May 2, 2005

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

FROM: J. Tyler McCauley
      Auditor-Controller

SUBJECT: FRAUD HOTLINE STATUS REPORT

The Los Angeles County Fraud Hotline received 144 new investigations during the period from January 1, 2005, to March 31, 2005. The Office of Countywide Investigations closed 140 cases, 48 of which were substantiated, 59 were not substantiated, and 33 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. Attachment I provides a more detailed discussion of the closed substantiated cases. As of March 31, 2005, 345 investigations were in progress.

Based on the 48 substantiated cases, the following personnel actions were taken. Some cases may include multiple suspects and multiple dispositions.

<table>
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<td>Counselled</td>
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<td>Probation</td>
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<td>Procedures Changed</td>
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<td>Reassigned</td>
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<td>Referred to District Attorney</td>
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<tr>
<td>Reprimanded</td>
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<td>Resigned</td>
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<td>Restitution</td>
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<tr>
<td>Suspended</td>
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<tr>
<td>Pending</td>
<td>36</td>
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</table>
If you have any questions or need additional information, please call me or have your staff call Marion Romeis at (626) 293-1400.

JTM:MR

Attachments

c: Audit Committee
   David E. Janssen, Chief Administrative Officer
   Department Heads
   Public Information Office
COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER
OFFICE OF COUNTY INVESTIGATIONS
SUMMARY OF SUBSTANTIATED CASES
FOR THE PERIOD JANUARY 1, 2005 THROUGH MARCH 31, 2005

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 20030324
A range of County Internet Protocol (IP) addresses were hijacked and subsequently used
to distribute spam and copyright protected material, violating the Digital Millennium
Copyright Act. (An IP address is a unique number used by computers to refer to each
other when sending information through the Internet.) While the responsible parties
could not be identified, all hijacked IP addresses have been returned to the County’s
control.

Case Number: 20030357
A Department of Public Works (DPW) contractor submitted a forged release document to
claim a County warrant he was not entitled to. The contractor pled guilty to a felony and
was sentenced to a three-year term of probation and 200 hours of community service.
Debarment of the contractor was recommended.

Case Number: 20040072
A Department of Public Social Services (DPSS) employee improperly obtained
confidential client information from the Los Angeles Eligibility Automated Determination
Evaluation and Reporting system (LEADER) and provided it to an unauthorized individual
for his personal use. The employee also periodically sent sexually explicit and racist
emails. The case was referred to the District Attorney’s Office (DA) and criminal charges
are pending. In addition, two other DPSS employees drove their personal vehicles to
conduct County business while their drivers’ licenses were suspended and/or revoked.
Disciplinary actions are pending.

Case Number: 20040269
Two Department of Mental Health (DMH) employees misused their County computers
and Internet access to visit non-work related websites. One employee refused to be
interviewed and subsequently resigned. Disciplinary action is pending for the other
employee.

Case Number: 20040396
A Department of Community and Senior Services contractor overbilled the County $2,495
for services not provided and submitted fraudulent and/or duplicate proof-of-service
documents. The case was referred to the DA for possible criminal prosecution, and the
contract will likely be cancelled.

Case Number: 20040425
Two Public Library (Library) employees stole Library materials in excess of $4,000. The
employees were dismissed.
Summary of Substantiated Cases

Case Number: 20040606
A Probation Department employee falsely claimed 762 hours of overtime and 52 hours of compensatory time earned, totaling more than $20,000. The case was referred to the DA and criminal charges are pending.

Case Number: 20050025
A Department of Health Services (DHS) employee falsified Family Medical Leave documentation to cover up his incarceration. As a result, the employee improperly received sick pay totaling $2,030. Disciplinary action and restitution are pending.

Case Number: 20050040
A Department of Children and Family Services (DCFS) employee stole donated goods intended for clients. DCFS intends to develop procedures to maintain accountability and secure donations. Disciplinary action is pending.

Case Number: 20050087
A DPW employee used his assigned County computer, email and internet access to conduct outside employment activities, including compiling information, advertising and publishing his book. Disciplinary action is pending.

Case Number: 20050161
Two Coroner employees used their assigned County computers to send derogatory emails to other County employees and to access non-work related websites. The employees were suspended for one day.

Case Number: 20050205
An Auditor-Controller employee was involved in a series of verbal arguments with other employees, and left a threatening voicemail message for one co-worker. The employee was suspended for 30 days.

Case Number: 20050211
DHS did not remove a deceased employee from the County payroll system. No overpayments were issued.

Case Number: 20050230
Two Animal Care and Control (ACC) Officers adopted animals at reduced fees with their supervisor's approval. ACC intends to revise their adoption fee policy.

Case Number: 20050280
One DCFS employee behaved in a sexually suggestive manner toward participants he counseled. Disciplinary action is pending.

Case Number: 20050282
An ACC employee stole $918. The employee was dismissed, and the DA declined to prosecute.
Summary of Substantiated Cases

Case Number: 20050290
A DMH employee failed to disclose his felony conviction on his job application. The Department intends to discharge the employee.

Case Number: 20050346
Three Registrar-Recorder/County Clerk (RR/CC) employees stole cash collections totaling at least $20,000. Two employees were dismissed and one employee retired. The case was referred to the DA for possible criminal prosecution.

Case Number: 20050365
A temporary employee stole Library materials valued at $1,174. The Library later recovered materials totaling $746. The employee was dismissed.

Total Substantiated Cases Investigated By Auditor-Controller: 19

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20020068
A DPSS employee submitted a falsified "Test Result Notice" in an attempt to be promoted. Disciplinary action is pending.

Case Number: 20020202
A DPSS employee stole $280 from an office safe. Disciplinary action is pending.

Case Number: 20020313
A DPSS employee failed to report her outside employment as an In-Home Support Services provider and worked more than the 24 hours per week allowed for outside employment. Disciplinary action is pending.

Case Number: 20030014
A DPSS employee used her County telephone to make excessive personal calls during work hours. Disciplinary action is pending.

Case Number: 20030097
A DHS employee circumvented established contracting procedures for Information Systems by splitting purchase orders to keep them under the limit for Board approval. The employee was reassigned, the supervisor was counseled and the contracting function was transferred to the Chief Information Officer.

Case Number: 20030122
Several items were stolen from a Library employee's wallet. The parties responsible could not be identified. The Library has implemented tighter security measures.

Case Number: 20030123
A Library employee used eight guest accounts to fraudulently check out library materials. The employee resigned.
Summary of Substantiated Cases

Case Number: 20040285
Two DHS physicians worked at their private practice during regular work hours and failed to report the actual hours worked on their timecards. Another physician also worked at his private practice while on medical leave. DHS plans to dismiss the physicians.

Case Number: 20040332
Two DHS employees consumed alcohol while at work and stole linens for their personal use. One of the employees also clocked other employees in and out, and the unit supervisor failed to provide adequate supervision. Disciplinary actions are pending.

Case Number: 20040434
A Public Defender employee obtained an individual's DMV records for personal use. The employee was counseled.

Case Number: 20040435
A Sheriff's Department employee misused his DMV access to provide personal and confidential information to another County employee. The employee was suspended for three days.

Case Number: 20040459
Two DHS employees did not report actual hours worked on their timecards. Disciplinary actions are pending.

Case Number: 20040493
Two RR/CC supervisors allowed their staff to be paid for time they did not work. In addition, one supervisor used his staff's log-in number to complete customer transactions. Disciplinary actions are pending.

Case Number: 20050032
Six DHS employees did not report actual hours worked on their timecards. The employees were counseled.

Case Number: 20050104
A DPSS employee improperly accessed LEADER to view a participant's profile. Disciplinary action is pending.

Case Number: 20050106
A DCFS employee was negligent in her duties, resulting in improper services being rendered to a client. Another DCFS employee failed to perform his assigned duties. Disciplinary actions are pending.

Case Number: 20050108
A DCFS employee did not make routine home visits to a minor and failed to transfer the case in a timely manner, which delayed the adoption process. Disciplinary action is pending.
Summary of Substantiated Cases

Case Number: 20050111
Three DMH psychiatrists did not report actual hours worked on their timecards because a DMH manager allowed them to claim commuting time. The manager received a written reprimand and the practice was stopped.

Case Number: 20050129
A DPSS employee misused her County computer to access LEADER and the Medi-Cal Eligibility Data System (MEDS) to view a client's information. Disciplinary action is pending.

Case Number: 20050167
A DHS employee was inappropriately promoted after he was erroneously placed in band one of an eligibility list. Corrective action is pending.

Case Number: 20050173
A DHS employee incorrectly coded her timecards as time worked when she was on vacation. A timecard correction was completed and the employee and her supervisor were counseled.

Case Number: 20050193
Three DPSS employees misused LEADER and MEDS to obtain information and expedite a Medi-Cal application for a participant related to one of the three DPSS employees. Disciplinary actions are pending.

Case Number: 20050206
A Fire Department employee received treatment for a work related injury from a physician who is his brother. The employee was re-examined by another physician and subsequently returned to work.

Case Number: 20050214
Four Internal Services Department (ISD) employees consumed alcohol while on County time. Disciplinary actions are pending.

Case Number: 20050220
A DHS physician failed to report his outside employment, did not report actual hours worked on his timecard and claimed overtime that he did not work. The physician resigned.

Case Number: 20050222
A DHS employee failed to report her outside employment to the Department. Disciplinary action is pending.

Case Number: 20050223
A DHS contractor did not have the required liability insurance coverage when services were provided. The contractor subsequently submitted all required documentation and DHS changed procedures.
Case Number: 20050321
A Child Support Services Department subcontractor employee stole two child support payments totaling $716. The employee was dismissed and the case was referred to local law enforcement. The subcontractor reimbursed the Court Trustee and the payments were posted to the respective support cases.

Case Number: 20050402
An ISD employee abused his work hours, falsified his mileage claim, lied on his outside employment form, and misused his County vehicle. The employee was suspended for 30 days.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 29

TOTAL NUMBER OF SUBSTANTIATED CASES JANUARY 1 – MARCH 31, 2005: 48
### Los Angeles County Fraud Hotline
#### CLOSED CASE SUMMARY
Jan 01, 2005 through Mar 31, 2005

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Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
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Grand Total: 48 (34.29%), 59 (42.14%), 33 (23.57%), 0 (0.00%), 120 (100.00%)