



# NEWS RELEASE

**Arizona House of Representatives  
Representative Matt Gress (R-4)**

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FOR IMMEDIATE RELEASE**

## **Arizona Auditor General’s Investigation Report Reveals Details of Alleged \$39.5 Million Financial Misconduct in Santa Cruz County**

**STATE CAPITOL, PHOENIX** – Arizona State Representative Matt Gress, House Chairman of the Joint Legislative Audit Committee (JLAC), is responding to a comprehensive financial investigation report issued Monday by the Arizona Auditor General’s Office that details alleged significant financial misconduct by the former Santa Cruz County Treasurer. The report documents actions that may have been taken by the Treasurer over a decade to misappropriate nearly \$40 million in public funds.

Covering transactions from March 2014 through March 2024, the investigation reveals that the former Treasurer may have executed at least 182 unauthorized wire transfers from county accounts to business accounts connected to her. The report alleges that she failed to record these transactions in the County Treasurer’s accounting system and provided false reports to the County Board of Supervisors, a county financial consultant, and the Arizona Auditor General. Notably, the report indicates she may have falsified 121 monthly Treasurer’s Reports and even created fake bank investment statements and a website domain to support her alleged financial misconduct.

Santa Cruz County first reported the alleged misconduct to the Arizona Auditor General and the Federal Bureau of Investigation in April 2024. The Auditor General’s report notes long-standing inadequacies in the County’s internal IT-related controls, which have been highlighted in audit reports since 2009. The systemic failures within the County’s financial and IT systems, and newly discovered failures, such as the chief deputy treasurer sharing her bank login credentials and security token with the Treasurer, may have enabled the Treasurer to carry out her alleged financial misconduct unchecked for years, potentially jeopardizing the financial stability of multiple governmental entities within the County, including school districts, fire districts, and the jail district.

Statement from Representative Matt Gress:

**“The actions detailed in the Arizona Auditor General’s report are deeply disturbing and represent a significant betrayal of public trust. This case would stand as one of the worst instances of county financial misconduct in Arizona’s history, underscoring the need for more stringent oversight and accountability in the management of public resources.**

**“It is particularly concerning that, despite the County’s authorization, one of the County’s financial institutions may not have fully cooperated with the Auditor General’s investigation. Any refusal to provide additional information only heightens the severity of the situation and underscores the need for greater transparency.**

**“I intend to introduce legislation in the next session that will expand the authority of the Arizona Auditor General, giving the office independent access to financial institution records directly from the institutions themselves. This will ensure that auditors have more tools necessary to uncover and address financial misconduct, even when internal controls fail. Additionally, I am considering introducing legislation to require newly elected or appointed county treasurers and their deputies to meet specific training requirements, better equipping them to manage public funds responsibly.**

**“I commend the diligence of the Auditor General’s Office and the law enforcement agencies involved in bringing these issues to light. Moving forward, it is imperative that the County implements the nine recommendations made by the Arizona Auditor General to establish stronger safeguards to prevent such abuses and ensure that public officials are held to the highest standards of integrity. We owe it to the citizens of Arizona to protect their hard-earned tax dollars from fraud and corruption by arming the Arizona Auditor General with additional tools to uncover financial misconduct.”**

The Arizona Auditor General’s report is available here: <https://www.azauditor.gov/former-santa-cruz-county-treasurer-alleged-financial-misconduct>.

*Matt Gress is a Republican member of the Arizona House of Representatives serving Legislative District 4 in Phoenix. Follow him on X/Twitter at @MatthewGress.*

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