



OFFICE OF THE
ARIZONA STATE TREASURER



KIMBERLY YEE
TREASURER

June 10, 2024

Via Email and Regular Mail

Honorable Kris Mayes
Arizona Attorney General
Office of the Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004-2926

Re: Request for Clarification Concerning Investigation into Alleged Arizona Office of Governor's "Pay to Play" Scheme

Dear Attorney General Mayes:

Pursuant to Art. V, § 9 of the Arizona Constitution and A.R.S. Title 35, as the Arizona State Treasurer, I am responsible for overseeing, safekeeping, and managing the State of Arizona's securities and investments, which are duties that I take seriously.

Recent media reports outlining what has been described as a "pay-to-play" scheme between Governor Katie Hobbs' Office, the Arizona Department of Child Safety, and political donors suggest, if true, that public entities are not ensuring fiduciary duties and, at the minimum, engaging in a waste and abuse of government resources. Potential state laws implicated by the media reports include violations of the Arizona Gift Clause (Art. IX, § 7 of the Arizona Constitution), fraud schemes and artifices (A.R.S. § 13-2310), bribery (A.R.S. § 13-2602), illegal expenditure of state monies (A.R.S. § 35-212), conflicts of interest (A.R.S. § 38-504(c)), conflict of interest (A.R.S. § 38-503), and violations of the Arizona Procurement Code (A.R.S. §§ 41-2501 *et seq.*).

It is my understanding that your office has opened an investigation into this matter. However, I respectfully request that any such investigation not only examines the conduct of the identified vendor in this matter, Sunshine Residential Homes, but also the government individuals, offices, and agencies identified in the media reports that may have benefited from such pay-to-play allegations.

Further, I have reviewed your correspondence to the State Auditor General and the Maricopa County Attorney Rachel Mitchel asserting your office's singular control over any investigation. First, such an assertion is not appropriate or authorized by law, as those entities have separate jurisdiction to investigate this matter. In addition, due to your office's potential ethical conflict of interest in representing state agencies and having other relationships with the officials that may have been involved in the alleged scheme, I respectfully request that you consider transferring your investigation to either County Attorney Mitchell or an independent county attorney for review and potential action.

In fact, that is the only action that will ensure the integrity of the investigation and avoid the duplication of efforts you raise as a concern in asserting sole jurisdiction. To this end, I have copied Maricopa County Attorney Rachel Mitchell to ensure that she is aware of my concerns and can move promptly with a thorough and independent investigation.

Thank you for your time in this important matter and we look forward to the results of your investigation and conflict analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kimberly Yee', with a long, sweeping flourish extending to the right.

Hon. Kimberly Yee
Treasurer of Arizona

cc:

Rachel Mitchell, Maricopa County Attorney