

In April 2009, an executive with a security and investigations company, International Services, Inc. (ISI)—who also served as a reserve deputy with the Los Angeles County Sheriff’s Department—was arrested and charged with failing to pay more than \$9 million in workers’ compensation insurance premiums.

The County contracted with ISI for security services in our health clinics, social service buildings, and other important public facilities. Despite the bankruptcy announcement, these security workers believed it was their duty to continue to provide services to the County so they continued to report to work.

To their credit, when the ISI bankruptcy was announced, County staff acted quickly to secure alternate security contracts and to arrange for the hiring of existing security contract staff terminated due to the ISI bankruptcy—many of whom have worked in County facilities for over a decade.

Despite these mitigation efforts, recent testimony and signed statements of former ISI security guards provided to this Board confirm that security guards who

MOTION

Molina _____

Ridley-Thomas _____

Yaroslavsky _____

Antonovich _____

Knabe _____

stayed at their posts for the month of April and the first week of May were not paid for their services. Additionally, these individuals allege that they relied on representations made by County staff either promising payment for past wages or warning that future employment with the next security contractor would be unlikely if they left their post. These are significant allegations that must be examined on a case-by-case basis and resolved accordingly.

There is no question that the County and its facilities benefited from the security services of guards who stayed at their posts despite not being paid to do so. In the spirit of justice and fair dealing, the County should determine how best to resolve the claims of these contract employees for the value of services rendered.

I, THEREFORE, MOVE that CEO Risk Management staff be directed to coordinate an expedited claims process to facilitate the resolution of any potential outstanding claims against the County by the former ISI security guards.

MIJ/rm