COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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November 20, 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 348 new investigations during the six months ending September 30, 2007. The Auditor-Controller's Office of County Investigations (OCI) closed 309 cases, 73 of which were substantiated, 108 were not substantiated, and 128 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 Attachments I and II. As of September 30, 2007, 449 investigations were in progress.

Based on the 73 substantiated cases, the following actions were taken:

Arrested	1	Released from duties	3
Counseled	25	Reprimanded	3
Debarment	1	Restitution	5
Demoted	1	Resigned/Retired	6
Dismissed	8	Suspended	6
Intent to Discharge	1	Transferred	2
Intent to Reprimand	1	Verbal Warning	1
Jail	2	Written Warning	4
Probation	1		
Procedures Changed	7	Corrective Action Taken	3
Referred to the District Attorney	4	Disciplinary/Corrective Action Pending	30

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.

Attachments

JTM:MO:MR

c: William T Fujioka, 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 APRIL 1, 2007 THROUGH SEPTEMBER 30, 2007

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 2006536
A Department of Health Services (DHS) employee used his assigned County computer and Internet access to view and download inappropriate sexually explicit images. Disciplinary action is pending.

Case Number: 2006606
A Department of Mental Health (DMH) employee used her assigned County computer to solicit sexual activity. Disciplinary action is pending.

Case Number: 2006653
A DMH employee used her assigned County computer and Internet access to conduct personal business. The employee received a written warning.

Case Number: 2006692
A Department of Children and Family Services (DCFS) employee stole bus tokens and passes totaling more than $4,000. The employee was arrested, plead guilty to felony theft and received three days jail time and three years probation. Restitution is pending.

Case Number: 2006741
A DMH service provider did not properly document the time billed to the department. The provider implemented a policy requiring all staff to complete a timecard reporting actual hours worked and to maintain documents to support billings.

Case Number: 2006835
DMH collections totaling $634 were stolen by an unidentified individual. Internal controls are being strengthened to secure collections.

Case Number: 2006933
A LACERA employee was convicted of welfare fraud. The employee was sentenced to 16 months in State prison and ordered to pay restitution of $73,475 to Los Angeles County and $16,047 to the State of California. The employee was dismissed.

Case Number: 2006947
A Department of Public Social Services (DPSS) employee used his assigned County computer and Internet access to view inappropriate/sexually explicit material. Disciplinary action is pending.

Case Number: 2006984
A DPSS employee used his assigned County computer and Internet access to view sexually explicit material. Disciplinary action is pending.

Case Number: 2006998
Over $2,000 in unauthorized personal calls were made from a stolen Beaches and Harbor (Beaches) cellular phone. The phone was deactivated but the person(s) responsible for the fraudulent charges could not be identified. The Department is changing procedures.

Case Number: 20061030
A Probation Department (Probation) employee forged documents and fraudulently collected death benefits totaling more than $130,000 for her husband who is alive. Prosecution is pending.

Case Number: 20061053
An Animal Care and Control (ACC) Officer exercised poor judgment exposing the County to potential liability. The employee and his supervisor were dismissed.

Case Number: 20061245
A DCFS employee used her assigned County telephone to make personal calls, resulting in telephone charges and lost work time of approximately $3,310. Disciplinary action and reimbursement are pending.

Case Number: 20061255
A DHS employee used pre-signed prescription scripts to facilitate providing drugs to patients and improperly altered physician orders. Disciplinary action is pending.

Case Number: 20061262
A cash advance of $507 was stolen from Probation; however, the person(s) responsible for the theft could not be identified due to internal control weaknesses. Internal controls were strengthened.

Case Number: 20061310
A DMH contract mental health provider submitted improper claims and falsified supporting documents resulting in $223,000 of unsupported billings for client counseling sessions. DMH will pursue repayment of the unsupported claims, terminate the contract and initiate debarment. The case was also referred to the DA for review and to the State Consumer Affairs Board of Behavioral Sciences for investigation of licensure and professional practice violations.

Case Number: 20061412
An Assessor employee failed to disclose her outside employment activity. The employee updated her Outside Employment form.

Case Number: 20061427
A Department of Public Health (PH) manager allowed family members to use a County laptop containing confidential information.

Case Number: 20061443
A DMH contractor employee solicited approximately $900 from a DMH client to assist her family members to immigrate to the United States. However, the contractor employee never provided the services promised. The contractor employee reimbursed the DMH client and was dismissed.

Case Number: 20071469
A Fire Department (Fire) Inspector entered private property without a warrant or the property owner's consent. The employee was counseled and procedures were changed.

Case Number: 20071554
A Treasurer and Tax Collector manager inappropriately used his assigned County badge to ride public transportation at no charge for at least four months, defrauding the transit agency of at least $532. The employee was suspended, and the case was referred to the DA for review.

Case Number: 20071575
An Office of Public Safety employee was charged with insurance fraud. The employee was suspended without pay pending criminal prosecution.

Case Number: 20071605
An Office of Affirmative Action and Compliance (OAAC) manager was involved in a consensual relationship with a subordinate and the Department failed to comply with the County's policy of investigating all hostile work environment complaints. The manager resigned and the subordinate employee transferred to another Department.

Case Number: 20071685
A DHS employee was charged with a felony for using a patient's credit card to make at least $2,700 in unauthorized purchases. The employee was dismissed, pled guilty and sentencing is pending.

Case Number: 20071734
A Department of Public Works employee admitted misusing a co-worker's personal information to complete a fraudulent credit application for a department store charge card. Disciplinary action is pending.

Case Number: 20071823
A Board of Supervisor's Executive Office employee used his assigned County computer, email, Internet access and Blackberry to send and receive correspondence associated with his outside business. Disciplinary action is pending.

Case Number: 20071828
A Child Support Services Department employee falsified medical leave certifications with the assistance of her daughter who worked for a local physician, resulting in a loss to the County of $24,080. Disciplinary action is pending, and the case was referred to the DA for review.

Case Number: 20071839
An ACC manager allowed a retired employee to facilitate the receiving and modification of new vehicles in violation of the director's orders. The manager was demoted.

Case Number: 20071859
A Department of Consumer Affairs employee violated the Department's media contact policy when he filmed and published an unauthorized video on identity theft without obtaining approval from management. Disciplinary action is pending.

Total Substantiated Cases Investigated By Auditor-Controller: 29

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20050575
A PH manager allowed employees to report inaccurate hours worked on their timecards. Disciplinary action is pending.

Case Number: 20060038
A DCFS employee admitted she used her assigned County computer to access the Child Welfare Services/Case Management System (CWS/CMS) to obtain confidential information for personal use. The Department intends to dismiss the employee.

Case Number: 2006519
A DPSS employee's timecard was coded incorrectly and did not reflect her absences for two days. The employee received a written reprimand, and the employee's timecard was corrected.

Case Number: 2006605
A DHS manager inappropriately called in sick to conduct outside employment activities. The manager resigned.

Case Number: 2006634
A DHS employee had frequent unscheduled absences. The employee received a ten day suspension.

Case Number: 2006644
A DHS manager approved an employee's timecards for hours he did not work, resulting in an overpayment of approximately $118,471 during a three year period. Also, payroll errors resulted in additional overpayments of $11,729. The employee resigned. Disciplinary action against the manager is pending and the Department is seeking reimbursement.

Case Number: 2006680
A DHS employee failed to declare his outside employment and used a County fax and photocopier for personal business. In addition, the employee conducted outside employment activities while on Family Medical Leave. Disciplinary action is pending.

Case Number: 2006733
A DHS manager failed to disclose his felony conviction on two County job applications. The manager received a written warning.

Case Number: 2006743
A DCFS employee accessed the CMS/CWS system to review confidential information regarding her husband's nephew, a DCFS client, who was not assigned to her. The employee resigned.

Case Number: 2006755
DMH discovered that music files and/or unauthorized documents were illegally downloaded and stored on County computers. One employee resigned, and other DMH employees were reminded of the Internet Departmental Policy.

Case Number: 2006773
Two DHS employees who are sisters worked in the same unit, violating the Department's Nepotism Policy. One employee was transferred to another unit.

Case Number: 2006817
A DHS employee did not meet the minimum requirements for her position. The Department intends to rescind her appointment and recover applicable overpayments.

Case Number: 2006858
A DCFS employee engaged in inappropriate language in the work place. The employee received a written warning.

Case Number: 2006936
A PH manager created a hostile work environment by being verbally abusive. The manager was counseled.

Case Number: 2006940
A DCFS employee inappropriately accessed the CWS/CMS system to obtain confidential information concerning her nephew. In addition, the employee misrepresented herself by using a County badge during an unauthorized visit with a DCFS client. Disciplinary action is pending.

Case Number: 2006974
A DCFS employee created a conflict of interest when he provided counseling services to DCFS clients for personal gain while on medical leave. The employee retired.

Case Number: 20061027
A DCFS employee did not report his outside employment activities to the Department. Disciplinary action is pending.

Case Number: 20061043
A DCFS employee created a hostile work environment. The employee retired.

Case Number: 20061070
A Probation employee made a derogatory statement against a supervisor and used her assigned County computer to forward inappropriate and sexually explicit emails to a coworker during work hours. The employee received a 15 day suspension.

Case Number: 20061071
A DHS supervisor was counseled for not ensuring that her employees follow the Department's policies and procedures. The supervisor resigned.

Case Number: 20061088
A DCFS employee used County office supplies, equipment and a cellular telephone for personal use. The employee also sold bags, wallets, sunglasses and holiday items during work hours on County property. Disciplinary action is pending.

Case Number: 20061148
A DPSS manager vacationed with a contractor employee, which created a conflict of interest. The manager was counseled, and the contractor employee was transferred to another project.

Case Number: 20061283
A DCFS employee supervised her fiancé during the absence of the manager. The employees and manager received a written warning and one employee transferred to another office.

Case Number: 20061376
A DHS employee did not report actual hours worked on his timecard. Management made a timecard correction to recover the overpayment. The supervisor was verbally counseled, and time reporting procedures were changed.

Case Number: 20061379
A DPSS employee falsely claimed that her father died and she received money from her co-workers as an expression of their sympathy. Disciplinary action is pending.

Case Number: 20061389
A DPSS employee used the Medi-Cal Eligibility Data System (MEDS) to access confidential participant records without authorization and for personal use. The employee received a six day suspension.

Case Number: 20061446
A DPSS employee allowed another employee to use her assigned LEADER password. Disciplinary action is pending.

Case Number: 20071481
A DMH employee was assigned to supervise staff while holding a non-supervisory position. The Department intends to discontinue her supervisory assignment.

Case Number: 20071506
A DHS employee used sick leave benefits to cover her absences during the time she attended school, and she provided medical certification that could not be validated. Disciplinary action is pending.

Case Number: 20071508
Two DHS employees failed to declare their outside employment and solicited business from other County employees for financial gain. The employees also used their assigned County computer to access non-County related websites, and one employee claimed time that he did not work. Disciplinary actions are pending.

Case Number: 20071525
A DHS employee threw personal trash in a County dumpster. The employee received a verbal warning.

Case Number: 20071567
Nineteen DMH employees stored and saved music files and/or other non-County business related information onto DMH computer equipment and the network. They also conducted non-County related business. The employees were counseled and reminded that County information technology resources are to be used only for County business purposes.

Case Number: 20071568
Two Department of Parks and Recreation managers parked their personal recreational vehicles, car and trailer at a County Recreational facility for storage. One manager also connected her motor home to the facility's electricity for power. Disciplinary actions are pending.

Case Number: 20071578
The Public Library's name was used to make fraudulent charges totaling $2,699 with United

Parcel Services (UPS). Although the person(s) responsible could not be identified, UPS will release the Library from financial responsibility.

Case Number: 20071619
A DHS employee reported hours worked while on vacation. The employee's timecard was adjusted, and employees and supervisors were reminded of the County Timekeeping rules and regulations to ensure County policies are followed.

Case Number: 20071630
A Probation employee used his/her County email account to send inappropriate and non-work related emails. Disciplinary action is pending.

Case Number: 20071634
A PH employee used her County e-mail account to send inappropriate e-mails. The employee received a written reprimand.

Case Number: 20071699
A DMH employee charged a DMH client for tax services, creating a conflict of interest. In addition, the employee did not declare her outside employment. The employee received a written reprimand.

Case Number: 20071723
A Fire laptop was stolen from an unsecured area by an unidentified individual(s). The laptop did not contain confidential/sensitive information. The Department is taking steps to ensure that all computer equipment items are properly secured.

Case Number: 20071755
A Beaches employee was improperly appointed to her current position. The employee was dismissed.

Case Number: 20071818
A DHS employee arrived to work late on a daily basis. The employee was counseled, and the Department intends to give the employee a written warning for her excessive tardiness.

Case Number: 20071848
A DHS volunteer's behavior was unprofessional and he did not follow policies and procedures. The volunteer was released.

Case Number: 20071872
A Sheriff's Department employee obtained personal information on his family members without authorization. The employee received a written warning.

Case Number: 20071874
An Internal Services Department employee stole County equipment valued at approximately $2,600. The employee returned the stolen property and received a 30 day suspension.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 44

TOTAL NUMBER OF SUBSTANTIATED CASES APRIL 1–SEPTEMBER 30, 2007: 73

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
April 1, 2007 through September 30, 2007

	Substantiated		*Not Substantiated*		*Other Dispositions*		*Total*	
CASES INVESTIGATED BY AUDITOR-CONTROLLER:								
Office of County Investigations	29	15%	31	17%	128	68%	188	100%
CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:								
Affirmative Action Compliance			1	100%			1	100%
Beaches and Harbor	1	100%					1	100%
Children and Family Services	9	39%	14	61%			23	100%
Child Support Services			1	100%			1	100%
DistrictAttorney	1	100%					1	100%
Department of Community and Senior Services	1	100%					1	100%
Health Services	16	35%	30	65%			46	100%
Department of Human Resources	1	10%	9	90%			10	100%
Internal Services Department	1	50%	1	50%			2	100%
Department of Mental Health	3	100%					3	100%
Department of Public Social Services	5	26%	14	74%			19	100%
Fire Department	1	25%	3	75%			4	100%
Probation Department	2	40%	3	60%			5	100%
Public Health	1	100%					1	100%
Public Library	1	100%					1	100%
Sheriff	1	50%	1	50%			2	100%
Grand Total	73	24%	108	35%	128	41%	309	100%