

FAX FILE

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8 California, and California State Controller Betty T.
Yee

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF HUMBOLDT

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Clerk
Board of Supervisors

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 IN AND FOR THE COUNTY OF HUMBOLDT

13 PEOPLE OF THE STATE OF CALIFORNIA, AND
14 CALIFORNIA STATE CONTROLLER BETTY T.
15 YEE,

16 Plaintiffs,

17 v.

18 KAREN PAZ DOMINGUEZ, IN HER PERSONAL
19 CAPACITY, AND IN HER OFFICIAL CAPACITY AS
20 AUDITOR-CONTROLLER FOR THE COUNTY OF
21 HUMBOLDT, AND COUNTY OF HUMBOLDT,

Defendants.

Exempt from Filing and Reporter Fees --
Gov. Code § 6103

Case No.

CV2200584

COMPLAINT FOR FAILURE TO
COMPLY WITH FINANCIAL
REPORTING REQUIREMENTS, AND
PETITION FOR WRIT OF MANDAMUS

[Gov. Code, §§ 29093 and 53891, et seq.;
Code Civ. Proc., § 1085]

22 Plaintiffs, the People of the State of California and California State Controller Betty T. Yee,
23 file this Complaint and Petition, and complain and allege as follows. Code of Civil Procedure
24 section 446, subdivision (a) requires any answer to this Complaint and Petition to be verified.

25 **INTRODUCTION**

26 1. This is an action brought by the People of the State of California (People) and State
27 Controller Betty T. Yee (Controller) (collectively, plaintiffs) seeking monetary forfeitures for
28 defendant Karen Paz Dominguez's (Paz Dominguez) failure to timely file copies of County of

1 Humboldt's (County) adopted budgets by December 1, 2020, and December 1, 2021, in violation
2 of Government Code section 29093, and failure to timely file her Financial Transactions Reports
3 (FTR) for fiscal years 2019/2020 and 2020/2021, in violation of Government Code section 53891.

4 2. As County's Auditor-Controller, Paz Dominguez is required to file a copy of
5 County's adopted budget in the State Controller's Office (SCO) not later than December 1 of
6 each year. Failure to timely file the adopted budget subjects County to a forfeiture in the amount
7 of \$1,000.00, for each year that the adopted budget is not filed by the statutory deadline. (Gov.
8 Code, § 29093, subds. (a) and (b).)

9 3. As County's Auditor-Controller, Paz Dominguez is also required to file an FTR with
10 SCO within seven months of the close of County's fiscal year on June 30. Failure to file the FTR
11 by the statutory deadline subjects Paz Dominguez to forfeitures in the amount of \$5,000.00, for
12 each year that the FTR is not filed in the time, form, and manner prescribed by the State
13 Controller. (Gov. Code, §§ 12464, subd. (a), 53891, subd. (a) and 53895, subd. (a)(3).)

14 4. Paz Dominguez failed to timely file County's adopted budgets that were due on
15 December 1, 2020, and December 1, 2021, and failed to timely file her FTRs for fiscal years
16 2019/2020 and 2020/2021 with the SCO in the time, form, and manner prescribed by the State
17 Controller.

18 5. Plaintiffs seek an order for payment of forfeitures as set out in Government Code
19 sections 29093 and 53895.

20 6. Plaintiffs also seek a writ under Code of Civil Procedure section 1085 compelling Paz
21 Dominguez to perform her ministerial duties under Government Code sections 29093 and 53891,
22 et seq., in the time, form, and manner prescribed by the State Controller.

23 **PARTIES**

24 7. Plaintiffs are the People of the State of California and California State Controller
25 Betty T. Yee.

26 8. Attorney General Rob Bonta is the Attorney General of the State of California and
27 has the primary responsibility of serving as legal counsel for the People, state officers, and state
28 agencies.

1 County's adopted budget for 2020/2021 was not received by the December 1, 2020 due date. The
2 letter warned that County would be subject to a \$1,000.00 forfeiture if Paz Dominguez failed to
3 file the missing budget by March 21, 2022.

4 17. On February 28, 2022, the SCO sent a letter to Paz Dominguez advising that
5 County's adopted budget for 2021/2022 was not received by the December 1, 2021 due date. The
6 letter warned that County would be subject to a \$1,000.00 forfeiture if Paz Dominguez failed to
7 file the missing budget by March 21, 2022.

8 18. On March 21, 2022, the SCO received incomplete budget schedules for County's
9 fiscal years 2020/2021 and 2021/2022. Both sets of schedules were missing information required
10 by Government Code section 29006, including but not limited to: Appropriations Limit and Total
11 Annual Appropriations Subject to Limitation, and the fiscal year 2021/2022 schedules were
12 missing Beginning Fund Balances. Additionally, the schedules for both fiscal years did not meet
13 the requirement under Government Code section 29009 that funding sources equal financing uses.
14 SCO rejected the incomplete schedules.

15 19. Paz Dominguez failed to file adopted budgets for fiscal years 2020/2021 and
16 2021/2022 that comply with statutory requirements by the March 21, 2022 deadline set out in
17 SCO's February 28, 2022 letters, nor have they been filed since then.

18 20. The State Controller now seeks an order requiring County to pay the forfeitures
19 provided in Government Code section 29093, subdivision (b).

20 **SECOND CAUSE OF ACTION**

21 **Failing To Comply With Financial Transactions Reporting Requirement**
22 **(Government Code section 53891, et seq.)**
23 **(Against defendant Paz Dominquez)**

24 21. Plaintiffs re-allege and incorporate by reference each of the allegations of paragraphs
25 1 through 12 of this Complaint.

26 22. Government Code section 53891, subdivision (a) states in relevant part:

27 The officer of each local agency who has charge of the financial records shall furnish
28 to the Controller a report of all the financial transactions of the local agency during the
preceding fiscal year. The report shall contain underlying data from audited financial
statements prepared in accordance with generally accepted accounting principles, if this
data is available. The report shall be furnished within seven months after the close of each

1 fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in
2 the form and manner required by the Controller.

3 23. Government Code section 53895 states in relevant part:

4 (a) An officer of a local agency who fails or refuses to make and file his or her report
5 within 20 days after receipt of a written notice of the failure from the Controller shall forfeit
6 to the state:

6 ...

7 (3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in
8 the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the
9 Controller's annual financial reports.

10 (b)(1) Upon the request of the Controller, the Attorney General shall prosecute an
11 action for the forfeiture in the name of the people of the State of California.

11 ...

12 **The 2019/2020 FTR**

13 24. On November 6, 2020, the SCO sent a letter to Paz Dominguez, in her capacity as
14 County Auditor-Controller, reminding her of her responsibility to file her 2019/2020 FTR by the
15 February 1, 2021 due date. The letter also included instructions for the submission of the FTR.

16 25. On February 26, 2021, the SCO sent a letter to Paz Dominguez, in her capacity as
17 County Auditor-Controller, advising that her FTR for 2019/2020 was delinquent, and providing
18 20 additional days to comply. The letter warned of a forfeiture up to \$5,000.00, if Paz
19 Dominguez failed to file her report by March 18, 2021. Paz Dominguez did not file her
20 2019/2020 FTR by the March 18, 2021 deadline, and from that time forward, has been subject to
21 the forfeiture provisions of Government Code section 53895.

22 26. On June 1, 2021, the SCO sent an email to Paz Dominguez following up on the
23 February 26, 2021 letter. Paz Dominguez responded on June 14, 2021, stating that the County's
24 audit for fiscal year 2019/2020 was underway, but not yet complete. Paz Dominguez offered to
25 complete the report using unaudited information and indicated it would take two weeks. The
26 SCO said that it would accept the report with unaudited data in the agreed upon two-week
27 timeframe. On June 21, 2021, Paz Dominguez represented to the SCO that "[w]e exported our
28 data from Finance Enterprise and are sorting it following some paperwork from last year" and

1 that "[w]e are all on high alert that this is an urgent priority." Paz Dominguez did not file her
2 2019/2020 FTR by the two-week deadline.

3 27. Nearly nine months later, on February 24, 2022, the Attorney General's Office sent a
4 Final Demand letter to Paz Dominguez giving her 20 days to file her 2019/2020 FTR.

5 28. On March 16, 2022, Paz Dominguez submitted her FTR with unaudited data, and
6 falsely stated that it was prepared by the "AG", and "Under the Direction of the AG."

7 29. On March 21, 2022, the SCO returned the 2019/2020 FTR to Paz Dominguez along
8 with an email that said, in relevant part:

9 We received the financial transactions data for Humboldt County's 2019-20 Financial
10 Transactions Report submitted by your office. So far, we have identified some items
11 requiring immediate revision, and therefore have returned the report. The General
12 Information page, under 'Report Prepared By' requires the first name, last name, and title of
13 the person who input the data but instead reads "Under the Direction of the AG", "N/A",
14 and "AG", respectively. Please log into the LGRS Online system using the account and
15 password previously provided and input an accurate first and last name and title of the
16 report preparer and resubmit by clicking "Submit Data" right away, but no later than close
17 of business, Wednesday, March 23, 2022.

18 30. Paz Dominguez did not respond to the SCO's email and did not correct her FTR.

19 31. FTRs must be filed in the time, form, and manner required by the State Controller.
20 (Gov. Code, §§ 12464, subd. (a) and 53891, subd. (a).) By failing to make and file her 2019/2020
21 FTR within 20 days after receipt of a written notice of the failure from the Controller, and by
22 refusing to disclose the name of the person who prepared her 2019/2020 FTR, Paz Dominguez
23 failed or refused to file her report in the time, form, and manner required by the State Controller,
24 and failed to file her report by the demand date set out in the SCO's March 21, 2022 email.

25 32. Use of unaudited data is allowed if audited data is not available, to enable timely
26 filing of an FTR. (Gov. Code, § 53891, subd. (a).) Paz Dominguez's FTR for 2019/2020 is more
27 than a year overdue. Submission of the deficient 2019/2020 FTR on March 16, 2022, is
28 inexcusable and does not satisfy Paz Dominguez's statutory obligation.

33. Paz Dominguez failed to file her 2019/2020 FTR in the time, form, and manner
required by the State Controller, and she is subject to a forfeiture in the amount of \$5,000.00,
under Government Code section 53895, subdivision (a)(3).

///

1 Dominguez, as the Auditor-Controller for County, to furnish to the Controller a report of all of
2 County's financial transactions during the preceding fiscal year within seven months of County's
3 fiscal year-end.

4 43. Plaintiffs lack a plain, speedy, and adequate remedy at law.

5 44. Plaintiffs are entitled to issuance of a writ of mandate compelling Paz Dominguez to
6 perform her mandatory statutory duties.

7 **RELIEF REQUESTED**

8 WHEREFORE, plaintiffs pray for judgment as follows:

9 1. For an order requiring County to pay a forfeiture in the amount of \$1,000.00, for Paz
10 Dominguez's failure to timely file County's adopted 2020/2021 budget in violation of
11 Government Code section 29093.

12 2. For an order requiring County to pay a forfeiture in the amount of \$1,000.00, for Paz
13 Dominguez's failure to timely file County's adopted 2021/2022 budget in violation of
14 Government Code section 29093.

15 3. For an order requiring Paz Dominguez to pay a forfeiture in the amount of \$5,000.00,
16 for her failure to timely file her FTR for fiscal year 2019/2020 in the time, form, and manner
17 required by the State Controller, in violation of Government Code sections 12464, subdivision
18 (a), and 53891, et seq.

19 4. For an order requiring Paz Dominguez to pay a forfeiture in the amount of \$5,000.00,
20 for her failure to timely file her FTR for fiscal year 2020/2021 in the time, form, and manner
21 required by the State Controller, in violation of Government Code sections 12464, subdivision
22 (a), and 53891, et seq.

23 5. For issuance of a writ under Code of Civil Procedure sections 1085 and 1086
24 requiring Paz Dominguez to perform her mandatory statutory duties under Government Code
25 sections 29093 and 53891, et seq., in the time, form, and manner required by the State Controller.

26 6. For issuance of a writ under Code of Civil Procedure sections 1085 and 1086
27 requiring Paz Dominguez to correct the 2019/2020 FTR to include the name of the person who
28 prepared the report.

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7. For such other and further relief as the Court may deem just and proper.

Dated: May 2, 2022

Respectfully submitted,

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