



Auditor's Office Use Only

Hotline Case # _____

Special Project # _____

Email completed form to:

jwrigley@utah.gov

or Fax to:

Julie Wrigley
(801) 538-1383

or Send to:

Office of the Utah State Auditor
Attn: Julie Wrigley
Utah State Capitol Complex
PO Box 142310
Salt Lake City, Utah 84114-2310

HOTLINE REPORTING FORM

Complainant Information:

Complainant to remain anonymous? Yes (No)		
Complainant would like a response? (Yes) No		
Name Mark Tracy Ass. jur. (German Barrister, inactive) J.D. (USD)	Check One <input type="checkbox"/> State Employee <input type="checkbox"/> Local Government Employee <input checked="" type="checkbox"/> Citizen/Contractor	Date February 6, 2014
Home Address 918 N. Pinecrest Cyn. Rd Salt Lake City, Utah 84108		
Phone/cell/e-mail 435-671-1488; mark.tracy72@gmail.com		
Work Address and information (if applicable) N/A		

Information Concerning the Complaint (Please complete one form for each separate complaint)

Each improper action should be noted separately and supported with as much specific information as possible. Supplying detailed information contributes to a thorough and efficient investigation. This form is designed to help you supply the needed information.

Who is the person(s) the complaint is against? (Please provide name, position, agency, division, and phone #)

Fred Smolka, Manager, Emigration Improvement District, Home: 801-582-6176; Mobile: 801-580-7770
Michael Hughes, Chairman, Emigration Improvement District, Home: 801-583-5357; Mobile: 801-651-3201

Who is the above person's supervisor? (Please provide name, position, and phone#)

None.

What is the assertion of improper governmental activity? Please describe in detail.

See Attachment 1-2

When did the event(s) take place? Please include dates, time, and frequency.

See Attachment 1-2

Where did the event(s) occur?

See Attachment 1-2

Are there any other persons who might provide information or who witnessed the event? If so, what are their names, positions, agencies, divisions, and their contact information?

See Attachment 1-2

Is there evidence that can be examined or documentation that can be reviewed? (Please provide any documentation you have)

See Attachment 1-2

How do you know about the improper action? Did you see it occur? Did you see documentation indicating it occurred? Did you hear about it from someone else?

See Attachment 1-2

What specific law or state regulation has been violated?

See Attachment 1-2

Please attach to the email or fax supporting documentation, details and ANY and ALL other information available to support the complaints or concerns.

ATTACHMENT 1-2

A. STATEMENT OF FACTS

1. Emigration Improvement District is a special service district in Salt Lake County. (Hereafter "EID").
2. On August 6, 2013, EID announced to residents within its tax district that it desired to obtain a 1.6 million dollar loan from the State of Utah for the apparent purpose of drilling a new well to meet the future requirements of its customers. (See Exhibit A, Letter EID, dated August 6, 2013.)
3. At the trustee meeting in September, [REDACTED] an Emigration Canyon resident and customer of EID, raised several questions concerning the management of EID. In particular, [REDACTED] asked if the remuneration of Mr. Fred Smolka, Manager and Treasurer of EID, in the amount of \$120,000 was appropriate due to the apparent financial difficulties of EID. Moreover, [REDACTED] questioned Mr. Fred Smolka as to the employment of his brother Joe Smolka in light of Utah Code 17B-1-110 forbidding nepotism. [REDACTED] also inquired as to the employment of Ms. and Mr. Bergstrom, Mr. Smolka's daughter and son-in-law, as well as Mary Smolka, his wife.
4. [REDACTED] found the chairman and trustees evasive and unresponsive to his questions.
5. Shortly thereafter, Mr. Cramer published a letter announcing his candidacy for EID Trustee to replace the incumbent Mr. Mark Stevens. Believing that the trustees were not acting in the best interest of its tax district, [REDACTED] campaigned extensively for the election of Mr. Cramer even though he had never met him prior to the election.
6. After the unsuccessful election of Mr. Cramer in November, [REDACTED] examined the budget and organizational minutes of EID. [REDACTED] discovered that the organization had spent 1.5 million in "Exploration Fees" since 2004 even though they had neither applied for a drilling permit with the Utah Division of Water Rights prior to 2013 and had given no explanation for the substantial costs in their organizational minutes.

B. COMPLAINT

1. On December 12, 2013, [REDACTED] submitted a GRAMA request to EID concerning the aforementioned transactions. On January 29, 2014, [REDACTED] contacted Mr. Hawkes, assistant manager of EID, to discuss the GRAMA request. The next day, Mr. Hawkes posted a letter on [REDACTED] door stating that his account with EID was overdue 30 days past the date of billing, and that water service would be disconnected in two days if he did not render payment to EID before 6 p.m. the next day. Exhibit B, letter predated to January 9, 2013; Exhibit C, Notice of Water Termination.
2. The following day, [REDACTED] rendered payment to Mr. Hawkes under protest.

C. RELEVANT STATUTES

Utah Title 17B-1-110. Compliance with Nepotism Requirements

Utah Title 76-8-508.3. Retaliation against a Witness, Victim or Informant

Utah Title 76-6-406. Theft by Extortion