



COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR
825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450
FAX: 707-445-7608
EMAIL: taxinfo@co.humboldt.ca.us

Honorable, Judge Gregory Elvine-Kreis, Presiding Judge
Humboldt County Superior Court
825 5th Street
Eureka, CA 95501

July 15, 2020

Re: Response to Grand Jury Report Titled 'A GROWING CONCERN, Humboldt County Planning and Building department and the Cannabis Industry'

Honorable Judge Elvine-Kreis;

As requested in the above referenced Grand Jury report my responses to said report are as follows:

FINDINGS:

F-1: The handling of large sums of cash used by applicants to conduct transactions with the Planning and Building Department lacks transparency and creates the perception of potential for fraud. (R-2, 3, 4)

- To the best of my knowledge I agree.
- The potential for fraud will always exist but that potential will be greatly reduced once a county wide 'Cash Handling Policy' is in place which all departments follow.
- The Treasurer-Tax Collector (T-TC) and Treasury Staff wrote and submitted a draft 'Cash Handling Policy' in November 2019 but it has not yet been authorized and required for use by all county departments; and remains in draft form while other county departments weigh in about it with the HUM 21 'Cash Handling Committee'.

F-2: Cash transactions jeopardize the safety of the public and department personnel due to a lack of robust security infrastructure. (R-2, 3, 4)

- I agree.
- Cash handling without physical security, and secure handling and deposit procedures, is an environment with uncontrolled risk.; i.e. potentially unsafe conditions.

F-3: Lack of transparent accounting for cannabis-related revenues (permit fees, Trust Fund monies, fines) makes it difficult to determine the economic impact of the legalization of the cannabis industry on the county. (R-2, 3)

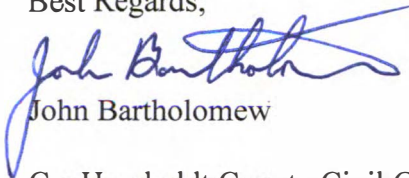
- I agree to the best of my understanding.
- I am not familiar with the cannabis-related revenue accounting used by the Planning & Building Department; therefore my understanding is based on the Grand Jury report and not any personal knowledge gained from independent research and review of the processes and procedures about which the report was written.

RECOMMENDATIONS:

R-4: The Humboldt County Civil Grand Jury recommends that the Humboldt County Planning and Building Department direct customers paying in cash to remit said payments directly through the Treasurer-Tax Collector's office. Payment receipts will be accessible to the Humboldt County Planning and Building Department. This should be in effect by January 1, 2021. (F-1, 2)

- The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- Treasury Staff could accept payment for services provided by the Planning & Building (P & B) Department as long as proper invoicing procedures are established. My request would be an invoicing process / procedure whereby the client / tax-payer / grower would receive a copy of the invoice from data input to a shared drive operating system between the P & B and T-TC departments. Treasury Staff would then look up, (to confirm as accurate), the invoice brought in by the payer from that system; or they could just look up the amount owed when the payer comes in to make payment, without a copy of the invoice, and then post that payment to the system for tracking purposes so P & B Staff can reconcile payment for services rendered.
- Payments received by mail (check / money order / cashier's check) and sent to P & B or the T-TC would be posted to the operating system when received.
- Late or delinquent notices of payment still owed would be the responsibility of the P & B department; unless other arrangements / agreements are made with the T-TC to handle that responsibility.

Best Regards;



John Bartholomew

Cc: Humboldt County Civil Grand Jury