



Office of the Mayor

April 29, 2021

Assemblyman Rudy Salas
Chairman, Joint Legislative Audit Committee
Capitol Office - State Capitol
P.O. Box 942849
Sacramento, CA 94249-0032

Re: Response to Request for Proposed Audit of the City Huntington Park by the Joint Legislative Audit Committee

Dear Chairman Salas:

This letter is to request the opportunity to brief you and/or your staff on the proposed audit that is being considered for the City of Huntington Park ("City") by the Joint Legislative Audit Committee ("JLAC"). Recently, JLAC received an audit request by Assemblymembers Cristina Garcia and Reggie Jones-Sawyer dated April 23. This letter will serve to provide you and the members of your committee with the City's position on this matter.

As an initial comment, the claims set forth in their request are completely false and politically motivated. Without going into too much detail, the City and JLAC have been down this road before with the Committee both in February 2020 and in 2017. The City has attempted to resolve the questions posed by Assemblymember Garcia but received little response after our one meeting with her and her staff. The City compiled a complete set of materials to address the issues of cannabis and other matters raised in her request of last year.

Concerning Assemblyman Jones-Sawyer's comments, it is clear to see that his joinder to this request is politically driven. His recent inflammatory and false statements on the floor of the Assembly were so egregious that the City adopted a resolution condemning his conduct and sought his resignation, censure, or sanctions. A copy of the City's Resolution is included which states the nature of Mr. Jones-Sawyer's false and uninformed perspective.

While it is the hope that JLAC will reject the request from your colleagues, the City would like to restate the facts outlined below:

- **There is no malfeasance or cover-up concerning the City's Finance Department.** The City of Huntington Park Finance Department WAS NOT "raided by the FBI." The City identified a City employee of the Finance Department that was engaging in alleged criminal conduct of raiding confidential information; such conduct led to an arrest by the Los Angeles County Sheriff's Department. There was NEVER an FBI raid. The wire transfer was a wise investment made by the City, that is lawful and consistent with City policies and past practices. It was,

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in fact, the City officials who took quick and decisive action to intervene in the activities of this one employee which resulted in her arrest. Due to the uncertainty of the scope of those potentially involved, the City opted to investigate the matter completely and placed certain City employees on paid administrative leave.

- **At your Committee hearing of February 26, 2020, JLAC deferred any audit action to allow the City to meet with Assemblymember Garcia.** The City met with Ms. Garcia via teleconference to provide information to assuage her concerns, but other than a brief conversation, the City was never contacted by the Assemblymember or her staff to have a meaningful conversation.

The above information is public record and available upon request by any interested party. In the spirit of being transparent, we took the liberty in putting together all this information into two memos that explicitly answer all the questions Assemblymember Garcia asked in her original audit request to JLAC on January 21, 2020. The City will forward all material presented to the Assemblymember to JLAC staff for your review and evaluation.

- **Huntington Park has already been evaluated for an audit in 2017 by the California State Auditor and the decision was made not to move forward:** In 2017 the California State Auditor conducted a preliminary audit assessment of our City and determined that it did not meet the threshold for an audit. Since then, nothing has changed and we continue to have positive governance rooted in strong policies that ensure transparency for our residents. Chiefly, the current City Council and administration have, and continue to work diligently to create an atmosphere of honesty and openness pertaining to our financial and contractual matters.
- **Huntington Park has only three (3) cannabis licenses so there is no proliferation in our City:** Since 2016, our City has issued three cannabis licenses and none since. By all measures, three cannabis licenses in four years does not constitute a widespread problem of cannabis in our City. Additionally, our City underwent a two-year legal review by a Federal Court of our Cannabis procedures and in 2019 the case was dismissed and the judge ruled in our favor upholding our cannabis procedures and process. To this point, our City has met legal thresholds for cannabis licensing procedures in accordance with Federal and State regulations. Nevertheless, we continue to enforce our existing policies and provide oversight over cannabis businesses keeping in mind the best interests of our residents.
- **Huntington Park strictly follows all federal, state, and local public contract codes to ensure transparency and good governance:** As previously mentioned, our City was evaluated for an audit in 2017 and the auditor decided not to go forward thus reaffirming the proper use of our existing policies and contractual procedures. In this capacity, please be aware that we adhere to, and follow the same regulations that all municipalities utilize which include a formal bidding process and the request for proposals. This is a sealed bid process, utilizing standardized bid lists, public reading, and total public disclosure of competition, awards, and

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rejections. Our formal bidding process is public and promotes the highest level of public confidence and protects the integrity of our City and staff's ability to treat all bidders equally without bias. To learn more about our contracting practices, we refer you to our Municipal Code Title 2 Administration, Chapter 5 Purchasing System, Subsections 2-5.12 Formal bid procedures and 2-5.19 Formal service contract procedures.

- **The City will support a focused audit to address past practices of previous City Councils and other significant issues, such as, Redevelopment Agency Bonds and Expenditures from 1992 to 2005 and Community Development Block Grant Awards from 1992 to 2011.** The City is currently engaged in dialog with other members of JLAC to define a focused and reasonable scope of an audit, if one is deemed necessary and appropriate. If an appropriate scope can be defined, the City will work cooperatively with the State Auditor to achieve an appropriate collaborative effort for an audit of any point in time to include the present.

The City of Huntington Park wants to thank you in advance for your consideration. If you need any additional information, please feel free to contact the City Manager, Ricardo Reyes at rreyes@h pca.gov or the Assistant City Manager Raul Alvarez at ralvarez@h pca.gov.

Respectfully,



Graciela Ortiz
Mayor, City of Huntington Park



Eduardo Martinez
Vice Mayor, City of Huntington Park



Karina Macias
Council Member, City of Huntington Park



Marilyn Sanabria
Council Member, City of Huntington Park



Manuel Avila
Council Member, City of Huntington Park

Cc: All Members, Joint Legislative Audit Committee