



NEWS – OFFICE OF COUNCILMAN DENNIS P. ZINE

## COUNCILMAN DENNIS P. ZINE

### 3rd DISTRICT

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**FOR IMMEDIATE RELEASE**  
January 3, 2005

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#### **INCREASED ATTENTION MUST BE GIVEN TO CITY AUDITS**

##### **Zine says ‘Sunshine is the best disinfectant’**

Seeking to open lines of communication and prevent the siphoning of taxpayer dollars, Councilman Dennis P. Zine will introduce a motion tomorrow requiring the widespread distribution of all internal audits performed by the City’s proprietary departments.

Recently, the Department of Water and Power (DWP) has come under scrutiny for failing to rectify a 2002 internal audit that questioned more than \$350,000 in bills generated from two public-relations consulting firms, Fleishman-Hillard and the Lee Andrews Group. Among the items questioned were bills for concerts and alcohol purchased for different events.

"As Justice Louis Brandeis once observed, ‘sunshine is the best disinfectant,’ and I agree - sunshine is fundamental to good government," said Zine. "I continue to believe that shedding light in the dark corners of city government is what is needed in Los Angeles. My motion has a simple aim. It will require all internal audits to be open for review. It is important the taxpayers and elected officials receive additional details about what is often a closed and secretive process. The front lines to stopping fraud and abuse are our auditors."

These improprieties could have been early warning signs for what has now evolved into the widely publicized “pay-to-play” scandal with public-relations giant Fleishman-Hillard standing accused of \$4.2 million in DWP overbillings.

"It is unconscionable that the City would pay for accountants to perform internal audits and then not find out the results," said Zine. "If, as in the case of the DWP, auditors uncover serious discrepancies then this information needs to reach the highest levels of City government. I know hindsight is 20/20, but if the DWP internal audit had been brought to light, maybe we could have stopped the bleeding."

Though it has been documented that these audits did reach DWP management, this information failed to reach the city’s top elected officials, relevant commissions, and city council committees.

Zine’s motion would require the city’s proprietary departments to distribute copies of all internal audits to the Mayor, the Controller, appropriate commission and to the applicable city council committee.

The City’s proprietary departments include the airport, harbor, and water and power.

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