COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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September 17, 2009

TO: Supervisor Don Knabe, Chairman
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 – JANUARY 1, 2009 THROUGH JUNE 30, 2009**

The Los Angeles County Fraud Hotline began January 1, 2009 with 545 carryover pending cases. We opened 414 new cases and closed 362 during the six months ending June 30, 2009. Of the 362 closed cases (Attachment I), 65 were substantiated (Attachment II), 188 were not substantiated, and 109 were not investigated. These 109 not investigated cases are due to immateriality, the referral was previously investigated, referred to outside agencies, or insufficient information was provided. As of June 30, 2009, there were 597 cases in progress.

As the lead department in County investigations, we also oversee and review the final reports for cases referred to and investigated by other County departments to ensure that the allegations were properly investigated.

Of the 65 substantiated cases, the following actions were taken:

Arrested	**1**	**Procedures Changed**	**10**
Criminal Charges Filed by Law Enforcement	**1**	**Reprimanded/Verbal/Written Warning**	**6**
Contract Cancelled	**1**	**Resigned/Retired**	**6**
Convicted/Sentenced	**5**	**Restitution**	**12**
Counseled	**11**	**Suspended**	**11**
Dismissed	**11**	**Transferred/Reassigned**	**1**
Disciplinary/Corrective Action Pending	**19**		

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 Guy Zelenski at (213) 893-0243.

WLW:MMO:JET:MR
Fraud Hotline Status ending June 30 2009.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
January 1, 2009 through June 30, 2009

	Substantiated		*Not Substantiated*		*Not Investigated **		*Total*	
CASES INVESTIGATED BY AUDITOR-CONTROLLER:								
Office of County Investigations	**14**		**35**		**93**		**142**	**39%**
CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:								
Affirmative Action Compliance	0		7		0		7	**2%**
Assessor	0		2		0		2	**1%**
CEO-Workers Compensation	0		2		0		2	**1%**
CEO	0		1		0		1	**0%**
Child Support Services	1		7		0		8	**2%**
Children and Family Services	2		5		0		7	**2%**
Community and Senior Services	0		1		0		1	**0%**
District Attorney	0		2		0		2	**1%**
Fire Department	0		3		0		3	**1%**
Health Services	12		23		2		37	**10%**
Human Resources (Countywide)	1		17		3		21	**6%**
Internal Services Department	3		8		0		11	**3%**
Mental Health	3		7		1		11	**3%**
Office of Public Safety	0		5		0		5	**1%**
Parks and Recreation	1		2		0		3	**1%**
Probation Department	2		14		4		20	**6%**
Public Health	1		7		2		10	**3%**
Public Library	4		3		0		7	**2%**
Public Social Services	17		33		3		53	**15%**
Public Works	1		3		1		5	**1%**
Regional Planning	0		1		0		1	**0%**
Registrar-Recorder/County Clerk	3		0		0		3	**1%**
Other Departments Total:	**51**		**153**		**16**		**220**	**61%**
Grand Total	**65**	**18%**	**188**	**52%**	**109**	**30%**	**362**	**100%**

** Not investigated cases are due to immateriality, the referral was previously investigated, referred to outside agencies, or insufficient information was provided.*

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER
OFFICE OF COUNTY INVESTIGATIONS

SUMMARY OF SUBSTANTIATED CASES

FOR THE PERIOD JANUARY 1, 2009 THROUGH JUNE 30, 2009

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 20071997
A Department of Public Works (DPW) employee stole approximately 6,854 gallons of gasoline valued at $17,143 over a four-year period and was paid for at least 251 hours ($3,823) that he did not work over a three-month period. The Department intends to terminate the employee and the case was referred to the District Attorney (DA) for criminal prosecution. As of September 15, 2009 execution of the disciplinary action is still pending.

Case Number: 20072165
An Animal Care and Control (ACC) employee admitted using her assigned County-issued credit card on ten occasions to purchase $463 in gasoline for her personal vehicle. The employee also failed to remit $130 she collected for licenses on behalf of the County. The employee was dismissed.

Case Number: 20072191
A Child Support Services Department (CSSD) employee used her assigned County computer and Internet access for personal use, including visiting an online auction site and other non-County business related websites during work hours. The employee received a 15-day suspension.

Case Number: 20082252
A Department of Parks and Recreation (Parks) employee inappropriately used his County-issued Voyager credit card to fuel his personal vehicle on nine occasions, resulting in a $700 loss to the County. The employee also inappropriately used his County vehicle for personal use. The Department intends to dismiss the employee. As of September 15, 2009 execution of the disciplinary action is still pending.

Case Number: 20082602
A Parks employee confessed to stealing approximately $6,700 in program fees. The employee was dismissed. The employee was also arrested and the case was referred to the DA for criminal prosecution.

Case Number: 20082712
A Department of Health Services (DHS) employee shared her Internet password with another employee. The other employee then used the worker's Internet access and County assigned e-mail account for personal use. Both employees were counseled.

Case Number: 20082878
A former ACC employee copied confidential electronic Department information without authorization prior to leaving County service. The former employee later released the information to a member of the public, who then posted it on an Internet Blog. The DA rejected to prosecute the case.

Case Number: 20082901
An unidentified DPW employee stole $6,540 in water service collections after three employees failed to follow County cash handling policies. Disciplinary actions are pending and the Department will improve the existing cash handling procedures and provide training to ensure that they are followed. As of September 15, 2009 disciplinary action and updates to the existing cash handling procedures are still pending.

Case Number: 20082908
A Department of Children and Family Services (DCFS) employee inappropriately received a $1,918 reimbursement for damage to her vehicle sustained in an accident that did not occur during County work hours. The Department changed its procedures to require employees to submit their time records along with damage claims. As of September 15, 2009 disciplinary action and restitution are pending.

Case Number: 20082917
A Probation Department (Probation) employee accessed the Internet using another employee's Internet account to view non-County related material. As of September 15, 2009 disciplinary action is pending.

Case Number: 20083035
A Fire Department employee improperly signed a State Emergency Medical Technician (EMT) Form without authorization and certified that a non-County employee completed required EMT training, exposing the County to potential liability. The employee received a letter of reprimand.

Case Number: 20083213
A computer valued at $1,200 assigned to the Assessor's Office was found during a home search warrant served by law enforcement. The perpetrator, a private citizen told law enforcement that he purchased the computer from an unidentified person. Due to weak internal controls, the County employee involved in the theft could not be identified. The Department has since strengthened controls by limiting access to information technology resources and will test a software system that allows accurate inventory tracking.

Case Number: 20093375
A DCFS employee did not return unspent gift cards to the Department, and instead allowed program participants to use the gift cards for personal use, which included some unallowable purchases. In addition, supervisors were not required to review receipts for gift card purchases. As of September 15, 2009 disciplinary and/or corrective action is pending.

Case Number: 20093632
A Treasurer and Tax Collector employee inappropriately made a copy of a former co-worker's parking hang-tag and used it to park in a County lot, resulting in a $6,360 loss of County parking revenue. The employee received a 30-day suspension and was ordered to pay restitution of $6,360.

TOTAL SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER: 14

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20060518
A Department of Public Social Services (DPSS) employee failed to report his outside employment activities to the Department and exceeded the 24-hour per week limit on outside employment. As of September 15, 2009 disciplinary action is pending.

Case Number: 20060553
A non-County private ambulance company employee posed as a County paramedic and provided medical procedures that required a physician license. In addition, DHS found that the company owner submitted falsified Medi-Cal insurance claims. The employee was convicted of practicing medicine without a license. The California DHS intends to take action against the company owner.

Case Number: 20060844
A Probation employee failed to properly complete her job assignment. The employee was transferred to another section. As of September 15, 2009 awaiting response from Department as to what action, if any, was taken with the employee.

Case Number: 20060866
Two Department of Mental Health (DMH) employees admitted to receiving a chain letter via e-mail and forwarding it to co-workers. Both employees were verbally counseled.

Case Number: 20060895
An unidentified individual stole $98 from a Public Library (Library) safe. The individual(s) responsible for the theft could not be identified. The Department changed its procedures to limit staff access to the safe.

Case Number: 20060913
An Office of Public Safety contractor underpaid one employee for overtime worked during a one-week period. The employee was paid and the contractor was counseled.

Case Number: 20071569
A Parks employee was responsible for the loss of $2,400 in league fee collections. The employee was dismissed and the Department is attempting to recover the loss. The DA rejected the case for criminal prosecution.

Case Number: 20071579
Library discovered that 42 audio visual items, totaling $1,060, were stolen from a storage area. The individual(s) responsible could not be identified. The Department moved the items to a secure area, changed the locks and limited access to only authorized staff.

Case Number: 20071637
DHS did not properly monitor employees who worked for the Union and failed to bill the Union timely for these employees. One employee was dismissed after he failed to return to work as ordered. DHS has implemented monitoring procedures, is centralizing the billing process and is working to collect $354,142 in reimbursement that is due to the County for employees' time spent on Union business.

Case Number: 20071709
A DMH employee used his County assigned computer, Internet access and e-mail account for personal use. The employee viewed websites containing sexually explicit images and shared the information with co-workers. The employee's Internet access was cancelled and the Department mailed a letter of Intent to Discharge the employee.

Case Number: 20071793
A DHS employee wrote an unauthorized prescription to a patient. The employee resigned in lieu of discharge.

Case Number: 20071801
A DHS physician and a County contract physician inappropriately issued prescription drugs to a DHS employee who was not a registered County patient and failed to maintain adequate medical records for the employee. The DHS employee inappropriately received free medication valued at $148. The Department released the County contract physician and intends to place the physician on the "Do Not Send" list to prevent DHS from rehiring the physician. The Department also intends to give the County physician and the employee a 20-day suspension. As of September 15, 2009 execution of the disciplinary action is still pending.

Case Number: 20071879
A DHS employee failed to call in to report her absences and was counseled for failing to sign in and out for her work shifts. In addition, the employee failed to disclose her outside employment activities to the Department. The employee received a written warning.

Case Number: 20072094
A DHS employee used her assigned County computer for personal use. The employee received a written reprimand.

Case Number: 20072106
Two DHS medical record office employees failed to report actual hours worked on their timecards and violated DHS policy by being absent excessively. The employees were counseled. In addition, DHS installed time clocks and will develop a set work schedule for medical records office.

Case Number: 20082260
A DHS employee failed to report actual hours worked on his timecards and to sign-in, as required by Department policy. The employee received a written reprimand.

Case Number: 20082271
A DHS employee improperly coded sick leave on his timecard while he was in jail. The employee resigned and DHS adjusted his time to Absent Without Pay.

Case Number: 20082437
A DHS employee was counseled for taking long lunches and was subsequently reassigned to a different work shift.

Case Number: 20082479
A DPSS employee was convicted of one count of grand theft for fraudulently receiving child care assistance. The employee was placed on three-year probation, ordered to perform 160 hours of

community service and pay restitution of $8,157.82. The employee resigned from County service.

Case Number: 20082551
A Department of Public Health employee allowed a Food Center to operate without hot water. The Food Center was re-inspected and the violation was corrected. The employee was counseled and a memorandum was sent to employees reminding them to adhere to Food and Safety Code inspection rules and regulations.

Case Number: 20082572
A DCFS employee worked at her outside employment while on sick leave and did not report the outside employment to her Department. In addition, the employee continued to provide her ex-husband with medical insurance through the County. As of September 15, 2009 disciplinary action is pending.

Case Number: 20082629
A DHS employee inappropriately demonstrated a County owned automatic emergency defibrillator at a local city council meeting without permission and in violation of Departmental policy. The employee was dismissed.

Case Number: 20082675
A Probation employee used his assigned County computer and Internet access to view a co-worker's residential property information on a real estate website. The employee resigned for personal reasons.

Case Number: 20082692
A DCFS employee was cited for exceeding the speed limit by law enforcement while transporting a child in DCFS custody. As of September 15, 2009 disciplinary action is pending.

Case Number: 20082780
On four separate occasions, three DHS computers, two laptops and other electronic equipment were stolen from secured offices by unidentified perpetrators. The computers were properly encrypted to prevent access to any data on the computer hard drives. In addition, an employee allowed her son (a former DHS employee) to access her computer for non-County business. The Department has installed lock-down devices to secure replacement computers, changed door access codes, rekeyed offices and limited the staff who are issued access codes and keys. As of September 15, 2009 disciplinary action is pending.

Case Number: 20082857
A DPSS employee received a written warning for excessive unapproved absences over a two-month period. The Department will continue monitoring the employee's attendance.

Case Number: 20082864
A DPSS employee accessed the Los Angeles Eligibility Automated Determination Evaluation and Reporting (LEADER) system to view the personal and confidential information of a participant's case record without authorization. The employee received a 15-day suspension. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20082868
A DPW employee confessed to improperly using a co-worker's account number to steal approximately $5,000 worth of fuel. The employee was dismissed and convicted of grand theft. The employee was sentenced to four months in jail, received three years probation and was ordered to pay restitution of $5,087.

Case Number: 20082869
A DMH employee had a sexual relationship with a client and made lewd acts against the minor daughter of the client. The employee was dismissed and the DA filed criminal charges.

Case Number: 20082871
Library discovered that a laptop valued at $1,650 was stolen from a storage room. The individual(s) responsible could not be identified. The Department will strengthen controls over its computer inventory and properly secure the equipment in the storage room.

Case Number: 20082881
A DPSS employee accessed the LEADER and Medi-Cal Eligibility Data System (MEDS) to view personal and confidential information in the case records of two relatives without authorization. As of September 15, 2009 disciplinary action is pending. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20082891
An Internal Services Department (ISD) employee was suspected of stealing 3,539 gallons of gasoline valued at $11,211 during a nine-month period. The employee resigned in lieu of discharge and the Department intends to recover the loss through collections. The DA rejected the case for criminal prosecution.

Case Number: 20083023
A Registrar-Recorder/County Clerk (RR/CC) employee slept at his desk and cooked food in the office break room during work hours. The employee received a five-day suspension.

Case Number: 20083030
Library discovered that a computer and monitor valued at $2,123 were stolen from a storage room. The individual(s) responsible could not be identified. The Department reminded staff to lock the storage room and follow equipment check out procedures.

Case Number: 20083087
A RR/CC employee falsified her time records over a three and a half year period, which resulted in an overpayment of $4,329. The employee was dismissed. To date, the employee has paid $642 in restitution.

Case Number: 20083110
A DPSS employee accessed the LEADER system to view her own Medi-Cal and Food Stamp case records without authorization. The Department intends to suspend the employee for 15 days. As of September 15, 2009 execution of the disciplinary action is still pending. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20083111
Two DPSS employees accessed the LEADER and/or MEDS systems to view personal and confidential information in several participants' case records without authorization. One employee received a 15-day suspension, and the Department also intends to suspend the second employee for 15 days. As of September 15, 2009 execution of the disciplinary action is still pending. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20083117
A DPSS employee accessed the LEADER system to view personal and confidential information in a participant's case records without authorization. The employee received a 15-day suspension. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20083134
An unassigned ISD Voyager fuel credit card was stolen and used to purchase gasoline totaling $600. Video cameras at a gas station show the individual using the card to pump gas into two vehicles; however, the video was not sufficiently clear to identify the suspect or the vehicle license plates. The Department is currently conducting an audit and intends to strengthen its procedures regarding security over unassigned Voyager cards.

Case Number: 20083151
A DPSS contract worker stole a County laptop and projector, valued at $2,485. The contract worker was convicted of grand theft, sentenced to three years probation, ordered to complete 250 hours of community service and fined $200. The equipment was returned to the Department. Another DPSS employee was dismissed after he stole a memory chip from a camera. DPSS implemented controls to secure equipment.

Case Number: 20083164
Two DPSS employees accessed the LEADER and MEDS systems to view personal and confidential information in a participant's case records without authorization. The employees each received a 15-day suspension. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20083193
A DPSS employee received a written warning for excessive absenteeism.

Case Number: 20083207
An ISD probationary employee harassed four co-workers by sending them sexually suggestive e-mails using his County computer. The employee was dismissed.

Case Number: 20083224
A CSSD employee allowed a client to access the Internet on a County computer to obtain documents needed for her child support case. The employee was counseled and was issued a copy of the Internet policy.

Case Number: 20083232
DPSS bus tokens valued at $1,250 were stolen. The individuals(s) responsible could not be identified. The Department changed its procedures to restrict bus token access to a limited number of staff.

Case Number: 20093246
A DPSS employee accessed the LEADER system to view personal and confidential information of a participant's case record without authorization. The employee received a 15-day suspension. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20093248
A DPSS employee fraudulently received Welfare Section Eight benefits totaling more than $250,000 under a false name. The employee was convicted of felony grand theft and forgery, and was ordered to pay restitution. The employee resigned from County service in lieu of discharge.

Case Number: 20093251
A DPSS employee accessed the LEADER system to view personal and confidential information of her sister-in-law's case records without authorization. The Department intends to suspend the employee for 15 days. As of September 15, 2009 execution of the disciplinary action is still pending. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20093252
A DPSS employee had her co-worker access the LEADER system to obtain personal and confidential information on her relative's case records without authorization. The employee also failed to inform her supervisor that she resides with a DPSS participant. One employee received a 15-day suspension. The Department mailed a letter of Intent to Suspend the other employee. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Case Number: 20093341
A RR/CC employee failed to remit a $70 collection. The employee was dismissed.

Case Number: 20093473
A DPSS employee accessed the MEDS system to view personal and confidential information in a relative's case records without authorization. The Department intends to suspend the employee for 15 days. As of September 15, 2009 execution of the disciplinary action is still pending. DPSS reissued its confidentiality policy to all employees to reemphasize and clarify the Department's policy and its zero tolerance for employees who access a case they are not authorized to view.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 51

TOTAL NUMBER OF SUBSTANTIATED CASES JANUARY 1, 2009 – JUNE 30, 2009: 65