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**IN THE DISTRICT COURT,
FOURTH JUDICIAL DISTRICT,
JOHNSON COUNTY, WYOMING**

CHRISTOPHER WILLIAMS,)
AMY WILLIAMS, CINDY BARLOW,)
CHARLES HUSON, LOIS HUSON,)
MARIANNE FERRARI, and)
SHARON SMALLWOOD,)

Plaintiffs,)

v.)

CASE NO.)

BOARD OF COUNTY COMMISSIONERS)
OF JOHNSON COUNTY,)
WYOMING DEPARTMENT OF AUDIT,)
JUSTIN CHAVEZ IN HIS OFFICIAL CAPACITY)
AS DIRECTOR OF THE)
WYOMING DEPARTMENT OF AUDIT)

Defendants.)

PETITION FOR DECLARATORY JUDGMENT

COMES NOW, Plaintiffs, by and through their attorney, Cassie Craven of Longhorn Law Limited Liability Company, and for their causes of action, state as follow:

NATURE OF THE ACTION

This is an action pursuant to W.S. § 1-37-101 et. seq. in which the Plaintiff Christopher Williams (hereinafter “Williams”) made a public record request under the Wyoming Public Records Act to review the financial documents of Johnson County.

After much correspondence with several government officials, Williams eventually had his public record request fulfilled.¹ Williams is a retired managing director in the retail financial services industry for a Fortune 500 global consulting firm, served as treasurer of his church and has vast experience reviewing audited financial reports. Williams discovered, what he believes, are many illegalities contained within the Johnson County audits. Those will be further described herein. He and other concerned and impacted Johnson County residents bring this Petition.

Plaintiffs seek declaratory judgment upon the illegalities within the audit and the process of Johnson County. The Plaintiffs have standing to proceed as they are impacted taxpayers who have experienced tangible damage and loss² as a result of the actions and inactions occurring in Johnson County.

BACKGROUND

On June 9, 2023 Williams submitted a series of observations and questions to the Director of the Department of Audit (“DOA”) regarding the issues noted in the public record documentation. On June 27, 2023, the Public Funds Administrator (“PFA”) responded to Williams’ June 9, 2023 email saying, in effect, the observations and questions were not of any substance. Yet, on June 29, 2023 the Public Funds Administrator requested an in-person meeting at Williams’ home in Buffalo, Wyoming³ to include the PFA, Director and Mr. Williams.

On August 10, 2023, the Director and his PFA traveled from Cheyenne to Buffalo for a three (3) hour meeting with the Plaintiff Williams. During the meeting (which was recorded), the

¹ Johnson County Deputy Prosecuting Attorney Barry Crago called Williams to the Johnson County Courthouse and after a discussion regarding the public records requested, told Williams “just sue us.”

² As a result of Defendants’ misconduct, property taxes have increased and budget implications have impacted the mill levy calculations to the detriment of the Plaintiffs. Of note, the Plaintiffs pay property taxes, sales tax and vehicle fees and registration to Johnson County.

³ This trip was 289.6 miles one-way.

Director acknowledged that there appeared to be a lack of internal controls⁴ in Johnson County and thus an increased risk of fraud. The Director and PFA committed to the Plaintiff to contact the 3rd party auditor for Johnson County (“PMCH”). The PFA remarked that if he had previously known what he did after that meeting, his initial email to Williams on June 27, 2023 would have been substantively different.

On September 19, 2023 the Plaintiff sent an email to the Director and the PFA requesting an update. On September 27, 2023 the Director and the PFA met with the Plaintiff by phone (this conversation is recorded) and communicated a partial summary of their meeting with PMCH. On September 27, 2023 the Director indicated that there was enough substance in Williams’ observations and questions that the Director would seek a meeting with the Attorney General.

As of the date of the submission of this Petition, the Director has not responded to requests for update on October 5 and December 7, 2023 from Williams.

A public records request submitted in March of 2024 revealed handwritten notes from the DOA that PMCH was concerned that they were meeting with the Department without notification or inclusion of any officials from Johnson County.

The DOA asserts on their website that, “it supports Wyoming government as a responsible steward of state assets and effectively responds to the needs of residents...”⁵ Additionally, “To contribute to prosperity, the Department will audit and regulate to promote compliance with state revenue collections, state and local government accounting requirements and the regulation of financial service providers.” *Id.*

⁴ The FY21 audit at pages 100-102 states, “A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.”

⁵ <https://audit.wyo.gov/> last accessed July 29, 2024.

JURISDICTION, VENUE AND PARTIES

1. Plaintiffs are current residents, property owners and taxpaying citizens of Johnson County, Wyoming.
2. Williams personally requested and reviewed the audits described herein.
3. All Plaintiffs are sufficiently affected by the illegalities that have occurred as they have a tangible increase in personal property tax bills through the associated mill levy calculations that are a direct result of the audits and budgetary functions of the Defendant Board of County Commissioners of Johnson County (“Defendant Board” or “Board”).
4. Plaintiffs also pay sales tax and vehicle fees and registration in Johnson County.
5. Defendant Board is located in Johnson County, Wyoming and is the named Defendant pursuant to W.S. § 18-2-109. The Board is representative of Johnson County.
6. Defendant Justin Chavez (“Defendant Chavez” or “DOA”) is the Director of the DOA and is listed in his official capacity as such. The DOA’s charge, by and through their Director, is responsibility for the regulation of financial institutions, including auditing public agencies and local governments and additional duties under law, including but not limited to Wyoming Statute § 16-4-123. The duties and requirements of the Department of Audit are further described in W.S. § 9-1-507 et. seq.
7. Jurisdiction and venue are proper in this Court pursuant to W.S. § 1-37-101 et. seq. as the Plaintiffs seek declaration of rights, status and other legal relations. Furthermore, Plaintiffs’ rights, status and other legal relations are affected by the Wyoming Constitution and by state statute, and they question herein the construction or validity of those said interests under the facts asserted herein. The Plaintiffs have genuine rights at issue under the Wyoming Constitution and Wyoming statutes. This controversy is

redressable by the Court, engenders adversity and this Court's judgment will have a final effect on the Plaintiffs' rights and additionally encompasses great public interest.

8. This Court has exclusive jurisdiction over this action because of the nature of the claims as a declaratory judgment action arising in Johnson County, Wyoming.
9. A *Notice of Claim*, in accord with the Wyoming Governmental Claims Act, was appropriately served upon the Defendants in this matter.

COUNT I: DEFENDANT BOARD HAS VIOLATED W.S. § 16-4-105

10. Plaintiffs hereby incorporate all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.

11. Wyoming Statute § 16-4-105 states in relevant part:

- (a) A municipality may accumulate retained earnings in any enterprise or intragovernmental service fund or accumulate a fund surplus in any other fund. With respect to the general fund the accumulated fund balance may be used to meet any legal obligation of the municipality or to:
 - (i) Provide cash to finance expenditures from the beginning of the budget year until general property taxes and other revenues are collected;
 - (ii) Provide a reserve to meet emergency expenditures; or
 - (iii) Provide a reserve by the carryover from one (1) biennium to another of any surplus generated by community service and continuing education programs operated by community colleges.
- (b) A municipality may appropriate funds from estimated revenue in any budget year to a reserve for capital improvements and for depreciation within any capital improvements fund, and for the purpose of purchasing or replacing specified equipment or a depreciation reserve for equipment, which has been duly established by ordinance. Money in the reserves may be allowed to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes. Disbursements from reserves shall be made only by transfer to a revenue account within a capital improvements fund pursuant to an appropriation for the fund. The amount appropriated to reserves under this subsection in any budget year shall not exceed ten percent (10%) of the municipality's total revenues for that budget year.
- (c) Expenditures from capital improvement or equipment budget accounts shall conform to all requirements of this act as it relates to the execution and control of budgets.

12. In a Buffalo Bulletin article from July 22, 2021, Commissioner Bill Novotny publicly stated that \$300,000 from cash reserves were used to fund increases in health insurance costs and state required pension obligations.⁶
13. Using general cash reserve funds for cost increases in health insurance and pension obligations is not permissible under W.S. § 16-4-105.
14. Increased health insurance costs are not a legal obligation. The county has the ability and choice to provide lower cost health insurance alternatives.
15. Furthermore, as it relates to state required pension obligations, a review of Johnson County audits since 2017 reveals that Johnson County contributes beyond Wyoming's required amount to Johnson County public employee pensions.⁷
16. Defendant Board of County Commissioners of Johnson County are liable for these violation of law and Plaintiffs' rights and Plaintiffs seek declaratory judgment upon this claim.

**COUNTS II-III: DEFENDANT BOARD HAS VIOLATED W.S. § 16-4-108 AND
DOA HAS VIOLATED W.S. § 9-1-507**

17. Plaintiffs hereby incorporate all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.
18. Wyoming Statute § 16-4-108 states in relevant part, "No officer or employee of a municipality shall make any expenditure or encumbrance in excess of the total appropriation for any department. The budget officer shall report to the governing body

⁶ "We did this (transfer the \$300,000 from general cash reserve funds) as a result of the increase in our health insurance and also to cover the increased retirement contributions required by the state for our employees."

⁷ For example, in FY22 Johnson County contributed 18.62% to non-law enforcement employees vs. a statutory requirement of 9.37%; Johnson County contributed 17.2% to law enforcement employees vs. a statutory requirement of 8.6%.

any expenditure or encumbrance made in violation of this subsection.” W.S. § 16-4-108(a).

19. On information and belief, the fiscal year 2018 audits reviewed by Williams uncovered that the general fund transfers exceeded appropriations by \$49,002.
20. On information and belief, the fiscal year 2019 audits reviewed by Williams uncovered that the transfers in exceeded appropriations by \$201,611 and the transfers out exceeded appropriations by \$262,068.
21. On information and belief, the fiscal year 2020 audits reviewed by Williams uncovered that the transfers in exceeded appropriations by \$221,562 and the transfers out exceeded appropriations by \$82,095.
22. On information and belief, the fiscal year 2021 audits reviewed by Williams uncovered that the transfers in exceeded appropriations by \$71,762 and the transfers out exceeded appropriations by \$49,398.
23. On information and belief, the fiscal year 2022 audits reviewed by Williams uncovered that the transfers in exceeded appropriations by \$84,411 and the transfers out exceeded appropriations by \$123,414.
24. These exceeded appropriations violate the process required by law in W.S. § 16-4-108.
25. The auditor’s report for fiscal year 2022 states, “For the year ended June 30, 2022, the General Fund transfers in and transfers out exceeded appropriations by \$84,411 and \$123,414, respectively. This is a violation of Wyoming Statute 16.4.108.”⁸
26. This same violation and observation by the 3rd party auditor (PMCH) occurred in fiscal years 2021, 2020, 2019 and 2018.

⁸ FY22 Johnson County Audit, page 80.

27. In response to this auditor observation from 2018, 2019, 2020, 2021 and 2022, the Defendant Board and Johnson County has yet to implement a corrective action plan.
28. Pursuant to W.S. § 9-1-507, the Director has not issued corrections or instructions to Johnson County for these annual ongoing violations of Wyoming statute.
29. Defendant Board of County Commissioners of Johnson County violated the statutory process applicable and the Plaintiff's rights are impacted as a direct result and as such they are liable for this violation of Plaintiff's rights.
30. Defendant Board and the DOA are liable for these violations of law and Plaintiffs' rights and Plaintiffs seek declaratory judgment upon these claims.

**COUNT IV: DEFENDANT BOARD AND DEFENDANT CHAVEZ HAVE VIOLATED
W.S. § 16-4-120**

31. Plaintiff hereby incorporates all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.
32. Wyoming Statute § 16-4-120 states in relevant part, "Each county and special district hospital shall continue to maintain the uniform system of accounting in accordance with generally accepted accounting principles and federal hospital regulations." W.S. § 16-4-120(c).
33. Furthermore, W.S. § 9-1-507(a)(iv) states in relevant part, "the director of the state department of audit shall...Require corrections of faults or erroneous systems of accounting and when necessary instruct county and municipal officers in the proper mode of keeping accounts."
34. On information and belief, the Director has not required correction or instructed Johnson County in the mode of keeping accounts.

35. The county's own corrective action plans from fiscal years 2017, 2018, 2019, 2020, 2021 and 2022 demonstrate a knowing and willful disregard of this statute stating:

The County feels that there is no justifiable benefit to employ a certified public accountant for the sole purpose of converting the County's budgetary basis reporting to the GAAP⁹ based annual financial statement. The County's accounting personnel have the skills and understand the County's finances to find and correct material misstatements on the budgetary basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the County's personnel.

36. The County's fiscal audits demonstrate the following violations of W.S. § 16-4-120(c):

- a. "The County and the County's component units do not regularly prepare financial statements in accordance with GAAP"
- b. "Material audit adjustments were required to present the financial statements from being materially misstated in accordance with generally accepted accounting principles accepted in the United States (GAAP)"
- c. "...significant journal entries were required to correct the balances..."
- d. "The financial statements may include undetected errors and irregularities or omit information which is important to the readers of the financial statements."
- e. "We recommend the financial staff attend training"
- f. "...management and those charged with governance need to consider the procedures needed to ensure that complete and accurate financial information is available and evaluated in a timely manner to properly record transactions in accordance with GAAP."

37. A review of the County's audits indicates that for six (6) straight years, they have continually made a conscious and informed decision to disregard both W.S. § 16-4-

⁹ Generally Accepted Accounting Principles.

120(c) and the advice of their own external auditors. This appears to be a clear example of willful and wanton disregard for the law and the rights of the Plaintiffs and those similarly situated.

38. The Director acknowledged during the August 10, 2023 meeting that the findings indicate a lack of internal controls in Johnson County and a lack of internal controls increases the risk of fraud.
39. Material weakness¹⁰ that does not decrease to a significant deficiency¹¹ for six (6) years in a row, is patently egregious. These material weaknesses are known and ignored by the Defendants.¹²
40. Additionally, internal controls were not improved year over year (fiscal year 2021 and 2022) to reconcile the federal monies received by the County through the State of Wyoming.
41. Single audit procedures are straightforward and easier to comply with than GAAP. Thus, these findings as documented in the auditor's comments point to Defendants' lack of substantive oversight and a complete failure to comply with the law.
42. The County, including the component unit personnel (library, fair board, museum, weed and pest) were unable to identify all balances and necessary adjustments which were significant to the financial records and financial statements. Material audit adjustments

¹⁰ The FY21 audit at pages 100-102 states, "A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis."

¹¹ The FY21 audit at pages 100-102 states, "A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance."

¹² FY22 Johnson County Audit, page 107; FY21 Johnson County Audit, page 106; FY2020 Johnson County Audit, page 118.

were required to present the financial statements from being materially misstated in accordance with accounting principles generally accepted in the United States (GAAP).

43. For 2022 specifically, “significant journal entries” were posted in the following areas:

- a. Cash and cash equivalents
- b. Investments
- c. Prepaid items
- d. Property taxes receivable and related items
- e. Receivables, net of allowance
- f. Lease receivable
- g. Accounts payable
- h. Due to other governments – specific purpose sales and use taxes
- i. Fiduciary fund – due to other taxing units, custodial additions, and custodial deductions
- j. Pension liability, deferred inflows, and outflows for pension plan items
- k. Weed and pest – accounts receivable and accounts payable
- l. Fund balance and net position
- m. Transfers in and out
- n. Activity of the Airport and Justice Center JPB

44. The list of accounts requiring “significant journal” entries have been steadily increasing every year since at least 2017 – suggesting the issue is getting worse in Johnson County.

45. The schedule of expenditures of federal awards (SEFA) demonstrates repeated violations for three (3) straight years.¹³ The County’s system of internal control is lacking a

¹³ FY22 Johnson County Audit, page 108; FY21 Johnson County Audit, page 107; FY2020 Johnson County Audit, page 101.

mechanism to reconcile federal expenditures reported on the Schedule of Expenditures of Federal Awards. Audit procedures revealed that the schedule did not properly differentiate expenditures of federal awards from expenditures from state and other non-federal agencies. Additionally, no system is in place to readily provide the data necessary to accumulate all federal expenditures preparing for the SEFA.

46. The preparation of financial statements has demonstrated repeated violations.¹⁴
47. The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with GAAP. This includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
48. The County and the Country's component units (library, fair board, museum, and weed and pest) do not regularly prepare financial statements in accordance with GAAP and therefore the accounting personnel and those charged with governance, in the course of their assigned duties, lack the specific skills and experience to prepare the GAAP basic financial statement and footnotes.
49. The Defendants are liable for these violations of law and Plaintiffs' rights and Plaintiffs seek declaratory judgment upon these claims.

¹⁴ FY22 Johnson County Audit, page 110; FY21 Johnson County Audit, page 108.

**COUNT V: DEFENDANT CHAVEZ AND THE DOA
HAS VIOLATED W.S. § 16-4-123**

50. Plaintiff hereby incorporates all other paragraphs of this *Petition for Declaratory*

Judgment as if fully set forth herein.

51. Wyoming Statute § 16-4-123(a) states in relevant part:

(a) The director of the state department of audit shall monitor and may examine each audit to determine if the audit is in compliance with this act. The director shall have access to the working papers of the auditor. If the director determines an audit is not in compliance with this act, he shall notify the governing body of the municipality and the auditor submitting the audit report and in the case of a school district audit, the state department of education, by submitting to them a statement of deficiencies. If the deficiencies are not corrected within ninety (90) days from the date of the statement of deficiencies or within twelve (12) months after the end of the fiscal year of the municipality, whichever is later, the director shall proceed in the same manner as if no report had been filed. W.S. § 16-4-123(a).

52. Two Department of Audit employees met with Williams and communicated further with him thereafter regarding the matters described above relating to the deficiencies noted by the external auditors.

53. On information and belief, no working papers were obtained by Defendant Chavez or the DOA.

54. On information and belief, no communication between Defendant Chavez or the DOA occurred with the County regarding the numerous deficiencies apparent through the monitoring of the audit and financial documents as described above.¹⁵

55. Wyoming Statute § 16-4-123(b) states in relevant part:

(b) If the director of the state department of audit, in examining any audit report, finds an indication of violation of state law, he shall, after making an investigation as deemed necessary, consult with the attorney general, and if after investigation and consultation there is reason to believe there has been a violation of state law on the part of any person, the facts shall be certified to the attorney general who shall cause appropriate proceedings to be brought. W.S. § 16-4-123(b).

¹⁵ At this time, a public record request is pending on this point. The Plaintiffs allege this on information and belief because at the time of filing the formal position of the Johnson County Attorney is that the audits are “clear”. See correspondence with the Johnson County Attorney Ruby Tucker attached hereto and incorporated herein by reference as Exhibit “A”.

56. The Plaintiff exhausted all administrative remedies available to him before pursuing this declaratory judgment action. He provided the records received from the County and a presentation of applicable violations of law to two DOA employees when they met at his home. Additionally, he continued to correspond with them via email and telephone before and after this in-person meeting. Despite numerous requests that this information be provided to the Attorney General pursuant to statute, on information and belief, this was never done, despite representations made by these officials that the observations and violations were legitimate and concerning. The DOA has not communicated with the Plaintiff since October 2023. Correspondences were also sent to the Attorney General and the Johnson County Attorney.

57. On information and belief, Defendant Chavez and the DOA are aware of these violations and have done nothing to remedy these violations or act upon the appropriate statutory requirements. On information and belief, no corrective action plans have been administered.

58. To the extent this qualifies as willful or malfeasance, the Plaintiff asserts his rights and requests this Court adjudicate this matter in accord with the penalties described in W.S. § 16-4-123(d)-(e).

59. The Defendants are liable for these violations of law and Plaintiffs' rights and Plaintiffs seek declaratory judgment upon these claims.

**COUNT VI: DEFENDANT BOARD HAS VIOLATED THE WYOMING
CONSITUTION THROUGH ITS DISTRIBUTION OF MONIES TO CHARITY**

60. Plaintiffs hereby incorporate all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.

61. Article 16, Section 6 of the Wyoming Constitution disallows charity donations, stating in relevant part, “Neither the state nor any county, city, township, town, school district, or any other political subdivision, shall . . . loan or give its credit or make donations to or in aid of any individual, association or corporation, except for necessary support of the poor.”
62. Article 3, Section 36 of the Wyoming Constitution prohibits appropriating state funds for general benevolent and other purposes stating in relevant part, “No appropriation shall be made for charitable, industrial, educational or benevolent purposes to any person, corporation or community not under the absolute control of the state, nor to any denominational or sectarian institution or association.”
63. The Defendant Board distributed \$182,192 in “charitable relief” in fiscal year 2021.
64. This is discussed in the fiscal year 2021 audit¹⁶ and several relevant points are noted:
- a. “Federal guidelines require entities receiving federal awards to establish and maintain internal control over the federal awards to provide reasonable assurance that the entity (Johnson County) is managing the federal awards in compliance with federal statutes, regulations, and terms and conditions of the federal award.”
 - b. “Management has the responsibility to review and verify that expenditures of grant funds are adequately supported with documentation that the expenditure was an allowable cost and activity.”
 - c. “The allowable costs under this grant were: payroll costs and supplies used to respond to the COVID-19 public health emergency.”

¹⁶ FY21 Johnson County Audit, page 110.

- d. “The County gathered and summarized costs that were allowable costs of the grant (however) the information that was summarized contained mathematical errors and incorrect information.”
 - e. “...the County contacted the charities and obtained verbal understanding that the charity (was) impacted by the pandemic and agreed to an amount of the charity’s financial need.”
 - f. “The charity was required to sign a certification that the funding was necessary to respond to COVID-19; however, the charity was not required to submit any supporting documentation to substantiate the expenses.”
 - g. “Without supporting documentation to verify that the expenditures were related to COVID-19, there is question as to whether the money provided to charitable organizations was used by the organizations to cover expenditures and expenses associated with the COVID-19 health emergency or applicable charitable in purpose.”
 - h. "As described in the accompanying schedule of findings and questioned costs, Johnson County, Wyoming did not comply with requirements regarding CFDA 21.019 - Covid-19 - Coronavirus Relief Fund, as described in finding 2020-004 for Allowable Costs and Activities. Compliance with such requirement is necessary, in our opinion, for Johnson County, Wyoming to comply with the requirements applicable to that program."
65. The Defendants are liable for these violations of law and Plaintiffs’ rights and Plaintiffs seek declaratory judgment upon these claims.

COUNT VII-VIII: DEFENDANT CHAVEZ AND THE DOA HAVE FAILED TO UPHOLD THE REQUIREMENTS OF W.S. § 9-1-507

66. Plaintiff hereby incorporates all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.

67. Wyoming Statute § 9-1-507(a) requires corrections of “faults or erroneous systems of accounting and when necessary instruct county and municipal officers in the proper mode” of accounting.

68. These audit procedures must also be performed in accordance with current government audit standards for audit of governmental units as promulgated by the American Institute of Certified Public Accountants. W.S. § 9-1-507(c).

69. The DOA, by and through its director and employees, has failed to comply with these provisions of law.

70. The Defendants are liable for these violations of law and Plaintiffs’ rights and Plaintiffs seek declaratory judgment upon these claims.

COUNT IX: DEFENDANT CHAVEZ AND THE DOA HAVE FAILED TO UPHOLD THE REQUIREMENTS OF W.S. § 9-1-510

71. Plaintiff hereby incorporates all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.

72. Wyoming Statute § 9-1-510(b) requires, “reports of books and accounts filed in the office of the director of the state department of audit as required by W.S. § 9-1-507(a)(iii)” to be “filed within three (3) months after the end of the fiscal year being reported, and shall be in such form and detail as the director may require.”

73. On information and belief, the reporting requirements of Johnson County were routinely tardy without exception from law.

74. The Defendants are liable for these violations of law and Plaintiffs' rights and Plaintiffs seek declaratory judgment upon these claims.

COUNT X: DEFENDANT CHAVEZ AND THE DOA HAVE FAILED TO UPHOLD THE REQUIREMENTS OF W.S. § 16-4-121

75. Plaintiff hereby incorporates all other paragraphs of this *Petition for Declaratory Judgment* as if fully set forth herein.

76. Wyoming Statute § 16-4-121(e) states in relevant part, "...the audits shall be completed not more than six (6) months after the end of the fiscal year being audited...If the annual audit report of a municipality is not filed with the director within nine (9) months after the end of the fiscal year, the director shall contract with an independent auditor..."

77. The audits in this matter were late, under law, for at least, fiscal years 2016-2022.

CONCLUSION

The Plaintiffs respectfully request this matter be heard by this Court for declaratory determination as to the numerous violations of law being committed in Johnson County. These violations have been ignored, unchecked and unchanged. As conceded by the DOA, Johnson County demonstrates a vulnerability for fraud. This cannot be properly determined without oversight and direction by this Court. A forensic audit would be appropriate to determine if fraud has occurred and the effectiveness of all internal controls¹⁷ of Johnson County. Declaratory relief is appropriate to consider the legal rights described above. The Plaintiffs have standing as they

¹⁷ It is notable that the audits completed to date were not able to express an opinion as to the effectiveness of Johnson County's internal controls nor did they provide an opinion on compliance with all legal requirements at issue.

are impacted through higher property taxes, licensure fees, and sales tax as a direct result of budget impacts due to the described illegalities.

A lack of internal controls indisputably creates a risk to the citizen. The purpose for an audit is risk avoidance. The material weaknesses are known and acknowledged, yet no action is being taken. Thus, the harm to the citizen is apparent and unremedied. Auditors perform an especially important function in those aspects of governance that are crucial in the public sector while reducing the risk of public corruption. If Johnson County's material weaknesses in internal controls (only a portion of which have been reviewed by PMCH) are resulting in the material misstatement of financial information, then how can private citizen have the necessary facts about Johnson County's performance and operations? Transparency, probity and equity deem this declaratory action appropriate. It is in the government's best interest that private citizens have trust and confidence in the government holding itself accountable to its constitutional and statutory obligations versus the private citizen living in fear and doubt that the government is not holding itself accountable.

The egregiousness and illegalities described in the audits are apparent. The Plaintiffs request this Court declare violations of the law and remedy the legal rights owed to them.

CLAIMS FOR RELIEF

WHEREFORE, the Plaintiffs respectfully request this Court issue a declaratory order pursuant to W.S. § 1-37-101 et. seq. as to the allegations cited above and for such other necessary and proper conditions, the premises considered including attorney fees, costs and damages pursuant to W.S. § 1-37-112 and W.S. § 16-4-123(d). The Plaintiffs request this Court order an equitable accounting and/or a forensic audit in this matter.

DATED this 19th day of August, 2024.

/s/ Cassie Craven

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