



# Costa Mesa Sanitary District

## ...an Independent Special District

**FOR IMMEDIATE RELEASE**

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### **UPDATE REGARDING ONGOING INVESTIGATION INTO VENDOR BILLING**

(Costa Mesa, CA) – As has been reported recently in several media sources, Costa Mesa Sanitary District (CMSD) is in the process of conducting a forensic financial audit and an investigation into potential overbilling by the District's contracted engineering firm.

This investigation was initiated by our General Manager after he instructed our finance division staff to review all inspection-related billings. This procedural and appropriate review revealed possible anomalies regarding billings submitted by an independent contractor who has been working with CMSD for nearly 40 years.

Crowe (formerly Crowe Horwath LLP), a leading public accounting, audit and consulting firm, was brought in immediately and is nearing completion of its forensic analysis of the matter. In addition, the District retained an outside law firm, Best Best & Krieger, to conduct interviews of all of the parties involved in the matter and to review whether laws were broken or contracts breached. We anticipate that this investigation will also be completed within the next several days.

Any misuse of ratepayer dollars, whether intentional or mere oversight, would be a serious matter and would be treated as such. No judgment has been made about this matter and the District will await the results of the independent outside investigation.



*Protecting our community's health and the environment by providing solid waste and sewer collection services.*

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The CMSD Board of Directors is 100% committed to obtaining a full accounting of this situation and to taking any and all steps necessary to ensure that our residents are fully informed. As a District, we take our transparency pledge seriously and our Board will always demand that our staff makes this a priority.

**About the Costa Mesa Sanitary District:** Formed in 1944, the Costa Mesa Sanitary District (CMSD) is an independent special district that provides solid waste and wastewater collection services to a population of approximately 116,700 in Costa Mesa, Newport Beach and unincorporated Orange County. For more information and the latest CMSD news, visit [www.cmsdca.gov](http://www.cmsdca.gov) and follow CMSD on Facebook, Twitter and Instagram. To get in touch of CMSD staff, email [info@cmsdca.gov](mailto:info@cmsdca.gov) or call (949) 645-8400.

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