



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

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WENDY L. WATANABE
AUDITOR-CONTROLLER

November 14, 2013

TO: Audit Committee

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **REVISED – BOARD POLICY SUNSET REVIEW: INVESTIGATIONS OF POSSIBLE CRIMINAL ACTIVITY WITHIN COUNTY GOVERNMENT (POLICY 9.040)**

At the request of the Board of Supervisors (Board) Executive Office, and pursuant to Board Policy sunset requirements, the Auditor-Controller (A-C) reviewed Board Policy 9.040 – Investigations of Possible Criminal Activity Within County Government. We integrated a number of updates and revisions to better align the Policy with the County's current fraud reporting and investigative processes, as well as incorporated feedback received from the Public Safety and Children's deputies.

On October 16, 2013, your Committee approved the Policy updates and revisions. Subsequently, Probation requested a minor clarification, since they sometimes conduct criminal investigations outside the scope of this Policy. We added the clarifying language, highlighted on the attached document. The Policy is otherwise unchanged from the version approved at your last meeting.

Please call me if you have any questions, or your staff may contact Guy Zelenski at (213) 893-0058.

WLW:RGC:GZ:RHL:ams

Attachment

c: Sachi A. Hamai, Executive Officer, Board of Supervisors



Los Angeles County
BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
9.040	Investigations Of Possible Criminal Activity Within County Government	09/08/81

PURPOSE

Mandates that the proper authorities be notified of any suspected criminal **activity relating to fraud, waste or misuse of County resources** by a County employee or agency contracting with the County.

REFERENCE

California Government Code Section 53087.6

California Penal Code Section 830.13

County Code 5.02.06 - Retaliation for reporting fraud, waste or misuse of County resources prohibited.

Board of Supervisors Policy Manual Section 6.109 – Security Incident Reporting

Los Angeles County Code Section 2.10.010 – Bookkeeping and auditing of accounts – Control authority

September 8, 1981 Board Order, Synopsis 89

November 17, 1987 Board Order 70 instructing the CAO, Sheriff, County Counsel and Auditor-Controller to develop a detailed guideline for handling suspected employee theft

October 4, 1991 Auditor-Controller “Special Investigations Unit History” Guidelines for Handling the Investigation and Reporting of Employee Misconduct (Promulgated in December 1987 and revised in December 1992)

September 1, 1998 Auditor-Controller “Employee Fraud Hotline Investigations” memo to each department and district head

POLICY

The Board of Supervisors has designated the Sheriff, District Attorney and Auditor-

Controller as the only County agencies with the authority to conduct criminal investigations relating to fraud, waste or misuse of County resources of misconduct within County government. These agencies have agreed that in all instances when it is suspected that a County employee or an agency contracting with the County has engaged in committed a criminal activity, the Auditor-Controller's Office of County Investigations (OCI) Special Investigations Unit (SIU) is to be notified immediately. OCI The SIU will contact the appropriate law enforcement agency if it is determined necessary. If applicable, the Auditor-Controller will report the investigation findings to the Board, the concerned department head and the Chief Administrative Officer. Pursuant to established protocol, OCI will notify County Counsel when a County contractor is referred to the District Attorney for possible criminal violations.

Also, No department may is to conduct any internal investigation without first notifying OCI the Auditor-Controller's SIU. This ensures that only one department is investigating allegations of improprieties, and that all investigations are appropriately tracked. In order to provide Countywide oversight and accountability for investigations, the Auditor-Controller shall maintain a confidential Fraud Hotline Database of all allegations reported to OCI.

OCI may investigate, or refer out for investigation, allegations of misconduct reported to the Fraud Hotline. Departments shall report their investigative findings and conclusions to OCI within 90 days of receipt of a referral. Depending on the nature of the allegations and the outcome, the Auditor-Controller will report the results of his/her investigations to the Board of Supervisors, the appointing authority, and/or the Chief Executive Officer, as appropriate. The Auditor-Controller shall, if requested, honor requests for confidentiality from the District Attorney and Sheriff. In addition, the Auditor-Controller will provide a semi-annual report to the Board of Supervisors summarizing the results of all closed investigations.

County departments, special districts, commissions, and other entities under the control of the Board of Supervisors, and their officers and employees, shall cooperate fully with official investigations. Accordingly, the Auditor-Controller shall have access to and the authority to examine and reproduce, any and all books, accounts, reports, vouchers, correspondence files, and all other records, as well as the property, facilities, and premises of the County, its departments, special districts and commissions, as may be material and relevant to his/her audits and investigations. Any officer or employee of any agency or entity having control of such records or property shall permit the Auditor-Controller access to, and examination and reproduction thereof, upon request of the Auditor-Controller or his/her designee. The Auditor-Controller shall comply with all statutory requirements of confidentiality, and assert all applicable privileges, with regard to records obtained in the course of its audits and investigations.

Any request to withhold access to records, information, or facilities from the Auditor-Controller must be approved by the Board of Supervisors.

RESPONSIBLE DEPARTMENT

Auditor-Controller

DATE ISSUED/SUNSET DATE

Issue Date: September 8, 1981
Review Date: August 21, 2003
Review Date: September 8, 2013

Sunset Date: September 8, 2003
Sunset Date: September 8, 2013
Sunset Date: September 8, 2018