



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

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May 24, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
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Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe 
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT – JULY 1, 2009 THROUGH
DECEMBER 31, 2009**

The Los Angeles County Fraud Hotline began July 1, 2009 with 595 carryover pending cases. We opened 497 new cases and closed 461 during the six months ending December 31, 2009. Of the 461 closed cases (Attachment I), 101 were substantiated (Attachment II), 260 were not substantiated, and 100 were not investigated due to immateriality, the referral was previously investigated, referred to outside agencies, or insufficient information was provided. As of December 31, 2009, there were 631 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 101 substantiated cases, the following actions were taken:

Contract Cancelled	1	Procedures Changed/Reinforced	8
Convicted and sentenced	1	Referred to Other Agency	2
Counseled (verbal/written warning)	18	Reprimand Letter	21
Demoted	1	Resigned/Retired	9
Discharged	10	Restitution	1
Disciplinary/Corrective Action		Suspended	69
Pending	81	Transferred/Reassigned	2

Note: Some cases may include multiple suspects and multiple dispositions.

Board of Supervisors
May 24, 2010
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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 Dec 31 2009.doc

Attachments

c: William T Fujioka, Chief Executive Officer
Department Heads
Audit Committee
Public Information Office



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

**Los Angeles County Fraud Hotline
CLOSED CASE SUMMARY
July 1, 2009 through December 31, 2009**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated *</i>	<i>Total</i>	
<u>CASES INVESTIGATED BY AUDITOR-CONTROLLER:</u>					
Office of County Investigations	16	52	85	153	33%
<u>CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:</u>					
Affirmative Action Compliance (Countywide)	1	8	0	9	2%
Agricultural Commissioner/ Weights and Measures	0	2	0	2	0.4%
Assessor	1	0	0	1	0.2%
Beaches and Harbors	1	0	0	1	0.2%
CEO-Workers Compensation	0	2	0	2	0.4%
Children and Family Services	19	53	7	79	17%
Coroner/Medical Examiner	1	10	0	11	2.4%
County Counsel	1	0	0	1	0.2%
District Attorney	1	0	1	2	0.4%
Fire Department	0	6	0	6	1.3%
Health Services	14	49	1	64	14%
Human Resources (Countywide)	2	10	4	16	3%
Internal Services	1	3	0	4	0.9%
Mental Health	1	5	0	6	1.3%
Parks and Recreation	1	5	0	6	1.3%
Public Health	1	3	1	5	1.1%
Public Library	3	1	0	4	0.9%
Public Social Services	33	38	1	72	16%
Public Works	2	6	0	8	2%
Regional Planning	1	2	0	3	0.7%
Registrar-Recorder/County Clerk	1	3	0	4	0.9%
Sheriff	0	1	0	1	0.2%
Treasurer and Tax Collector	0	1	0	1	0.2%
Other Departments Total:	85	208	15	308	67%
Grand Total	101	260	100	461	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 JULY 1, 2009 THROUGH DECEMBER 31, 2009

SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER

Case Number: 20082912

A Parks and Recreation (Parks) employee inappropriately charged a \$200 facility usage fee. He also failed to remit a \$275 fee for a summer day camp program and a \$105 vendor refund to Parks. The employee was discharged.

Case Number: 20083065

Three Fire Department (Fire) employees played golf during County work hours but claimed a full day worked on their timecards. One of those employees also recorded overtime for that day. One employee received a Letter of Reprimand. The other two employees, who are exempt from the Fair Labor Standards Act, were not disciplined because at the time Fire allowed exempt employees to report full shifts worked if they worked at least one hour. Fire management has since changed their time reporting procedures to ensure exempt employees properly account for hours worked.

Case Number: 20083070

A Beaches and Harbors (Beaches) and Public Library (Library) janitorial services contractor was paid for services they did not provide. The contracts were cancelled; the owner was convicted of a felony, ordered to surrender all rights to his personal residence and pay restitution of \$842,000.

Case Number: 20083082

A Child Support Services Department employee used his assigned County computer and Internet access to conduct personal business on County time. The employee received a 30-day suspension.

Case Number: 20083145

A Fire manager admitted that he used his County e-mail account to campaign for his election to a Union position. The employee received a Letter of Reprimand.

Case Number: 20093330

A Parks contractor underreported and underpaid the County for revenue generated from his subcontractors totaling approximately \$9,310. Restitution and disciplinary action are pending.

Case Number: 20093388

A Treasurer and Tax Collector (TTC) employee inappropriately removed property from several drayage locations and violated the Department's double custody policy. The employee was discharged.

Case Number: 20093444

A Fire manager mishandled the hiring of a new employee, resulting in additional salary and employee benefit costs to the County. Also, a Chief Executive Office (CEO) manager gave the same new Fire employee preferential treatment, which resulted in him being appointed to a

Summary of Substantiated Cases

higher level position. The employee was transferred and given responsibilities commensurate with his position and pay level. The Fire manager received a Letter of Reprimand and the CEO manager was demoted and later retired.

Case Number: 20093557

A retired Department of Children and Family Services (DCFS) employee was rehired and continued to receive Los Angeles County Employees Retirement Association benefits. Restitution and disciplinary actions are pending.

Case Number: 20093589

A Fire employee used his assigned County computer and Internet access to view sexually explicit material and his County e-mail account to send offensive material to co-workers. Disciplinary action is pending.

Case Number: 20093638

An Internal Services Department (ISD) employee admitted taking County property from the trash for personal use and abusing his County work hours by starting work late and leaving early. Disciplinary action is pending.

Case Number: 20093779

An Animal Care and Control officer inappropriately used a County Voyager credit card to purchase \$40 in gasoline for personal use. The employee resigned.

Case Number: 20093832

A TTC employee inappropriately photocopied an Assessor employee's parking permit and used it for several months to park his vehicle in a County parking lot. The employee received a 30-day suspension.

Case Number: 20093940

A Fire laptop valued at \$500 and cellular card valued at \$100 were stolen from a Fire vehicle. The perpetrators could not be identified. The laptop did not contain confidential data and its content was encrypted. Fire management reminded the employee of the County policy on computer security.

Case Number: 20094006

A DCFS employee did not disclose her criminal conviction on her County employment application. Disciplinary action is pending.

Case Number: 20094111

A Department of Public Social Services (DPSS) employee inappropriately obtained the personal and confidential information of 82 DPSS participants and used the information to file fraudulent income tax returns and obtain refunds totaling at least \$100,000. The employee was discharged and the Internal Revenue Service may file criminal charges.

TOTAL SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER: 16



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

SUMMARY OF SUBSTANTIATED CASES

FOR THE PERIOD JULY 1, 2009 THROUGH DECEMBER 31, 2009

CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS

Case Number: 20060592

A DCFS employee used her assigned County computer to access the Child Welfare Services/Case Management System (CWS/CMS) to view the personal and confidential information in a client's case records without authorization. The employee received a 15-day suspension.

Case Number: 20061176

A DPSS employee allowed two employees to access the Internet using her logon identification and password. One of the employees who used the Internet access, resigned for personal reasons. Disciplinary actions are pending on the two other employees.

Case Number: 20061228

A DPSS employee used his assigned County computer and Internet access to view sexually explicit websites. The employee received a three-day suspension.

Case Number: 20061314

A Department of Coroner employee worked approximately 313 hours for his outside employment over three and one-half years while on total disability leave from his County position. The employee resigned.

Case Number: 20071748

A Department of Health Services (DHS) employee received a five-day suspension for excessive tardiness and absenteeism over a six-month period.

Case Number: 20071978

A DCFS employee admitted she accessed CWS/CMS to view the personal and confidential information in two participants' case records without authorization. Disciplinary action is pending.

Case Number: 20071989

A DCFS employee used his assigned County computer and Internet access to conduct personal business and failed to report his outside employment. He also inappropriately used his County position for personal advantage or gain by representing himself as a DCFS employee on two personal, politically-related letters. Disciplinary action is pending.

Case Number: 20082308

A DHS contract physician ordered laboratory tests for himself totaling \$884 over a two-year period and used his County assigned computer to check personal e-mail, in violation of Departmental policy. The contract physician was counseled and restitution is pending for the laboratory tests.

Summary of Substantiated Cases

Case Number: 20082338

Six DHS employees used their assigned County computers and e-mail accounts to send personal e-mails. The six employees received Letters of Reprimand and all DHS employees were reminded of computer and e-mail usage policies.

Case Number: 20082484

A DHS employee used her assigned County computer, Internet access and telephone for non-County related business. In addition, the employee engaged in unprofessional behavior by using profanity in the workplace. The employee received a Letter of Reprimand.

Case Number: 20082502

A DHS supervisor completed a subordinate employee's timecard even though the employee was available to complete their own timecard, in violation of Departmental policy. The supervisor received a Letter of Reprimand.

Case Number: 20082525

A DPSS employee used his assigned County computer and Internet access to make personal online purchases and used his County business address to receive the purchased items. The employee received a 10-day suspension.

Case Number: 20082539

A DCFS employee inappropriately used County postage to mail Department informational literature to her relatives. Disciplinary action is pending.

Case Number: 20082565

A District Attorney's Office employee used his assigned County vehicle for personal use. The employee was transferred and received a 15-day suspension. The Department also took away his County vehicle.

Case Number: 20082567

A Department of Public Works (DPW) employee falsified inspection documentation for restaurant sites that he did not visit. In other instances, he issued inspection notices to restaurants although he did not complete a full inspection as required. Disciplinary action is pending.

Case Number: 20082591

A DHS employee had excessive and unauthorized absences. DHS intends to discharge the employee.

Case Number: 20082642

A DHS supervisor improperly allowed a patient financial services worker to process her relative's Medi-Cal application in violation of Department policy. However, DPSS certified the relative's Medi-Cal eligibility and no irregularities were identified. Disciplinary action is pending against the supervisor.

Case Number: 20082644

A Department of Mental Health employee used his assigned County computer, Internet access and e-mail account for personal use, including accessing sexually explicit Internet web sites.

Summary of Substantiated Cases

The employee also failed to complete his job duties in a timely manner. The employee was discharged.

Case Number: 20082697

A DCFS employee conducted outside employment activities during County work hours and did not disclose her outside employment to the Department. The employee was counseled.

Case Number: 20082713

A DCFS employee accepted collect calls on her assigned County telephone. The employee received a Letter of Reprimand and later retired from County service.

Case Number: 20082786

Six DHS desktop computers and two monitors, valued at \$10,000, were stolen during after-hours burglaries at two clinics. The individual(s) responsible for the thefts could not be identified. The computers did not contain any protected health information and incident reports were filed with the Sheriff's Department and the Office of Security Management. The Department permanently closed off access to the door.

Case Number: 20082903

A DCFS employee misrepresented herself as a case worker to school officials so she could remove her relative, a minor, from school. The employee also made a false report against the child's caregiver to the Child Protection Hotline, which resulted in a false referral. The employee was discharged.

Case Number: 20082987

A County Counsel employee abused his regular work hours. The employee's supervisor inappropriately compromised the work hour abuse investigation when he informed the employee about the complaint against him. The manager and the employee were counseled.

Case Number: 20083017

A DHS employee did not accurately code hours worked on her timecard. The Department reminded the employee, the manager and other unit staff of the time recording and timecard review procedures. Disciplinary action is pending for the employee.

Case Number: 20083020

A Fire employee violated the County's Equal Employment Opportunity Non-Discrimination policy by making inappropriate religious comments to co-workers. The employee was counseled.

Case Number: 20083037

A DCFS employee violated Department policy by failing to complete her timecard accurately and failing to submit her completed field itineraries. Disciplinary action is pending.

Case Number: 20083073

A DPSS employee conducted outside business using County equipment during his County work hours. The employee retired.

Summary of Substantiated Cases

Case Number: 20083113

A DPSS employee contacted a participant at her place of employment to discuss a personal matter, causing a disturbance. The employee received a 15-day suspension.

Case Number: 20083160

A DPSS employee accessed the Los Angeles Eligibility Automated Determination Evaluation and Reporting (LEADER) system and the Medi-Cal Eligibility Data System (MEDS) to view the confidential information in her daughter's case record without authorization. The employee received an 11-day suspension.

Case Number: 20083161

A DPSS employee had inappropriate sexual contact with and sent sexually explicit text messages to a participant. Disciplinary action is pending.

Case Number: 20083201

A DCFS employee worked for another County department while on disability leave from his DCFS position. Another DCFS employee altered a County warrant and W-2 form and used the documents to apply for a real estate loan. Disciplinary actions are pending.

Case Number: 20083236

A Parks employee used a County vehicle for personal business. Disciplinary action is pending.

Case Number: 20093247

A DPSS employee accessed the LEADER system to view the personal and confidential information in a participant's case records without authorization. The employee received a 15-day suspension.

Case Number: 20093307

A Department of Regional Planning (DRP) employee inappropriately prepared building plans for a constituent and subsequently approved the plans. The employee also approved building plans that did not meet Departmental standards and did not disclose his outside employment to the Department. The employee was discharged.

Case Number: 20093309

A DCFS Foster Family Agency failed to comply with the social worker/child ratio requirement which resulted in the social workers exceeding caseload capacity. The violations were reported to the State Community Care Licensing Board for further review.

Case Number: 20093369

An ISD employee left work early several days per month without reporting a variance on his timecard. The employee received a Letter of Reprimand.

Case Number: 20093383

A DHS employee obtained access to the Internet by using unattended County computers that were logged on to the Internet, or by having other employees use their identification and password to log on to the Internet for him. The employee was counseled and all DHS employees were reminded of the Department's Internet policy.

Summary of Substantiated Cases

Case Number: 20093389

A DPSS employee accessed the Greater Avenues for Independence (GAIN) Employment Activity and Reporting System (GEARS) to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093412

Three DCFS employees accessed the CWS/CMS system to view the personal and confidential information in a client's case records without authorization. Disciplinary actions are pending.

Case Number: 20093443

Eight DPSS employees were counseled for reporting to work late.

Case Number: 20093472

An unidentified individual broke into a DPSS employee's locked desk drawer and stole 96 bus tokens valued at \$86. Bus tokens are now stored in the office safe.

Case Number: 20093479

A DPSS employee used her assigned County computer, Internet access and e-mail account to conduct personal business and to send e-mails containing offensive language. Disciplinary action is pending.

Case Number: 20093480

Two DCFS employees accessed the CWS/CMS system to view the personal and confidential information in a client's case records without authorization. Disciplinary actions are pending.

Case Number: 20093483

A DPSS employee was tardy and absent without authorization and her timecard properly reflected the time variances. The employee was counseled.

Case Number: 20093520

A Fire employee inappropriately received an out-of-class bonus and another employee was inappropriately promoted. The Department of Human Resources (DHR) has recommended rescinding both the bonus and the promotion, and Fire is working with DHR to implement mutually agreeable corrective actions.

Case Number: 20093536

A DPSS employee accessed the LEADER and MEDS systems to view and obtain the personal and confidential information in several participants' case records without authorization. Disciplinary action is pending.

Case Number: 20093538

A DCFS employee accessed the CWS/CMS system to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093544

A DHS employee altered her timecards after they were approved by her supervisor to add 375 unauthorized overtime and 37.5 night bonus hours totaling \$7,949 that she did not work. DHS is seeking reimbursement pending advice from County Counsel and disciplinary action is pending.

Summary of Substantiated Cases

Case Number: 20093567

A DPSS employee accessed the LEADER system to view the personal and confidential information in two participants' case records without authorization. Disciplinary action is pending.

Case Number: 20093569

A DPSS employee accessed the LEADER system to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093570

A DPSS employee used her County e-mail account for personal business. The employee received a Letter of Reprimand.

Case Number: 20093572

Seventy-two DPSS employees accessed the LEADER and/or MEDS systems to view the confidential case records of a participant. The Department suspended 52 employees for 10 to 20 days, reprimanded two employees, and two employees resigned or retired. DPSS intends to suspend 16 other employees for 15 to 30 days.

Case Number: 20093577

A DRP employee inappropriately processed two promotions for herself. The employee was discharged.

Case Number: 20093580

Eighteen DHS employees accessed the LEADER and MEDS systems to view the personal and confidential information in a DPSS participant's case records without authorization. Also, 11 of the 18 DHS employees violated Department policy by failing to keep their LEADER and MEDS passwords secure, or by sharing their passwords. Disciplinary actions are pending.

Case Number: 20093586

A DPSS employee accessed the LEADER system to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093597

A Registrar-Recorder/County Clerk employee inappropriately used her County assigned Blackberry and e-mail account to receive and send non-work related e-mails containing sexual and/or religious material. Disciplinary action is pending.

Case Number: 20093651

An Assessor employee used her assigned County computer and Internet access to conduct personal business. The employee was counseled and her Internet access was cancelled.

Case Number: 20093662

A DPSS employee did not report her outside employment, exceeded the 24-hour per week outside employment limit and did not disclose that she resides with an In-Home Supportive Services (IHSS) participant. Disciplinary action is pending.

Summary of Substantiated Cases

Case Number: 20093667

A DHS contractor employee submitted fraudulent timesheets resulting in an overpayment of \$40,818. The contractor fired the employee and the Department is working with the contractor to obtain reimbursement. Reimbursement is pending.

Case Number: 20093736

A DCFS employee falsified a physician's note in order to use sick leave while he was on vacation. Disciplinary action is pending.

Case Number: 20093751

A DPSS employee accessed the LEADER and MEDS systems to view the personal and confidential information in a participant's case records without authorization. The employee received a 10-day suspension.

Case Number: 20093756

A DPSS employee accessed the LEADER system to view the personal and confidential information in a participant's case records without authorization and failed to notify the Department that she resided with a participant. Disciplinary action is pending.

Case Number: 20093762

A County laptop computer was stolen from a DCFS employee's unlocked vehicle, which was parked at her residence. The computer contained confidential client information which was encrypted. The Department intends to charge the employee \$500 to replace the computer because she failed to properly secure it. Disciplinary action and reimbursement are pending.

Case Number: 20093783

A DCFS employee failed to exercise sound judgment when she identified herself as a DCFS employee while delivering proof of service documents to a County office on a personal matter. Disciplinary action is pending.

Case Number: 20093790

A DPSS employee accessed the LEADER system to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093846

A DCFS employee engaged in inappropriate and unprofessional behavior during an interview with a juvenile client. Disciplinary action is pending.

Case Number: 20093856

A DPSS employee accessed LEADER to view the personal and confidential information in a participant's case records without authorization. Disciplinary action is pending.

Case Number: 20093859

A Library employee improperly used an expired employment certification list to hire her friend for a County position. Both employees were discharged.

Case Number: 20093897

DPW discovered that approximately 2,000 gallons of fuel, valued at approximately \$15,000, and

Summary of Substantiated Cases

three pumps were stolen from a field location during the night. The individual(s) responsible for the theft could not be identified. DPW filed police and County Security Incident reports and assigned a night security guard to the location.

Case Number: 20093922

A Department of Public Health employee falsified a leave donation form to inappropriately transfer a co-worker's sick and vacation time hours to another County employee. The employee received a 30-day suspension.

Case Number: 20093938

A DCFS employee worked outside employment full-time while absent from her County position. The employee resigned.

Case Number: 20093945

Five Library employees did not properly secure a wallet they found that contained \$45 in cash. The wallet and cash were later stolen by an unknown individual. The Library will implement internal controls for handling and securing lost items. Two employees received a written reprimand, two employees were counseled and one employee was discharged.

Case Number: 20093959

A DHS employee provided false information on her application for a promotional exam. Disciplinary action is pending.

Case Number: 20093969

A DCFS employee used his assigned County computer and Internet access to view sexually explicit images. After the Department cancelled his Internet access, the employee continued to use his assigned County computer to view sexually explicit images from personal diskettes and USB flash drive media. Disciplinary action is pending.

Case Number: 20093989

A Beaches bank deposit of parking collections was short \$350. The individual(s) responsible for the shortage could not be identified. Beaches acquired a special safe where the funds are dropped; and at the end of the day there are now at least two staff present during cash counting with one at the supervisor level.

Case Number: 20094011 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment and did not report that she resides with a participant. The employee received a 10-day suspension.

Case Number: 20094012 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment. The employee received a Letter of Reprimand.

Case Number: 20094014 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment. The employee received a Letter of Reprimand.

Summary of Substantiated Cases

Case Number: 20094017 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment and did not report that she resided with a participant. The employee received a 15-day suspension.

Case Number: 20094018 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment. The employee received a five-day suspension.

Case Number: 20094019 Note 1

A DPSS employee did not report IHSS outside employment activities and exceeded the County's 24-hours per week limit on outside employment. Disciplinary action is pending.

Case Number: 20094020 Note 1

A DPSS employee did not report IHSS outside employment activities and exceeded the County's 24-hour per week limit on outside employment. The employee received a five-day suspension.

Case Number: 20094024 Note 1

A DPSS employee exceeded the County's 24-hour per week limit on IHSS outside employment and did not report that she resides with a participant. The employee received a 10-day suspension.

Case Number: 20094029 Note 1

A DPSS employee did not report IHSS outside employment activities and exceeded the County's 24-hours per week limit on outside employment. The employee received a Letter of Reprimand.

Case Number: 20094068

Library found that DVDs and CDs valued at \$350 were stolen and the individual(s) responsible could not be identified. The Department implemented new procedures to secure its property.

Total Cases Referred To, Investigated and Substantiated By Other Departments: 85

TOTAL NUMBER OF SUBSTANTIATED CASES JULY 1, 2009 – DECEMBER 31, 2009: 101

Note 1:

A DPSS review of outside employment identified employees who did not disclose their IHSS employment and/or exceeded the 24-hour per week limit.