



COUNTY OF LOS ANGELES
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June 13, 2012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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34 June 26, 2012

TO: SACHI A. HAMAI
Executive Officer
Board of Supervisors

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Attention: Agenda Preparation

FROM: PATRICK A. WU
Senior Assistant County Counsel

RE: **Item for the Board of Supervisors' Agenda**
County Claims Board Recommendation
Miracle Star Women's Recovery Community Inc., et al. v.
County of Los Angeles, et al.
Los Angeles Superior Court Case No. BC 283 059

Attached is the Agenda entry for the Los Angeles County Claims Board's recommendation regarding the above-referenced matter. Also attached are the Case Summary and the Summary Corrective Action Plan which are to be made available to the public.

It is requested that this recommendation, the Case Summary and the Summary Corrective Action Plan be placed on the Board of Supervisors' agenda.

PAW:rfm

Attachments

Board Agenda

MISCELLANEOUS COMMUNICATIONS

Los Angeles County Claims Board's recommendation: Authorize settlement of the matter entitled Miracle Star Women's Recovery Community Inc., et al. v. County of Los Angeles, et al., Los Angeles Superior Court Case No. BC 283 059, whereby the County dismisses its cross-complaint seeking \$163,937 and all parties release and waive all claims.

This lawsuit concerns a breach of contract dispute between the Department of Public Health and one of its providers.

CASE SUMMARY

INFORMATION ON PROPOSED SETTLEMENT OF LITIGATION

CASE NAME	Miracle Star Women's Recovery Community, Inc., et al. v. County of Los Angeles, et al.
CASE NUMBER	BC 283059
COURT	Los Angeles Superior Court - Central District
DATE FILED	October 9, 2002
COUNTY DEPARTMENT	Department of Public Health
PROPOSED SETTLEMENT AMOUNT	Dismissal of County cross-complaint seeking \$163,937 and release and waiver of all claims by all parties.
ATTORNEY FOR PLAINTIFF	Pat Murphy, Esq. Law Offices of Pat Murphy
COUNTY COUNSEL ATTORNEY	Eva Vera-Morrow Principal Deputy County Counsel
NATURE OF CASE	In 1999, the County of Los Angeles ("COLA"), Miracle Star and Jeffrey Moffatt and Staretta Moffatt ("the Moffatts") entered into a CalWORKS Alcohol Drug Services Agreement contracts for services. In August 2000, COLA conducted an Audit and engaged in efforts to resolve the audit findings to no avail. On July 19, 2001, COLA advised Miracle Star and the Moffatts that the draft audit Financial Evaluation Report were final and requested re-payment of the amounts disallowed and overbilled and pursuant to the terms of the contracts withheld payment to reconcile the audit.

On October 9, 2001, Miracle Star and the Moffatts filed their complaint for damages. On November 4, 2004, concurrently with the filing of the answer on behalf of COLA and its named defendant employees, COLA filed its cross-complaint.

On April 10, 2006, judgment was entered in favor of COLA and the employee defendants and against Miracle Star and the Moffatts. Miracle Star and the Moffatts appealed. The judgment was affirmed by the Court of Appeal in its entirety on August 26, 2008. Remittitur issued to return jurisdiction to the Superior Court.

This settlement is to resolve COLA's cross-complaint. Judgment on the complaint was ultimately entered in favor of COLA and its employees and affirmed on appeal leaving the cross-complaint to be adjudicated, which is subject of the proposed settlement.

PAID ATTORNEY FEES COSTS, TO DATE

The fees and costs to date with respect to the County's cross-complaint, including discovery, summary judgment, the appeal, trial preparation, and mediation efforts are \$159,609.

Case Name: Miracle Star Women's Recovery Community Inc., et al. v. County of Los Angeles, et al.



Summary Corrective Action Plan

The intent of this form is to assist departments in writing a corrective action plan summary for attachment to the settlement documents developed for the Board of Supervisors and/or the County of Los Angeles Claims Board. The summary should be a specific overview of the claims/lawsuits' identified root causes and corrective actions (status, time frame, and responsible party). This summary does not replace the Corrective Action Plan form. If there is a question related to confidentiality, please consult County Counsel.

Date of incident/event:	June 1999 (date of contract HC210224 initiation)
Briefly provide a description of the incident/event:	In 2000, Miracle Star Women's Recovering Community, Inc. (MSWRC) breached the contract and over ensuing years, brought legal actions alleging that the department had wrongfully placed MSWRC on a "do not refer" list to discriminate against the co-owners who had an interracial marriage, and to benefit other drug and alcohol treatment providers.

1. Briefly describe the root cause(s) of the claim/lawsuit:

N/A. The department, according to County Counsel and external counsel, did no wrong.

2. Briefly describe recommended corrective actions:
(Include each corrective action, due date, responsible party, and any disciplinary actions if appropriate)

N/A. The department, according to County Counsel and external counsel, did no wrong.

3. State if the corrective actions are applicable to only your department or other County departments:

Does not appear to have County-wide or other department implications.

Name: Jim Day, Risk Management Coordinator

Signature:

Handwritten signature of Jim Day in cursive.

Date:

MAY 9, 2012

Name: Jonathan E. Fielding, M.D., M.P.H.

Signature:

Handwritten signature of Jonathan E. Fielding in cursive.

Date:

5-11-12