



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 3.2

MEETING DATE: 09/09/2025

DEPARTMENT: COUNTY ADMINISTRATION OFFICE

AGENDA ITEM PREPARER: Henie Ring

DEPT HEAD/DIRECTOR: Esperanza Colio Warren

SUBJECT:

COUNTY ADMINISTRATIVE OFFICE – E. COLIO WARREN

Discuss and provide direction for the issuance of a formal request for proposals (RFP) for an audit and analysis of possible embezzlement from the San Benito County Free Library in the amount of \$360,755.79. These funds were processed and paid out of the County Auditor's Office from December 2019 through March 2023. Authorize the County Administrative Officer or designee to develop and issue an RFP for a certified public accounting firm to perform a comprehensive forensic audit and provide direction on next steps.

SBC FILE NO.: 119

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

Between December 2019 and March 2023, San Benito County incurred a total estimated financial loss of \$360,755.79 due to possible embezzlement activities involving the San Benito County Free Library.

On Wednesday, March 19, 2023, Human Resources was contacted by the County Auditor of possible fraudulent activities by the former Supervising Librarian in the San Benito County Free Library. Based on an initial review of the activities conducted by the Auditor's Office, it appeared that the former Supervising Librarian was using a county-issued credit card (CalCard) to make multiple unapproved

personal item purchases that appeared not to be library business-related. The San Benito County Sheriff's Office was contacted, and a criminal investigation was initiated. The District Attorney's Office has filed criminal charges against two former Library employees, and the prosecution is pending.

It was discovered that the invoices from Amazon had been altered using Adobe Pro to disguise the purchases for payment. Those invoice statements were submitted to the Auditor's Office and paid. These unauthorized payments were processed through the County Auditor's Office, raising serious concerns about internal controls, oversight mechanisms, and potential systemic vulnerabilities.

Given the significant public trust implications and the substantial financial impact, the County must conduct an independent third-party forensic audit to determine the extent, causes, and accountability of the incident. A formal RFP process is the most transparent and effective way to engage a qualified Certified Public Accounting (CPA) firm to carry out this work.

Need for a Formal RFP

1. Independent and Objective Evaluation

A forensic audit must be conducted by an external CPA firm with no prior relationship with the County. The RFP process will ensure that the County receives proposals from firms with the necessary expertise in fraud detection, financial forensics, and public sector auditing.

2. Legal and Fiscal Responsibility

Issuing an RFP demonstrates the County's commitment to fiscal accountability, risk mitigation, and legal compliance. It supports the effort to:

- Identify how the fraud occurred and went undetected.
- Assess whether additional County funds were misused.
- Recommend improved controls and policy reforms.

3. Transparency and Public Confidence

Public scrutiny is high in the wake of this financial crime. A formal RFP process improves transparency, ensuring that the County selects a qualified firm through an open and competitive process. It also promotes community trust by demonstrating the County's commitment to integrity and ethical governance.

Proposed RFP Timeline for Forensic Audit Services:

Milestone and Estimated Duration:

Develop RFP and Scope of Work	2 weeks
RFP Release and Public Posting	1 week

Proposal Submission Period	3-4 weeks
Evaluation and Selection Process	2-3 weeks
Contract Negotiation and Award	1-2 weeks
Audit Kickoff and Work Plan Finalization	1 week
Forensic Audit Completion	60-90 days (estimated)

Total Estimated Timeframe: 3-4 months

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

1. Authorize the County Administrative Officer (CAO) or designee to develop and issue a formal RFP for forensic auditing services.
2. Define the RFP Scope (included).

ATTACHMENTS:

[Board Agenda Fact Sheet - Forensic Audit](#)