



STEVE WESTLY
California State Controller

May 18, 2006

Honorable Carolyn Maloney, (NY-14)
House of Representatives
2331 Rayburn House Office Building
Washington DC 20515

Honorable George Miller, (D-CA)
House of Representatives
2205 Rayburn House Office Building
Washington DC 20515

RE: State and Tribal Royalty Audit Funding

Dear Honorable Maloney and Honorable Miller:

The California State Controller's Office (SCO) sincerely appreciates your efforts to increase State and Tribal royalty audit funding. Although the SCO's federal audit program has consistently returned money to California's school children and counties for well over 20 years, our office's budget has been severely reduced because of the Minerals Management Service's (MMS) refusal to increase the total amount allocable to all State and Tribal programs. Even with the reduction in funds, the MMS expects the SCO to audit 100 % of federal leases.

The \$1 million in your amendment will go a long way toward rectifying this problem, though it is clear that additional funding will be needed. It is also clear to our office that the MMS will not use any additional money to increase funding to those jurisdictions, including ours, that have sustained the budget cuts.

Our office supports your amendment and we thank you for your attention on this issue. If you need additional information, please contact me at (916) 324-1696.

Respectfully,

A handwritten signature in black ink that reads "Jeffery V. Brownfield".

JEFFERY V. BROWNFIELD, Chief
Division of Audits

JVB:CP:cg