

Press Release

For Immediate Release

April 1, 2019

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Interim EDA Executive Director for Additional information

**WCEDA Outlines Selection Process for External Auditor**

With the recent filing of a complaint outlining numerous inappropriate financial transactions by its former Executive Director and others the Board of the Warren County Economic Development Authority (WCEDA) in the full spirit of disclosure is now able to outline how the forensic auditor conducting the audit used as a base for the complaint was selected and how information can and cannot be released given the depth of the investigation and where it currently stands.

In selecting an accounting firm the former Chairman of the Economic Development Authority, Greg Drescher, and the County Administrator, Doug Stanley, interviewed two financial consultants in early September 2018 who specialized in high level financial audits to perform attorney-client internal review discovery services under the direction of Dan Whitten, legal counsel to the EDA. Doug Stanley participated in the interview process because the EDA needed support from the County to pay for such financial consultant services. It should be noted that in accordance with Virginia Code Ann. § 2.2-4344, the EDA may enter into contracts without competition for the purchase of legal services . . . or other services associated with litigation or regulatory proceedings.” On September 14, 2018, the EDA executed a contract with Cherry Bekaert LLP to perform internal review services. Cherry Bekaert has compiled a draft report that details the findings up to this point. However, the draft report by Cherry Bekaert is exempt from mandatory disclosure under the Virginia Freedom of Information Act in accordance with the following Virginia Code Sections: (i) Virginia Code Ann. § 2.2-3705.1(2) which includes “[w]ritten advice of legal counsel to state, regional or local public bodies or the officers or employees of such public bodies, and any other information protected by the attorney-client privilege;” and (ii) Virginia Code Ann. § 2.2-3705.1(3) which includes “[l]egal memoranda and other work product compiled specifically for use in litigation or for use in an active administrative investigation concerning a matter that is properly the subject of a closed meeting under § 2.2-3711.”

The EDA Board recognizes that it must do everything possible to ensure that occurrences, as outlined in the recently filed complaint, do not happen again, and that includes enlisting qualified and independent professionals to understand the full extent of this complex situation. We are confident that we have followed the law and that our outside advisor was properly vetted and selected. This was an important step in finishing the investigation so we can focus again on growing our community’s economy.