybe a mile further before hitting a roadblock equipped with security cameras and a dozen even shriller signs plastered everywhere: "Keep Out"..."No Trespassing" ... "Smile You're On Camera" ... "Private Property"...

I pull over and call to a man walking a golden retriever. The man is old, white and decked out in camo. He

on Tejon Ranch's undeveloped land for survival. These include the huge, bald-pated California condor, which was recently saved from extinction by a dicey and painfully slow government program.

But since it's private property, none of this wilderness is accessible to the general public—unless, of course, the general public wants to fork out thousands of dollars for a multi-day Tejon Ranch hunting expedition. Hunting packages go from \$20,000 for a prized Elk buck to \$4,000 for a mere wild boar. They include a private hunting guide and the ability to range far and wide across the Ranch property.

As for everyone else? Well, it's not like you can just come waltzing in uninvited. That's the first thing I find out when I take the Fort Tejon exit off the 5 and decide to explore.

The only public roads in Tejon Ranch run for a few miles along

U.S. Army's failed experiment with using camels. When I stopped at the local convenience store, a guy made me an offer. "If you need a ride into town, I gotta truck. Take you anywhere you need to go," he said, his eyes twinkling. He saw I had my own car. What kind of secret perverted signal was he giving me? I pressed on.

The headquarters of the Tejon Ranch Company is a low-slung building sitting behind a tall hedgerow a few hundred feet away from the freeway. It's closed when I arrive and the parking lot is empty. The scene is peaceful, despite the torrent of cars and big-rigs that flows by just a few hundred yards away. The sun hovers above, throwing glare off the tall glass doors and lighting up the large brass handles, fashioned in the shape of Tejon Ranch's creepy logo: a golden cross atop a golden hill.

The same logo—which some have likened to a cross sitting atop a

paused, considering my question. Then tersely, "This is private property."

To understand Tejon Ranch and how it fits into California's Oligarch Valley, we have to go back to the man whose greed and vision made it all possible: Harry Chandler, L.A.'s notorious O.G. oligarch and owner of the Los Angeles Times.

Harry Chandler attended
Dartmouth and worked as a boy
model in his youth. When he came
down with a lung condition he
moved to Los Angeles from New
Hampshire on advice from his doctor.
Los Angeles didn't just cure Harry, it
gave full scope to his latent talent for
shrewd and vicious speculation.

The young man grasped that real estate, water and news media were California's Holy Trinity. He married the daughter of Los Angeles Times' publisher Harold Gray Otis, bought up real estate on the cheap and then used his newspaper to pimp out Los

Angeles to eager Midwesterners, advertising Los Angeles as the "white spot of America," where decent white folk could live in harmony and where decent American businesses would never need to fear organized labor.

Looking over Harry Chandler's achievements, it's amazing how underappreciated he is by the general public, especially when compared to his fellow publisher-oligarch William Randolph Hearst from San Francisco. Harry Chandler pretty much created modern Los Angeles. Most of L.A.'s iconic locations and landmarks were partially or fully backed by Harry, including all of Mulholland Drive above Beverley Hills.

The giant Hollywood sign overlooking L.A.? Yep, Harry had a hand in that, too. Originally, it read "Hollywoodland" and was built as a temporary promotional gimmick to sell plots of land in Harry's

founded by Harry's father-in-law advertised Los Angeles to east coast businessmen plagued by "labor difficulties, inefficient workers and a constantly rising labor cost... a real opportunity to operate WHERE NATURE HELPS INDUSTRY MOST." Yep, Los Angeles was business-friendly by the very laws of nature. Historian Mike Davis called it "urban eugenics." Who could argue with nature itself?

These attacks on minorities and labor bolstered the Chandler's real estate empire. The lack of unionization and the promise of a white utopia attracted wealthy anglo easterners and businesses; business attracted even more people; people and businesses needed land and housing, and in Southern California, Harry Chandler and his cronies had a near monopoly on land. They owned it all. Besides, labor was based on a dangerous set

going to L.A. Harry and his crew had engineered the scam from the get go. Desert land that had been purchased for \$3 million was worth an estimated \$120 overnight. The syndicate made a huge pile of money divvying up the land into several towns, building railroads, trams and selling land parcel by parcel to tens of thousands of eager investors and would-be residents.

Best of all, the Owens Valley water transfer was entirely paid for by Los Angeles residents. But, aside from a few pissed off ranchers and farmers in Owens Valley who attempted to dynamite the aqueduct to save their livelihood, no one in Los Angeles made a big fuss over the scam. Not that it would have mattered if anyone had. The whole city, from police to the courts, was sewn up tight. Any real critics were either paid off or quietly disappeared. That's what Roman Polanski's movie "Chinatown" was all about.



development in the Hollywood hills. But the cheap marketing trick worked so well it was kept on after the lots had all been sold off. In the 1920s, Harry invested in Douglas Aircraft, which paved the way for Southern California to become the capital of the U.S. aerospace/defense industry.

Harry Chandler's newspaper, the Los Angeles Times, was an extension of his real estate empire. It was also the most virulently racist and rightwing publication this side of Dixieland. It was violently antilabor, and waged a prolonged and vicious propaganda campaign backed up with real physical violence and suppression—against unions and labor organizers. This brutal suppression kept Los Angeles free of unions all the way to the 1930s. The tension got so bad that two union activists dynamited Los Angeles Times' printing press.

The L.A. Chamber of Commerce,

of ideas: redistribution of wealth, and greater public control of land, resources and economic life. Such ideas were toxic to Harry's business model

In the early 1900s, Harry Chandler used his newspaper to pull off one of the most brazen water and land grabs in modern history. He mounted a shrill campaign persuading Los Angeles residents that their city was running out of water and then pushed people into supporting a costly bond measure to build an aqueduct from the Sierra Nevada mountains over 200 miles away, only to divert the aqueduct away from the city and into the San Fernando Valley just north of L.A. The diversion made perfect sense to Harry. He headed up a secretive syndicate that included railroad baron Henry Huntington. This syndicate snapped up massive chunks of land in the Valley on the cheap before anyone realized the aqueduct was not

Not long after pulling off this audacious scheme, Harry Chandler set up another syndicate for yet another speculation project: Tejon Ranch. It was then owned by Edward Beale, a former military man who had turned to real estate scams. He had acquired it from Spanish landowners, who had themselves divested the land from the native Chumash.

The syndicate bought Tejon in 1912, but partners quickly became jittery when they realized Tejon couldn't be flipped for an instant killing. So, deciding to take the long view on the investment, Henry bought them out.

For the next 85 years, Tejon Ranch allowed the family to live like old school landed aristocrats. It was a long-term real estate investment, but it was also a self-sufficient feudal estate. Its agricultural and mineral wealth provided the family with income, while its vast lands allowed the family

to live like lords. The large Chandler family entertained important guests and spent entire summers on the ranch. Boys learned how to shoot and wrangle cattle to get valuable lessons about hard work and rugged individualism.

In 1956, the Chandler's own Los Angeles Times published a gushing account of the ranch, without mentioning who actually owned it:

"Its vast rich flat farms, brown rolling hills speckled with 453 oil wells and lush mountain meadows stretch 40 air miles north to south, 3 to 30 miles east to west. ...

"Tejon—one of the largest contiguous ranches in the nation—is bigger than the combined areas of Chicago, Philadelphia, Boston and San Francisco. ...

"Cotton is king of crops or the ranch. ... In 1955 more than 4000 acres of the ranch were in cotton and equal amounts of acreage in potatoes, alfalfa and wheat. More than 20 other crops are grown on the Tejon Ranch.

"During World War II diamond drilling under government supervision disclosed traces on the Tejon of every known mineral mined on

the nineteenth century. The Tejon was a living tapestry where Otis learned to hunt deer with a rifle and, later, a bow and arrow.

"...But there wasn't always victory, even in his youth. ... He remembered on occasion an unclean shot at twilight, when he and his father would stalk a deer and Otis's aim would be off the bead and he would catch it with a bullet to its gut. He knew he'd wounded it deep in its bowels by the scarlet spoor left behind, but the animal was still able to run away. His father told him to let it go. The deer would eventually lose so much blood that it would have to stop to rest, and it would never move beyond that point. They would find it in the morning, if coyotes or a mountain lion did not find it first. 'I never slept those nights,' said Otis, the memory as vivid as childbirth, or war. 'I always tossed and turned and said, "Can I find him?" And then, "Was he dead?"""

In retrospect, it's not clear whether Tejon was such a positive influence in Otis Chandler's life. In the 1990s, Otis retired from running the Los Angeles Times and went completely crazy trying to recapture his romanticized childhood memories in a frenzied playboy lifestyle induced by a mid-life crisis. He raced professionally, hunted with

creeks barely contained enough water to cover Tejon's agricultural needs, let alone the kind of heavy real estate development they had in mind.

Tejon's water poverty meant the land was useless for heavy-duty real estate development. Luckily, that all changed in the 1960s, when Governor Pat Brown—daddy to today's governor Jerry Brown—successfully pushed to build the California Aqueduct, a massive concrete river over 700 miles long that could suck fresh river water from the southern edge of the San Francisco Bay and pump it all the way down to Southern California.

The Chandler family used all of its political clout and media muscle to boost the project. The reason was simple: the aqueduct would traverse the length of Oligarch Valley and run right through the Chandler family's Tejon estate. The water would enrich all the big landowners in its path with nearly free water—the \$3 billion bill would be picked up by California taxpayers. But that's not how the project was sold to gullible California voters.

Governor Brown and his Oligarch Valley backers launched a campaign to scare Southern Californian suburb dwellers into believing that their water supply was on the verge of being totally exhausted. They sold the California Aqueduct as a way to

the
North
American
continent, including a
rare deposit of tin.

"Gold, silver, copper and tin have been mined in the past on the ranch, but in recent years there has not been any commercial activity."

Otis Chandler, Harry's grandchild and the guy who would eventually turn the Los Angles Times into a respectable newspaper, described Tejon as a private Eden and "training ground" where he learned how to shoot and kill with a clean shot:

"He had never been much of a history buff, but he did remember that Indians once lived there and that the U.S. Cavalry stationed camel-mounted regiments at Ft. Tejon in the middle of

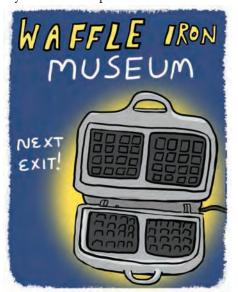
bow and arrow, tracked polar bears through the Bering Straight and was nearly gored to death by a massive musk ox in Arctic Canada.

The Chandlers didn't start moving to develop Tejon Ranch until the 1970s. They didn't hold off out of sentimentality or their connection to the land, but for more prosaic reasons. For one, Southern California's real estate sprawl hadn't yet crawled close enough to Tejon to sufficiently boost the value of the land. And two, Tejon Ranch didn't have enough water. The private reservoirs created by damming up a couple of

diversify the over-tapped water supply of urban districts. Of course it was a ruse: "Rather than making its way into the city, state water has been used primarily to open new farmlands. ... A handful of giant landowners, including the Tejon Ranch ... have been the main beneficiaries," wrote historian Mike Davis in 1992.

"We like to talk of big things in Southern California, just as we like to do big things. Doing things the big way has always been the Southern California way—the big things the Times has helped you do in the past, such as bringing water to the city from the Owens River," Harry Chandler's son, Norman, wrote in 1959. "And the big things that you will do in the future to solve our smog problem, our water problem, our rubbish and sewer problems. This is going to be the greatest state in the Union. And Los Angeles, we believe, is going to be its greatest city. All of us have to plan on the big scale, as we always have."

Norman Chandler wasn't lying. They did like to do things big out here in Southern California. And the aqueduct was theft that was bigger and more brazen than anything that had yet been attempted.



was a huge deal. Even Ronald Reagan, who was finishing up his first term as California governor, took time out from gassing and rounding up college hippies and was on hand to flip the switch.

The aqueduct was central to the viability of Tejon's real estate potential. A few years after the water started pumping, the Chandlers took the Tejon Ranch company public and began soliciting money from the stock market to fuel development.

Over the next twenty years, the Chandlers repeatedly tapped into real estate bubble hysteria, making money by splitting off blocks of shares to sell to gullible investors who thought Tejon Ranch was going to blow up like the original San Fernando Valley scam. In the mid-1980s bubble, Tejon shares quadrupled from \$100 to \$400 in the span of two years. Sucker investors buying up overpriced shares from the Chandlers and thinking real estate riches were just around the corner were disappointed when the bubble popped just a few years later and Tejon value dropped to zilch.

When Harry Chandler bought Tejon Ranch, he knew it was gonna make money some day. You just needed to be patient about it. "Never let the Tejon board sell any of the land," he warned his family 100 years ago. But themselves with their earthly legacy. In the 1990s, the two groups were in all-out war. And the Birchers began dissolving the secretive Chandler family trusts that had bound the feuding family members together, so that everyone could go their own way. And so in 1997, the family's controlling stake in Tejon Ranch was sold to a syndicate of private equity and hedge-fund firms.









Tejon's new owners didn't waste time. At the foot of the mountain in Oligarch Valley, they built a huge warehouse complex center that now houses IKEA, Caterpillar and Dollar General distribution hubs. Then they immediately began drawing up plans for a gargantuan, multitiered real estate development project that included tens of thousands of McTractHomes, countless apartment and condo units, business parks, strip malls, hotels, resorts and spas. At the high end, Tejon Ranch would include a development of luxury McRanches that had access to equestrian facilities, hunting, golf, you name it.

Here's how Tejon Ranch Company annual report described their plans:

"The Centennial development is a large master-planned community development encompassing approximately 11,000 acres of our land within Los

They pulled the same bait-and-switch technique that old Harry Chandler used back in the San Fernando Valley water scam, but now applied on a totally different scale. Instead of duping residents of the still-tiny city of Los Angeles, they duped the whole of California, the most populous state in the nation.

The California Aqueduct line running through Chandler's Tejon property went operational in 1971. It required a giant pumping station to push water up 2,000 feet into the air via an underground pipeline. The station

his offspring were dumber, greedier and less patient than grandpa Harry.

Ever since Harry Chandler's death, the family had split into two warring camps: Kennedy liberals vs. reactionary John Birchers. The Chandler rightwingers thought the liberals had gone soft, that they longer had their eye on the true purpose of earthly life: to get rich, scam as hard as possible and toil in preparation for ascent to heaven. Instead, the hedonistic liberals were out there enjoying life, carousing with Jews and minorities and concerning

Angeles
County.
Upon completion of
Centennial, it is estimated
that the community will
include approximately 23,000
homes. The community will also
incorporate business districts,
schools, retail and entertainment
centers, medical facilities and other
commercial office and light industrial
businesses that, when complete,
would create a substantial number of
jobs. ... In addition to the Centennial

community project, we are currently engaged in the development of [Tejon Mountain Village]. TMV is envisioned as an exclusive, very low-density, resort-based community that will provide owners and guests with a wide variety of recreational opportunities, lodging and spa facilities, world-class golf facilities."

This is a serious endeavor—"among the largest housing tracts in California history," the New York Times has called it. And Tejon's new owners will need to secure a serious supply of water to get it built.

California law requires that every large real estate development must have a secure water supply that will be available decades into the future. And so the new owners of Tejon Ranch went on a water shopping spree. Not physical water, mind you. They're out looking for what's known as "paper water": essentially a contract to guarantee delivery of the water sometime in the future in order to satisfy planning regulations. I'll get back to paper water shortly...

A major part of Tejon Ranch's paper water came courtesy of 19th-century California cattle magnate named Henry Miller, whose water rights were passed down his family from one generation to the next. These hereditary water rights aren't restricted to Tejon, but keep popping up in real estate



But still Tejon Ranch continues to move closer and closer to realizing its ultimate destiny, a destiny predicted by Harry Chandler 100 years ago. But even if it clears all the government red tape tomorrow, its owners still have to wait for the next real estate bubble to come along. Until then, Tejon will keep doing what it knows best: providing a comfortable space for rich assholes to kill magnificent beasts and go home with stuffed trophies:

"A trophy elk hunt on Tejon Ranch is highly prized by hunters throughout the country. This guided hunt guarantees you the opportunity to take a Rocky Mountain bull elk with a gross Boone & Crockett score of 350" or greater."

The rest of us will have to make do with a Frappuccino at Tejon's megastripmall down the hill on the edge of Oligarch Valley, soon to be the site of a Tejon Ranch premium outlets center.

#### **SEPTIC TANK (EXIT 244)**

Back on to Interstate-5 and a short drive 30 miles north to a little slice of agricultural heaven called Green Acres Farm. It's not nearly as grand or picturesque as Tejon Ranch. In house in Brentwood, past porn capital Sherman Oaks. The trucks merge with I-5 in the Valley, drive past Six Flags Magic Mountain, mount the Tehapachi Mountains, crawl past Tejon Ranch and then coast down into Oligarch Valley. It's a 125-mile trip one way, and takes over two hours with no traffic. Los Angeles does this every day, day after day, rain or shine, dumping more than 200,000 tons of excrement in one year.

Something like 99% of all L.A.'s shit winds up on Green Acres. You could say that Los Angeles residents flush their toilets twice: The first flush gets it out of their bowl. The second flush gets it out of their county. Outta sight, outta mind.

Naturally Los Angeles doesn't like to advertise its shit-dumping operation, but there's nothing covert about it. In fact, the city bought the land two decades ago for about \$10 million just for this reason: so that it could have somewhere to dump its coastal-elite shit—and it's been doing it for decades, with the total support of Oligarch Valley's farming elite.

The bright green website run by L.A.'s Sanitation Department doesn't use the word shit. It describes Green Acres as an green/eco farm that allows



that civilized society would rather not discuss. That's because Green Acres is not so much a farm, as a place where the great big city of Los Angeles dumps just about all of its shit.

I mean that literally: Green Acres is a giant, outdoor septic tank.

fact, it's a place

Every day, Los Angeles loads up a dozen big-rigs at its sewage processing plant with the concentrated fecal matter (aka sewage sludge) of four million people and sends them on a long scenic journey north. The line of trucks, spewing fecal dust, rumbles up the 405, past LAX, past Venice, past Andrew Breitbart's old

"beneficial reuse" of "biosolids" into a "soil conditioner" that helps "promote growth on sites where chemical fertilizers would otherwise have to be used to produce crops" like wheat, corn and alfalfa.

Natural soil conditioning instead of chemical fertilizers? That makes concentrated human feces sound almost organic and healthy. But in case you're worried: No, Green Acres doesn't grow food for human consumption. That would be disgusting and uncivilized! No, the crops that Green Acres fertilizes with concentrated human feces are grown only as feedstock for farm animals, primarily to feed dairy

across the state. At the height of the last real estate bubble, Miller's 100-year-old water backed a massive real estate project in the San Fernando Valley just south of Tejon. The development crashed and burned, but not before it attracted

developments all

of Tejon. The development crashed and burned, but not before it attracted \$1 billion from California's public employees pension fund as a major investor in the scheme. It was perhaps the single worst—and potentially most criminal—investment in the fund's

history.

cows. So everything's legit! It's part of the natural cycle of life!

There is of course a catch: Ask any scientists who isn't taking money from the sludge industry and you'll get a unanimous verdict: fecal sludge is toxic. It's not just the human shit, but everything else that's mixed into it: a universe of bacteria, viruses, parasitic worms and fungi, as well as toxic metals, industrial solvents, radioactive matter, medical waste, antibiotics and a cornucopia of chemicals, including every pharmaceutical substance



a chemistry professor at Indiana University of Pennsylvania.

Dumped in the open and left to dry, all that good stuff starts seeping into the groundwater and surfs on gusts of wind, spreading for miles and miles around.

If you start reading up on the subject, you'll come across horrific stories of people who live close to sludge contracting exotic fungal infections that eat up their lungs and spread throughout their bodies. In Victorville, I read about a sludge composting plant that had been built in a neighboring town but was shut down after only three years of operation after residents suffered persistent, acute health problems. Swarms of flies covered everything around it. And locals came down with ear, nose and throat infections. At a nearby elementary school, children started to vomit, to suffer from dizzy spells and nausea, and to develop nose bleeds and recurring headaches.

Yep, this sludge is Grade-A deadly. And I was headed right for it...









It's about 11 am when I finally find the yellow gates of Green

known to man. Some of the more common chemical ingredients include: polychlorinated biphenyls (the PCBs that produce flipper babies), various pesticides, asbestos, petroleum products, arsenic, cadmium, chromium, lead and mercury. By some estimates, plants can utilize only one to three percent of sewage sludge. The rest is simply toxic waste being dumped on the ground. "Land spreading of sewage sludge is not a true 'disposal' method, but rather serves only to transfer pollutants in the sludge from the treatment plant to the soil, air and ground water of the disposal site," says Stanford Tackett,

Acres Farms. The website did not list an address, but the farm is easy to find. It's right off the highway ramp, runs contiguous to a stretch of I-5 and is next door to a shooting range and Buena Vista Lake, a popular water hole for the local population. The main entrance is about a half-mile down from a Shell gas station and a Subway.

Green Acres sits in the midst of a bunch of dry, scraggly looking farm land. Beyond the irrigated fields is a rocky desert wasteland full of tumbleweed and dust devils. As I drive up to the main entrance, I watch two mini tornados dance along the shit-covered fields... a whirlwind of dry

fecal matter.

At the entrance I'm met by a bunch of ominous signs. "All visitors must report to main office." "Private Property: No Hunting or Trespassing Allowed." But the closest the signs get to warning people of the true nature of Green Acres are the ones warning visitors not to drink the local tap water: "Notice—No Trespassing—Land is irrigated with reclaimed waste water..."

I roll down the window to get a better view of the signs and immediately regret my decision. It isn't so much the stench—which is bad—as the flies. I roll up my window as quickly as possible, but it's too late: a horde of thick black flies has muscled its way in. Some are on the dashboard, some are hanging on the windows, some are rummaging through my suitcase lying in the back. A few of the feistier ones are crawling on my face.

Just inside the gate, a truck has parked up: its driver is washing gray clumps of sewage sludge off the underside of his rig before getting back on I-5.

He's an

overweight
black guy, and
he isn't wearing any

protective gear, just jeans and a black T-shirt. It appears my timing is perfect: Green Acres is receiving its daily shipment.

"You truck this stuff from Los Angeles?" I ask. In my black Ford Taurus rental car, blue baseball cap, blue jeans and black T-shirt, I could be a cop, or some kind of government official.

He nods. A bit suspicious, not sure who I am or what I'm doing there.

"I'm from L.A., a tourist," I explain. "I just learned that our sewage gets dumped out here. So I just wanted to see where my shit ends up after I flush it down the toilet."

This relaxed him a bit. "Hah! Well, I'm sure yours is around here

somewhere," he says, laughing and looking out at the fields.

I try to ask him a couple of more questions, but he shrugs and turns back to finish his grim job, directing the hose at a gob of dried feces stuck to his rear axle. He has a schedule to keep.



The transportation of L.A.'s shit to Oligarch Valley began in the 1980s, when municipalities were ordered to comply—for the first time ever—with federal regulations that forbade them from dumping raw sewage into the ocean. Very quickly cities realized that getting rid of sewage sludge—the stuff left over after the wastewater purification process—was not going to be cheap. Landfills were safe and easy, but they cost way too much. The cheapest option was to dump the

industry, came up with the word "biosolids" after convening a "Name Change Task Force." It went through a couple of hundred suggestions—purenutri, biolife, bioslurp, blackgold, geoslime and humanure—before settling on "biosolids" and defining it as a "nutrient-rich organic byproduct of the nation's wastewater treatment process." My personal favorite is still "bioslurp."

Even the biggest, most prestigious environmental groups, including the Environmental Defense Fund and Natural Resources Defense Fund, backed the rebranding.

As healthy and enviro-friendly as sludge may be, people still balked at the idea of having it dumped into open-air composting facilities. So sludge processing gravitated to isolated, low-income regions where people were too poor, too tired and too powerless to do anything about it.

players is Dublin Farms, a diversified farming/sludge/energy operation run by nine members of the McCarthy family. The family buzzes around Oligarch Valley by helicopter and has a small fleet of private jets for longer commutes. They've collected nearly \$20 million in farm subsidies in the past decade, and make at least \$5 million a year for composting Southern California's shit, which they then use to fertilize their crops.

Sludge is big business and attracts the multinational corporate set as well. Next door to Green Acres Farm is a giant facility owned by Synagro, an international sludge processor that until recently was owned by the Carlyle Group. Synagro's Oligarch Valley operation handles about 200,000 tons of Southern Californian sewage every year, most of it from Orange County. Synagro doesn't grow crops like Green Acres; it produces



sludge in the open-air—either to pile it on directly as "fertilizer" on fields like in Green Acres or to process it in specialized outdoor "composting" facilities that ripened the sludge and turned it into commercial fertilizer products for unwitting consumers.

Where cities saw huge costs, big businesses saw huge rewards. Very quickly, a profitable industry of wastewater and sewage management came into existence. And, with it, a massive lobby and public relations campaign successfully convinced Americans that sludge was healthy and environmentally friendly. Equally successful was a campaign to officially rebrand sewage sludge into "biosolids."

"Toxic Sludge is Good for You," the definitive book on the sludge industry, describes in horrific and hilarious detail how the Water Environment Federation, the main lobby group of the sludge/waste management Nothing surprising about that. After all, it followed a basic freemarket principle of waste management outlined in a memo by Larry Summers in the 1991, when he served as the Chief Economist of the World Bank: "I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that."

That's exactly the same conclusion that Los Angeles arrived at when it went shopping for a way of getting rid of its processed feces. Instead of shipping it to Mexico or Africa, Los Angeles settled on Oligarch Valley, California's very own low-wage, thirdworld banana republic.

Los Angeles is not the only municipality dumping its shit here. Something like two-thirds of Southern California's sewage sludge is trucked to this corner of Oligarch Valley.

Among the area's big sludge

compost that's sold to "landscapers and supply yards throughout California for use on parks, sports fields, and golf courses." Try not to think about that next time you're lounging on a grassy knoll

Yep, shit is the black gold of Oligarch Valley. There's a lot of money to be made from sludge disposal. That's why when Kern County voters passed a ballot measure forbidding the spreading of out-of-county shit on their land, a powerful coalition of coastal municipalities and private waste management companies took Kern County to court and got a judge to block the law. It's still working its way through the courts, and I wouldn't be surprised if it goes all the way to Supreme Court. But if Kern County voters win, Los Angeles and the rest of Southern California will have no choice but to start sending their human feces all the way to NSFWCORP's home state of Nevada.

#### **MORON (EXIT 225)**

On the western edge of Oligarch Valley's septic zone, a short drive from the shit fields of Green Acres and the reeking sludge pits of Synagro, is a tiny town called Taft.

Approaching Taft you enter a different world. Smelly agricultural flatness gives way to brown oilstained rolling hills punctured by hundreds and hundreds of active oil and gas wells. The town itself stands out, too. Latinos, who normally dominate nondescript rural Central Valley towns like Taft, are replaced by a doughy, pasty white supermajority.

The windows of the local diner are painted over with oil-field paraphernalia—trucks, hoses, wells, barrels. Sitting in a booth near me is a white guy in camo cargo shorts, Harley T-shirt, flip-flops and a large confederate flag tattooed on his shin.

He's having breakfast with his retiree parents, and they are all bitching about health insurance and medical costs. Confederate or not, I guess certain things are important to all of us...

Going to Taft is like stepping into a town in northern Texas. The nice lady with a beehive hairdo at Taft's Chamber of Commerce agreed. "Taft is a slice of Texas," she said with pride.

Taft is an oil town, and it's been undergoing a revival, swept up in the toxic fracking revolution that's taking the U.S. energy sector by storm.

Taft and oil go way back.
Officially named "Moron" until the early 1900s, the town of Taft was little more than a railroad pitstop where engineers got more water to drive their steam engines. Taft came into its own in 1910, when workers for the Lakeview Oil Company hit a high-pressure oil pocket and lost

control of the well, which gushed out in a fountain of thick crude oil for 18 months nonstop. The gusher, which created a shallow lake of petroleum sludge around it, is still considered to be the largest oil spill in history. were leading members of the KKK. A 1975 issue of Sports Illustrated magazine reported, "One Klansman was sent to San Quentin prison, but was later retried and acquitted. Another, who said he was proud



After that the race was on: Standard Oil, Midland Oil, Mobil and Texaco all established fields there.

Oil brought jobs, money and lots of white pride. Taft was what polite folk would call a "separate but equal" town, where blacks had to make themselves scarce by sundown or risk being flogged, tarred and feathered, and chased out of town.

Of course, justice was hard to come by given that the local cops

of the KKK and was kept in public office, has a nearby landmark, Mount Abel, named for him." The publication sent a reporter down to profile Taft after townsfolk attempted to lynch a group of black athletes after a rumor emerged that one of them had impregnated a local white girl.

"40 to 60 angry white men converged on the dorm yelling, 'Kill the niggers!' A handful of blacks

who had not gone elsewhere for the weekend hid in the recreation room near the lobby while football-baseball player Craig Tinson of Sacramento, Calif. stepped out to try to reason with the mob. Tinson, an articulate freshman, had just been elected Student Activities Coordinator for next fall, but the crowd was not interested in listening to his speech. He was chased across Emmons Park Drive toward the Westside Shopping Center. Tinson's superior conditioning and running speed were all that allowed him to survive what he later described as "the scariest time in my life."

Yep, Taft is white and proud of its white and black-gold heritage. And today the town is booming with Taft's motels packed with drillers and swarming with wildcatters.

Boosters say there is a whole lot of oil—two-thirds of domestic

#### **RESNICKS (EXIT 253)**

Driving north at NASCAR speed takes me to the home turf of one of Oligarch Valley's newest and oddest landlords: Beverly Hills agri-billionaires Lynda and Stewart Resnick. You might not recognize the name, but you've certainly seen their luxury Fiji Water bottles at your local 7-Eleven, or maybe you've seen Palin family dropout Levi Johnston hawking the Resnicks' Paramount brand pistachio nuts on TV. If nothing else, you've eaten their Sunkist oranges.

Fiji Water comes from Fiji, but just about everything else the Resnicks sell comes from Oligarch Valley, where they preside over several hundred square miles of land. A large chunk of their of their empire straddles Highway 33, just north of Taft and right next to the gas station where James Dean stopped for a Coke right

lush farmland filled with hundreds of miles of leafy green almond and pistachio orchards. The trees are planted with space-age precision—a perfect grid as far as the eye can see, whose countless rows recede endlessly in the horizon. At the center of it all is a giant factory with rows and rows of gleaming metallic silos where the company preps, packages and distributes its foodstuffs.

The scale of their farm numbs the mind. It's a small self-sufficient settlement and includes its own small airport—how else do you expect Oligarch Valley farmers to get around? And this piece of farmland is only one small part of a diversified global agribusiness operation that brings in \$3 billion in revenue a year.

But here's the fun part: the continued economic viability of this piece of Oligarch Valley depends on Iran being kept in a state of a



shale oil reserves, about 15 billion barrels worth—trapped beneath the Monterey Shale, a massive formation sitting underneath Oligarch Valley, from Tejon Ranch all the way up the Bay Area. High oil prices have finally made it cost-effective to extract the thick gooey crude left in the ground. This is achieved with the expensive and highly toxic methods of fracking and thermal recovery, which involves injecting steam and/or water laced with industrial chemicals and solvents to liquefy the oil and pump it to the surface. The infusion of water diluted with toxic compounds makes the practice deadly.

Next to the destructive effects of fracking (cancer, asthma, liver damage, brain damage, general organ failure, poisoned underground water supplies, tap water that lights on fire, earthquakes) Green Acres' sludge operation seems relatively harmless.



before ramming his souped-up Porsche racer head-on into a hapless university student driving a Ford Tudor.

The Resnicks bought this land from Mobil and Chevron decades ago, and transformed the oil-stained desert into permanent economic blockade. It depends on it so much that the Resnicks have joined forces with raving neocons and hardcore right-wingers, funding thinktanks and lobbyists that hype the Iranian threat and push all out war.

I stumbled onto Stewart and Lynda Resnick almost as soon as I started investigating California's billionaire-dominated public water system. The Oligarch Valley family that had made an easy \$74 million selling water to the desert subprime suburb of Victorville was closely connected to the Resnicks.

Both families owned shares of the Kern County Water Bank, a natural aquifer at the southernmost edge of the Central Valley that had been converted into a privatized waterstorage facility.

The water bank was designed by California's Department of Water Resources to function as an emergency reservoir. In wet years, it would collect excess water shipped down the California Aqueduct from Northern California and hold enough water to keep Los Angeles hydrated nearly two years in case of prolonged drought. The water bank was supposed to serve as a last-line defense to protect urban users. But in 1995 California water bureaucrats tweaked a couple of arcane water regulations and handed the water bank over to a small clique of Oligarch Valley landlords.

Once water entered the water bank, it stopped being a public resource. From that point, the owner could sell it to the highest bidder. "This means they become middlemen making profits on state-supplied water," reported Redding's paper Record Searchlight. "If they choose to, they can dry up vast areas of productive agriculture and ship the water to municipalities south of the Tehachapi range."

Stewart Resnick masterminded the

It sounds nuts, but it's true. And it all has to do with the California State Water Project started by Governor Pat Brown. The project involved a series of dams, aqueducts and massive water pumps to siphon water from Northern California and to send it down through Oligarch Valley and into Southern California. When the system started being built in the 1960s, the state allocated guaranteed water rights to farmers throughout Oligarch Valley. These contractual obligations were not based on reality, but were worked out using the estimated capacity of a fully built-out state water system. And that was the problem: the State Water Project was never fully completed. Attempts to dupe California voters into paying for the final parts of the system have been tried on many occasion, but have yet to succeed. Contractually, the state was obligated to deliver 4 million acre-feet

your doorstep. Paper water resolved this problem once and for all. From the mid-1990s, developers could satisfy planning requirements by securing "paper water" rights for their projects. They weren't getting a real supply of water, nor were they transferring any. It was all virtual: a simple accounting trick that said they had legally secured a certain amount of water to be delivered sometime in the future when the development was complete.

What if the water wasn't there, say in the case of an extreme drought? Not a problem. California would simply have to bail a city's residents out. The new paper water agreements made the state explicitly responsible for its original water contracts, regardless of whether there was water or not

Stewart Resnick's paper-water market was the envy of every finance conman in the country. It was so

scheme, and emerged with a majority stake in the new Kern County Water Bank. In fact, the Resnicks dominated and controlled the water bank so thoroughly that it's become a de facto extension of their private agribusiness. They run it out of one of their corporate offices near Bakersfield, California.

Resnick's scheme did more than privatize a single piece of public infrastructure. It created a novel legal framework that gave Oligarch Valley famers the power to create non-existent water out of thin air. Resnick created "paper water."

Like the leveraged subprime-backed securities and exotic debt instruments dreamed up by Wall Street, "paper water" was built on pure fantasy and innovative accounting fraud. The simple fact was that half of California's "paper water," water able to be sold, bought and traded on the market, simply does not exist, and never has.

a year. But in reality, the state could only deliver half the water it promised. In the 1990s, the conflict came to a head when a coalition of Oligarch Valley farmers headed by Stewart Resnick threatened to sue the state for breach of water-delivery contracts.

What to do?

Stewart Resnick proposed a solution that involved a simple but ingenious bit of Wall Street-style accounting: Instead of delivering the water, California could simply pretend that the water existed and then allow Oligarch Valley to sell it. It's that simple. And that's exactly what California did!

As we learned back at Tejon Ranch, state law mandates that every large real estate development in California must prove that a secure water source will be available for the occupants. Water supplies are already over-tapped and it's not like you can just pick up the phone and get Alhambra water delivered to

brilliant and innovative that the snake-oil experts at Enron couldn't help trying to get in on the racket. In the early 2000s, Enron bought a chunk of land in Oligarch Valley atop a natural underground reservoir and started working on a water bank of its own. Enron promised to herald the brave new future of paper water commodities with an Internet-based operation called Azurix that was going to become the etrade.com of H2O. Water day traders would log in from around the world, buying and selling water, hedging bets, trading waterbacked securities.

Here's how Chris Wasden, the mastermind behind Azurix, explained it.

"...the way that water trading works is that you're really not trading the actual molecule of water that you own with someone else's water molecule. So I have this amount of water, and now let's swap it in such a way that I get access to water when I need it but it's



not the actual water that's going there, it's an allocation of water."

Enron's water speculation utopia crashed and burned, in large part because the owners of Oligarch Valley didn't like outsiders crowding

their territory. Mr. Wasden landed on his feet, though. He's now at PriceWaterhouseCoopers, managing director of "healthcare strategy and innovation."

So it didn't quite work out for Enron, but paper water boosted Lynda and Stewart Resnick to a whole new level of wealth and power. With access to cheap, abundant water, they opened up thousands of acres of new farmland in Oligarch Valley, nearly doubling their cultivated land holdings just in the three years after hammering out California's historic paper water agreement. They've been so successful that jealous Oligarch Valley neighbors—including the Vidovich family—have called on the state to intervene and distribute the Resnicks' water wealth.

And they just keep on growing. Their private holding company, Roll Global, brings in nearly \$3 billion in revenue annually, up from \$2 billion

five years ago. It has grown to become perhaps the largest agribusiness operation in Oligarch Valley. They have a near monopoly on almonds and pistachios and dominate a huge section of the orange and mandarin market. Along the way, the Resnicks managed to single-handedly create a pomegranate health-food craze and to make tons of money sucking water out of the small impoverished nation of Fiji, which is ruled by a neoliberal military junta. Most Fijians are miserably poor and lack access to clean drinking water, but the Resnicks threatened to pull out of the country after the Fijian government attempted to impose a tiny tax of eight cents per liter.

Sucks for Fiji, but the

Resnicks
plunder water
from their countrymen
just as easily as they do from
abroad...







For all their wealth, power and shameless scheming, Lynda and Stewart are clearly not your run-of-the-mill Oligarch Valley billionaire farmers.

In a land dominated by old anglo families and regressive rightwingers, the Resnicks are proud Learjet Liberals. They are major Democrat Party donors, are among the biggest backers of the liberal pro-business Aspen Institute, mingle with Arianna Huffington and entertain the high society of Beverly Hills at their gaudy palace on Sunset Boulevard. They've expanded this house over the years by buying and tearing down three adjacent properties, which has given them room to add a greenhouse, a massive lawn studded with sculptures, a pool, a parking lot for a couple of dozen cars and an orange grove out front. Even in Beverly Hills, full of new money and ostentatious displays

of wealth, the Resnicks stand out. "Exaggerated, extravagant, crude, ridiculous, a bit indecent," is how Michael Gross described them in his book "Unreal Estate."

The Resnicks spend quite a lot of time in their Aspen home, with its backyard mountain lake. They love that property. They love it so much that in the early 2000s, the Resnicks fought a legal battle against Aspen over an affordable housing project for local municipal employees. The Resnicks complained that the project—just half a mile from their "Little Lake"

Lodge" property—would devalue their land.

Compared to other Oligarch Valley landlords, though, the Resnicks are new money. They aren't mooching off inherited wealth passed down through the generations; they have amassed their vast land holdings out here on their own. They arrived in the late '70s, and, in the span of a few decades, cobbled together one of the largest vertically integrated agribusiness operations in the United States—bigger and more profitable than just about any other in Oligarch Valley.

Stewart Resnick was born in the mid-1930s in Highland Park, New Jersey, into a Jewish-Ukrainian immigrant family. According to Stewart, his father owned a bar and was a violent man. He was also a drinker, a gambler and had close ties to the criminal underworld and the Jewish mob. "My father was a great negative role model. The lessons I got from him were all what not to do," Resnick told journalist Mark Arax during an interview for a biography that was never completed.

Stewart left home at age 18, moved out to Los Angeles and worked his way through UCLA law school. He started an incredibly successful janitorial business that generated \$7.4 million in annual business and in the

early 1970s expanded into the private security business, which was just beginning to boom. In just a few years, Stewart's firm—American Protection Industries—grew into one of the largest private security companies in Los Angeles. API had over 1,000 armed security guards patrolling downtown and the Westside. It operated, installed and monitored burglar and fire alarm systems in thousands of homes. The company was highly connected: it employed former Secret Service agents and for a time was run by a former L.A.P.D. chief of police. Very early on, the company scored a

lucrative contract to handle security at the international terminal at the Los Angeles airport: API employees ran the security screening gates—what the TSA does now—and guarded incoming international airplanes until they could be inspected by U.S. Customs.

In the mid-1970s, Resnick's security company got tangled up in a federal drug-smuggling and organized-crime investigation after three of its airport guards were busted handing over two pounds of pure "China White" heroin to undercover officers. At the time Stewart blamed the whole thing on a few bad apples, saying that they had already been fired for misconduct. He also alleged that this was an attempted shakedown by a former disgruntled employee. But according to the Los Angeles Times, the revelations of the drug bust were serious enough to trigger a broader investigation by the federal Organized Crime and Racketeering Strike Force into "possible infiltration of airport security by organized crime." Here's how the paper reported it in 1976:

"The investigation grows out of a narcotics smuggling case involving three former employees of American Protection Industries, which has the security contract for the international terminal at the airport.

"Court records in the case and other sources indicate that a potentially massive fraud against airline companies is being investigated by federal, state and local agencies.

"In addition, sources close to the investigation say 'extremely solid documentation' of organized crime ties to API employes has been unearthed.







"Five persons, three of them identified by authorities as former API employees, were arrested earlier this week on charges they sold almost two pounds of virtually pure

'China White' heroin to undercover narcotics agents.

"Lynda was dating Aaron Russo, who'd worked with Ellsberg at the think tank where they got hold of the papers. Though she'd demonstrated against the war, Lynda wasn't political. 'She was always thinking about how to make money,' Russo told Ellsberg's biographer, Tom Wells. But still, 'she was all impressed' when they asked if they could borrow her copier and explained why. She even helped with the two weeks of all-night copying sessions, shooing away the police the first night when they accidentally set off her burglar alarm, scissoring the Top Secret stamps off the tops of the documents to 'declassify' them-and getting paid by the page for the use of her equipment. 'I was so naïve,' Lynda told Wells."

Yep, Lynda and Stewart were quite a pair.

Not long after getting married, the two put their business minds together

"During the five-month investigation that led to the arrests, several of the suspects told undercover agents they had access to a large supply, as much as 100 pounds at a time, of the Oriental heroin, which they said was being shipped into this country on commercial airliners."

Two years before Stewart's API employees were busted smuggling heroin, he had married Lynda. She owned a small ad agency on Melrose Avenue and was the daughter of a movie producer most famous for "The Blob." A few years earlier Lynda had been caught up in a scandal of her own. In the late 1960s, she was dating Aaron Russo, a long-haired hippy analyst working at Rand Corporation and a friend of fellow Rand employee Daniel Ellsberg. Russo rarely gets credit for his role in leaking the Pentagon Papers, but he and Ellsberg did it together. When the documents were leaked in 1973, it was Lynda's Xerox machine that was used to copy the classified documents.

From "Unreal Estate":

and got into the trinket business: They bought the Franklint Mint—which sells the fake "collectable" coins, plates and Elvis dolls to the TV-dinner demographic—and made a killing selling porcelain Princess Diana dolls. They even successfully sued Princess Di's Memorial Fund for £13.5 million after the Fund tried to stop the Resnicks from selling the dolls.

But their real big break came in 1978, when Lynda and Resnick, who had zero experience in agribusiness, decided to get into farming. They began buying up orange orchards and a citrus packing plant, acquiring control of Paramount Citrus Association.

Stewart Resnick would later describe farming as a purely passive investment, a way to safely park his money and escape the scary wealth-destroying effects of runaway inflation of the '70s.

The Resnicks didn't stay passive for

long. In 1979, Iran took 52 Americans hostage from the U.S. Embassy. In retaliation, President Carter levied the fist of a series of economic sanctions and trade restrictions against the country. For as long as anyone can remember, Iran had been the world's main supplier of pistachios. But Carter's 1979 embargo on the country effectively cut off Iranian pistachio growers from the American market and created a need for alternative pistachio production, which was virtually nonexistent in the United States.

Seeing a massive opportunity, the Resnicks began to snap up thousands of acres from Mobil Oil and Texaco in order to create pistachio and almond orchards. They and distributed them as well.

Economic sanctions against Iran were renewed and intensified under every single president after Carter, and all the while America's domestic pistachio farming exploded. In the past thirty years it has grown from a couple of hobby farmers to an industry generating close to \$1 billion. And the Resnicks have a near monopoly on the trade. Today, Resnicks' Paramount Farming is the country's largest grower, processor and marketer of pistachios, controlling something like 60 percent of the industry. Pistachios are very important to the Resnicks, bringing in at least 20% of their agricultural revenue.

government mid-east policy and media reporting about the region, the think tank is considered to be one of the most influential in the country. It is also ridiculously hawkish on Iran, calling for heavy sanctions and military strikes against the country. In 2005, the Resnick Foundation gave \$20,000 to the Washington Institute for Near Eastern Policy. Unfortunately, the real amount of money the Resnicks have given to the institute is hard to gauge, as any funds that did not go through their personal foundation would not have to be reported on any of their IRS documents.

Stewart Resnick is also board member of the American Friends of



steadily bought up more and more acreage all through the 1980s for rock-bottom prices because a long period of drought. By the end of the decade, the Resnicks had amassed enough farmland to rival Oligarch Valley's biggest and oldest billionaire farmer clans: 100,000 acres—nearly 160 square miles—growing cotton, pistachios, almonds, oranges, lemons and grapefruit. They didn't just grow the crops, but packaged, processed



Economic sanctions are what have allowed the Resnicks to create their pistachio empire, which would suffer a severe blow if relations with Iran were ever normalized. Iran's pistachios are considered to be superior to America's, so much so that Israelis still buy Iranian pistachios shipped in through Turkey. Surely the Resnicks would never be able to compete with Iran on the pistachio free market.

And so the Resnicks did what any smart and ruthless American would do: they made common cause with oil companies, Islamophobes, neocons and Likudniks, and began funneling money to think tanks and political advocacy groups that take a hardline approach with Iran. Economic sanctions, sabotage, vilification—all these things worked in the Resnicks' interest. Bombing some of Iran's pistachio fields wouldn't be so bad, either...

Stewart Resnick and his wife Lynda are trustees of the highly influential Washington Institute for Near East Policy think tank, which was created as an AIPAC spin-off in the '80s. In the realms of US IDC, a not-for-profit foundation that serves as the fundraising arm of the Interdisciplinary Center Herzliya, a think tank with close links to the Israeli intelligence and military establishment. Like the Washington Institute for Near East Policy, Herzliya is considered to be the most influential think tank in Israel on security matters. American Friends of IDC funneled \$10 million to Herzliya in 2006. It is not clear how much money Resnick has personally contributed to this non-profit, as non-profits are not required to disclose the names and addresses of their contributors. But the fact that Resnick is on the board of directors shows his direct involvement in a powerful organization pushing a hardline anti-Iranian policy. After all, Stewart Resnick sits on the board with a long list of well known neocons, Islamophobes and Iran War boosters, including Vegas tycoon Sheldon Adelson, the founder of pro-Iraq/ Iran war group Freedom's Watch and infamous backer of all things neocon.

Herzliya conferences have been attended by powerful political players from both the US and Israel: William Kristol, Mitt Romney, Wesley Clark, Ariel Sharon, Moshe Katsav, Richard Perle, James Woolsey and Nicolas Sarkozy are just a few big names. What's Herzliya's position on Iran? The Weekly Standard reported from the think tank's annual conference in 2010.

"...Iran received much attention at Herzliya this week. Speaking two days before Netanyahu, President Shimon Peres spoke eloquently about the need to confront Iran not solely as a security issue, but as a moral concern for the West, stating that Iran was a source of evil to all seeking peace and freedom. Netanyahu's coalition partner and defense minister, Ehud Barak, also called on the international

them over America's crop.

The Los Angeles Times in 2009: "For years, the U.S. has been pressuring Israel to break the habit of buying Iranian pistachios from third-party markets such as Turkey and turning a blind eye to trade-embargo issues...

"To be sure, Israelis love pistachios. In a recent interview, President Shimon Peres recalled with nostalgia the wondrous fistouk shammi (Aleppo pistachios) he enjoyed years ago in Iran as the shah's guest."

"As a proud native of the golden state (California), I think Israelis should eat American pistachios, not Iranian ones,"

community to institute sanctions on Iran, especially given Iran's successful satellite launch this week."

Documents filed with IRS show that the Resnick Foundation funneled \$1.125 million to the American Jewish Committee in a five-year span between 1999 and 2004. The American Jewish Committee (which also goes by Jewish Federations) was one of the most active lobbyists pushing for a sweeping Iran sanctions bill passed in 2009. It was right up there with Halliburton, Chamber of Commerce, ExxonMobil and Lockheed Martin.

In 2008, Resnick's Paramount Farms reaffirmed its mission to keep hacking away at Iran's market share. "We don't mind stealing share from the Iranians," said Paramount's vice-president of worldwide sales.

The funniest thing is that enforcement has been the hardest in Israel, which has the highest per-capita consumption of pistachios in the world and imports tens of millions worth of pistachios every year. And Israelis, as much as they hate and fear Iran, love Iranian pistachios best, preferring

Stewart Tuttle, spokesman for the U.S. Embassy in Tel Aviv, told the Associated Press.

### **COWSCHWITZ (EXIT 334)**

"That's the smell of money."

-John Harris, owner of Harris Ranch

It was an hour or two past noon, and once again I was driving north on Interstate-5. I was catatonic, my mind numb from two days of zig-zagging through the fields of Oligarch Valley.

Suddenly I was snapped awake with a jolt. The stench of fetid, rotting shit and urine hit my nostrils like a super-sized ammonia capsule. I look around the bleak, stark landscape: the freeway stretching out in straight lines ahead of me, the endless line of trucks lumbering in the right lane and a vast expanse of scorched dirt surrounding the highway. I'd been on autopilot and had no idea how long I'd been driving.

None of that mattered, though. The stench—the awful stench—was better than any visual landmark. I knew exactly where I was: Welcome to

Harris Ranch, California.

Located about halfway between San Francisco and Los Angeles, Harris Ranch is California's largest beef "producer." But around these parts, it's simply known as "Cowschwitz," a brutally efficient vertically integrated death camp, annually

churning
250,000 cows
into 150 million
pounds of beef
product. At any
given moment, its
open-air high-density
feedlot is crammed with
100,000 head of cattle
living out their miserable
lives submerged knee deep
in their own filth, fattened up for
slaughter on a mountain of corn.

The lot is pressed right up against the freeway. Even at 80 mph, Cowschwitz is a gruesome sight. For a few seconds, you get a nightmare glimpse of a mass of filthy cattle huddled together—some standing, others lounging in their own excrement, their hides smeared with shit, piss and mud. Even from space, photos of the feedlot looks like a giant

Harris Ranch wants you to think their feedlots all but replicate the happy bucolic existence of life out on the open range:

"In the feedlot, the cattle are cared for by cowboys who ride the pens every day to ensure the health and well-being of every animal in their care. Shade has been installed and all cattle are fed in large, well-maintained, outdoor pens that are equipped with an automated sprinkler system to reduce dust and cool cattle during the summer months."

Cowboys? Yeah, I see two Harris Ranch cowboys when I drive around the feedlot for a closer look. They certainly do "ride the pens." They ride them on their pickup trucks, wearing their cowboy hats. The two cowboys are talking across a razorwire-topped

chainlink fence. They flash me a mean look as I drive by slowly. Maybe I'm some kind of eco-terrorist, like the mysterious animal rights activists who targeted Harris Ranch in 2012 by torching 14 transport trailers used to haul cattle to a nearby slaughterhouse.

And the healthy, cool cows? They are huddled together in a cooling sea of excrement. Most of them are black, some are brown and there are plenty of calves. It's pushing 100 degrees now, but summer temps are consistently

"...driving down Route 5 in California and passing the Harris ranch ... It's a stunning landscape. I had never seen anything quite like that. Miles of manure-encrusted land teeming with thousands of animals and a giant mountain of corn and a giant mountain of manure. And a stench you can smell two miles before you get there. Most feedlots are hidden away on the High Plains. This one happens to be very accessible..."

Pollan credits Harris Ranch with

asked Mr. Rutherford to define a "sustainable" beef production model. Mr. Rutherford used "grass-fed" and "organic" systems as examples. When asked specifically whether or not a "grain-fed" production system like that employed by Harris Ranch could be defined as "sustainable," Mr. Rutherford responded that "grainfed" production systems were NOT sustainable, that corn should not be fed to cattle, and especially not in large-scale animal feeding systems.



over that in Oligarch Valley. The sprinklers, which are meant to cool the cows, have turned the ground into a vast puddle of liquefied shit, piss and mud. In certain spots, this mass congealed into a bulging hillock allowing some cows to climb and wistfully look out at the world beyond the barbed-wire fence, periodically giving out a pitiful moo.

The view out from the shit mounds is not much better than what cows have inside. Right next to the feedlot is a gigantic pool containing tens of thousands of gallons decomposing, liquefied cow manure. It festers for a time before being shoveled out with a tractor and dumped on a plot of adjacent land. It's a sludge processing operation next to a shit smeared feedlot. Flies buzz everywhere, and the smell is overpowering.

Living in this toxic danger zone—this giant disease incubator—it's no wonder the cows have to be constantly juiced on antibiotics, creating an accidental R&D lab for antibiotic resistant superbugs. It's hard to believe that this is where the beef for those tasty In-N-Out burgers comes from—but it does.

Harris Ranch is not a place you want your food to come from. Michael Pollan says seeing it firsthand is what prompted him to start researching and writing the great anti-agribusiness bible "The Omnivore's Dilemma:"

inspiration, and Harris Ranch has returned the favor. Its owners—the Harris family—have done their level best to censor and quash Pollan's work.

In 2009, the company shut down a talk Pollan was scheduled to give at nearby Cal Poly, considered to be among the best public universities in the country. The university has a big ag program and Harris Ranch is a major donor. Harris Ranch executive David Wood, who also happens to be a Cal Poly alum, threatened to pull further funding if Pollan was allowed to speak. The harassment doesn't end there: Wood ordered one of his assistants to talk to Cal Poly professors and gather intel on their ideas about agribusiness. He then sent a long email to the dean, naming professors whose ideas about farming he considered to be out of line with Harris Ranch interests, and ordering that at least one of them be immediately fired.

His angry email—which was saved for posterity by the Washington Post—is pretty shocking and is worth quoting at length. Notice how Wood practically pops a brain aneurysm when a professor mentions that taxpayer-funded water underwrites the agribusiness operations of Oligarch Valley farmers:

'In a recent (09/14/09) phone conversation Mike Smith had with Rob Rutherford in the Animal Science Department, Mike

'Mr. Rutherford then had the audacity to offer Mike an entirely unsolicited opinion that water should have NEVER been provided to farmers on the west side of the San Joaquin Valley. As Harris Ranch operates one of the largest farms in this region, Mr. Rutherford implies Harris Ranch should not be farming! He went on to offer that this acreage should be converted back to the native forages once found there. In other words, Mr. Rutherford believes that roughly two million irrigated acres in California that feed both the nation and the world should be out of production. Imagine for a moment what California would look like if those farmers and their employees many of whom were educated at Cal Poly—were put out of business. The social and economic dislocation, as well as the impact on the nation's food supply, would be enormous. How can a faculty member at the university take that position?

Thave shared Mr. Rutherford's opinions with a number of Cal Poly graduates, donors, and others in the ag industry. They are uniformly shocked, and have each questioned whether the university in fact continues to support agriculture. They have likewise questioned whether they should continue to support the university.

'Dr. Baker, please assure me that the views held by Rob Rutherford are



NOT the norm among the faculty in the Animal Science Department at Cal Poly. Can you provide me with any assurance this man's personal views are NOT being taught to the students that attend his classes? Can you explain to me why Professor Rutherford is the only faculty member in the department teaching Issues in Animal Agriculture, which is a required course of all Animal Science students?

'I understand the constraints the university faces with

tenured faculty. This "academic freedom" issue was described in a recent (09/18/09) phone conversation between Mike Smith and Dr. Thulin. In that conversation, Dr. Thulin commented that there was almost nothing he could do as department head regarding Mr. Rutherford. I disagree, as I do NOT believe Mr. Rutherford has the academic "right" to teach Issues in Animal Agriculture. I believe Dr. Thulin should remove Mr. Rutherford from teaching this required class and replace him with a professor who will offer a balanced perspective to students. ...As if Mr. Rutherford's own words were not enough, his required texts "Fast Food Nation" and Omnivore's Dilemma for his class (with no text having countering views) further confirm that he brings a bias to his teaching.'

Cal Poly complied with the wishes of Harris Ranch. Pollan never did speak at the university. As for professor Rutherford? Well, he wasn't fired, but he was taken off the "Issues in Animal Agriculture" class that he had created and taught. The class was changed from being a required course to a simple elective, which meant that Cal Poly's curriculum no longer required exposing agriculture students to the serious

problems and dangers that filthy, diseased industrial meat camps posed to society. For a tax-deductible donation of \$500,000, Harris Ranch got to control what it taught at a public university, making sure that its business practices would never be questioned.

The censorship and the suppression of an award-winning work of journalism was so blatant and callous that even usually meek Los Angeles Times felt compelled to launch an oped attack on Harris Ranch:

"The university should be ashamed of its attempt to squelch an antiagribusiness message to placate a donor... California restricts billboards along rural freeways, but there's a spot on Interstate 5 near Coalinga that's a better advertisement for vegetarianism than any Madison Avenue genius could ever devise. It is Harris Ranch, an 800-acre feedlot and meat-processing operation whose

Association in Texas. The association sued her for libel after Oprah said on her show that mad cow disease could "make AIDS look like the common cold." Ultimately, the beef industry lost their lawsuit, but not before Oprah had to spend a fortune defend herself. She vowed never to criticize agribusinesses ever again.

It's pretty obvious that businesses like Harris Ranch want people to know as little as possible about how the beef is really made. And so it's doubly weird that the Harris family decided to build a McUpscale steak joint just down the highway from its fetid feedlot.

No, really. In the 1980s, Harris Ranch built a huge steak restaurant and a high-end hotel and spa practically next door to their death camp. You can't quite see the feedlot from your room, but if the wind is blowing in the right direction, you sure as hell can smell it. The restaurant, the hotel and

smell assaults passersby long before the panorama of thousands of cattle packed atop layers of their own manure appears. Some critics have dubbed the place 'Cowschwitz."

A few months ago, a dozen members of the California state assembly representing the Oligarch Valley sponsored an "ag-gag" that would make it crime to expose illegal activity by agribusinesses farms and slaughter houses. The legislation didn't get passed, but the attempt was not a surprise, considering that over a dozen states have similar laws on their books. Alabama, Arizona, Florida, Georgia, Idaho, Louisiana, Mississippi, North Dakota, Ohio, Oklahoma, South Dakota and Texas have "food libel" laws that hold food critics civilly liable for disparaging food products and agricultural commodity. One victim of "ag gag" was Oprah Winfrey, who defended herself from an epic attack by the National Cattlemen's Beef

the hotel's outdoor pool are enveloped in a hazy cloud of fecal matter.

Harris Ranch boldly markets the Harris Ranch Restaurant as a gourmet wonderland, where beef enthusiasts can come to enjoy fresh, wholesome beef right off the farm. "We're true to the farm-to-fork concept," is how Stephanie Papagni-LaPlante, Harris Restaurant's marketing director, described it to San Diego's Union-Tribune.

Papagni-LaPlante is clearly very, very good at her job: business is booming. Michael Pollan wrote Omnivore's Dilemna with the idea that if people knew how and where their food was made, they'd change the way they live and eat. But Harris Ranch suggests the opposite is true:

"Harris Ranch Restaurant serves 500,000 pounds of beef every year. On a good weekend, it'll serve 20,000 people, with the price of an entree hovering around \$14. Harris Ranch also sells for million gallons of gas from

the two gas stations the company has out front. On holiday weekend, the restaurant is filled to capacity."

And just look at the Yelp reviews:

#### Altoni Leen C. from San Leandro, CA:

"Despite the foul smell outside, the ambiance and the food inside were awesome!"

Patricia L. from Torrance, CA:

"You know the stinky part of the freeway with the cows? We're gonna go eat there!" Well, Harris Ranch isn't stinky. But I thought it was funny when my boyfriend said that.

The restaurant bills itself as a place for beef aficionados, but no one not the server or the manager—can answer a basic question about their signature "Restaurant Reserve" dry aged prime rib steaks: how long are they aged? "Hmmm, I know that. Hold on, let me look at my cheat sheet..."

I order the 8oz dry-aged prime rib and a Diet Coke, for \$29.95. I'm trying to blot the images of shit and misery burned into my brain, but I'm distracted by the strong neon blue haze coming from above the computer order terminal. It takes me a while to realize I'm looking at a fly zapper because I had never seen one this large. The beef isn't the only thing that comes straight from Harris Ranch's feedlot in large quantities. The shit flies are local, too.

Finally the famous steak arrives. I cut into the bloody meat, fork a chunk

Harris Ranch was started almost a century ago, with the original Mr. Harris growing cotton, pumping oil and raising cattle the old fashioned way: by letting them roam the range.

Today the company is run by John Harris. As a third-generation trust-fund farmer, John oversees a diversified agribusiness operation, which includes the feedlot, slaughter house, restaurant and hotel, a bunch of gas stations and a horse-breeding business. The company also grows more than 30 crops, including lettuce, tomatoes, melons, oranges, lemons, almonds and pistachios.

John commutes to work by airplane from a "French chateau-style house" on the banks of the beautiful Kings River in the foothills of the Sierra Nevada Mountains. The house is decorated by his wife, who decked out their digs with "18th-century English and French Chinoiserie











With rave reviews like that, I had to try out the Harris Ranch Restaurant for myself. It's about 3pm when I pull into the half-full parking lot. I pull up next to a Tesla charging station and slowly, bravely open the door of my rental. Luckily, the wind is blowing true and I'm upwind from the feedlot, barely able to detect the stench.

I tried getting in touch with a rep from Harris Ranch before I stopped for visit, hoping that someone would join me for lunch and a chat. But no one ever got back to me, so I have to eat solo.

I push through the glass doors. Inside, the restaurant is maybe threequarters full. The waitress puts me in a booth, offering a seat facing away from the window... "so you don't have to look at the gas station," she says, sweetly.

into my mouth and grind down. I don't know if my mind is playing tricks on me, but I swear a faint odor of fetid shit clung to the meat. I shuddered as the juice squirted out of the meat with every bite. My steak came with a bowl of tortilla soup, steamed carrots and a side of yams. And soda refills at Harris Ranch Restaurant are free of charge.

As I walked out of the restaurant, I noticed a flyer hanging discreetly on the wall. It was a legal notice warning patrons that the restaurant's water supply had failed California's drinking water standards because of high levels of "disinfection byproduct."

But don't worry. The sign said: "This is not an emergency."



The Harris family fits right in in Oligarch Valley.

furniture, as well as copies of the Trelliage murals at Schonnbrunn Palace." A profile of John Harris in California Country Magazine, the propaganda arm of the Farm Bureau Federation agribusiness mega-lobby, describes John Harris as a "California success story with diversity and drive as boundless as the vistas just off the interstate." Among his earliest triumphs was overcoming the "immense challenge" that high estate taxes placed on the family following the death of his father.

Harris Ranch has taken in millions of dollars in farm subsidies. Among his friends in Oligarch Valley is the esteemed trust-fund farmer Stuart Woolf, whose family operates the "biggest farming operation in Fresno County." Stuart Woolf frequently pops up in alarmist, sobstory news coverage about how hard it is being a farmer in Oligarch Valley.

Mr. Woolf appeared on 60

Minutes a few years back posing as a struggling farmer being put out of business by big government elitist, who cut off his water supply because they cared more about the environment than they did about patriotic Americans toiling to feed the country. Sure, the Woolf clan already got enough water to supply a city 150,000 people for year nearly cost free, not to mention the \$8 million in federal crop subsidies. But that's all beside the point: Stuart Woolf wanted more, and for a small struggling farmer he sure had a lot of moxie. In 2008, he showed up in D.C. and threatened a congressional subcommittee that he'd move his family's farm to Spain or Turkey, hell, even commie China. He'd do whatever it took to survive if the federal government didn't give him more free water pronto:

raped by one of his trusted foremen. In 2005, after years of litigation a jury in a federal court found Harris Ranch liable for the repeated rape of a former female employee. Her supervisor had repeatedly driven her out into the fields and raped her, then threatened her with a gun and warned her not to tell anyone about it. She reported this to her supervisors, but instead of taking action against the rapist boss, they bullied and harassed her.

The abused woman was represented by the U.S. Equal Employment Opportunity Commission, a federal law enforcement agency that investigates workplace abuse. It was the first time the agency took a sexual-harassment case against an agribusiness employer to trial. Approachable John Harris said the lawsuit was a big-government conspiracy and an "extortion" racket.

Downtown Corcoran isn't much just a single street a few blocks long, filled with empty storefronts, a pizza joint, a couple of liquor stores and two discount stores serving strictly poor Latino clientele. Looking out the window, I can see a lone Ford truck cruising down the street and a group of loud railroad workers getting hammered on Bud Light tallboys down in the parking lot.

Out beyond the window, green fields and orchards stretch way out into the horizon. The land is flat, dusty and vast, and nearly all of it is owned

by just one family.

Here in Corcoran, everything except the air belongs to the Boswell clan, an old slave-plantation family hailing from the state of Georgia. They diversified their cotton plantation operations out of good old Dixieland, moving to California over a century



"I have to look at where I'm going to spend my next dollar, and right now I can't stand up in front of my family and say it's going to be south of the Delta—that I'm going to recommend buying more land or expanding plants. I don't want to put more chips on the table with that level of risk. We may look at opportunities in Turkey, for example, but we're anxious about political instability."

Stuart Woolf was disgusted with big government, but he has nothing but praise for his buddy and business partner John Harris.

"I'm lucky," Stuart told California Country Magazine. "With John, I have a great friend, partner, mentor and leader. John is a very approachable, normal kind of guy with a great sense of humor."

Yep, John's a real great guy, very approachable—unless of course you happen to be the female farm serf who, in the 1990s, was repeatedly

John told the Wall Street Journal that he was singled out because "they" considered Harris Ranch "a deeppocketed employer."

John Harris is not a man to let that kind of aggression stand. He spent hundreds of thousands of dollars fighting the lawsuit and defending his rapist foreman against a diabolical Mexican woman bent on robbing the Harris family. In the end, a judge found Harris Ranch guilty and ordered John to pay the woman \$1 million. "We are very disappointed. We thought we had an excellent case," he said. That's John Harris: a great sense of humor up to the end.

## **CORCORAN (EXIT 334)**

It's 7:00 pm, and I'm sitting at a motel overlooking downtown Corcoran, California, a tiny farm town in the heart of the Central Valley about halfway between San Francisco and Los Angeles.

ago and quickly amassed the largest cotton farm in the nation—a "farm" that Supreme Court Justice William O. Douglas described as a "corporate kingdom undreamed of by those who wrote our Constitution."

In the process, the Boswells married into the powerful Los Angeles Chandler family, spun out real estate development subsidiaries, built entire towns, exploited generations of migrant workers, bought politicians, acquired ownership of enough water to supply millions of people and used the government like their own private charity. The Boswells' farm empire including the town of Corcoran—was built on Tulare Lake, what used to be the largest freshwater lake this side of the Mississippi River, until the family convinced the federal government to dike, drain and turn the vast body of water into an endless expanse of private irrigated farmland—all at the expense of the taxpaying public. This accumulated wealth and power has

been passed down from one generation to the next, and shows no sign of waning.



Standing at the bottom of Lake Tulare, it's hard to believe that I'm in the middle of what once was one of the largest freshwater lakes in United States. Now it's mostly fields. Fields and a sprawling new prison complex, the largest and most violent state prison in California where, it was revealed by the Los Angeles Times, guards regularly staged gladiator fights between prisoners for sport.

Lake Tulare used to be a sight to behold. During the summer months it would all but disappear, but then in winter and spring it would grow to an immense size as it filled with runoff from the Sierra Nevada mountains. the family's west coast operations in Corcoran.

Lake Tulare was always a pain in the ass for Boswell and other growers in the area. Despite their wealth and resources, the private dikes, barriers and channels erected by the farmers were no match for the powerful surge of water that would rush down from Sierras in extremely wet years. They needed the government's help to create a more permanent system to control the water and keep the lake at bay. There was only one problem: if this project was handled by the Bureau of Reclamation, which normally handled irrigation and dam-building projects, Boswell would have to meet the maximum-acre laws set out by the federal Reclamation Act—which maxed out at under 1,000 acres per farmer. So the growers hit up on a novel idea: they'd pretend like they

federal government from bailing out oligarch farmers.

And that's exactly what they did, despite opposition from Congress and two presidents: FDR and Harry Truman.

From the early 1940s, Boswell and his clique of farmers began damming rivers in Lake Tulare, opening up farmland, diverting water to the Boswells and turning the family into hereditary billionaires overnight—all at taxpayers' expense.

The main beneficiary of this "flood control" project was James G. Boswell, who took over the family company from his uncle in the early 1950s and used the new access to water and land to vastly expand the size of the J.G. Boswell Company and diversify the business, expanding into tomatoes, wheat and dairy farms. Boswell also spun off multiple real estate

All that started changing in the 19th century with the arrival of anglo settlers and ranchers. They saw the lake as a threat to prime farm and grazing land, and began to contain it with dikes and channels, diverting the water for irrigation. The federal Swampland Act law defined this as "reclamation" of swampland, and gave away the "reclaimed" land for free. Best of all, the federal government eventually lifted restrictions on how much free lake-bed land a person could get under the Swampland Act. By the end of the 19th century, a handful of people had "reclaimed" most of the land in Tulare Lake.

James Boswell was born in Georgia, into an old Southern plantation family that had been in the cotton and slave business since the 18th century. The southern cotton cash crop was being decimated by an infestation and young Boswell was sent out west to Southern California to expand his family empire and set up



weren't damming a natural lake, but simply erecting barriers to prevent natural disaster. The United States Army Corps of Engineers, which wasn't bound by the restrictions, could build the project, and thereby skirt the pesky laws designed to prevent the development subsidiaries that built whole towns as far away as San Diego and Arizona, where he built Sun City, the nation's first McTractHome retirement community.

Today, the Boswells are probably the largest cotton growers in the U.S. They are also the second-largest growers and packers of tomatoes, and one of the largest producers of tomato paste in the world. The family agricultural operations alone generate nearly \$400 million in sales a year. But water remains the principle Boswell asset, around which everything else is built.

In the 1980s, Forbes magazine valued the family's water rights at \$1 billion, but they are worth much more today. Water rights are treated like private property rights: they can be sold, leased, donated and/or passed on from one generation to the next. Those water rights are still tightly controlled by the Boswell family today.

Environmentalists and nature lovers have never forgiven the

Boswell family for destroying one of the coolest, most beautiful spots in California. So J.G. Boswell decided to try and rewrite history. According to Mike Arax's "The King of California," Boswell funded a short propaganda film celebrating the destruction of Lake Tulare. It was the inversion of the films cranked out by Soviet propagandists celebrating the industrial achievements of the proletariat in harnessing and breaking nature to serve the greater good. Here, all the benefits of progress flowed to just one small family:

"Once it ranged over 600 square miles, the uncontested master of the valley. Now it's become the lake that was; its waters controlled, its bottom reclaimed. Once master, it's now servant. Once desolate, it's now fertile. The difference is man... Simply by moving into the twentieth century, the American farmer has become a giant.

thinker. Just a maverick sort of guy."

With fans like Jack Welch, it's not surprising that J.G. Boswell didn't share his wealth with the local community. In fact, he got tired of dealing with farmworkers, who always demanded higher pay, and cut employment as much as possible. He put a lot of money into automating his farm operation as much as possible and he grew crops that could be machine-harvested with fewer than 300 employees manning the controls.

J.G. Boswell died in 2009. His son, James G. Boswell III, now runs the company from the family compound in Pasadena, California. Young J.G. has yet to make his mark on the company, but he's unlikely to be worried that it will go out of business anytime soon. Even if demand for cotton and tomatoes disappeared tomorrow, he'll always have land and those precious hereditary water rights

processing plant, it seems like the perfect place for Boswell employees to get lunch. It's just past noon when I arrive, but the place is nearly empty.

I order a couple of *carne asada* tacos and chat up the waitress to solve the mystery: the J.G. Boswell Company has rebuilt its old headquarters and the new building includes a cafeteria with its own private chef. "It's not for regular workers. No it's for... for the big shots," she said, stammering. "It's not so bad, but business has dropped off noticeably."

"Big shots" is a relative term. J.G. Boswell automated his farm operations so efficiently that much of it is run by a small army of trained workers and a platoon of college-educated engineers and managers. I guess these college educated types needed to be lured with more gourmet food than can be found in a humble diner.

The waitress didn't have much



#### No longer does he serve the land. The land serves him."

"Him," as in J.G. Boswell & Sons. J.G. Boswell pretended he was a tough and simple John Wayne pioneer type. He was gruff, swaggered around in a cowboy hat and showed off his two missing fingers, which he supposedly lost a cattle-roping mishap. But he was no simpleton.

J.G. Boswell was a Californian aristocrat, groomed and trained from birth to preside over American corporate boardrooms. He formed joint ventures with top global companies, including partnering with Dow to develop and patent a new type of cotton seed. He sat on the boards of General Electric, Safeway and Security Pacific Bank, a large bank that was swallowed up by Bank of America in the 1990s. Infamous downsizer-in-chief Jack Welch was a big fan of J.G. Boswell: "A very independent, outside-the-mold

that he can sell to thirsty cities, or he can back real estate projects of

With that in mind, the newest Boswell has been busy pushing through a massive real estate development on the eastern edge of the family's property in Oligarch Valley, making sure it's ready by the time the real estate bubble starts to come around. The Boswells are calling it "Yokohl Ranch." Named after a local band of wiped-out natives, it'll be a luxury subdivision geared towards outof-towners that will contain 10,000 homes, three golf courses and a mall.









I stop at a restaurant on 6th Avenue on the edge of town, a simple diner serving a hybrid of Mexican and American food. Located just down the street from J.G. Boswell Company HQ and a giant Boswell tomatoto say about that, seeming more concerned about the massive Corcoran State Prison across the street from Boswell's tomato plant.

"I have two daughters, they carry mace and cellphones just in case," she said, still stammering. "My husband likes to watch shows about prisons... we always see it..." She described in fragments a couple of recent escapes from the prison. Corcoran is not an easy place to get out of. It's surrounded by hundreds and hundreds of miles of farmland with an almost nonexistent population. It's hard to blend in. One guy who escaped was caught when his girlfriend started bragging on Facebook that her man was out of jail and that she'll be seeing him very soon.

The line cook doesn't have a problem with the J.G. Boswell Company's private cafeteria.

"I know a guy who works there. I taught him how to use the grill at Chili's where I worked with him. He says they don't pay him enough to make ends meet, but I don't know. I'd love to work there," said the cook. He's tall, a bit overweight and has the physique of a Samoan football player. He's chowing down on a hamburger at the front counter. "I've been doing this for 15 years, and where did it get me: I started at \$4.75 an hour and now make \$7.50."

"I'm trying to figure out a way to get a job at the prison right now. That would be sweet," he said, shaking his head.

What did he think of the Boswell family?

"My uncle has a copy of the book about the Boswells. It's called "The King of California." You should check it out if you're interested. Uncle won't let anyone borrow it because he's afraid he'll never get it back, but I read parts of it. They came from

#### **REDWOOD CITY (DETOUR)**

You can pick up the scent of Oligarch Valley overlords in the most unexpected places.

Take the massive real estate development being planned for Redwood City, California, a wealthy suburb about 20 miles south of San Francisco. The plan calls for a plug 'n play community that would swell the city's current population of 75,000 by 30 percent, cramming schools, office buildings, shopping malls, parks, playgrounds and 12,000 homes into two square miles of marshland owned by Cargill Inc., the largest private company in America and one of the biggest, most evil agribusinesses in the world.

I lived in San Francisco for nearly two decades and I had no idea that Cargill was the biggest private landowner in Redwood

City and the

Georgia. You know this used to be a lake, right?"

"Do people here like them?" I asked again.

"Sure, people respect him," he said of the J.G. Boswell who died a few years ago. "He's real people friendly. Donated to the community all he could."

Locals respect J.G. Boswell and they respect Corcoran State Prison, the most violent and deadly prison in California. Prosecutors can't even successfully try cases involving prison guards around here, even when they have ample evidence showing that guards staged rapes and deadly gladiator fights between inmates. The reason? "Jurors in the state's rural heartland tend to be sympathetic to guards because prisons provide as many as 10,000 jobs in the region, accounting for much of its non-farm employment," explains the New York Times.

owner of 1,436 continuous acres of premium shoreline property. If you've ever visited San Francisco, you've probably seen the land while landing at SFO: Cargill uses it to harvest salt, and it can be seen from the air as a patchwork of deep brown and darkred tide pools.

Cargill's development plan is fiercely opposed by locals, who want to restore the salt ponds back to wetlands, their natural state, and turn it into a nature preserve. But local opposition has been the least of Cargill's problems. The bigger issue is water: Redwood City uses just about every drop of its annual water supply.

But Cargill's partner, DMB, a luxury real estate developer outfit from Arizona has pulled out a trump card. They won't be needing Redwood City's municipal water after all; DMB had plenty of its own water.

According to documents filed with city's planning department, DMB

had acquired its water supply through a 70-year lease agreement with some rinky-dink company called the Nickel Family LLC in Bakersfield. DMB would not disclose how much it paid for the lease, but wasn't cheap. They were leasing a massive amount of water—nearly enough to double Redwood City's water allotment and supply a city of up to 60,000 people. The lease probably put a serious dent into DMB finances. But the cost surely pales in comparison to the killing DMB and Cargill stand to make

ke on the project.
And it's not like residents of Cargill Acres are going to get that water free of charge.
Nope, you can bet they'll squeeze these residents for as much as much they will bear. And they won't complain either, as half them will be blissfully working for

of them will be blissfully working for Google.

But its not Carrill or DMB we're

But its not Cargill or DMB we're interested in. The real question is: who or what is Nickel Family LLC? It's clearly a farming operation of some sort, but who has that much water to lease out—especially for 70 years into the future?

Turns out that there's nothing rinky-dink about it. The Nickels, of Nickel Family LLC, are about as close to royalty as you can get out here in the Golden State. The Nickels are descendants of Henry Miller, the "Cattle King of California."

"I thought once that I would own the whole state of California," Miller told a friend a few years before he died in 1916. He didn't own the whole state, but Mr. Miller got close—too close.

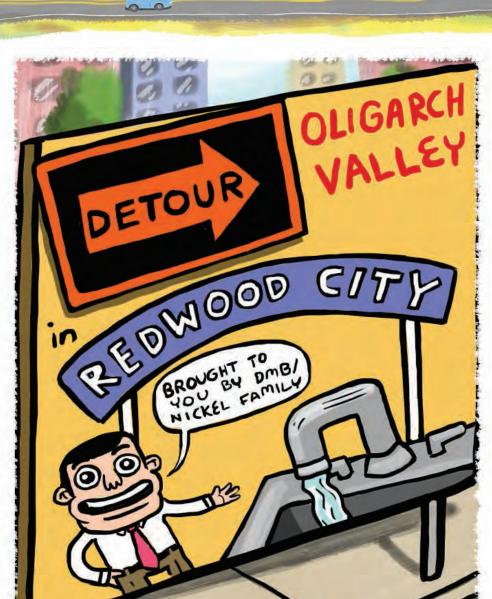
The son of a German butcher, he ran away from home as a teenager, made his way to California by boat, adopted the name Henry Miller and scammed his way to unbelievable

riches as a cattle baron, supplying beef to San Francisco during the Gold Rush. At some point, he was considered the largest landowner in the United States. The man had so much land that he liked to brag about being able to drive his cattle from Los Angeles to San Francisco without ever leaving his own property.

"Henry Miller left behind him the largest area of land under a single ownership ever assembled in America, probably the world, if private individual ownership and now the feudal domains of Kings is alone considered," gushed the New York Times in a 1921 profile five years after his death. "Eight hundred thousand acres in California—more than 1,250 square miles—nearly as much in Oregon and half as much in Nevada, constituting the entire holdings of

#### Miller & Lux, Inc."

In San Francisco, he married into elite anglo society and started leveraging his profits and connections into buying as much real estate as he possibly could, always on the lookout for land with water rights and access to rivers and streams. Miller was among the first to understand that water was the key to power and wealth in California, and was the state's most



valuable and strategically important resource. He snatched up land on both sides of major California rivers, monopolizing water supply.

The man was obsessed with growing his business operation, and supposedly took pleasure in nothing but work, not even in food. "I'd stop eating if I could," he once wrote a friend.

The man was a miser and skinflint. "Even after he had become a multimillionaire, he always insisted on having his potatoes boiled in the jackets because the skins could be peeled thinner that way, and he would go into a rage if he were given a full cup of coffee after he had asked for only a half cup, because this meant he was going to have to drink more than he thought was good for him in order to avoid the wastefulness of throwing any coffee out," according to a 1967 profile in the American Heritage Magazine.

The Nation's legendary editor Carey McWilliams was in total awe of Miller's business abilities, writing "His career is almost without parallel in the history of land monopolization in America. He must be considered as a member of the great brotherhood of buccaneers: the Goulds, the Harrimans, the Astors, the Vanderbilts." California water historian Marc Reisnser also showed deep respect for the man's talents, reverently describing Miller

a "mythical figure in the history of California land fraud."

Miller used corrupt state courts to steal land from owners of Mexican land grants. One of his crowning achievements was when Miller and Lux litigated a Mexican-American landowning family into insolvency and then forced them to sell Buri Buri Ranch, a chunk of land stretching from the southern edge of San

state repaid him with three times as much water. He banked it in an aquifer and years later sold it to Chevron and Union Oil for drilling," reported the Sacramento Bee. Nickel pocketed \$8 million in the deal, which is considered to be one of the earliest sales of farm water.

But that was just the beginning. Like other Oligarch Valley farmers, Nickel began experimenting with

environmental account for an eyepopping \$460 an acre-foot, or \$4.6 million.'

This swap went beyond the \$4.6 million. The deal handed the Nickels 10,000 acre-feet of taxpayer-funded water a year in perpetuity—as in, forever. It also gave them license to market the water to anyone along the 700-mile span of the California Aqueduct. That's enough water for a

Francisco down to Burlingame. He did it all with the help of notoriously corrupt lawyer and future California governor, Harry Haight. Yep, the guy hippy Haight Street was named after. Stealing Buri Buri was all about securing grazing land for his massive cowherds as close to San Francisco's hungry meat market as possible. They didn't have ice boxes then. So once you kill it, you better eat it fast.

Eventually Miller's dominance began to slide. Railroads and refrigerated car technology allowed the powerful Chicago Meat Trust to shoulder him out of the way and deliver their shitty high-density feedlot beef directly to San Francisco.

After his death in 1916, Henry Miller's empire passed to his spoiled children, who squandered their inheritance for two generations, until Miller's entrepreneurial spirit was reincarnated in his great grandson, George Nickel Jr.

In the 1960s, George Nickel joined with the Boswells, Chandlers and other Oligarch Valley's farmeraristocrats in support of Governor Pat Brown's plan to build the California Aqueduct, which would run right through the Nickel family's land holdings in Oligarch Valley.

Nickel pitched in to help Governor Brown in anyway he could, even volunteering to loan the state a bunch of water for construction purposes. "After the aqueduct was done, the

the lucrative business of "water banking." Now that he was plugged into the California Aqueduct, he could divert water from a river into an underground aquifer during wet periods, where it would be stored for later use.

"My father was marketing waterways before anybody else, before it was cool," said Jim Nickel, who has headed up the Nickel family ag and water business after his dad died in 2004.

In 2001, just before George Nickel finally kicked the bucket, the old man used his hereditary water rights to pull off one final scam that would keep his kids flush with cash for years to come. The Sacramento Bee explained it in 2002:

"Henry Miller was one of California's original water barons as well, and today his descendants are wheeling and dealing in water with style and gusto. Just last year they pulled off a trade that brought them millions of dollars' worth of water on the California Aqueduct—the state's main waterway and an ideal trading post.

...Last year Jim Nickel swapped some family water with the county Water Agency for \$10 million and some water on the California Aqueduct. He got less water than he had, but the location was worth it. A few months later he sold every drop of the year's allotment to the state's

city of 100,000.

"We consider ourselves farmers," Jim Nickel told the SacBee. "But we have to admit the water marketing has become a bigger part of our balance sheet than it used to be. It's significant now."

Best part? Regardless of how much money the Nickels make selling this water, California has to keep pumping in more every year, so they can sell it again and again and again. Oh and by the way, shipping and handling's on the house, of course. The Nickels get the profits, Californians pay the costs. It's an immutable law of Oligarch Valley economics.









It is this exact chunk of hereditary water rights that is being used to back Cargill's \$6.8-billion real estate development currently in the works in Redwood City. The project depends entirely on the Nickel family, which has agreed to lease it out to DMB, the developer of the project, for next 70

What is interesting is how frequently the DMB-Nickel water partnership pops up in other real estate development projects connected to Oligarch Valley. DMB is also a major partner in the Tejon Ranch development, which is also being underwritten by a portion of Nickel family water rights.

Nickel's water allotment backed another speculative real estate project involved in jacking California's largest public employee pension fund for \$1 billion. The development was planned to go up on the edge of the San Fernando Valley at the foot of the Tehapachis, but the whole thing collapsed after the real estate bubble burst, and took a lot of investors down with it—the biggest investor was CalPERS, which invested \$1 billion into the development right before the whole thing crashed and burned.

after mile after mile. After a while the sights vanish, and you're faced with a kind of sensory deprivation.

One day out here is enough to get you down. A few days can turn into full-blown depression.

After five days, I've had enough. I turn my rental around and head back home down I-5 to LA in a stupor, a feeling of utter hopelessness.

Dropping down into the San Fernando Valley, I catch the tail end of a DemocracyNow show on the radio. Amy Goodman is discussing Jeremy Scahill's new movie "Dirty Wars," Or a variation on the one above:

NEW DUST BOWL Created by Congress

And another:

Farm Water Cut = Higher Food Cost! 50% cut 2010 60% cut 2009 65% cut 2008

Without the Nickels' water, the real estate development would probably never have gotten off the ground, and CalPERS wouldn't have been goaded into making such a disastrous investment.

Yep, who knew that Henry Miller's rapacious scamming and accumulation of water rights in the Central Valley would one day be used by Wall Street hucksters to defraud California's public pensions system. The vicious cycle completes itself: Miller's expansion was financed by East Coast banking interests, who are still profiting off an investment their tribe made more than 100 years ago.

#### **END OF THE ROAD**

Oligarch Valley is not a pleasant place to visit. There are no quaint family farms with cute red barns and cozy cottages. No happy family farmers lovingly working their land. It's just warehouses, grain silos, trucks, irrigation ditches. It's hot, dry and dusty. And the same oppressive industrial farmscape surrounds you where ever you go. The same smell of shit, the same miserable cows crammed into the same shit-smeared feedlots. And all of it is owned by the same small group of people, mile

drones and targeted assassinations in Afghanistan—the usual big important issues of our day and age. I'm struck by the fact that American journalists know more about the politics of a faraway alien country like Afghanistan than they do about California's Oligarch Valley, the power center of the biggest and wealthiest state in the union.

Does anyone outside the oligarchs care about this place? Maybe they do: every so often along the I-5 I see a rough-and-ready sign or billboard posted along the highway asking for help beating back the Big Government's attack on poor defenseless farmers.

Here's one:

Water = Jobs Keep Water Flowing to Farms & Cities Tell Feinstein pass Water Bill HR 1837

Or another:

CONGRESS CREATED DUST BOWL At the bottom of some of the signs you'll find urls of a few different plucky organizations, just trying to make Oligarch Valley more livable for the regular folks: WaterForAll.com, FamiliesProtectingTheValley.com... just grassroots movements of farm owners and farm workers uniting to fight the government and save their livelihood.

Nah, I'm fucking with you. Or at least someone is.

Take WaterForAll.com, part of the Latino Water Coalition, an astroturf group created by farming interests to give a populist face to a purely corporate cause. The group has been put on ice, but was very active back in 2009 when it paid poor Latino migrant workers to take part in a series of "protests," including a five-day "March for Water" staged for Fox News cameras, to make it seem like the people of California are dying of thirst at the hands of Big Government. The groups even drew Sean Hannity out to Oligarch Valley to denounce President Obama for deploying his Greenshirt shocktroops against hardworking American farmers in order to protect some uppity endangered fish. Hannity demanded that Obama "turn this water on now."

"The water" was something called

the Peripheral Canal, a massive multibillion dollar aqueduct project that would dip another big pipe into Bay Area's water and express ship it down to Oligarch Valley.

Much of Oligarch Valley's water comes from the San Francisco Delta and they want more. By some estimates, at least \$5 billion worth of water flows through the Delta every year. Much of it is captured for local consumption and shipped down south by aqueduct, but about half is allowed to flow out into San Francisco Bay unexploited. In water lingo, it's called

Central Valley is when oligarchs want something done.

The Peripheral Canal plan crashed and burned, shot down by an extremely wet year, but it will return: not least because Jerry Brown has vowed to push for it again, completing his father's legacy.

Meantime, the Fox News cameras are staying away and, nope, no one else knows or much cares about this place. Which is precisely how they like it here in Oligarch Valley. They have a secret they don't want us regular folk to know: that no matter how hard we

try, we'll never win. Sure, if we work hard enough, we might do pretty well for ourselves: but they'll always take a cut of our earnings and wealth. The homes we buy, the water we drink, the food we eat, the cotton socks we wear—it all comes from them. They are our feudal lords, and they tax us for the privilege of being their serfs. All because some great-great-great-great grandaddy of theirs plundered and conned his way into a bunch of land. They get to keep milking their inheritance. While we start from scratch, and play by their rules.

"environmental outflow" and it is required to keep the Delta's ecosystem healthy and protect its farmland—or at least that's what big city elitists say.

To Oligarch Valley farmers, "environmental outflow" represents a blatant waste of a perfectly good resource, and is a textbook example of how socialist central planning destroys the economy by hindering free-market forces. They look at the Delta the same way a condominium developer looks at inner city low-income housing: a wasted resource that needs to be turned into luxury lofts.

Oligarch Valley has been itching to get their hands on that water for decades, and in 2009, during a short dry spell, they came out guns a blazing...

There was a media blitz, plenty of behind-the-scene lobbying and a surprising number of grassroots citizen groups pushing for the Peripheral Canal. Among them was one calling itself the Coalition for a Sustainable Delta, a group set up by employees of Paramount Farms, the massive agribusiness owned Beverly Hills billionaire Stewart Resnick. Another was being run out of an Orange County PR firm on behalf of a several Oligarch Valley farmers... Seems like the only time people notice the

