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# California State Senate

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SENATOR  
**TED W. LIEU**

TWENTY-EIGHTH SENATE DISTRICT

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May 8, 2012

Charles B. Reed  
Chancellor, California State University  
401 Golden Shore  
Long Beach, CA 90802-4210

Via Fax and Overnight Mail

Re: Spending Taxpayer Funds on Alcohol, Catering, & Other Luxuries

Dear Chancellor Reed:

I watched yesterday's CBS 2 investigation on the charging of more than \$766,000 on CSU credit cards for alcohol, catering, and other luxuries—mostly paid for by taxpayer funds. The actions documented in the investigation are outrageous, as was your response to the investigation. You publicly stated that the taxpayer money was "absolutely" well spent. If the allegations are true and if you continue to maintain your position that taxpayer funds should be spent in this manner, then you need to resign. At a time when you are making drastic cuts and raising tuition fees on students, spending taxpayer money to subsidize your lifestyle and those of already well-paid CSU presidents is shameful.

At your earliest convenience, please provide a response in writing to the investigation. I would like to know (1) why taxpayer funds were used to purchase alcohol, (2) what justified the expenditure of thousands of dollars of taxpayer funds for fancy dinners, (3) why thousands of dollars of taxpayer funds were used for expensive transportation to and from airports, (4) why more than \$110,000 of taxpayer funds were used for catering when numerous restaurants were nearby, and (5) what justified an expenditure of nearly \$70,000 in taxpayer funds for a conference at a hotel located nearby LAX?

I also request that you immediately adopt a policy as to the appropriate use of taxpayer funds by your office on alcohol, meals, and transportation. I suggest that banning the use of taxpayer funds for alcohol, unnecessary meals, fancy dinners, and extravagant transportation would be a good place to start.

Sincerely,

A handwritten signature in blue ink that reads "Ted W. Lieu".

**TED W. LIEU**  
State Senator and Taxpayer

cc: Members of the CSU Board of Trustees