



PR20:7  
For Immediate Release  
6/11/2020

Contact: Jennifer Hanson  
(916) 324-2709

## State Controller Finds Questionable Hiring, Spending, Contracting Practices in West Valley Water District

SACRAMENTO – State Controller Betty T. Yee today published her team’s [detailed review](#) of the West Valley Water District, which found nearly half of internal financial control measures were not present or not functioning, leading to questionable hiring, spending, and contracting practices.

The West Valley Water District is an independent special district located in Rialto that serves more than 80,000 residents in a 31-square-mile region of southwest San Bernardino County and northwest Riverside County. It is governed by a five-member elected board. The State Controller’s Office (SCO) review of the district initially focused on two fiscal years but was expanded to cover FY 2015-16 through FY 2018-19.

Among the State Controller’s most significant findings:

- 1 West Valley entered into millions of dollars in financial, legal, and consulting contracts without competitive bidding, and made some large purchases with no written contract at all, failing to exercise due diligence to ensure public resources were spent in a cost-effective manner.
- 1 More than \$70,000 was spent on two meetings at a golf resort outside of district boundaries, in violation of [Government Code 54954\(b\)](#).
- 1 District board members spent far above their operating budgets and reimbursable rates for travel, lodging, and meals. SCO auditors questioned the spending of \$1,897 for an election victory party for three members elected in 2017. Travel claims for \$4,563 were reimbursed without documented approval or were self-approved by the claimant.
- 1 West Valley compensated board members for numerous outside meetings held without prior board approval or documented business purpose, sometimes for more than one meeting a day in violation of [Water Code 20201](#). These included lunch meetings, teleconferences, and “public meetings” at the farmers market.
- 1 The district overrode its own hiring policies and could not provide documentation to justify hiring decisions, promotions, or excessive pay increases.

Of the 48 fundamental components, principles, and attributes of effective internal control systems – as established by the federal Government Accountability Office – West Valley Water District demonstrated only 27 were present and functioning. Two were not present, while 19 were present but not functioning. The district agreed with six of nine findings but did not respond to SCO recommendations to recover funds spent erroneously. Controller Yee has requested a progress update in six months.

With a commitment to government transparency and accountability, Controller Yee and her Audits team have identified more than \$4.89 billion in waste, fraud, and abuse of public funds since January 2015.

*As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state’s financial resources. The Controller has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation’s two largest public pension funds. Elected in 2014 and reelected in 2018, Controller Yee is the tenth woman elected to a statewide office in California’s history. Follow the Controller on Twitter at [@CACController](#) and on Facebook at [California State Controller’s Office](#).*