

WASATCH WAVE
APRIL 29, 2015

Councilman Meets With State Auditor

Editor: Following the release of the State Auditor's Jordanelle Special Service District (JSSD) final report last week which audited the activities of JSSD from 2008-2013, I requested a meeting with our State Auditor, John Dougall.

As a new County Council Member, sworn in this January, I had a few questions for which I wanted to hear answers directly "from the horse's mouth" so to speak.

The conversation lasted about 45 minutes last Wednesday. Mike Peterson also attended. What follows are the three main questions I asked and John Dougall's responses, paraphrased only for the sake of brevity.

My first question: What concerns do you have about JSSD today and moving forward?

Dougall's response: As with all audits, the concern is that the entity adopts new policies and procedures, but never truly enforces them or changes behavior. Dougall also said that it is appropriate, beneficial, and welcomed that after 6-12 months JSSD invite his office back to review the district's progress.

My second question: As a result of the findings of this audit, could any current or former employee or board member be arrested?

Dougall's response: No, but many documents that could potentially prove or disprove fraud were missing. Mr. Dougall added that recently the FBI requested JSSD audit documents and materials from his office. Mr. Dougall does not know the scope of the FBI investigation (nor do I).

My third question: I host a radio show on channel 1340 AM KTMP Thursdays from 12:30-1:30. Would you be a guest on my radio show?

Dougall's response: Yes. (We are currently working on a date for his appearance).

Last Thursday, April 23rd, I interviewed State Representative Craig Powell and Wasatch County Council Member and current Chairman of the JSSD, Mike Kohler (we discussed the audit). You can hear a recording of that program at www.hebervision.com.

Please feel free to contact me at any time at lgoode@co.wasatch.ut.us.

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JSSD Audit Report

Editor: Last week's Wave had a very informative front page article that summarized the state auditor's findings in their audit of

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the JSSD (Jordanelle Special Service District). Councilman Mike Kohler, who is also the current chairman of the board of the JSSD provided a strong response. To sum up these two columns, the state auditor all but portrayed the management and oversight of the JSSD as resembling a third world country (Zimbabwe) and Mr. Kohler's response could be summarized as mistakes were made but we've got our hands around it now.

We should all rest easy that no one is going to jail and perhaps praise the management of the JSSD for having the forethought to wipe the server's clean. Oh, that was someone else. They didn't keep many records and shredded the ones they did have. What they were accused of doing is not maintaining enough records to even launch an investigation into corruption. Good thinking.

Mr. Kohler's assertion that some problems were uncovered is encouraging but wasn't there a legislative audit a few eons ago which pointed out many of the same concerns? It is also true that before 2013, the board consisted of but two members of the council and five who were appointed, appointed by the council? That really means that every single aspect of the conduct of the JSSD belongs to the council.

Another point raised by Mr. Kohler is that one reason the auditor has accused the JSSD of not being fully cooperative is the pending litigation. They've also accused the litigants of trying to use the audit for discovery purposes. That could very well be true, but the fact remains that the JSSD is being sued six ways from Sunday and the plaintiffs aren't being represented by desperate neck brace law firms. I'll guess that the total liability for the JSSD is in the range of \$100 million. Mr. Kohler and former councilman Steve Capson have gone to some lengths to assure us that these lawsuits are without merit. I've never known a defendant to say otherwise. We all need to hope they are right. The money to settle a large claim would not drop from the clouds but from us taxpayers.

Thanks to the election of two new members to the county council, we have some right to expect that this new council will not tolerate the kind of conduct that has resulted in a critical state audit and numerable lawsuits. Just because no one is going to jail is not quite the same as blanket exoneration. One step that could be taken immediately is to require reimbursement from the employees who did not retain receipts for their credit card purchases. And, if us taxpayers get hit with a large tax increase to settle litigation, sending a few people to jail will not begin to satisfy me.

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