



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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April 25, 2011

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

FROM: Wendy L. Watanabe  
Auditor-Controller

*Schneidman  
for*

SUBJECT: **STATUS REPORT – REQUEST FOR EXTENSION FOR REVIEW OF  
COMPENSATION POLICIES OF COUNTY-CONTRACTED NONPROFIT  
ORGANIZATIONS (Board Agenda Item 4, March 15, 2011)**

At the March 15, 2011 meeting, your Board instructed the Auditor-Controller to review the compensation policies of a sample of County-contracted nonprofit organizations, similar to AltaMed. The Board also instructed us to make recommendations to address compensation, overhead and other issues related to these organizations, and to address incorporating federal guidelines in future County contracts.

We have obtained compensation and program information from a sample of County Department of Health Services Public Private Partnership (PPP) nonprofit contractors, including AltaMed. We are currently evaluating the information to compare the agencies' compensation levels to their PPP contract amounts, and their overall programs. We are also requesting overhead information from the agencies, and are working to identify surveys or other criteria that can be used to establish guidelines for executive compensation. We will also be working with County Counsel to discuss incorporating compensation guidelines into future County contracts. We expect to issue our report to your Board by May 31, 2011.

Board of Supervisors  
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Please call me if you have any questions, or your staff may contact Jim Schneiderman at (213) 974-8303.

WLW:JLS:RC

c: William T Fujioka, Chief Executive Officer  
Mitchell H. Katz, M.D., Director, Department of Health Services  
Andrea Sheridan Ordin, County Counsel  
Sachi A. Hamai, Executive Officer, Board of Supervisors  
Audit Committee  
Public Information Office