

Contact: Maher Hazine, Chairman  
Pine Strawberry Water  
Improvement District  
Phone (928) 476-4222  
mhazine@pswid.org

6306 West Hardscrabble Road  
P.O. Box 134  
Pine, AZ 85544

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Water  
Improvement District

# Press Release

Arizona Auditors General Report

PSWID Theft and Misuse of Public Monies

Pine, AZ, October 26, 2017: The Arizona Auditors General (AZAG) on Thursday October 26, 2017 has issued a report of their findings related to their investigation of Ms. Rebecca Sigeti, a former Employee/Contract employee of the Pine Strawberry Water Improvement District (PSWID) into alleged Theft and Misuse of Public Funds. A copy of the full report is available at:

[https://www.azauditor.gov/sites/default/files/17-405\\_Report.PDF](https://www.azauditor.gov/sites/default/files/17-405_Report.PDF)

The AZAG has concluded that Ms. Sigeti while she was an Accounting Manager for the PSWID and an accountant for a local Private Business (Sunny Mountain Realty, LLC) had allegedly embezzled a total of \$841,056 from her employers listed above (\$524,686 from PSWID and \$316,370 from Sunny Mountain). As a result, the Arizona Attorney General has taken criminal action against Ms. Sigeti resulting in her indictment on 40 felony counts.

From August of 2010 through January 2016, Ms. Sigeti has allegedly violated state laws related to theft, misuse of public monies, fraudulent schemes, computer tampering, money laundering, and forgery when she issued 32 district checks and warrants with forged signatures totaling \$524,686 to herself and three businesses for which she managed the bank accounts. Ms. Sigeti also falsified PSWID records to help conceal and deleting entries in the PSWID accounting software program and in bank Account reconciliations.

Ms. Sigeti had been employed by the District in various capacities from October 2009 through April 2016. During this period Ms. Sigeti had performed accounting services to the District as either an employee of other management firms under contract with the PSWID or directly as employee of the District. A more comprehensive record of her employment is as follows:

- October 2009: Ms. Segiti starts providing accounting services to PSWID as a part of HDJ Management's work with the district.
- March 3, 2010: Ms. Segeti begins providing accounting services to PSWID as a contract accountant.

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- July 12, 2010: Ms. Segiti becomes a FT PSWID employee.
- December 1, 2010: Ms. Segeti becomes a CH2M employee providing accounting services.
- June 1, 2015: As part of Contract negotiations with CH2M, Ms. Sigeti becomes a FT PSWID employee serving as Accounting Manager.
- April 12, 2016: Resigns as PSWID employee.

The PSWID had already found \$89,601.32 in forged checks dating from October 09, 2015 through January 19, 2016 and reported their finding independently to the AZAG office and has recovered those funds from its insurance company. Additionally, The PSWID has informed the firm CH2M of this report as CH2M is liable for any wrong doing of individuals employed by them during their term of the contract. So for monies totaling \$429,393.76 taken from December 1, 2010 through May 31, of 2015 PSWID will be coordinating with CH2M to recover for those damages. The District will review its insurance coverage or options to collect for any losses totaling \$13,090.65 that occurred between August 23, 2010 and December 1, 2010.

During this entire period, The PSWID had undergone annual independent Audits which had failed to note any of these improper actions. The auditing company did not discover any wrong doing until after the PSWID had reported some of its finding and the AZAG investigation to the auditors. As such, the PSWID had elected to hire a new auditing firm. Additionally, the PSWID had started effective January 2016 to provide its Board members and the public copies of the check register of all checks issued monthly. Additionally, the PSWID has hired an independent auditing firm to look into its practices and has implemented processes based on recommendations received including but not limited to assigning financial review responsibilities to various individual to allow for a comprehensive system of checks and balances.

The PSWID wants to assure the Public that they are disappointed in the actions of Ms. Sigeti and will continue to work with the office of AZ Attorney General to ensure that Ms Sigeti answers for her actions and to recover any loses it had realized. Additionally, while the District has taken several steps to ensure this type of misconduct does not occur in the future, we will continue to evaluate our policies and procedures as necessary.

Any questions related to this matter should be directed to Maher Hazine, Chairman of the Board at [mhazine@pswid.org](mailto:mhazine@pswid.org)