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Walter Lamb, of the Ballona Wetlands Land Trust, is questioning the investments of the California State Coastal Conservancy's Sam Schuchat.

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Why Does a Coastal Conservancy Exec Own Piles of Offshore Oil Stock?

HAYLEY FOX | **FEBRUARY 10, 2016** | **6:30AM**

For the head of a state environmental agency whose mission is to "protect and improve natural lands and

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waterways," Sam Schuchat, executive officer of the California State Coastal Conservancy, has some environmentalists concerned.

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That's because for years he held big investments in oil and offshore-drilling corporations, with recent estimates of combined stocks in Exxon, Chevron and Rowan ranging from $100,001 to more than $1 million, according to documents obtained from the California Fair Political Practices Commission.

By its own count, the Coastal Conservancy has protected more than 300,000 acres of land in the San Francisco Bay and along the coast to Los Angeles. It has helped keep trash from flowing out of waterways and into the ocean, and installed picnic areas, restrooms and parking lots at public beaches.

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The Coastal Conservancy also works with communities to prepare for climate change and make the coast "more resilient" to an environment in flux.

But Walter Lamb, of the Ballona Wetlands Land Trust, says in an email to *L.A. Weekly*, "Mr. Schuchat's oil-heavy investment portfolio is just one of many troubling indicators that the public agencies and officials that we rely on to protect our natural resources don't always make environmentally friendly decisions."

The nonprofit Ballona Wetlands Land Trust works to protect and restore the 600-plus acres within the Ballona ecological preserve next to Playa del Rey and Ballona Creek. The trust has grappled with the Coastal

Conservancy, as well as the conservancy's state and local partners, in a long-running fight to keep some eager shoreline-area developers at bay – and to thwart what they allege is Schuchat's, and the Coastal Conservancy's, pattern of closed-door decision-making.

Marcia Hanscom, executive director of the Ballona Institute and a member of the executive committee of the Sierra Club Angeles Chapter, says of Schuchat's investments, "If this was such a shock to me, the public needs to know."

"It just stinks – it's such a bad image," agrees Nancy Graalman, director of Defense of Place, a California watchdog organization for protected lands. Schuchat tells the *Weekly* he was given the offshore oil-drilling holdings and other oil investments as gifts and, after owning some of them for several years, divested himself of them at some point within the last year. He did not supply the

date he got out but says the divestment will be reflected in his next official reporting form, due in April.

Regardless of how he became an investor, holding on to such investments shows "tone-deaf" thinking, says Hanscom, who has worked with the Coastal Conservancy since the early 2000s, when the conservancy jumped in to efforts to restore the fragile Ballona Wetlands.

These criticisms arise just as a simmering battle is expected to erupt in full force at a public hearing in Morro Bay on Wednesday, Feb. 10, over a shift in priorities by the powerful California Coastal Commission. Critics say its efforts to remove its pro-conservation director, Charles Lester, indicate a historic shift toward development on coastal lands the commission is tasked with protecting.

Schuchat has led the Coastal Conservancy for 15 years. A nonregulatory group, it doesn't

nonregulatory group, it doesn't enforce laws but rather orchestrates conservation and ecological projects throughout the state, such as building hiking trails and repairing patches of coastline.

Schuchat's résumé is chock-full of environmental credits, including board member positions at the Baldwin Hills Conservancy and Santa Monica Mountains Conservancy, according to paperwork he filed with the state.

He's also on the board of the Santa Monica Bay Restoration Commission, a major player in the Ballona Wetlands project — but a commission that's just been found to have violated fundamental transparency laws. Late last month, a Los Angeles Superior Court judge ruled that the Santa Monica Bay Restoration Commission violated the California Public Records Act by refusing, for years, to disclose public documents, including emails

between the commission director and a paid consultant working on the Ballona project.

There's no good reason for the Santa Monica Bay Restoration Commission to fight to keep its public records locked up, Lamb says.

"These entities are acting more like what a tobacco company would act like, or oil company would act like, and it's a little bit alarming," Lamb says. "There's no basis for trust in this [restoration] project because of the way they acted."

Public officials in California aren't entitled to the same privacy as tobacco companies, and they are required to file an annual Form 700, a Statement of Economic Interests that discloses where officials have invested their money.

An estimated 500,000 to 700,000 people in California are required to file these forms, intended to ensure accountability and prevent potential corruption and

potential corruption and conflicts of interest.

In 2014, Schuchat reported owning between $100,001 and $1 million in Chevron stock (the forms require officials to merely cite the range, not an exact figure). He also invested $10,000 to $100,000 in Exxon Mobil, and the same in Rowan Companies, a corporation he categorized as "Chemicals" but had described in previous years' reports as "Rowan" and "Offshore Drilling" or "Oil Drilling Services."

Schuchat also held stock in Exxon, Chevron and Rowan Companies in 2013.

From 2010 to 2012, in addition to the two oil giants, Schuchat was invested in Transocean, the company involved in the 2010 Deepwater Horizon disaster, during which an explosion caused the largest oil spill ever in American waters.

"The stocks you mention were gifted to me and or my wife by parents, step-parents and so on," Schuchat wrote in an email

to the *Weekly*. "We have divested ourselves of them; this will be reflected in my next Form 700 filing in April."

A conservation official holding investments in fossil fuels "sort of like saying you're a vegetarian and then eating at McDonald's every day." -Jennifer Savage, Surfrider Foundation

Why didn't Schuchat more quickly purge his portfolio of stocks that might be widely seen as conflicting with his public duties to the coastline? Schuchat did not respond to the *Weekly*'s follow-up email asking when, exactly, he'd divested the stocks, which stocks were gifts and why he didn't divest earlier.

Schuchat's investments don't appear to violate the Coastal Conservancy's conflict-of-interest code. But Graalman

interest code. But Graalman says that even if the Conservancy's rules allow it, the allowable degrees of separation can prove to be uncomfortably narrow. She cites as an example Schuchat's investment in Chevron, a firm that must ask the California State Coastal Conservancy to review projects involving its refineries and properties.

Schuchat's investments symbolize a concern that "quasi-public" agencies, commissions and conservation nonprofits are increasingly putting politics ahead of passion, Graalman alleges. She says environmental leaders with expertise are being pushed aside by a monied crowd, who push for coastal development.

"People [used to be] appointed to these commissions because they came with résumés that showed they had a scientific, or ecology, or maybe a business background, but not just based on wealth," Graalman says.

Jennifer Savage, the California policy manager of Surfrider Foundation, describes Schuchat's investments as largely par for the course. Not everyone in conservation aligns their pocketbooks with their profession, she says, and it's not that unusual to see controversial investments.

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This used to occur in part because conservation leaders outsourced their investments to a money manager and then lost touch with where those funds went, Savage explains. Now, more people take a hands-on approach to ensure their dollars support companies in line with their beliefs.

She advises, "It's worth asking them, '[Do] they see a conflict?' Is there any spillover into the professional decisions that

they're making?"

Savage says it's a no-brainer to invest only in corporations consistent with one's values. "Working in the field that I do, it's impossible for me, and a lot of my colleagues, to separate that. The personal is political."

No matter how much an official might advocate for conservation in public, Savage says, "People vote with their money." Holding investments in fossil fuels, she adds, is "sort of like saying you're a vegetarian and then eating at McDonald's every day."

Hayley Fox is an L.A. native and freelance writer for *L.A. Weekly*, Vice, *Los Angeles Magazine* and the *Jewish Journal*.

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