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 2, 2005

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

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline received 144 new investigations during the period from January 1, 2005, to March 31, 2005. The Office of Countywide Investigations closed 140 cases, 48 of which were substantiated, 59 were not substantiated, and 33 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. Attachment I provides a more detailed discussion of the closed substantiated cases. As of March 31, 2005, 345 investigations were in progress.

Based on the 48 substantiated cases, the following personnel actions were taken. Some cases may include multiple suspects and multiple dispositions.

Community Service	1
Counseled	10
Dismissed	7
Probation	1
Procedures Changed	5
Reassigned	1
Referred to District Attorney	5
Reprimanded	1
Resigned	2
Restitution	2
Retired	1
Suspended	5
Pending	36

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

JTM:MR

Attachments

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

Attachment 1

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER
OFFICE OF COUNTY INVESTIGATIONS

SUMMARY OF SUBSTANTIATED CASES

FOR THE PERIOD JANUARY 1, 2005 THROUGH MARCH 31, 2005

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 20030324

A range of County Internet Protocol (IP) addresses were hijacked and subsequently used to distribute spam and copyright protected material, violating the Digital Millennium Copyright Act. (An IP address is a unique number used by computers to refer to each other when sending information through the Internet.) While the responsible parties could not be identified, all hijacked IP addresses have been returned to the County's control.

Case Number: 20030357

A Department of Public Works (DPW) contractor submitted a forged release document to claim a County warrant he was not entitled to. The contractor pled guilty to a felony and was sentenced to a three-year term of probation and 200 hours of community service. Debarment of the contractor was recommended.

Case Number: 20040072

A Department of Public Social Services (DPSS) employee improperly obtained confidential client information from the Los Angeles Eligibility Automated Determination Evaluation and Reporting system (LEADER) and provided it to an unauthorized individual for his personal use. The employee also periodically sent sexually explicit and racist emails. The case was referred to the District Attorney's Office (DA) and criminal charges are pending. In addition, two other DPSS employees drove their personal vehicles to conduct County business while their drivers' licenses were suspended and/or revoked. Disciplinary actions are pending.

Case Number: 20040269

Two Department of Mental Health (DMH) employees misused their County computers and Internet access to visit non-work related websites. One employee refused to be interviewed and subsequently resigned. Disciplinary action is pending for the other employee.

Case Number: 20040396

A Department of Community and Senior Services contractor overbilled the County $2,495 for services not provided and submitted fraudulent and/or duplicate proof-of-service documents. The case was referred to the DA for possible criminal prosecution, and the contract will likely be cancelled.

Case Number: 20040425

Two Public Library (Library) employees stole Library materials in excess of $4,000. The employees were dismissed.

Case Number: 20040606

A Probation Department employee falsely claimed 762 hours of overtime and 52 hours of compensatory time earned, totaling more than $20,000. The case was referred to the DA and criminal charges are pending.

Case Number: 20050025

A Department of Health Services (DHS) employee falsified Family Medical Leave documentation to cover up his incarceration. As a result, the employee improperly received sick pay totaling $2,030. Disciplinary action and restitution are pending.

Case Number: 20050040

A Department of Children and Family Services (DCFS) employee stole donated goods intended for clients. DCFS intends to develop procedures to maintain accountability and secure donations. Disciplinary action is pending.

Case Number: 20050087

A DPW employee used his assigned County computer, email and internet access to conduct outside employment activities, including compiling information, advertising and publishing his book. Disciplinary action is pending.

Case Number: 20050161

Two Coroner employees used their assigned County computers to send derogatory emails to other County employees and to access non-work related websites. The employees were suspended for one day.

Case Number: 20050205

An Auditor-Controller employee was involved in a series of verbal arguments with other employees, and left a threatening voicemail message for one co-worker. The employee was suspended for 30 days.

Case Number: 20050211

DHS did not remove a deceased employee from the County payroll system. No overpayments were issued.

Case Number: 20050230

Two Animal Care and Control (ACC) Officers adopted animals at reduced fees with their supervisor's approval. ACC intends to revise their adoption fee policy.

Case Number: 20050280

One DCFS employee behaved in a sexually suggestive manner toward participants he counseled. Disciplinary action is pending.

Case Number: 20050282

An ACC employee stole $918. The employee was dismissed, and the DA declined to prosecute.

Case Number: 20050290

A DMH employee failed to disclose his felony conviction on his job application. The Department intends to discharge the employee.

Case Number: 20050346

Three Registrar-Recorder/County Clerk (RR/CC) employees stole cash collections totaling at least $20,000. Two employees were dismissed and one employee retired. The case was referred to the DA for possible criminal prosecution.

Case Number: 20050365

A temporary employee stole Library materials valued at $1,174. The Library later recovered materials totaling $746. The employee was dismissed.

Total Substantiated Cases Investigated By Auditor-Controller: 19

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20020068

A DPSS employee submitted a falsified "Test Result Notice" in an attempt to be promoted. Disciplinary action is pending.

Case Number: 20020202

A DPSS employee stole $280 from an office safe. Disciplinary action is pending.

Case Number: 20020313

A DPSS employee failed to report her outside employment as an In-Home Support Services provider and worked more than the 24 hours per week allowed for outside employment. Disciplinary action is pending.

Case Number: 20030014

A DPSS employee used her County telephone to make excessive personal calls during work hours. Disciplinary action is pending.

Case Number: 20030097

A DHS employee circumvented established contracting procedures for Information Systems by splitting purchase orders to keep them under the limit for Board approval. The employee was reassigned, the supervisor was counseled and the contracting function was transferred to the Chief Information Officer.

Case Number: 20030122

Several items were stolen from a Library employee's wallet. The parties responsible could not be identified. The Library has implemented tighter security measures.

Case Number: 20030123

A Library employee used eight guest accounts to fraudulently check out library materials. The employee resigned.

Case Number: 20040285

Two DHS physicians worked at their private practice during regular work hours and failed to report the actual hours worked on their timecards. Another physician also worked at his private practice while on medical leave. DHS plans to dismiss the physicians.

Case Number: 20040332

Two DHS employees consumed alcohol while at work and stole linens for their personal use. One of the employees also clocked other employees in and out, and the unit supervisor failed to provide adequate supervision. Disciplinary actions are pending.

Case Number: 20040434

A Public Defender employee obtained an individual's DMV records for personal use. The employee was counseled.

Case Number: 20040435

A Sheriff's Department employee misused his DMV access to provide personal and confidential information to another County employee. The employee was suspended for three days.

Case Number: 20040459

Two DHS employees did not report actual hours worked on their timecards. Disciplinary actions are pending.

Case Number: 20040493

Two RR/CC supervisors allowed their staff to be paid for time they did not work. In addition, one supervisor used his staff's log-in number to complete customer transactions. Disciplinary actions are pending.

Case Number: 20050032

Six DHS employees did not report actual hours worked on their timecards. The employees were counseled.

Case Number: 20050104

A DPSS employee improperly accessed LEADER to view a participant's profile. Disciplinary action is pending.

Case Number: 20050106

A DCFS employee was negligent in her duties, resulting in improper services being rendered to a client. Another DCFS employee failed to perform his assigned duties. Disciplinary actions are pending.

Case Number: 20050108

A DCFS employee did not make routine home visits to a minor and failed to transfer the case in a timely manner, which delayed the adoption process. Disciplinary action is pending.

Case Number: 20050111

Three DMH psychiatrists did not report actual hours worked on their timecards because a DMH manager allowed them to claim commuting time. The manager received a written reprimand and the practice was stopped.

Case Number: 20050129

A DPSS employee misused her County computer to access LEADER and the Medi-Cal Eligibility Data System (MEDS) to view a client's information. Disciplinary action is pending.

Case Number: 20050167

A DHS employee was inappropriately promoted after he was erroneously placed in band one of an eligibility list. Corrective action is pending.

Case Number: 20050173

A DHS employee incorrectly coded her timecards as time worked when she was on vacation. A timecard correction was completed and the employee and her supervisor were counseled.

Case Number: 20050193

Three DPSS employees misused LEADER and MEDS to obtain information and expedite a Medi-Cal application for a participant related to one of the three DPSS employees. Disciplinary actions are pending.

Case Number: 20050206

A Fire Department employee received treatment for a work related injury from a physician who is his brother. The employee was re-examined by another physician and subsequently returned to work.

Case Number: 20050214

Four Internal Services Department (ISD) employees consumed alcohol while on County time. Disciplinary actions are pending.

Case Number: 20050220

A DHS physician failed to report his outside employment, did not report actual hours worked on his timecard and claimed overtime that he did not work. The physician resigned.

Case Number: 20050222

A DHS employee failed to report her outside employment to the Department. Disciplinary action is pending.

Case Number: 20050223

A DHS contractor did not have the required liability insurance coverage when services were provided. The contractor subsequently submitted all required documentation and DHS changed procedures.

Case Number: 20050321

A Child Support Services Department subcontractor employee stole two child support payments totaling $716. The employee was dismissed and the case was referred to local law enforcement. The subcontractor reimbursed the Court Trustee and the payments were posted to the respective support cases.

Case Number: 20050402

An ISD employee abused his work hours, falsified his mileage claim, lied on his outside employment form, and misused his County vehicle. The employee was suspended for 30 days.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 29

TOTAL NUMBER OF SUBSTANTIATED CASES JANUARY 1 – MARCH 31, 2005: 48

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Attachment II

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
Jan 01, 2005 *through* Mar 31, 2005

	Substantiated	*Not Substantiated*	*Other Dispositions*	*No Response*	*Total*
Chief Administrative Office		2 (100%)			2 (100%)
Children and Family Services	2 (67%)	1 (33%)			3 (100%)
Children's Support Services Department	1 (33%)	2 (67%)			3 (100%)
County Public Library	2 (50%)	2 (50%)			4 (100%)
Department of Human Resources	1 (20%)	4 (80%)			5 (100%)
Department of Mental Health	1 (50%)	1 (50%)			2 (100%)
Department of Public Social Services	7 (64%)	4 (36%)			11 (100%)
Department of Registrar-Recorder/County Clerk	1 (50%)	1 (50%)			2 (100%)
Fire Department	1 (50%)	1 (50%)			2 (100%)
Health Services	9 (36%)	15 (60%)	1 (4%)		25 (100%)
Internal Services Department	2 (100%)				2 (100%)
Office of Assessor		1 (100%)			1 (100%)
Office of Public Defender	1 (100%)				1 (100%)
Pending		1 (100%)			1 (100%)

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Attachment II

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY

Jan 01, 2005 ***through*** **Mar 31, 2005**

	Substantiated		*Not Substantiated*		*Other Dispositions*		*No Response*		*Total*	
Probation Department			4	(100%)					4	(100%)
Sheriff's Department	1	(33%)	2	(67%)					3	(100%)
Special Investigations Unit	19	(28%)	18	(26%)	32	(46%)			69	(100%)
Grand Total	48	34.29%	59	42.14%	33	23.57%	0	0.00%	140	100.00%