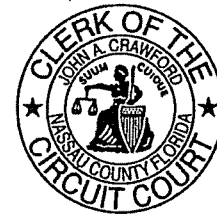




John A. Crawford
Clerk of the Circuit Court
Nassau County



October 5, 2005

The Honorable Ansley Acree, Chairman
Nassau County Board of County Commissioners
Post Office Box 1010
Fernandina Beach, FL 32035

Dear Chairman Acree:

As you are aware, my office requested that the Florida Department of Law Enforcement (FDLE) conduct an investigation within the office of the Clerk of the Circuit Court after our staff uncovered financial irregularities that primarily occurred during the previous administration. The irregularities became apparent during the transition process upon my taking office as Clerk when our staff accountant and staff CPA were assigned to review bank reconciliations which previously had been performed by the subject of the investigation.

In addition to immediately notifying the FDLE when the irregularities became known, our office retained the services of a Fraud Examination Auditing firm and also retained outside legal counsel. The investigations by the FDLE and the Fraud Audit firm were conducted concurrently with our own in-house investigation to assure the public that every effort was taken to account for and protect the public trust. Because of the criminal nature of the investigation and in order to protect the county's interests, our office is only now able to more fully speak publicly about the details of how the theft was allowed to occur.

The culture established by the previous administration was not conducive to an environment required to effectively identify, measure and reduce fraud risks. I have taken actions to establish the appropriate level of checks and balances as required of my office as Chief Finance Officer/Comptroller of Nassau County, including creating

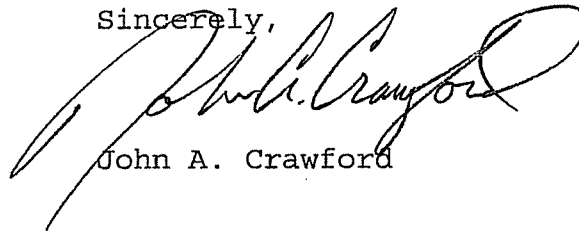
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~~the positions of Chief Deputy Comptroller and Internal Auditor. Additionally, segregation of responsibilities, constant account testing, and other measures are being employed to reduce the risk of fraud.~~

To create a culture that encourages honesty, ethical behavior and due diligence to protect the public we serve is no small task, and, as in this case, often involves altering long-accepted practices. The charge of this office is to protect the public trust. Thus, as Chief Financial Officer/Comptroller, I am required to recommend to the Board of County Commissioners that now that the '03/04 audit has been completed by the County's auditing firm, that the auditing services for '04/05 be placed out for bid and a new auditing firm be selected, pursuant to Florida Statutes.

If I can be of further assistance to you, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Crawford".

John A. Crawford

Jgb

Members, Nassau County Board of County Commissioners
Nassau County Administrator
Nassau County Attorney