

Last year your board authorized an investigation into allegations of workplace misconduct and delayed payments by the Auditor-Controller, Ms. Paz Dominguez. Your Board also authorized an agreement to retain an independent third-party investigator to look into the allegations and directed county staff and officials to participate.

Due to several intervening factors, that investigation faced significant delays but has now been concluded. The retained third party attorney investigator has reached findings in that investigation which are summarized below. These findings were based on numerous witness interviews and written materials:

- Whether Karen Paz Dominguez has engaged in retaliatory, harassing and/or bullying behavior in the exercise of her duties as an elected Auditor-Controller.

This allegation was *sustained* by the investigator.

The report notes broad agreement among those witnesses interviewed outside of the Auditor-Controller's office that they have experienced a change in communication levels and tone after challenging or criticizing the Auditor-Controller. Many believed that once the AC is challenged, that she will intentionally stop processing requests, or at least significantly delay them. They also assert that she will stop communicating with that department or person who is challenging or criticizing her. Other witnesses described retaliatory, bullying and/or harassing conduct.

- Whether Karen Paz Dominguez' financial decisions resulted in increased staff workload and financial losses to the county.

This allegation was *sustained* by the investigator.

Regarding the workplace misconduct findings, a prior investigation in 2018 reached similar conclusions regarding the conditions created by Ms. Paz Dominguez. Highlights of findings from that third-party report are below:

- Ms. Paz Dominguez fostered an atmosphere of hostility, retaliation, and bullying.
- Ms. Paz Dominguez demonstrated a lack of leadership, mismanagement and making poor policy decisions.
- Ms. Paz Dominguez's actions and comments caused animosity amongst the employees and increased employee's stress and anxiety.
- Ms. Paz Dominguez was repeatedly inconsistent in her directives and blamed her errors on her subordinates.

As your Board is aware, the Auditor-Controller is an elected official over which your Board has limited supervisory authority and no power to impose disciplinary actions. However, the types of behavior which the investigator has substantiated demonstrates harassing and bullying behavior within the workplace which is not acceptable under County of Humboldt and other policies. Possible actions in response to these workplace conditions and corresponding effects on county employees will be discussed in the closed session.

There are also the findings regarding delayed transactions and reports which have been previously discussed publicly by your Board on numerous occasions over the last several years.