

For Immediate Release
January 25, 2010

Contact: Olivia Silva Maiser
562/ 570-6434

City Auditor's Report: LB Ready to Comply with Stimulus Funds Requirements
Audit Evaluates City's Stimulus Readiness

City Auditor Laura Doud released an audit today assessing Long Beach's readiness to comply with strict regulations of federal Stimulus Funds. The report, "Internal Controls Over Stimulus Funds," concludes that the City has made significant progress toward establishing the necessary internal controls to adhere to Recovery Act requirements.

The purpose of the Recovery Act, signed into law last year by President Obama, is to stimulate the economy and preserve and create jobs. Funds granted to local governments such as Long Beach come with an unprecedented level of accountability.

"My Office took a proactive approach to make sure systems are in place to comply with the high standards attached to Stimulus dollars," said Doud. "By getting out in front now we can assure taxpayers that the City has protections in place to spend the money as it was intended."

These Stimulus funds are considered "high risk" for fraud, waste, and abuse because of the large amounts of money to be granted and pressure to spend it quickly.

"Additionally," said City Auditor Doud, "with proper controls in place, the City can avoid the penalties of non-compliance, which include termination of funding, withholding of funds in the future, or repayment of funds already received."

The audit report addresses the many requirements of accepting Stimulus grant money, including: jobsite postings of whistleblower protection provisions; a "Buy American" policy requiring use of U.S. manufactured steel; and prevailing wage compliance.

"While continued diligence and attention is needed with these funds, we are pleased that Long Beach has taken its responsibility seriously to implement controls and minimize risk of non-compliance," said Doud.

To read the City Auditor's Report or for information about the Federal, State and Long Beach City Stimulus programs, visit www.CityAuditorLauraDoud.com.

###