

## **Chriss W. Street First Report On Shasta County Public Corruption Regarding Administering Federal And State Funded Health And Safety Net Programs 4-15-23**

Chriss W. Street as preparation for potential interview for Shasta County Executive Officer (CEO) position met with certain community individuals during early February to understand the Shasta County operations, business environment, and current financial conditions.

One of those individuals Chriss W. Street met with Joe Chimenti, former Shasta County Supervisor from January 2019 to January 2023, at Downtown Grounds at 8:30 am on February 16, 2023. Joe Chimenti told Chriss W. Street that the current Board of Supervisors was politically very divisive and that he had taken steps just before the end of his elected term to structure the Shasta CEO recruitment decision to empower Shasta County Department Heads and disempower the Shasta County Supervisors.

Chriss W. Street in preparation for Shasta County CEO interviews ascertained from the Shasta County Annual Comprehensive Financial Report (“ACFR”) for “Fiscal Year Ended June 30, 2022 reconciled by Nolda Short, Auditor-Controller”<sup>1</sup>, that under “Note 9: Fund Balances at June 30, 2022”<sup>2</sup> that Shasta County established General Reserves in “accordance with the Government Finance Officers Association (GFOA) recommendation for low to moderate level of risk”<sup>3</sup>, were substantially below “the county established 17-25% a target balance of projected General Fund expenditures.”<sup>4</sup>

Street called the Shasta Auditor-Controller Nolda Short on the afternoon of February 24 and asked if his General Reserve calculation of 13.51 percent, or about \$29.6 million, was correct. Auditor-Controller Short confirmed Chriss W. Street analysis was correct, but then added that \$10 million of the General Reserves had also been “loaned” to the Sheriff Department on July 22, 2023, or 22 days after the fiscal year end.

Short stated the correct General Fund Reserve was on 8.9%, or \$19.6 million; meaning the General Reserve was about \$35 million under 25% “Target” of \$54.7 million; and about \$18.6 million, below under the 17% minimum of \$37.2 million.

Chriss W. Street believed the loan: 1) under Cal Gov Code § 29086 which states general reserve may only be “decreased at the time of adopting the budget”] was illegal; 2) Shasta County characterizing the transaction as a “loan” reflected in FY 21-22 ACFR at full value as if cash was a violation of government accounting standards; and 3) if done intentionally to hide the dangerously low General Reserve was accounting fraud.

Street had already discovered that since August 2, 2022, Shasta County was under investigation by the California Department of Health and Human Services Agency Department (CHHSA) for potential Medi-Cal waste, fraud, and abuse regarding grants administered by the Shasta County Mental Health, Alcohol and Drug Advisory Board.

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<sup>1</sup> [https://www.shastacounty.gov/sites/default/files/fileattachments/auditor-controller/page/2643/2022\\_shasta\\_county\\_final\\_acfr.pdf](https://www.shastacounty.gov/sites/default/files/fileattachments/auditor-controller/page/2643/2022_shasta_county_final_acfr.pdf)

<sup>2</sup> Id. Note 9 Pages 76-78

<sup>3</sup> Government Finance Officers Association Best Practices Fund Balance Guidelines For General Fund

<sup>4</sup> [https://www.shastacounty.gov/sites/default/files/fileattachments/auditor-controller/page/2643/2022\\_shasta\\_county\\_final\\_acfr.pdf](https://www.shastacounty.gov/sites/default/files/fileattachments/auditor-controller/page/2643/2022_shasta_county_final_acfr.pdf) Page 77-78

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The CHHSA audit found that Shasta County was failing to adequately staff and comply with grant funding rules. The violations were so serious, Shasta County was officially put on a federal and state corrective action plan.<sup>5</sup>

Chriss W. Street knew that Shasta County as a “Rural” county receives hundreds of millions of dollars annual from federal and state government grants to fund about 1,000 public sector workers to provide safety-net and other healthcare benefits administration and services. Shasta County by paying workers sub-market wages [as low as \$16/hour] and providing hostile working conditions, had net of quits and hires continually averaged about 300 (three-hundred) vacant full-time-equivalent (FTE) positions that were mostly funded by federal government and state revenue grants.

Street calculated that at a conservative average of low-paid worker wages and benefits of \$41,000; multiplied times 300 average vacant positions, Shasta County avoided paying compensation of at least \$12.3 million of low-paid worker compensation.

Street believed that by redesignating its caucus membership in the California State Association of Counties from “Rural” to “Suburban”<sup>6</sup>, Shasta County had justified paying Shasta County executives up to 58% (fifty-eight-percent) more compensation.<sup>7</sup>

Chriss W. Street presented this information to the three committees for the Shasta County CEO interviews. Chriss W. Street was scored the highest candidate by the community committee; lowest candidate by the Shasta County Department Head committee; and was selected as CEO by four Supervisors [Jones, Kelstrom; Garman and Crye]. The most defensive and hostile interviewer was Supervisor Mary Rickert, who sits on the Shasta County Mental Health, Alcohol and Drug Advisory Board.

Chriss W. Street is informed and believes, and upon such information requests Shasta County take all necessary actions to remedy potential public corruption regarding administering federal and state funded health and safety net programs.

Chriss W. Street  
April 15, 2023

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<sup>5</sup> <https://www.dhcs.ca.gov/Documents/Shasta-County-FY-2021-22-DMC-ODS-Findings-Report.pdf>

<sup>6</sup> <https://www.counties.org/pod/california-county-caucuses>

<sup>7</sup> <https://www.credittoday.net/public/1585.cfm>