



MEMORANDUM

Date: October 2, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "C.H. Huckelberry", is written over the printed name and title.

Re: **County Attorney Anti-Racketeering Revolving Fund**

At the September 19, 2017 Board of Supervisors meeting, the Board raised a number of questions regarding this item. The policy amendment was approved and will provide significant additional transparency for the expenditures of Anti-Racketeering Funds. At least one of the points discussed by the Board will not be possible. However, there are other modifications that can be made and a number of agreements have emerged from discussions with the County Attorney that will assist in transparency of Anti-Racketeering expenditures. The additional information and actions are listed below.

1. The use of Anti-Racketeering Funds for audit purposes, particularly past audit expenditure over the last five years – Regarding the statute that allows for the reimbursement of expenses related to review only allows the Board to use said Anti-racketeering Funds for future expenditures. This means these funds are not available for any audit the Board may wish to conduct for past expenditures. If such an audit is undertaken it will be an expense of the General Fund, not the Anti-Racketeering Revolving Fund.
2. Use of Anti-racketeering Funds for Audits – The amended law is silent on using these funds to reimburse for audits. They specifically address the issue of acquiring legal counsel to give opinions regarding the proposed validity of expenditures related to Anti-racketeering laws and the proposed use of these funds by the County Attorney. If the use is questioned by the Board, the Board may only hire outside counsel to determine if the proposed expenditure is lawful.
3. Itemizing the Expenditures of Law Enforcement - This is an issue that I raised regarding flashlight and firearm expenditures of the Tucson Airport Authority Police. The County Attorney indicated that in future Anti-Racketeering fund uses by law enforcement, the County Attorney will not reimburse the agency until all itemized receipts are received. This would provide significant detail on the type and cost of equipment being acquired or services being provided. This agreement with the County Attorney to provide these itemized receipts will allow for the transparency I believe is important for law enforcement expenditures.

To further provide transparency, staff will develop an Anti-Racketeering expenditure website and post all expenditures by entity and agency on the County's website.

4. Direct Expenditures and those Expenditures Contained in the Budget Related to County Attorney Programs – These direct expenditures related to County Attorney programs should proceed as budgeted. As I indicated, significant additional detail regarding these expenditures will be contained in the County's annual budget. They very often pay for specific programs for the County Attorney, including personnel and program costs. These costs will be adequately described in the budget.
5. Indirect Expenditures – The indirect expenditures are those that cause the greatest concern, particularly when the expenditure is for the purpose of providing Anti-Racketeering Funds to groups and/or agencies. The County Attorney has agreed not to process any indirect expenditure until specific disclosure procedures are developed by the County Attorney's staff and Finance staff. These agency expenditures are very often appropriate; however, the detail of purpose and public benefit is not fully disclosed, causing concern or suspicion related to the reasons the Anti-Racketeering awards are being made.
6. Administrative Review of the Last Five Years of Anti-Racketeering Expenditures – The County Attorney has indicated that records are available. However, I do not believe there is any purpose in auditing these expenditures other than to simply list and post them on the transparency website being developed. If there are specific expenditures that raise concern, they can be examined in more detail.

I will not initiate any activity regarding such administrative reviews until the Attorney General has completed their ongoing investigation regarding the use of Anti-Racketeering Funds.

I hope this additional information provides guidance for continuing improvement in disclosing the purpose and uses of Anti-Racketeering Fund expenditures, as well as providing appropriate public transparency of same.

This memorandum should be used to guide any discussion the Board may have regarding follow-up of this matter that has also been place on the October 3, 2017 Board Meeting.

CHH/anc

c: The Honorable Barbara LaWall, Pima County Attorney
Amelia Cramer, Chief Deputy County Attorney