COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

J. TYLER McCAULEY
AUDITOR-CONTROLLER

May 11, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline opened 167 new investigations during the period from January 1, 2004 to March 31, 2004. We closed 149 cases of which 42 were Substantiated and 60 were Not Substantiated. In addition, 47 cases were not investigated after a preliminary review determined the allegation was either immaterial, previously investigated, referred to an outside agency, or not enough information was provided. See Attachment I for a more detailed discussion of the cases. As of March 31, 2004, 316 investigations were in progress.

Based on the 42 Substantiated cases, the following actions were taken. Note: some cases may include multiple suspects and multiple dispositions.

Counseled	4
Demoted	1
Dismissed	6
Probation	2
Procedures Changed	4
Reassigned	1
Reprimanded	1
Resigned	5
Suspended	7
Transferred	1
Written Warning	2
Pending	24

If you have any questions or need additional information, please call me or have your staff call Marion Romeis at (626) 293-1400.

Attachments

c: Audit Committee
David E. Janssen, Chief Administrative Officer
Department Heads
Public Information Officer

Attachment I

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES
CLOSED BETWEEN
Jan 01, 2004 *and* Mar 31, 2004

CASES INVESTIGATED BY AUDITOR CONTROLLER

Case Number: 20030246

A Department of Public Works (DPW) employee sent inappropriate material, including sexually explicit material, via email to other DPW employees. Disciplinary action is pending.

Case Number: 20030261

Board Executive Office employees used their County computers and Internet access to install inappropriate software and downloaded copyright protected material. One employee resigned and six were suspended.

Case Number: 20030305

A Department of Children and Family Services (DCFS) manager failed to refer a case involving his granddaughter to a region outside his sphere of influence. A DCFS social worker also violated Department policy by not providing the required number of visits to the client. Disciplinary actions are pending.

Case Number: 20030338

The Internal Services Department (ISD) supported a network function that a contractor was to maintain. The Department needs to reevaluate the terms of the network maintenance portion of the contract and make the appropriate adjustments at the contract's next renewal.

Case Number: 20030352

A Department of Mental Health (DMH) employee used a County computer to send sexually explicit and inappropriate material to other County employees. The employee also admitted to attending to personal matters (e.g., banking and shopping) and visiting non-County related websites. Disciplinary action is pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20040059

A DPW employee made improper statements in the presence of co-workers. The employee was demoted.

Case Number: 20040236

The Department of Parks and Recreation (Parks) was missing entry fee collections totaling $4,074. One employee was dismissed and another employee was suspended for 10 days. Parks management changed procedures and provided cash handling training.

Case Number: 20040369

Parks was missing plywood sheets and there is circumstantial evidence that two Parks employees were involved. Parks is reviewing the case to determine if disciplinary action can be taken.

Case Number: 20040398

A Third Party Administrator for the County's Worker's Compensation Program did not properly rotate investigative assignments. Assignment monitoring was recommended.

Total Cases Investigated By Auditor Controller	9

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20010007

A Department of Public Social Services (DPSS) employee failed to report that he was living with a DPSS Medi-Cal participant who was the mother of his child. Disciplinary action is pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20010167

A DPSS employee asked inappropriate personal questions of his co-worker. Disciplinary action is pending.

Case Number: 20010251

A DPSS employee fraudulently claimed time worked while in Court on a personal matter. Disciplinary action is pending.

Case Number: 20020011

A DPSS employee failed to disclose to the Department that she sub-leased her apartment to a CalWORKs participant. Disciplinary actions is pending.

Case Number: 20020061

A DPSS employee embezzled public funds totaling over $27,000 and was sentenced to 364 days in jail. The employee resigned and restitution is pending.

Case Number: 20020158

A DPSS photographic copy stand was stolen; however, the parties responsible could not be identified. DPSS management changed procedures to ensure that equipment is secured.

Case Number: 20020262

A DPSS employee failed to report his outside employment to his Department. Disciplinary action is pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20020306

A Department of Community and Senior Services employee used County equipment to conduct his private business on County time. The employee also violated County policy by charging a fee for services the County provides for free. The employee was dismissed.

Case Number: 20020308

DCFS was missing bus tokens valued at $630. However, the responsible parties could not be identified. DCFS management changed procedures.

Case Number: 20030028

Two DPSS employees received child care monies from a County Welfare program for services not provided. The employees pled guilty to felony charges, and were sentenced to 30 days of community service, three years probation, and ordered to pay $2,176 in restitution. The employees resigned.

Case Number: 20030257

A Department of Health Services (DHS) employee purchased medical books for personal use totaling approximately $13,000 from a County vendor. Disciplinary action is pending.

Case Number: 20030317

A DPSS employee abused his work hours and falsified his mileage claims. Disciplinary action is pending.

Case Number: 20030326

A DHS Physician Assistant falsified her timecards by claiming time she did not work. Another DHS employee was responsible for obtaining a physician's signature to submit a fraudulent timecard for her co-worker. Disciplinary actions are pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20030341

A DHS employee reported hours not worked on her timecard. Disciplinary action is pending.

Case Number: 20030354

A DPSS employee failed to disclose to the Department that she lived with her niece, a General Relief participant. Disciplinary action is pending.

Case Number: 20040007

A DCFS employee fraudulently used client records to commit identity theft and credit card fraud. The employee resigned.

Case Number: 20040064

A DPW employee used a County computer and Internet access to view sexually explicit material. The employee was dismissed.

Case Number: 20040067

A DPW employee installed unauthorized and pirated software in his County computer. The employee was dismissed.

Case Number: 20040075

A DHS employee used falsified documents to obtain elective cosmetic surgery from a County hospital without paying the full charges associated with the services. Restitution and disciplinary action are pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20040086

A Probation Department (Probation) employee accessed confidential information without authorization. Disciplinary action is pending.

Case Number: 20040095

A Probation employee falsified his timecard and failed to disclose his outside employment for teaching during his County work hours. In addition, the employee transported minors to and from one of his classes without permission. The employee received a written reprimand.

Case Number: 20040129

A DCFS employee reported hours not worked on her timecard. In addition, the employee did not comply with Department policies and procedures when she failed to submit the time-off request form. Disciplinary action is pending.

Case Number: 20040152

A Department of Human Resources (DHR) applicant failed to disclose criminal convictions. Further DHR review is pending.

Case Number: 20040161

DHR determined that an Intermediate Clerk position held by a DHS employee was an illegal appointment because she did not have promotional rights. Disciplinary action is pending.

Case Number: 20040175

A Probation employee was paid regular earnings while on maternity leave. The employee was reprimanded and restitution is pending.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20040199

Four DPSS employees did not report actual hours worked on their timecards. Three employees were counseled and one employee received a written warning.

Case Number: 20040233

DMH employees received threatening emails; however, the parties responsible could not be identified. One employee was temporarily reassigned to ensure her safety. In addition, DMH management reviewed the County's zero-tolerance Threat Management Policy with its employees.

Case Number: 20040238

Three DPW employees used a County computer to send sexually explicit material via email. The employees also used the Internet to access non-County related material. One employee was dismissed and discipline is pending for two other employees.

Case Number: 20040258

A DPW employee used a County computer to download and view sexually explicit material. Disciplinary action is pending.

Case Number: 20040266

An ISD employee failed to disclose her outside employment to the Department. The employee subsequently transferred to the Superior Court.

Case Number: 20040286

A DHS employee submitted fraudulent Medical Impairment forms to his supervisor. The employee resigned and the Department changed procedures.

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

SUMMARY OF SUBSTANTIATED CASES CLOSED BETWEEN

Jan 01, 2004 *and* Mar 31, 2004

Case Number: 20040342

A DPSS employee obtained confidential participants' information and sold it to her neighbors. The employee was dismissed and the DA charged her with five felonies.

Case Number: 20040353

DHS management instructed a nurse manager to recreate and back date orientation forms after the original forms could not be located. Disciplinary action is pending.

Total Cases Referred To And Investigated By Other Departments	33

Total Number of Substantiated Cases for this period is: 42

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Attachment II

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY

Jan 01, 2004 *through* Mar 31, 2004

	Substantiated	*Not Substantiated*	*Not Investigated*	*No Response*	*Total*
Affirmative Action Compliance		1 (100%)			1 (100%)
Children and Family Services	3 (27%)	8 (73%)			11 (100%)
Children's Support Services Department		2 (67%)	1 (33%)		3 (100%)
Community & Senior Services	1 (33%)	1 (33%)	1 (33%)		3 (100%)
Department of Human Resources	2 (33%)	4 (67%)			6 (100%)
Department of Mental Health	1 (50%)	1 (50%)			2 (100%)
Department of Parks and Recreation		1 (100%)			1 (100%)
Department of Public Social Services	12 (48%)	11 (44%)	2 (8%)		25 (100%)
Department of Public Works	4 (57%)	2 (29%)	1 (14%)		7 (100%)
Health Services	6 (38%)	9 (56%)	1 (6%)		16 (100%)
Internal Services Department	1 (100%)				1 (100%)
Office of Assessor		2 (100%)			2 (100%)
Pending		2 (5%)	40 (95%)		42 (100%)
Probation Department	3 (50%)	3 (50%)			6 (100%)

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Attachment II

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY

Jan 01, 2004 *through* Mar 31, 2004

	Substantiated		*Not Substantiated*		*Not Investigated*		*No Response*		*Total*	
Sheriff's Department			1	(50%)	1	(50%)			2	(100%)
Special Investigations Unit	9	(43%)	12	(57%)					21	(100%)
Grand Total	42	28.19%	60	40.27%	47	31.54%	0	0.00%	149	100.00%