



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

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

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October 14, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Anotnovich

FROM: J. Tyler McCauley *JTM*  
Auditor-Controller

**SUBJECT: FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline opened 146 new investigations during the period from July 1, 2004 to September 30, 2004. We closed 151 cases, 35 of which were Substantiated and 69 were Not Substantiated. In addition, 47 were not investigated after a preliminary review determined the allegation was either immaterial, previously investigated, referred to an outside agency, or not enough information was provided. See Attachment I for a more detailed discussion of the closed substantiated cases. As of September 30, 2004, 322 investigations were in progress.

Based on the 35 substantiated cases, the following personnel actions were taken. Some cases may include multiple suspects and multiple dispositions.

Counseled	2
Charges Filed	2
Dismissed	5
Procedures Changed	4
Reprimanded	2
Resigned	2
Restitution	2
Transferred	1
Written Warning	1
Pending	17

If you have any questions or need additional information, please call me or have your staff call Marion Romeis at (626) 293-1400.

Attachments

c: Audit Committee  
David E. Janssen, Chief Administrative Officer  
Department Heads  
Public Information Office

JTM:MR

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

Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
CLOSED BETWEEN**

**Jul 01, 2004 and Sep 30, 2004**

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**CASES INVESTIGATED BY AUDITOR CONTROLLER**

**Case Number: 20030337**

A former Department of Children and Family Services (DCFS) employee used a County calling card to charge approximately \$86,000 in telephone calls to Thailand, prior to and after his resignation from County service. The District Attorney will file criminal charges. DCFS management changed procedures.

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**Case Number: 20040038**

One Probation and two Department of Health Services (DHS) employees were recorded as being on medical leave when they were actually deceased. The error did not result in any overpayments, and is being corrected. One DHS employee fraudulently purchased a Social Security Number (SSN) because he was ineligible for employment, and another used an invalid SSN. Both are working with Federal authorities to address these issues. One LACERA employee fraudulently purchased an SSN and resigned. One Superior Court employee listed as deceased on SSA records was the victim of Identity Theft, and is working to correct her records.

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**Case Number: 20040171**

A DHS facility was vandalized, and cash and computer equipment was stolen. However, the parties responsible could not be identified. DHS management agreed to strengthen controls over physical security.

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**Case Number: 20040240**

A former DHS employee counterfeited and negotiated two copies of his outgoing payroll warrant, resulting in a \$1,160 loss to Bank of America. The Los Angeles City Attorney's Office filed misdemeanor charges.

Attachment I

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**Case Number: 20040293**

A Department of Community and Senior Services contractor enrolled an employee's brother in a social services program for which he did not qualify. Another employee used the contractor's American Express business card to make inappropriate charges. The employee's brother is no longer enrolled in the program and the other employee was reprimanded and reimbursed the contractor.

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**Case Number: 20040372**

An Office of the Assessor (Assessor) employee violated Department policy by changing his staffs' timecards after they had signed and submitted them. Disciplinary action is pending.

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**Case Number: 20040473**

A DCFS Emergency Response employee admitted to sending and receiving personal correspondence, including sexually explicit material, via her County computer and email. Disciplinary action is pending.

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**Case Number: 20040490**

A DHS employee used his computer and email to distribute political material. DHS will develop policies to restrict the distribution of overtly political or issue oriented correspondence by employees.

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**Case Number: 20040508**

A Parks and Recreation (Parks) employee stole County property (e.g., cement, corral pipe, etc.) from a County facility, removed animals from a park without authorization and inappropriately removed a computer from inventory. The Department intends to discharge the employee.

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Attachment I



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**Jul 01, 2004 and Sep 30, 2004**

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**Case Number: 20040568**

A Probation Department (Probation) employee stole \$1,744 from a petty cash fund. The employee was dismissed and made a partial restitution of \$1,380.

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**Case Number: 20040597**

A DCFS employee allowed a co-worker to use her computer to view sexually explicit websites. Disciplinary action is pending.

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**Case Number: 20050025**

A DHS employee falsified Family Medical Leave (FML) documentation to cover up his incarceration. The employee also received sick pay that he was not entitled to under FML rules, resulting in a \$2,030.31 overpayment. Disciplinary action and restitution are pending.

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**Case Number: 20050082**

A Department of Animal Care and Control employee misused his County computer and Internet access to search for and view sexually explicit material and play video games during work hours. The employee was dismissed.

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**Case Number: 20050113**

An Auditor-Controller employee used a County computer to prepare and store personal documents and correspondence. The employee was counseled.

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Total Cases Investigated By Auditor Controller

14

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**CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS**

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

Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
CLOSED BETWEEN**

**Jul 01, 2004 and Sep 30, 2004**

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**Case Number: 20020085**

A Department of Public Social Services (DPSS) employee accessed confidential information regarding a CalWORKS participant for personal use. Disciplinary action is pending.

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**Case Number: 20020227**

A DPSS employee violated DPSS policy by failing to report that she was co-habiting with a welfare participant. Disciplinary action is pending.

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**Case Number: 20040055**

A DPSS employee removed participants' confidential records from case files without authorization. The records contain information that may be used to commit identity theft. Disciplinary action is pending.

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**Case Number: 20040066**

A Probation manager created a hostile work environment. The manager was transferred.

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**Case Number: 20040158**

A Department of Agricultural Commissioner/Weights and Measures employee was dismissed for personal use of a County vehicle, telephone and fuel credit card, and unauthorized use of County equipment.

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**Case Number: 20040178**

A Probation manager created a hostile work environment, and engaged in favoritism, disparate treatment, unprofessional conduct, and deficient time card practices. Disciplinary action is pending.

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**COUNTY OF LOS ANGELES  
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Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
CLOSED BETWEEN**

**Jul 01, 2004 and Sep 30, 2004**

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**Case Number: 20040208**

A Department of Public Works (DPW) employee attempted to install unauthorized software on his County computer. Disciplinary action is pending.

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**Case Number: 20040354**

A DHS manager exceeded her delegated authority by entering into an agreement without Board approval. In addition, DHS failed to properly monitor purchase limits for non-agreement services, requiring Board approval. Disciplinary action is pending.

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**Case Number: 20040361**

A DPSS employee accessed and disclosed personal and confidential information regarding a Medi-Cal participant. Disciplinary action is pending.

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**Case Number: 20040410**

A Department of Mental Health (DMH) employee destroyed his approved timecards, completed fraudulent duplicate timecards with his absences removed, forged his supervisor's signature on the duplicate timecards, and submitted them for processing. The employee was dismissed and time records were corrected.

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**Case Number: 20040506**

An Assessor employee was uncooperative when questioned about selling goods on County time and property. The employee received a written warning.

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**Case Number: 20040513**

A DPSS employee accessed confidential participant information. Disciplinary action is pending.

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Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
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**Case Number: 20040530**

A Parks employee stored his motor home on County property. The employee was reprimanded.

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**Case Number: 20040536**

A DCFS employee used County equipment (e.g., printer and postage meter) and supplies to mail brochures and solicit business for her outside employment during work hours. The employee also created a conflict of interest when she borrowed money from her staff. Disciplinary action is pending.

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**Case Number: 20040539**

A DHS employee admitted taking a controlled substance from an unlocked drawer, and later returned it. The employee resigned and DHS changed their procedures to secure narcotics.

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**Case Number: 20040542**

Three DHS temporary residents failed to adhere to the terms and conditions of the Moonlighting Policy. Disciplinary actions are pending.

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**Case Number: 20040548**

A Probation Officer used County equipment to reproduce her church bulletin. Disciplinary action is pending.

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**Case Number: 20040590**

A DPW employee used a County vehicle for personal use. Disciplinary action is pending.

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**Case Number: 20050001**

A DPW employee misused County time to go to LACERA meetings he was not required to attend. The employee was counseled.

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**Case Number: 20050010**

A Department of Beaches and Harbors contractor did not pay its employees the prevailing living wage rate and submitted false certified monitoring reports. The contract was terminated and the case was referred to the State Employment Development Department for further review. The County is pursuing damages of \$390,384 for failing to submit proper monitoring reports and living wage violations. The County is also pursuing debarment of the contractor.

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**Case Number: 20050029**

A DHS physician's timecards did not reflect actual hours worked, and he conducted outside employment while on County time, and referred County patients to his private practice. Disciplinary action is pending.

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Total Cases Referred To And Investigated By Other Departments	21
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**Total Number of Substantiated Cases for this period is: 35**



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

*Attachment II*



**Los Angeles County Fraud Hotline  
CLOSED CASE SUMMARY  
Jul 01, 2004 through Sep 30, 2004**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Other Dispositions</i>	<i>No Response</i>	<i>Total</i>
<i>Affirmative Action Compliance</i>		2 ( 100%			2 ( 100%
<i>Agricultural Commissioner/Weigh ths and Measures</i>	1 ( 100%				1 ( 100%
<i>Beaches &amp; Harbors</i>	1 ( 100%				1 ( 100%
<i>Board of Supervisors</i>		1 ( 100%			1 ( 100%
<i>Children and Family Services</i>	1 ( 11%	8 ( 89%			9 ( 100%
<i>Department of Mental Health</i>	1 ( 17%	5 ( 83%			6 ( 100%
<i>Department of Parks and Recreation</i>	1 ( 50%	1 ( 50%			2 ( 100%
<i>Department of Public Social Services</i>	5 ( 28%	12 ( 67%	1 ( 6%		18 ( 100%
<i>Department of Public Works</i>	3 ( 60%	2 ( 40%			5 ( 100%
<i>Department of Regional Planning</i>		1 ( 100%			1 ( 100%
<i>Department of Registrar- Recorder/County Clerk</i>		3 ( 100%			3 ( 100%
<i>Fire Department</i>		2 ( 100%			2 ( 100%
<i>Health Services</i>	4 ( 22%	13 ( 72%	1 ( 6%		18 ( 100%

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*Attachment II*



**Los Angeles County Fraud Hotline  
CLOSED CASE SUMMARY  
Jul 01, 2004 through Sep 30, 2004**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Other Dispositions</i>	<i>No Response</i>	<i>Total</i>
<i>Internal Services Department</i>		2 ( 100%			2 ( 100%
<i>Office of Assessor</i>	1 ( 25%	3 ( 75%			4 ( 100%
<i>Probation Department</i>	3 ( 30%	7 ( 70%			10 ( 100%
<i>Sheriff's Department</i>		1 ( 50%	1 ( 50%		2 ( 100%
<i>Special Investigations Unit</i>	14 ( 22%	6 ( 9%	44 ( 69%		64 ( 100%
<b>Grand Total</b>	<b>35 23.18%</b>	<b>69 45.70%</b>	<b>47 31.13%</b>	<b>0 0.00%</b>	<b>151 100.00%</b>