



SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

NEWS RELEASE

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**GRAND JURY CALLS FOR INDEPENDENT AUDIT
OF SACRAMENTO COUNTY'S CARES ACT SPENDING**

The Sacramento County Grand Jury is calling into question the use and distribution of more than \$181 million received in federal CARES (Coronavirus Aid, Relief and Economic Security) Act funding by the Sacramento County Board of Supervisors. Following a nearly year-long secret investigation, the Grand Jury has learned that in the midst of a countywide emergency, the Supervisors made questionable and opaque maneuvers that skirted the intent of the CARES Act, to the benefit of County coffers and with scant regard for the needs of its citizens.

Enacted in March 2020, the CARES Act covered extraordinary and necessary pandemic related expenditures incurred by state and local government agencies. A fundamental CARES Act requirement was that funding utilized by government agencies had to be allocated for pandemic specific activities, and could not be applied toward already budgeted items. The Grand Jury's investigation revealed that the County of Sacramento made no CARES Act funding plan to support countywide COVID-19 relief activities. Instead, the County Chief Executive directed, and the Board of Supervisors approved, allocation of \$104 million of its \$181 million in CARES Act funding directly to the Sheriff's Office. That same amount of Sheriff's Office funding was then transferred back into the County's General Fund, a move the Grand Jury considers confusing at best and possibly illegal.

"The County Chief Executive has argued that the budget move was legal, however the Grand Jury has not been able to make that determination," says Grand Jury Foreperson Deanna Hanson. "We are calling for an independent audit, because Sacramento County residents deserve answers."

While the CARES Act permitted its funding to support public safety, the County's maneuver was inconsistent with the widely publicized intent that funds be directed to meet community challenges triggered by the COVID-19 pandemic. Neither the County Executive nor the Board presented any statutory or regulatory language, or a legal opinion, to verify this assertion. "At a minimum, these elected representatives, had an obligation to notify its constituents of the fund allocation and transfer," Hanson explains.

In its report, the Grand Jury points out that in sharp contrast to the County, the Sacramento City Council allocated nearly all of its CARES Act funding directly to community agencies and businesses to help alleviate impacts of the pandemic. Formal responses to the report are required from both the

Sacramento County Board of Supervisors and Sacramento County Sheriff Scott Jones. The full investigation is available for public review on the Grand Jury website: www.saccourt.ca.gov.