



Press Release

Gallagher Urges Udall and Bennet to Support Local Oversight of ARRA Funds

Local Oversight Critical to Success of Spending

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(Denver) "Make certain that the oversight is there and you will make certain that the stimulus dollars are spent appropriately," Denver Auditor Dennis Gallagher told both Colorado's US Senators. In a meeting with Senator Mark Udall on Wednesday in Washington and in a letter to Senator Michael Bennet, Gallagher urged support of federal legislation that would empower state and local governments to more effectively monitor the appropriate spending of stimulus dollars.

"The dollars are being spent locally so locally is where you need the strongest oversight," he said.

Denver is currently set to receive at least \$51 Million in direct stimulus dollars. This is money appropriated under the American Recovery and Reinvestment Act (ARRA).

Gallagher went to Washington to urge support for a bill, before the US Senate, that would dedicate resources to state and local governments to monitor spending of stimulus dollars in their jurisdictions. He said that by providing needed resources local governments will be better able to enlist the oversight necessary to ensure that spending is appropriate, accountable and within the guidelines established for such funds.

Gallagher noted that as Denver's independent auditor he has developed a plan to monitor Denver's spending of stimulus dollars but that with recent recession-related budget cutbacks (the Auditor's Office has cut its budget by over 7%) that staff resources are stretched thin and full implementation of his oversight plan will be difficult without the federal help the bill may make available.

"It is critical that we are able to fully implement our plan. The transparency and accountability that our independent oversight will provide will create trust in the public

that these taxpayer dollars are being used as they should. It is unfortunate that we live in a time where there is so much mistrust of government, particular of government spending. That is why it is vital that we do everything in our power to inspire confidence and trust in the public,” he said.

Gallagher's plan includes a review of management governance processes of stimulus grants and an ongoing sampling of actual grants to test for their performance; monitoring federal legislation including stimulus spending transparency and accountability requirements, Government Accounting Office reports and state stimulus activity to remain effective and determine best practices; assess the capability of Denver to receive and properly disperse stimulus grant dollars; and work closely with the District Attorney's office to monitor stimulus activity for potential fraud.

“I have great faith in Denver and the ability of our city to use these dollars appropriately and wisely, but having a second set of independent eyes on the process will ensure that nothing untoward occurs, and as I noted before, it will give the public the confidence it needs in this endeavor.” He went on to say that with so much money being spent in so short a time nationally and locally, it is vital to have every safeguard in place to ensure the suitability and correctness of the spending.

The bill, S.1064 sponsored by Senator Joseph Lieberman, is an amendment to ARRA and has already passed the US House of Representatives and its Senate Committee and is awaiting floor action.

