COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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REVISED
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TO: Supervisor Don Knabe, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT – JULY 1, 2008 THROUGH DECEMBER 31, 2008**

The Los Angeles County Fraud Hotline began this fiscal year with 497 carryover pending cases. We opened 408 new cases and closed 418 during the six months ending December 31, 2008. Of the 418 closed cases (Attachment I), 86 were substantiated (Attachment II), 185 were not substantiated, and 147 were not investigated. After our preliminary reviews, we did not investigate 147 cases due to immateriality, the referral was previously investigated or referred to outside agencies, or insufficient information was provided. As of December 31, 2008, there were 487 investigations in progress.

Of the substantiated cases, the following actions were taken:

Counseled	**27**		**Recover Overpayment/ Reimbursement/Restitution**	**9**
Demoted	**1**		**Referred to the District Attorney**	**3**
Dismissed	**5**		**Reprimanded/Verbal/Written Warning**	**11**
Jail Sentence	**1**		**Resigned/Retired**	**4**
Probation	**1**		**Suspended/Intent to Suspend**	**2**
Procedures Changed	**6**		**Transferred/Reassigned**	**2**
			Disciplinary/Corrective Action Pending	**68**

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

If you have any questions or need additional information, please contact me or have your staff contact Marion Romeis at (213) 893-0058.

WLW:MMO:MR
Fraud Hotline Status ending Dec 31 2008.doc

Attachments

c: William T Fujioka, Chief Executive Officer
Department Heads
Audit Committee
Public Information Office

Attachment I

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
July 1, 2008 through December 31, 2008

	Substantiated		Not Substantiated		Other Dispositions		Total	
CASES INVESTIGATED BY AUDITOR-CONTROLLER:								
Office of County Investigations	**23**	**11%**	**44**	**21%**	**147**	**68%**	**214**	**100%**
CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:								
Affirmative Action Compliance	1	33%	2	67%			3	100%
Animal Care & Control			3	100%			3	100%
Assessor	2	50%	2	50%			4	100%
Board of Supervisors			2	100%			2	100%
CEO-Office of Security Management			1	100%			1	100%
Children and Family Services	2	12%	14	88%			16	100%
Child Support Services	2	25%	6	75%			8	100%
County Counsel	1	100%					1	100%
Fire Department	1	14%	6	86%			7	100%
Department of Health Services	18	32%	39	68%			57	100%
Department of Human Resources			2	100%			2	100%
Department of Mental Health	4	33%	8	67%			12	100%
Department of Public Health	6	30%	14	70%			20	100%
Department of Public Social Services	20	47%	23	53%			43	100%
Department of Public Works	2	50%	2	50%			4	100%
Internal Services Department			2	100%			2	100%
Office of Public Safety	1	33%	2	67%			3	100%
Parks and Recreation	1	25%	3	75%			4	100%
Probation Department	1	50%	1	50%			2	100%
Registrar-Recorder/County			3	100%			3	100%
Sheriff	1	14%	6	86%			7	100%
Other Departments Total:	**63**	**31%**	**141**	**69%**	**0**	**0%**	**204**	**100%**
Grand Total	**86**	**21%**	**185**	**44%**	**147**	**35%**	**418**	**100%**

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER
OFFICE OF COUNTY INVESTIGATIONS
SUMMARY OF SUBSTANTIATED CASES
FOR THE PERIOD JULY 1, 2008 THROUGH DECEMBER 31, 2008

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 20060904
A Registrar-Recorder/County Clerk employee improperly produced, certified and sold real estate documents for a profit totaling approximately $47,000 in cash, which also resulted in a loss to the County of at least $220,000. The employee was dismissed. In addition, the Department intends to demote the employee's supervisor for exercising poor judgment. The District Attorney (DA) rejected the case.

Case Number: 20061073
A Department of Mental Health (DMH) employee used her assigned County computer, Internet access and email account for personal use during County work hours. Disciplinary action is pending.

Case Number: 20061384
A Department of Children and Family Services (DCFS) employee created a conflict of interest when she inappropriately referred an individual to substandard housing through an agency with which she was affiliated. She also used DCFS letterhead for non-County related business. The employee was counseled and transferred.

Case Number: 20061421
A Probation Department (Probation) manager conducted her outside law practice on County time and failed to disclose her outside employment on several Statements of Economic Interest forms. The employee was counseled. The case was also referred to the DA for criminal prosecution.

Case Number: 20071616
An unidentified individual fraudulently cashed an Auditor-Controller (A-C) warrant for $2,265. The person(s) responsible could not be identified. A new check was issued to the payee and the bank reimbursed the County.

Case Number: 20071631
A Treasurer and Tax Collector (TTC) temporary employee stole seven cash property tax payments totaling $16,784. The employee pled guilty to a felony and was sentenced to 180 days in jail, three years probation and ordered to pay restitution.

Case Number: 20072200
A Department of Consumer Affairs employee inappropriately used County vehicles for her personal use, drove them in a reckless manner and caused an accident. The employee was dismissed.

Case Number: 20082354
A DMH employee used his assigned County computer and Internet access for personal business during County work hours. Disciplinary action is pending.

Summary of Substantiated Cases

Case Number: 20082381
A Department of Parks and Recreation (Parks) employee stole $2,400 by issuing fictitious refunds to herself. The employee resigned and reimbursed the County $350. The case was also referred to the DA for criminal prosecution.

Case Number: 20082393
A DCFS employee falsified requisitions to obtain 234 bus passes valued at $13,900 and disbursed them to clients who were ineligible for transportation assistance. The DA rejected the case and the employee resigned.

Case Number: 20082408
Twenty-eight Department of Public Social Services (DPSS) laptop computers valued at $33,000 were stolen from a warehouse. The perpetrators could not be identified. DPSS management will strengthen controls over its computer inventory.

Case Number: 20082506
A Fire Department employee received gifts exceeding the California Political Reform Act limit. The employee received a written warning, and the Department will change their procedures related to review of Statements of Economic Interests.

Case Number: 20082508
A Fire Department employee was negligent in the performance of his duties and may have misused his position for personal gain. The DA rejected the case and disciplinary action is pending.

Case Number: 20082513
A deceased DCFS employee's name remained on the County payroll on unpaid long-term disability for over one year. No overpayments occurred and the former employee's name was removed from County payroll.

Case Number: 20082516
A DCFS employee used her assigned County computer and email account to distribute chain letters to co-workers and friends during County work hours. Disciplinary action is pending.

Case Number: 20082571
A TTC employee inappropriately processed property tax payments for her church and backdated the payments to avoid assessment of late penalties. The employee was dismissed.

Case Number: 20082705
A Public Defender (PD) employee inappropriately used his assigned County computer and email account to distribute confidential County information via email. The employee received a 30-day suspension.

Case Number: 20082712
A Department of Health Services (DHS) employee shared her Internet password with another employee who then used the Internet access and his own assigned County email account for personal use. Disciplinary actions are pending.

Case Number: 20082726
Twenty-nine DHS employees failed to disclose their criminal convictions to the Department and lied on their job applications. DHS also failed to take appropriate action against the employees and codify minimum skill levels for patient care staff which impaired the Department's ability to take effective disciplinary action against underperforming staff. The Department has changed their procedures.

Case Number: 20082760
A DCFS employee was regularly late to work and inappropriately reported commuting time as hours worked. The employee received a reprimand.

Case Number: 20082794
An Alternate Public Defender (APD) employee submitted four fraudulent medical certificates to justify her absences from work. Disciplinary action is pending.

Case Number: 20082810
An A-C employee used her assigned County telephone to make numerous personal calls during work hours. The employee was counseled.

Case Number: 20083219
A private individual who was soliciting business for his legal services was instructed to remove posters displayed in a County building lobby area.

TOTAL SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER: 23

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20061020
A Department of Public Health (DPH) manager failed to verify that employee timecards accurately reflected actual arrival and departure times on the sign in/out sheets, resulting in total overpayments of 69 hours to three employees over two years. The Department intends to recover the overpayments and provide appropriate training to the manager.

Case Number: 20061325
A DMH employee used his assigned County computer and Internet access for personal use during County work hours. The employee received a written warning.

Case Number: 20061368
Seven DHS employees used their assigned County computers and Internet access for personal use. One employee was counseled and all employees in the section received a letter reiterating the Internet Usage and Access policy.

Case Number: 20061457
A DHS employee worked at his outside employment during and after an Industrial Accident leave and failed to disclose his continued outside employment when he returned to work. Disciplinary action is pending.

Case Number: 20071537
A DHS employee claimed County work hours for two days that he actually worked at his outside employment. He also used his assigned County computer and Internet access for personal use. Disciplinary action is pending.

Case Number: 20071617
A DHS employee exceeded the County's 24-hour per week limit for outside employment. The employee also conducted his outside employment during County work hours. A second employee inappropriately used sick time while working at his outside employment. A third employee failed to disclose his outside employment. The first employee was counseled and the Department will seek restitution. Disciplinary action is pending against the other two employees.

Case Number: 20071624
A DHS contractor accidentally deposed of patient files. The contractor employees were dismissed. Patient notification was not required.

Case Number: 20071703
Three DHS employees used their assigned County computers and Internet access for personal use. Another employee inappropriately installed non-work related music software on his assigned County computer and failed to disclose his outside employment activities to the Department. Three employees were counseled and disciplinary action is pending for one employee.

Case Number: 20071717
A DHS contractor was not in compliance with liability insurance requirements. Corrective action is pending.

Case Number: 20071767
A Parks employee was inappropriately allowed to telecommute while recuperating from a medical condition. Also, a supervisor did not follow the Departmental Telecommuting Program policies. Disciplinary actions are pending.

Case Number: 20071799
A DHS employee took County supplies for personal use. The employee received a written warning.

Case Number: 20071854
A DHS employee allowed his wife to enter a restricted work area. DHS will ensure that unauthorized personnel are not permitted in restricted areas.

Case Number: 20071871
A DPH audit of mileage claims revealed that an employee was overpaid $605 for parking. The Department intends to recover the overpayment.

Case Number: 20071925
Three DMH employees violated Department policies by being tardy excessively and by failing to properly record absences on their timecards. One employee resigned and disciplinary action is pending against the other two employees.

Case Number: 20071960
A DHS manager allowed an individual to work without pay at a County clinic for two months prior to becoming a County employee and subsequently falsify his timecards. The manager later allowed the individual to accrue time off for hours he worked prior to becoming a County employee. Another manager knew of the time record falsification and failed to appropriately report it as required by Department policy. Timecard adjustments were made and disciplinary actions are pending.

Case Number: 20072003
A DHS employee used her assigned County computer for personal use. Disciplinary action is pending.

Case Number: 20072024
A Child Support Services Department (CSSD) employee improperly received sick leave pay based on falsified medical certifications. The employee was dismissed.

Case Number: 20072033
A DCFS manager used County equipment and Department resources to conduct her outside employment. In addition, she assisted her husband with his law practice during County work hours. Disciplinary action is pending.

Case Number: 20072060
Eight DHS employees failed to disclose their outside employment activities to the Department. In addition, three other employees who made sexist remarks to female staff will be required to attend the County's mandatory Sexual Harassment training. Disciplinary actions are pending.

Summary of Substantiated Cases

Case Number: 20072086
A DPH service provider violated the terms of its County contract by billing the Department $128,547 for program expenditures that were unallowable or undocumented. The service provider repaid $70,833 and agreed to submit a corrective action plan.

Case Number: 20072113
A DPH employee used her assigned County computer and email account for personal use. The employee was counseled.

Case Number: 20072162
Ten DHS employees failed to disclose their outside employment. Four other employees exceeded the 24-hour per week limit on outside employment. The employees were counseled.

Case Number: 20072206
DCFS failed to provide reasonable accommodations for a hearing impaired employee. Corrective action is pending.

Case Number: 20072232
A DHS employee failed to report actual hours worked on his timecard for one day. The employee and his supervisor were counseled.

Case Number: 20082258
A DPSS employee abused his County work hours by arriving late, leaving early and taking extended lunch breaks. The employee was counseled.

Case Number: 20082265
A DHS employee was improperly paid $23,642, for nine months that she did not work, and two managers failed to follow Departmental procedures that would have prevented the overpayment. The Department recovered $7,142 of the overpayment and approximately $16,500 in restitution is pending. The employee resigned and disciplinary actions are pending for the two managers.

Case Number: 20082285
A DPSS employee abused her County work hours and falsified her field itineraries and mileage claims. Disciplinary action is pending.

Case Number: 20082316
An Office of Public Safety contractor failed to pay an employee $225 for 19 hours worked. The contractor paid the employee and agreed to comply with County's Living Wage Ordinance.

Case Number: 20082322
A DMH employee stole approximately 120 gallons of County gasoline by filling up his personal vehicle at a County garage. Disciplinary action is pending.

Case Number: 20082335
A DPSS employee accessed the Los Angeles Eligibility Automated Determination Evaluation and Reporting (LEADER) system to view the personal and confidential information in two participants' case records without authorization. Disciplinary action is pending.

Case Number: 20082358
A DPH employee failed to record a variance on her timecards when she took extended lunch hours on seven occasions. The employee was counseled.

Case Number: 20082403
A DHS employee inappropriately installed software applications on his assigned County laptop computer and used the computer for personal use during County work hours. The employee had previously received a written reprimand for failing to follow Department policy regarding the use of County equipment and/or resources. Disciplinary action is pending.

Case Number: 20082406
Four County Counsel employees abused their work hours by taking extended breaks and/or sleeping at their desks. They also did not sign in as required. The Department intends to give two employees written warnings and counsel the other two employees.

Case Number: 20082419
A Department of Public Works (DPW) employee used his assigned County computer and Internet access to view non-work related websites. Disciplinary action is pending.

Case Number: 20082430
A DPSS employee accessed the LEADER system to view her own participant case records without authorization. She also did not report to the Department that her grandchildren, who were receiving aid, lived with her. Disciplinary action is pending.

Case Number: 20082457
A DPSS employee abused her County work hours and falsified her field itineraries and mileage claims. Disciplinary action is pending.

Case Number: 20082476
A DPSS employee accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20082482
A DPSS employee failed to report that his relative, who is a Medi-Cal participant, resides with him. Disciplinary action is pending.

Case Number: 20082483
A DPSS employee accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20082530
A DPSS employee falsely claimed on the County's Employee Information Sheet and Employment Application that he has a high school diploma. Disciplinary action is pending.

Case Number: 20082552
A Probation employee failed to sign in and out for his work shift, as required by Department policy. Disciplinary action is pending.

Summary of Substantiated Cases

Case Number: 20082603
A DPH employee inappropriately telephoned a patient at her home for personal reasons. The Department intends to suspend the employee for ten days.

Case Number: 20082607
A Fire Department employee displayed a political bumper sticker in her office, in violation of Department policy. The employee removed the bumper sticker from her office and received a reprimand.

Case Number: 20082609
Five DCFS employees inappropriately contacted clients and community organizations to recruit support to prevent a program closure. Disciplinary actions are pending.

Case Number: 20082614
A Sheriff's Department employee used a County vehicle for personal use. Appropriate administrative action was taken.

Case Number: 20082627
A DPSS manager discussed confidential information regarding an Internal Affairs investigation with several employees. Disciplinary action is pending.

Case Number: 20082654
A DMH employee inappropriately accepted personal collect telephone calls on a County telephone. Even though the County did not incur any costs, it's against County policy to accept collect calls. The employee was counseled.

Case Number: 20082666
A CSSD employee improperly received sick leave pay based on falsified medical certifications. Disciplinary action is pending.

Case Number: 20082668
A DHS employee failed to place an employee out of service after he resigned, resulting in a $29,441 overpayment. The Department is attempting to collect the overpayment.

Case Number: 20082689
An Assessor employee was tardy and left work early on a regular basis. The employee and supervisor each received a verbal warning, and the employee's work schedule was changed.

Case Number: 20082711
An Assessor supervisor submitted inaccurate time records for her staff, and another employee failed to perform her responsibilities as a timekeeper. The employees received a written reprimand, and the timekeeping function was reassigned. The Department will also submit timecard corrections.

Case Number: 20082714
A DPSS employee falsely claimed mileage for two days. The Department has requested reimbursement and disciplinary action is pending.

Case Number: 20082779
A DPSS employee falsely claimed on the County's Employee Information Sheet and Employment Application that she has a high school diploma. Disciplinary action is pending.

Case Number: 20082792
A DHS employee was counseled for failing to comply with time reporting policies.

Case Number: 20082823
A DPW employee abused her work hours and used County time for personal matters. The employee also engaged in inappropriate behavior in the workplace. Disciplinary action is pending.

Case Number: 20082833
Two DPSS employees accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. In addition, one employee also failed to disclose that he lived with and is the In-Home Support Services provider for his relative. Disciplinary actions are pending.

Case Number: 20082834
A DPSS employee accessed the LEADER system and the Automated Scanning and Tracking systems to view two participants' case records without authorization. Disciplinary action is pending.

Case Number: 20082909
A DPSS employee accessed the LEADER system to view personal and confidential information in a participant's case records without authorization and failed to report to the Department that he was living with the participant. Disciplinary action is pending.

Case Number: 20082926
A DPSS employee accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20082939
Two DPSS employees accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. One of the employees also shared the information with a private individual. Disciplinary actions are pending.

Case Number: 20082940
A DPSS employee inappropriately accessed the Medi-Cal Eligibility Data System to view personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20082942
A DPSS employee accessed the LEADER system to view her own Food Stamp case records. Disciplinary action is pending.

Case Number: 20083103
A DPSS employee accessed the LEADER system to view the personal and confidential information of a participant without authorization. Disciplinary action is pending.

Summary of Substantiated Cases

Total Cases Referred To, Investigated and Substantiated By Other Departments: 63

TOTAL NUMBER OF SUBSTANTIATED CASES JULY 1, 2008 – DECEMBER 31, 2008: 86