



*Richard M. Romley*

*A Professional Limited Liability Corporation*

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# PRESS RELEASE

On January 31, 2007, former Pinal County Manager, Stanley D. Griffis pleaded guilty to six [6] felony charges. They are as follows:

- Counts 1 and 3: Fraud Schemes and Artifices, Class 2 Felonies.
- Count 2: Theft, a Class 2 Felony.
- Count 4: Fraud Schemes and Artifices, a Class 5 Felony.
- Count 5: Fraudulent Preparation of Tax Returns, a Class 5 Felony.
- Count 6: Theft, a Class 3 Felony.

There are no agreements as to sentencing. Dr. Stanley Griffis faces a sentence of up to 51.25 years in the Department of Corrections.

As part of the plea agreement, Dr. Griffis shall pay \$639,035.00 in restitution to be allocated as follows:

1. \$601,991.00\* to Pinal County for funds improperly taken [\$426,800.00-SVTP] [\$3,247.00-improper reimbursements] and for investigative costs [\$171,944.00].
2. \$37,044.00 to the Arizona Department of Revenue for taxes owed.
3. At the time of sentencing, Dr. Griffis shall pay \$275,000.00 towards the restitution owed, with the balance to be paid at a schedule determined by the Court.

\* \$11,610.54 matching funds have already been returned to Pinal County from the Arizona State Retirement System due to Dr. Griffis' illegal attempts to increase his state pension. These funds are in addition to the \$601,991.00 to be paid to Pinal County.

## **Sentencing:**

May 10, 2007 @ 8:30 AM  
Judge Thomas O'Toole  
Maricopa County Superior Court, Central Court Bldg. #401

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"This has been a very complicated investigation. Approximately 30,000 pages of documents have been produced and reviewed. I would personally like to thank Arizona Attorney General Terry Goddard, Arizona's Auditor General Deb

Davenport and Gale Garriott, Director, Arizona Department of Revenue. Without their support and commitment to aggressively pursue public corruption, this case would not have had such a successful conclusion. I would also like to thank Carter Olson, Pinal County Attorney and the Pinal County Board of Supervisors for their confidence in me and for the full cooperation that has been provided during this investigation.”

## **FACTS**

On January 12, 2006, a special investigation was opened amid allegations that former Pinal County Manager Stanley D. Griffis may have abused his position by purchasing weapons and other items with County funds for personal use. During the course of the investigation, other actions by Dr. Griffis surfaced which indicated that he may have been involved in other criminal violations. The following is a summary of information discovered during the course of this investigation.

### **Superstition Valley Transportation Project [SVTP]**

During the late 1990’s, Pinal County officials realized that certain sections of the County, particularly the Superstition Valley area, were on the verge of a large housing boom. County officials were concerned that county roads at that time were not adequate to handle a large increase in population or traffic, and that money would be needed to finance the improvements necessary. A firm was contracted to conduct a study, Superstition Valley Transportation Study (SVTS). The study basically concluded that many roads needed to be improved, and proposed that the home developers be charged a certain assessment per roof in exchange for concessions such as early zoning vesting and protection from future fee increases. This money could then be used for the improvement of the transportation infrastructure, later titled SVTP. Investigation has revealed that Dr. Griffis oversaw this project.

On January 26, 2000, County Manager Stanley D. Griffis improperly opened a private bank account at Norwest Bank (now Wells Fargo) in the name of the Superstition Valley Transportation Project (SVTP account). The address on the account was a P.O. Box which was controlled by Pinal County. The SVTP account was created for the purpose of collecting fees from home builders and developers which were to be used to fund the construction of roads in the fast growing Superstition Valley area. The investigation has shown that Dr. Griffis controlled the deposits and/or withdrawals from the SVTP account. Ria Petty, Dr. Griffis’ former secretary, advised that Dr. Griffis instructed her to keep a financial transaction record for the SVTP account listing all debits and credits to the account. These procedural orders were contrary to normal protocols of the County and, at times, there were no receipts for the disbursements from the account.

For the next few years, deposits to the account included large sums of money from construction companies, home developers, investment companies, and others. Payments from this account were then made to engineering companies, construction companies, grading companies, and others involved in surveying and building roads. During that same time period, Dr. Griffis also began making withdrawals or

transfers out of the account to himself or others that were not related to the purpose for which the account had been set up and without the knowledge or approval of the Pinal County Board of Supervisors.

The investigation has shown that Dr. Griffis was instructed to close the SVTP account because of its illegality and that the account should have been handled by the Pinal County Public Works department, with deposits being made to the Pinal County Treasurer. This would have been the normal procedure for handling government accounts. Investigators were provided a copy of a Wells Fargo Bank statement for the month of April 2002 and advised that it was the last statement provided by Dr. Griffis before the balance of \$817.64 was sent to Pinal County and the account was closed. Investigators were also provided a receipt from Ria Petty showing a check for the same amount was delivered to Pinal County Finance which represented the closing of Wells Fargo account. Additionally, Pinal County had no record of any activity in that account after receiving the aforementioned check.

The Wells Fargo bank statement for the month of May 2002 shows that the SVTP account had not been closed, but rather, the address had been changed to a personal P.O. Box that has been continuously rented by Dr. Stanley D. Griffis since 1990.

Dr. Griffis continued to deposit Pinal County monies into the SVTP account that was supposed to have been closed. Between December 2000 and February 2004, Dr. Griffis systematically took and used approximately \$426,800.00 from the SVTP account for personal and non-county related expenses. This money was never returned or reimbursed to Pinal County, and was never reported as income on Dr. Griffis' 2002, 2003 and 2004 tax returns.

## **State Retirement Pension/Deferred Compensation**

Between March 21, 2003 and December 9, 2005, then Pinal County Manager Stanley D. Griffis improperly directed the Pinal County payroll department to systematically pay him for accrued vacation and sick leave. This was improper according to Dr. Griffis' employment contract and county policies. Accrued vacation and sick time could only be converted into pay at the time of an employee's separation from Pinal County.

The increased pay from his accrued vacation and sick leave was added into Dr. Griffis' gross salary over a three year period, thus increasing his future monthly retirement pension. This "padding" of his salary was in violation of State law.

The Arizona State Retirement System was notified of this violation and Dr. Griffis' pension has been reduced significantly. Furthermore, Pinal County was returned their \$11,610.54 matching funds.

In addition to the above, Stanley D. Griffis ordered that his "legitimate" deferred compensation contributions be stopped. He then created a "fictitious" retirement account and ordered an increasingly like amount be deposited into that account.

All of the aforementioned monies were deducted as pre-tax funds, thus decreasing his tax obligation for 2003, 2004 and 2005. The total amount diverted was \$308,631.99, and no taxes were ever paid on these funds.

## **Reimbursement**

Between July 2003 and November 2005, Stanley D. Griffis, as the County Manager, was assigned a Pinal County credit card, to be used for items that were necessary in discharging the official business of the County and for travel related purposes.

However, on 65 occasions, he used the County credit card and travel reimbursement system for his own personal purposes, for a total benefit of \$3,247.00. Specifically, he used the County credit card on 62 separate occasions, totaling \$2,073.00, to purchase gas for his personal vehicle, while at the same time requesting mileage reimbursements from the County. Additionally, on two separate occasions, totaling \$574.00, he knowingly submitted mileage reimbursement claims while attending a professional conference in Wisconsin and renting a vehicle. Finally, he used his County credit card to purchase a \$600.00 National Rifle Association Lifetime Membership for himself.

**Attachment: Plea Agreement**

**Contact person:**

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