



NEWS RELEASE

Arizona House of Representatives

Speaker Steve Montenegro (R-29)

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FOR IMMEDIATE RELEASE

Speaker Montenegro Forms House Advisory Team to Investigate Governor Hobbs' Pay-to-Play Scandal at DCS

STATE CAPITOL, PHOENIX – House Speaker Steve Montenegro today announced an advisory team of House leaders to investigate findings by [The Arizona Republic](#) pointing to a potential case of pay-to-play inside Governor Katie Hobbs' Department of Child Safety.

Documents and messages cited by *The Arizona Republic* show that Sunshine Residential Homes received a 30-percent rate increase worth millions after donating more than \$400,000 to Governor Hobbs and the state Democratic Party, while other providers were denied similar requests. Staff communications discussed keeping the increase quiet from competitors and acknowledged the company's political ties to Hobbs. At the same time, the governor's agency faced a budget shortfall and was under a mandate to reduce reliance on group homes.

The advisory team will lead a legislative investigation to gather facts, coordinate with ongoing law-enforcement inquiries, and recommend House action to end political favoritism in state contracting.

This follows earlier efforts by House leaders to expose and address alleged misconduct involving Sunshine Residential Homes and the Hobbs administration.

In June 2024, Representative Matt Gress, Chair of the Joint Legislative Audit Committee, [urged](#) the Maricopa County Attorney and Auditor General to investigate possible illegal activity after *The Arizona Republic* [first uncovered](#) the company's financial and political ties to the governor's office.

Representative David Livingston, Chair of the House Appropriations Committee, also [called on](#) Attorney General Kris Mayes to recuse herself due to her conflict of interest and pattern of shielding Governor Hobbs and the Democratic Party.

Advisory team members are Rep. Selina Bliss, Chair of the House Health and Human Services Committee; Rep. David Livingston; Rep. Matt Gress; Rep. Quang Nguyen, Chair of the House Judiciary Committee; and Speaker Pro Tempore Neal Carter.

"The facts reported raise serious questions the House cannot ignore," said Speaker Montenegro. **"Arizona's children, families, and taxpayers deserve a system that is clean, fair, and focused on care, not political access or donations. The House will secure the records, ask the hard questions, and, if necessary, change the law to ensure it never happens again. We will work with the Auditor General, the Maricopa County Attorney, and the Attorney General while respecting any ongoing investigations. I am directing all relevant agencies and contractors to preserve records and cooperate fully with the Legislature."**

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