COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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June 21, 2007

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

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **SEMI-ANNUAL FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline opened 281 new investigations during the six months ending March 31, 2007. The Auditor-Controller's Office of County Investigations (OCI) closed 279 cases, 54 of which were substantiated, 110 were not substantiated, and 115 were not investigated after a preliminary review determined the allegation was either immaterial, previously investigated, not enough information was provided, or the allegation was referred to an outside agency, see Attachments I and II. As of March 31, 2007, 455 investigations were in progress.

Based on the 54 substantiated cases, the following actions were taken:

Counseled	**9**	Reprimanded/ Written Warning	**7**
Dismissed/Intent to Dismiss	**11**	Restitution/Intent to Reimburse	**3**
Criminal Charges Pending	**1**	Resigned	**5**
Demoted	**1**	Suspended/ Intent to Suspend	**6**
Procedures Changed	**2**	Disciplinary/Corrective Action Pending	**30**
Referred to the District Attorney/Sheriff	**2**		

Note: Some cases may include multiple suspects and multiple dispositions.

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

JTM:MMO:MR

Attachments

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

Attachment I

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

SUMMARY OF SUBSTANTIATED CASES

FOR THE PERIOD OCTOBER 1, 2006 THROUGH MARCH 31, 2007

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 2006653
A Department of Mental Health (DMH) employee used her County computer and Internet access to conduct personal business. Disciplinary action is pending.

Case Number: 2006759
An Animal Care and Control employee waived a $20 service fee without management approval. Disciplinary action is pending.

Case Number: 2006792
A Parks & Recreation (Parks) employee stole funds totaling $778 from park collections. The District Attorney's (DA) Office declined to prosecute the case, and the Department intends to discharge the employee.

Case Number: 2006890
A Department of Children and Family Services (DCFS) employee used his County computer and Internet to access and view sexually explicit material. The employee was suspended for 30 days.

Case Number: 2006893
A Child Support Services Department (CSSD) employee sent a letter to a mortgage lender requesting the release of a property lien. As a result, the non-custodial parent was allowed to sell the property without first satisfying outstanding child support obligations. Disciplinary action is pending.

Case Number: 20061011
A DCFS employee created a conflict of interest when she conducted case follow-ups and visits for foster children placed with her mother, a Registrar-Recorder/County Clerk (RR/CC) manager. It was also determined that the RR/CC manager misused her position to intimidate DCFS employees. The DCFS employee was terminated and the RR/CC is considering disciplinary action for the manager.

Case Number: 20061174
A Department of Public Works (DPW) employee used his County vehicle for personal matters and reported on his timecard time he did not work. The Department intends to discharge the employee.

Case Number: 20061212
A Parks contract employee used a County computer and Internet access to view and print sexually explicit material. Parks did not renew the contract.

Summary of Substantiated Cases

Case Number: 20061295
A DCFS employee used her County computer and Internet access to conduct personal business. The employee resigned but was not placed out of County service. As a result, the employee continued to be paid for 104 hours, totaling $920, for time she did not work. Reimbursement is pending.

Case Number: 20061307
A Public Health (PH) employee used his assigned County computer and Internet access to view sexually explicit material. The employee was dismissed.

Case Number: 20061322
A Department of Health Services (DHS) employee used his assigned County computer and Internet access to receive/send personal emails and to view sexually explicit material. The employee retired.

Case Number: 20061360
A Los Angeles Homeless Services Authority (LAHSA) employee embezzled $9,100. Procedures were changed, the employee was dismissed, and the DA intends to file criminal charges.

Case Number: 20061366
An unidentified individual falsified a DMH purchase authorization form to defraud Vons market of $675. DMH changed its procedures to include additional verification and timely reconciliation of sub-orders.

Case Number: 20061370
A Probation Department (Probation) employee's calling card number was compromised and more than $172,000 in fraudulent calls were made. Although, the person responsible for the fraudulent charges could not be identified, the calling card was cancelled and internal control deficiencies were identified. Corrective action is pending and the Internal Services Department (ISD) is negotiating with the telephone company to waive the charges.

Case Number: 20061407
A DPW employee stole 25 gallons of gasoline ($63 value) from a County pump station and failed to disclose a felony conviction on a County application. Disciplinary action is pending.

Case Number: 20061424
A Department of Public Social Services (DPSS) employee failed to disclose misdemeanor convictions on her employment application. Disciplinary action is pending.

Case Number: 20061439
Fifty-four items of equipment valued at $15,580 were stolen from a DMH facility. Although the identity of the person(s) responsible for the loss could not be identified, numerous internal control and record keeping deficiencies were identified. Corrective action is pending.

Summary of Substantiated Cases

Case Number: 20071512

Three unidentified individuals stole $39,189 in parking receipts from a County contractor. The Department of Beaches and Harbors changed procedures, and the contractor's insurance covered the loss. The Sheriff is handling the criminal investigation.

Total Substantiated Cases Investigated By Auditor-Controller: 18

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20060369
An Internal Services Department (ISD) employee used his assigned County computer for personal and outside business activity. In addition, the employee failed to declare his outside employment. Disciplinary action is pending.

Case Number: 2006509
A DPSS employee did not make three field visits claimed on her itinerary and submitted a falsified mileage claim. The Department intends to suspend the employee.

Case Number: 2006521
A DPSS employee exceeded the 24 hours per week maximum allowed for her outside employment. The employee received a written reprimand.

Case Number: 2006549
A PH contractor created a conflict of interest when she subcontracted her contract work after being hired as a PH employee and continued to manage and direct the work of the subcontractor. The PH employee resigned and the contractor voluntarily terminated the contract.

Case Number: 2006574
A DCFS employee intimidated and abused staff. The employee received a written warning.

Case Number: 2006596
DHS employees used their password to log on other employees to a confidential database. The employees received a written reminder of the Departmental policy prohibiting the sharing of passwords.

Case Number: 2006604
DHS employees were allowed to watch television in their work area during lunch, which interfered with other employees' work activities. The television was removed from the work area.

Case Number: 2006609
A DHS employee falsified her timecard and was overpaid for 11 hours not worked. Disciplinary action and recovery of overpayment are pending.

Case Number: 2006617
DHS did not assign a supervisor for certain evening and night shifts and some staff worked out of class without compensation. Two managers were counseled, staff was properly compensated and a supervisor was assigned to the shifts.

Case Number: 2006624
Four DHS employees used County email and Internet access for personal use. Disciplinary actions are pending.

Case Number: 2006627
A DCFS employee inappropriately accessed the Child Welfare Services/Case Management System (CWS/CMS) to view confidential information of a relative without proper authorization. The employee was counseled.

Case Number: 2006630
A CSSD employee used her assigned County computer to access the Internet for personal use. The employee received a written warning.

Case Number: 2006660
A DHS employee used his assigned County computer for personal use, worked more than the 24 hours per week allowed for outside employment and was allowed to telecommute without an approved telecommunication agreement. The employee was suspended for one day.

Case Number: 2006664
Two DHS employees failed to report their outside employment to the Department. One of the employees did not report actual hours worked on his timecard and also exceeded the 24 hours per week allowed for outside employment. One employee received a written warning and the other employee resigned. In addition, disciplinary actions are pending for the employees' supervisors who knowingly signed inaccurate timecards.

Case Number: 2006708
A temporary DHS physician inappropriately had his blood specimen drawn and tested ($350 value) by the County laboratory. The physician received a written reprimand and was suspended for 16 days. The physician intends to reimburse the County for the lab test.

Case Number: 2006725
A DHS employee had outside employment while receiving workers' compensation benefits from the County. The employee was dismissed and the matter was referred to the DA and State Department of Insurance.

Case Number: 2006762
Two DHS employees violated the Department's Nepotism Policy because they did not disclose that one of the employees supervised his brother-in-law. One employee received a written warning and disciplinary action for the other employee is pending.

Case Number: 2006774
Five DHS managers improperly authorized staff and themselves to accrue and use overtime hours off the books, in violation of the Department's Time Reporting Policy. Disciplinary actions ranging from reprimands to suspensions are pending.

Case Number: 2006872
A DHS supervisor did not properly secure confidential and sensitive documents. DHS secured the confidential records and the supervisor was dismissed for an unrelated matter.

Case Number: 2006885
A DMH employee used his assigned County computer for personal business. The employee was suspended for 15 days.

Case Number: 2006889
A DCFS employee accessed the CWS/CMS database to obtain personal and confidential information regarding her ex-boyfriend and his wife. The Department intends to discharge the employee.

Case Number: 2006927
A DHS manager's behavior was unprofessional during a discussion with her staff. The manager was counseled.

Case Number: 2006934
A Probation employee did not report actual hours worked on his timecards. Disciplinary action is pending.

Case Number: 2006950
A DCFS employee engaged in an inappropriate relationship with a client. The employee was dismissed.

Case Number: 2006963
Five DHS employees failed to clock in and out daily, were late to work, did not submit appropriate documentation for time off and/or did not report actual hours worked on their timecards. The five employees were counseled.

Case Number: 2006975
A DCFS employee violated the Department's Conflict of Interest and Outside Employment policies because she was employed by a DCFS contractor. The employee was dismissed.

Case Number: 2006979
A DCFS group home submitted a fraudulent auto insurance policy. The group home was placed on "Administrative Hold" until proof of insurance was provided.

Case Number: 20061080
A DCFS employee admitted to stealing a box of bus tokens with a value of $800 from a safe that was left unlocked. The employee was suspended for 30 days.

Case Number: 20061096
A County laptop, containing client/employee information was stolen from the home of an employee of the Department of Community and Senior Services (DCSS). DCSS management will strengthen procedures to secure client/employee information. The employee resigned for reasons unrelated to the stolen laptop.

Case Number: 20061102
A DPSS employee inappropriately accessed a participant's case information from the Los Angeles Eligibility Automated Determination Evaluation and Reporting (LEADER) system. Disciplinary action is pending.

Case Number: 20061267
A DPSS employee used LEADER to access a participant's confidential information for personal use. Disciplinary action is pending.

Case Number: 20061333
An ISD employee used a County vehicle for personal use. Disciplinary action is pending.

Case Number: 20061350
A RR/CC employee was inappropriately promoted. The employee was demoted.

Case Number: 20061386
A DCFS group home was poorly maintained and in need of extensive cleaning and repairs. The group home was placed on "Investigative Hold" until deficiencies were corrected.

Case Number: 20061415
A DCFS employee inappropriately used the CWS/CMS database to access confidential information for personal use. Disciplinary action is pending.

Case Number: 20071538
A DHS employee used sick leave benefits to cover her absences during the time she attended school. The Department intends to discharge the employee.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 36

TOTAL NUMBER OF SUBSTANTIATED CASES OCTOBER 1, 2006 – MARCH 31, 2007: 54

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
October 1, 2006 through March 31, 2007

	Substantiated		*Not Substantiated*		*Other Dispositions*		*Total*	
CASES INVESTIGATED BY AUDITOR-CONTROLLER:								
Office of County Investigations	18	11%	35	21%	115	68%	168	100%
CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:								
Affirmative Action Compliance			3	100%			3	100%
Assessor			2	100%			2	100%
Children and Family Services	9	41%	13	59%			22	100%
Child Support Services	1	100%					1	100%
Consumer Affairs			1	100%			1	100%
Department of Community and Senior Services	1	100%					1	100%
Health Services	14	29%	34	71%			48	100%
Department of Human Resources	2	40%	3	60%			5	100%
Internal Services Department	2	50%	2	50%			4	100%
Department of Mental Health	1	50%	1	50%			2	100%
Department of Public Social Services	4	44%	5	56%			9	100%
Fire Department			3	100%			3	100%
Probation Department	1	17%	5	83%			6	100%
Public Health	1	100%					1	100%
Public Works			1	100%			1	100%
Registrar Recorder/County Clerk			1	100%			1	100%
Sheriff			1	100%			1	100%
Grand Total	54	20%	110	39%	115	41%	279	100%