

# CONTROLLER STEVE WESTLY

## STATE OF CALIFORNIA

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

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CONTACT: RUSS LOPEZ

916-445-2636

## Westly Calls on Governor to Add Accountability to Infrastructure Plan

**SACRAMENTO** – State Controller Steve Westly today said the multi-billion dollar infrastructure bond proposals that will be considered during this legislative session must contain tough safeguards against waste and fraud.

“The state cannot consider spending hundreds of billions of dollars without first establishing strict oversight and accountability controls to prevent waste and fraud,” Westly said. “The size of the investment being considered is such that even the smallest error could cost billions of dollars. We must ensure that California’s infrastructure investments are a boon to the state – not a boondoggle.”

Please see the following letter that Controller Westly sent Governor Schwarzenegger and the legislative leadership today.

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**STEVE WESTLY**  
California State Controller

January 13, 2006

The Honorable Arnold Schwarzenegger  
Governor of California  
State Capitol, 1<sup>st</sup> Floor  
Sacramento, CA 95814

Dear Governor Schwarzenegger:

We need a significant investment in our state's infrastructure to improve California's quality of life and economy. The state's needs are great enough that infrastructure will rightfully be a top priority during the 2006 legislative session.

As California's Chief Financial Officer, I am deeply concerned that the infrastructure debate has so far been following a dangerous path. While you and others have proposed billions of dollars in spending, there has been no discussion of accountability and oversight. The state cannot consider spending hundreds of billions of dollars without first establishing strict oversight and accountability controls to prevent waste and fraud. The size of the investment being considered is such that even the smallest error could cost billions of dollars.

We must ensure that California's infrastructure investments are a boon to our state – not a boondoggle.

I have proposed creating the California Infrastructure Oversight Commission. This Commission would have final approval authority over bond-financed projects to ensure they address California's infrastructure priorities in a cost-effective way. The Commission would also monitor approved projects to ensure that they are completed on budget and on schedule. The Commission should include representatives of the Governor (from relevant departments such as Business, Transportation and Housing), the State Controller, the State Treasurer, the Legislature, and the public.

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In addition, the State Controller's Office would regularly conduct independent performance and financial audits, to ensure that bond funds are being spent efficiently and to meet California's infrastructure needs.

I look forward to working with you and the legislature to ensure that the people of California's money is spent with the utmost care.

Sincerely,

STEVE WESTLY  
California State Controller

cc: The Honorable Don Perata, Senate President pro Tempore  
The Honorable Fabian Nunez, Speaker of the Assembly  
The Honorable Dick Ackerman, Senate Republican Leader  
The Honorable Kevin McCarthy, Assembly Republican Leader

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