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14-1112

RON GALPERIN  
CONTROLLER

September 30, 2014

Honorable Members of the Los Angeles City Council

Dear Honorable Members:

**Re: CHARTER-MANDATED OBJECTIONS TO INVOICE NO. 070114 ("INVOICE") FROM DWP FOR PAYMENT TO JOINT SAFETY INSTITUTE ("JSI") DWP JOINT TRAINING INSTITUTE ("JTI") (COLLECTIVELY, THE "TRUSTS")**

Pursuant to Los Angeles City Charter Section 262, the Office of the Controller is withholding the above-referenced Invoice for payment to the Trusts made upon the Treasury of the City by the DWP. Charter Section 262 requires the Controller to withhold approval of any demand if a question exists as to whether the payment is improper, illegal or unauthorized. Questions exist regarding payment of Invoice No. 070114 because, to date, I have been denied access to the records and personnel of the Trusts necessary to conduct the due diligence regarding the Invoice, including an audit. Additionally, the Trusts' failure to seat trustees selected by the City has resulted in a lack of functional management, limiting the fiscal oversight of the Trusts.

Charter Section 262 vests the Council with the authority to consider objections raised by the Controller concerning a payment demand. Through Council's motion of August 12, 2014 (CF 14-1112), Council has indicated that it will sustain my objections to the payment of the Invoice, and set forth parameters for the payment thereof. If the Council approves the execution of an agreement by the City in accord with the Motion, the Controller will welcome the opportunity to bring transparency to the Trusts' operations.

Thank you for your consideration and attention to this matter.

Sincerely,

Ron Galperin  
City Controller

cc: Honorable Los Angeles City Mayor Eric Garcetti