



WENDY GREUEL  
CONTROLLER

June 5, 2012

Honorable Members of the Los Angeles City Council  
c/o City Clerk, Room 360  
Los Angeles, CA 90012

Dear Honorable Members of the Los Angeles City Council:

The Council will soon discuss my audit of the Controls Over the City's Fuel Use (CF 12-0473) as well as Councilmember Zine's motion on fuel monitoring and control (CF 12-0473-S1) and Councilmember Buscaino's motion seeking restitution for the theft of City-owned gasoline (CF 12-0767). My audit found that, in general, departments do not monitor their fuel transactions sufficiently to identify potential abuses or problems and, as a result, taxpayers cannot be assured that fuel is appropriately used.

Every year the city spends close to \$29 million buying almost 14 million gallons of gasoline, natural gas and diesel fuel to power police cruisers, garbage trucks and helicopters as well as light machinery. Without sufficient controls over the City's fuel, departments could not account for approximately one quarter of all fuel dispensed, exposing the City to unnecessary risk during difficult economic times.

A few weeks ago, police arrested a City employee on suspicion of embezzlement for allegedly selling thousands of dollars of city-owned gasoline on the black market, based on a tip that was reported as a result of my audit findings. This arrest underscores my serious concerns about the remaining fuel that has not been unaccounted for.

I urge the Council and all City departments to immediately implement the changes in my Controller's Accountability Plan and adopt both related motions to better control the City's fuel costs. This will ensure that fuel is only used for mission-related fuel consumption and that no City funds are spent without adequate monitoring and oversight. Departments must be more vigilant and held accountable for their fuel usage.

Sincerely,

A handwritten signature in black ink that reads 'Wendy Greuel'.

WENDY GREUEL  
City Controller