

Office of the Auditor-Controller
Contra Costa County

Robert R. Campbell
Auditor-Controller



Harjit S. Nahal
Assistant Auditor-Controller

625 Court Street
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March 14, 2019

TO: David Twa, County Administrator

FROM: Robert R. Campbell, Auditor-Controller

By: Joanne Bohren, CPA, Auditor-Controller Division Manager 

SUBJECT: Department of Health Services-Conservatorship/Guardianship Program Report of
\$656.73 Shortage

In accordance with Administrative Bulletin 207.7, Section VI.C *Relief of Shortages and Account Collections – For Shortages Greater than \$250*, the attached copy of the subject report is being forwarded for your review and presentation to the Board of Supervisors for action.

The Office of the Auditor-Controller has verified and concurs with the contents of the report. Upon the Board's approval, the requested relief shall be authorized.

RRC/sb

Cc: Rita M. Matli, MPA, Properties Trust Officer
Bud DeCesare, Director of Fiscal Compliance



March 6, 2019

Robert Campbell
County Auditor-Controller
625 Court St. Finance Bldg.
Martinez, CA 94553

VIA HAND DELIVERY

P.O. Box 8
Martinez, CA 94553-0180
Ph (925) 335-3900
Fax (925) 335-3928

Re: Administrative Bulletin 207.7 Relief of Shortages
Unrecoverable IRS Backup Withholding in Error

To the Auditor-Controller:

This request is for a relief of shortage in the amount of **\$656.73** that began in 2010 with a W9 form sent for the Conservatorship Citibank CD Account #60000068076 that had address information different from an existing W9 IRS had on file. This triggered incorrect backup withholding against this Conservatorship pooled client fiduciary account which, under the County's tax ID number 94-6000509, is exempt from withholding.

Various staff from the Auditor-Controller's Office assisted over several years before the W9 issue appeared resolved as to format but the backup withholding continued. From the period 2010 to 2016 various (at least 6 due to high turnover) Citibank Branch Managers worked with their back office and IRS representatives trying to recoup the incorrect withholding from the CD account. We keep a reconciliation for the account in order to carry this discrepancy and still document client funds on deposit with the correct balance and interest due them.

In early 2016 we closed the Citibank CD Account and moved the funds to a Money Market Account and the incorrect withholdings stopped. The amount incorrectly withheld has remained the same since then with the exception of a small service charge. On 10/6/16 Citibank informed us that according to IRS they could no longer attempt recovery due to the time passed, provided their journal entries as documentation, and indicated we would need to take our case to the IRS directly at the Walnut Creek Office to attempt recovery of the balance.

To this date, we have not made an attempt to bring this issue to IRS directly, partly because we have been very busy, and also due to the improbability of successful recovery. In addition, we have been hesitant, based on 8 years of trying to resolve this, to start all over again and open a claim using the County's Tax Id number, considering that we are a small part of the County and the amount of shortage relatively small. For this reason we are finally asking for "relief of cash shortage" for this **\$656.73** for which documentation is attached showing **\$655.98 WH** and **\$.75 un-refunded service charge**. I am providing targeted documentation but there is far more documentation in the form of emails and ledgers over the years if needed.

By my signature I verify, under penalty of perjury, that there is no fraud or gross negligence involved. Please let me know if there is anything else you need to effect this reimbursement.

Sincerely,

Rita M. Matli, MPA, Properties Trust Officer
(925)335-3921 fx (925)335-3928
rita.matli@cchealth.org

