

# LOS ANGELES COUNTY AUDITOR-CONTROLLER

**John Naimo**  
AUDITOR-CONTROLLER

**Arlene Barrera**  
CHIEF DEPUTY

**Peter Hughes**  
ASSISTANT AUDITOR-CONTROLLER

**Robert Campbell**  
DIVISION CHIEF

**OFFICE OF COUNTY INVESTIGATIONS**

**October 15, 2018**

## Fraud Hotline Semi-Annual Report January 1 through June 30, 2018



### BOARD OF SUPERVISORS

**Hilda L. Solis**  
FIRST DISTRICT

**Mark Ridley-Thomas**  
SECOND DISTRICT

**Sheila Kuehl**  
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**Kathryn Barger**  
FIFTH DISTRICT

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## FACT SHEET

### Fraud Hotline Semi-Annual Report

January 1 through June 30, 2018

#### Key Outcomes

During this period 588 allegations were investigated, of which 126 (21.4%) were substantiated. Significant disciplinary action was imposed in approximately 47% of the substantiated cases where discipline was finalized. Departments have continued to resolve cases open more than one year, as evidenced by a decrease in the number of these cases compared to the prior period.

#### Significant Investigations Conducted by OCI

- Two executives from a group home, which provided services to the Department of Children and Family Services (DCFS), embezzled \$135,054 intended to pay the agency's payroll taxes. In a prior reporting period, they pled guilty and were sentenced to jail terms of three years and 30 days, respectively, and were ordered to pay restitution to DCFS.
- A DCFS employee fraudulently claimed a \$1,275 reimbursement from the County for damage to his personal vehicle after his private insurer had already paid to repair the same damage. DCFS indicated that disciplinary action is pending, and the case was referred to the Los Angeles County District Attorney's Office (LADA).
- A former County contractor, Chicana Service Action Center, fraudulently billed for services they did not provide, and its executives misappropriated and embezzled more than \$9 million in public funds from several Workforce Development, Aging & Community Services and Department of Public Social Services contracts. In a prior period, the executives pled guilty to a combined 30 felony counts, were sentenced to a combined total of 12 years prison time, and ordered to pay full restitution.
- In 13 separate cases, members of the public stole, fraudulently negotiated, and/or counterfeited more than 300 County warrants with a combined value of \$98,657. Suspects were positively identified for seven cases, which we referred to the LADA for prosecution. As of the date of this report, one subject has been arrested, convicted, and sentenced to jail and three years' probation, and other prosecutions are pending.

#### Authority

OCI coordinates and conducts investigations of waste, fraud, and abuse within County government per Board of Supervisors Policy 9.040, and administers the County Fraud Hotline pursuant to Government Code Section 53087.6. OCI also refers investigations to other County departments and outside agencies, and reviews reports of referred investigations to ensure the allegations were thoroughly investigated. OCI also tracks the outcome of cases where disciplinary and/or corrective actions are pending, to ensure appropriate follow-up.

#### FAST FACTS

The largest percentage of substantiated cases involved:

- computer-related abuses
- time abuse
- personnel issues
- other improprieties

During the 6-month reporting period, 588 allegations were investigated.

Of the investigations completed, 126 (21.4%) were substantiated.

OCI partnered with the LADA to obtain criminal convictions against one perpetrator.

Significant disciplinary action (e.g., discharge, suspension) was imposed in approximately 47% of the substantiated cases.

#### LOS ANGELES COUNTY FRAUD HOTLINE

web: [fraud.lacounty.gov](http://fraud.lacounty.gov)

e-mail: [fraud@auditor.lacounty.gov](mailto:fraud@auditor.lacounty.gov)

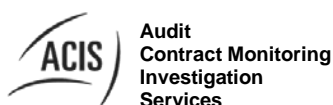
phone: (800) 544-6861

fax: (213) 633-0991

mail: 500 W. Temple St. Suite 515

Los Angeles, CA 90012

YOU MAY REMAIN ANONYMOUS



This report is also available online at [auditor.lacounty.gov](http://auditor.lacounty.gov)

**CONTACT:** Robert G. Campbell, Division Chief  
[rcampbell@auditor.lacounty.gov](mailto:rcampbell@auditor.lacounty.gov)  
(213) 893-2153



2018-SAFHSR-2/2



JOHN NAIMO  
AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

October 15, 2018

TO: Supervisor Sheila Kuehl, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Janice Hahn  
Supervisor Kathryn Barger

FROM: John Naimo  
Auditor-Controller

A handwritten signature in blue ink that reads "John Naimo".

SUBJECT: **FRAUD HOTLINE SEMI-ANNUAL REPORT – JANUARY 1, 2018  
THROUGH JUNE 30, 2018**

The Auditor-Controller's Office of County Investigations (OCI) operates the Los Angeles County Fraud, Waste, and Abuse Hotline (Hotline) pursuant to California Government Code Section 53087.6, and tracks and compiles the results of investigations into allegations received via the Hotline. Board of Supervisors Policy 9.040 authorizes OCI to conduct investigations of alleged criminal and administrative misconduct within County government, and OCI also reviews cases referred to and completed by other County departments to ensure the allegations are properly investigated. This report summarizes investigations concerning allegations of fraud, waste, and abuse of resources that were completed between January and June 2018.

### ***Investigative Results***

#### **Investigative Activity**

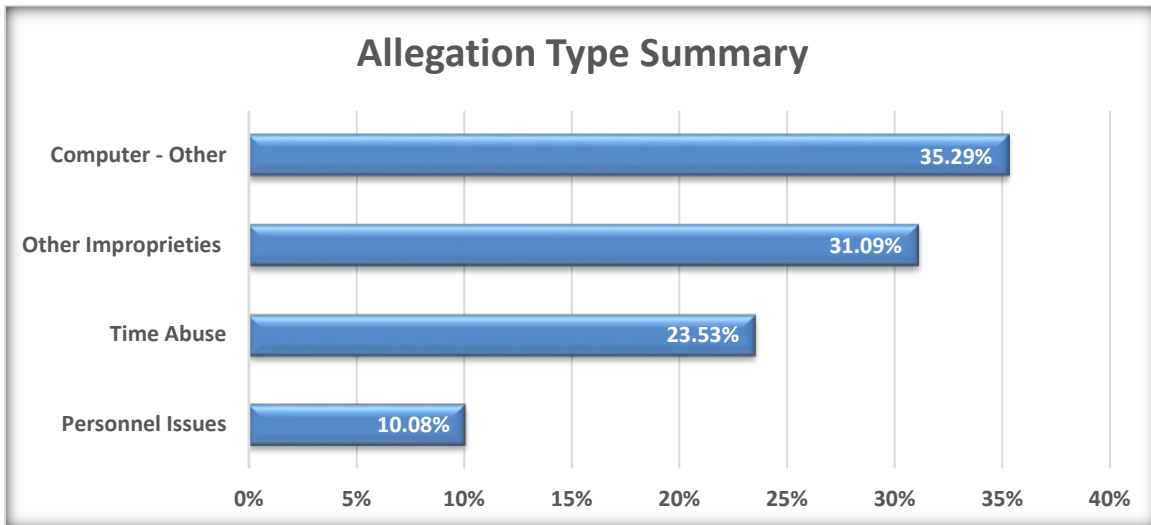
- 588 Cases Completed Countywide
  - 126 **Substantiated** (21.4%)
- 579 New Cases Reported (1.4% **increase** from prior period)
- 756 Cases Under Active Investigation (1.2% **decrease** from prior period)

The following chart summarizes investigative activity related to Hotline cases for the current period, which ended with **756 open cases** under investigation. We also dispositioned 158 other cases (categorized as Not Investigated on Attachment I) involving issues that either were not jurisdictional to OCI, (which were referred to other agencies, as appropriate), or did not include sufficiently detailed information that would allow us to conduct a meaningful investigation.

**Comparison of Current Case Counts  
 with the Prior Reporting Period**

CASE STATUS	SEMI-ANNUAL PERIOD ENDING		
	12/31/2017	6/30/2018	% Increase (Decrease)
Beginning Caseload	825	765	(7.3%)
- Cases Closed	(631)	(588)	(6.8%)
+ New Cases Opened	571	579	1.4%
<b>Ending Caseload</b>	<b>765</b>	<b>756</b>	<b>(1.2%)</b>

**Allegation Types – Substantiated Cases**



- The **Computer – Other** category includes various types of misconduct including using the computer and other information technology resources (e-mail account, facsimile machine, etc.) for personal business and/or financial gain.
- The **Other Improprieties** category includes misconduct such as falsification or forgery of County records, mismanagement, failure to provide services or perform job duties, and violations of County policies and/or procedures.

### Disciplinary and/or Corrective Actions

- Of the 126 cases substantiated *during this reporting period*, departments reported that they finalized and imposed 80 separate disciplinary actions. In addition, of the 42 cases closed *in prior periods* where discipline/corrective actions were resolved in the current period, 46 separate disciplinary actions were finalized. The number of separate disciplinary actions may exceed the number of closed cases because some cases involve more than one subject.
- For all actions finalized, **approximately 47%** resulted in **significant disciplinary actions**, including **discharges**, being imposed.

ACTION(S) TAKEN	Current Period 1/1/18 to 6/30/18	Prior Periods	Total	%
<b>Significant Disciplinary Action</b>				
Discharged	3	6	9	7%
Resigned/Retired/Resigned in Lieu of Discharge	9	2	11	9%
Notice in Personnel Folder (Do Not Rehire or other restrictions)	4	1	5	4%
Suspended - 15 to 30 Days <sup>1</sup>	4	10	14	11%
Suspended - Less than 15 Days	9	11	20	16%
<b>Subtotal</b>	<b>29</b>	<b>30</b>	<b>59</b>	<b>47%</b>
<b>Moderate Disciplinary Action</b>				
Counseled, Notice of Expectation, Procedures Changed/Reinforced, Training, Reprimanded/Warning, No Action Warranted, etc.	51	16	67	53%
<b>TOTAL ACTIONS TAKEN:</b>	<b>80</b>	<b>46</b>	<b>126</b>	<b>100%</b>

### Case Turnover

- The number of cases **closed** during the period **decreased approximately 7%** over the prior 6-month period (ending December 31, 2017).
- Also, the number of cases **open more than one year decreased by approximately 3%** (from 142 to 138) since the prior reporting period.

The decrease in the overall number of cases closed is attributable, at least in part, to a higher than average number which were reported closed in the preceding period. In the second half of calendar year 2017, departments continued to make significant progress

<sup>1</sup> Correction: The disciplinary action for one case (one employee) noted as resolved on the Semi-Annual Report issued on May 15, 2018 was reported as a 20-day suspension. The department indicated this employee was actually suspended for 10 days.

resolving cases open more than one year, resulting in a higher number of case closures. Departments have continued to disposition older cases, as evidenced by the continued decrease in the inventory of cases open more than one year.

### Prosecutions and Criminal Convictions

- *Prosecutions arising from OCI investigations, in partnership with the District Attorney's Office, as well as other local law enforcement entities, resulted in the arrests of **two individuals** for crimes they committed against the County.*
- *One individual has been convicted and sentenced to **jail time and \$1,270 in restitution**, and other consequences such as community service and probation.*
- *Former executives of the Chicana Service Action Center pled guilty to a combined **30 felony counts**, were sentenced to a combined total of **12 years prison time, and ordered to pay restitution to the County of approximately \$9 million**. These individuals took control of the now-defunct nonprofit and operated it with a sham board of directors. Together, they fraudulently billed the County, as well as the City of Los Angeles, for services that were never performed and misappropriated the proceeds for a variety of lifestyle expenditures, including to rent luxury apartments/homes, pay themselves bonuses, and purchase cruise travel, sports cars, and season tickets for local professional sports teams.*

Sentencing and penalty determinations are ultimately the purview of prosecutors and the court. OCI provides support to prosecutions arising from investigations conducted by its staff.

In addition, during this reporting period, we referred six new cases to the District Attorney for prosecution, and another case to a regulatory agency for review and follow-up.

#### Open Cases Referred for Prosecution – District Attorney and Other Agencies

Status	Number of Cases
Beginning Caseload	19
- Cases Adjudicated <sup>2</sup>	(6)
+ New Cases Referred	6
<b>Ending Caseload</b>	<b>19</b>

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<sup>2</sup> Cases adjudicated may include referrals rejected by the District Attorney's Office.

## ***Index of Attachments***

***Attachment I*** – Closed Case Summary: Substantiated, not substantiated, and cases not investigated, by department.

***Attachment II*** – Substantiated case narratives, by investigating department.

***Attachment III*** – Disciplinary/correction action(s) resolved and pending, by department and case number.

***Attachment IV*** – Active investigations open over one year, by department.

We thank Departmental management and staff for their assistance and cooperation during our Hotline case investigation and tracking process. Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 893-0058.

JN:AB:PH:RGC:AMS:ms

Fraud Hotline Status ending June 30 2018.doc

### Attachments

c: Sachi A. Hamai, Chief Executive Officer  
Department Heads  
Audit Committee  
Countywide Communications



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER  
LOS ANGELES COUNTY FRAUD HOTLINE  
CLOSED CASE SUMMARY  
January 1, 2018 through June 30, 2018**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated *</i>	<i>Total</i>				
<b><u>CASES INVESTIGATED BY AUDITOR-CONTROLLER:</u></b>								
Office of County Investigations	21	19	104	144	<b>24.5%</b>			
Administrative Services Division	1	6	0	7	<b>1.2%</b>			
<b>Auditor-Controller Total:</b>	<b>22</b>	<b>25</b>	<b>104</b>	<b>151</b>	<b>25.7%</b>			
<b><u>CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS:</u></b>								
Agriculture Commissioner/ Weights and Measures	1	1	0	2	<b>0.3%</b>			
Board of Supervisors	0	3	0	3	<b>0.5%</b>			
Child Support Services	2	3	0	5	<b>0.8%</b>			
Children and Family Services	27	62	16	105	<b>17.9%</b>			
County Library	0	2	0	2	<b>0.3%</b>			
Fire	3	2	2	7	<b>1.2%</b>			
Health Services	12	21	7	40	<b>6.8%</b>			
Human Resources (Countywide)	0	25	3	28	<b>4.8%</b>			
Medical Examiner-Coroner	0	1	0	1	<b>0.2%</b>			
Mental Health	5	4	2	11	<b>1.9%</b>			
Parks and Recreation	3	9	0	12	<b>2.0%</b>			
Probation	4	17	11	32	<b>5.4%</b>			
Public Health	5	11	2	18	<b>3.1%</b>			
Public Social Services	41	82	9	132	<b>22.4%</b>			
Public Works	0	11	0	11	<b>1.9%</b>			
Registrar-Recorder/County Clerk	0	8	0	8	<b>1.4%</b>			
Sheriff	0	5	0	5	<b>0.8%</b>			
Treasurer and Tax Collector	1	12	2	15	<b>2.6%</b>			
<b>Other Departments Total:</b>	<b>104</b>	<b>279</b>	<b>54</b>	<b>437</b>	<b>74.3%</b>			
<b>Grand Total</b>	<b>126</b>	<b>21.4%</b>	<b>304</b>	<b>51.7%</b>	<b>158</b>	<b>26.9%</b>	<b>588</b>	<b>100%</b>

\* Cases not investigated due to immateriality, the allegation was previously investigated, referred to outside agencies, or insufficient information was provided. In addition, 25 of 158 cases were referred to the County Equity Oversight Panel (CEOP) for investigation. CEOP does not report their findings back to the Office of County Investigations and therefore should be contacted directly for further information.





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

**SUMMARY OF SUBSTANTIATED CASES**

*FOR THE PERIOD OF JANUARY 1, 2018 THROUGH JUNE 30, 2018*

**SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER**

**Auditor-Controller (A-C)**

**Case Number: 201813882**

An A-C employee was frequently absent from work, for part or full days, during an approximate two-year period and inappropriately accrued overtime during this period. The A-C indicated that the employee was counseled and placed on Certified Time for six months.

**Chief Executive Office (CEO)**

**Case Number: 201713688**

Office of County Investigations (OCI) investigators verified that a CEO employee performed at live entertainment events while absent from work on short-term disability (STD) leave, which raised questions about the nature and veracity of the claimed disability. We recommended the CEO consult with County Counsel on possible follow-up actions, including restrictions on the employee's activities while on STD leave, potential evaluation by a County physician, etc.

**Countywide**

**Case Number: Various**

OCI investigated 12 cases involving 37 stolen, fraudulently negotiated, and/or counterfeited County checks, including payments issued by the County for the Los Angeles County Office of Education. Subjects were positively identified for six cases, which were then referred to the Los Angeles County District Attorney's Office (LADA) for prosecution. So far, one subject has been arrested, convicted, and sentenced to jail, probation, and community service time, and was ordered to pay \$1,270 in restitution, and other prosecutions are pending.

**Case Number: 201713596**

A private individual who worked in the mailroom for a County vendor stole and negotiated 268 County warrants totaling \$33,189. OCI referred the case to the LADA, who arrested the individual.

**Department of Children and Family Services (DCFS)**

**Case Number: 20127087**

Two executives from a DCFS group home embezzled \$135,054 funds that were earmarked to pay the agency's payroll taxes. Prior to the case proceeding to trial, one executive pled guilty to one felony count of embezzlement and was sentenced to 30 days in County jail, five years' probation, and ordered to pay \$23,942 in restitution. The second executive pled guilty to felony theft of public funds and was sentenced to three years in prison and was ordered to pay \$122,242 in restitution.

## Summary of Substantiated Cases

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### **Case Number: 201712608**

A DCFS employee inappropriately claimed and received a \$1,275 duplicate reimbursement from the County for damage to his personal vehicle. The employee's private vehicle insurer had already paid to repair the damage. The matter was referred to the LADA for possible prosecution, and DCFS indicated that disciplinary action is pending.

### **Fire Department (Fire)**

#### **Case Number: 201510161**

A former Fire employee engaged in misconduct including conducting personal business with County employees and vendors during work hours on County property; circumventing procurement controls; and using County IT resources for personal use. The employee also violated the County's post-government employment ordinance and failed to disclose a travel reimbursement from a vendor on his annual Form 700 declaration. OCI referred these matters to the Board of Supervisor's Executive Office and the Fair Political Practices Commission, respectively, for review. Fire indicated that the employee retired.

#### **Case Number: 201713460**

Fire personnel confirmed some shortages of supplies and equipment due to staffing and logistics issues. OCI obtained confirmation from staff of some supply issues, but did not find evidence that they resulted from fraud or intentional misconduct. The matter was referred to the A-C's Audit Division for a more comprehensive process and internal control review, and to develop formalized recommendations for corrective action.

### **Department of Mental Health (DMH)**

#### **Case Number: 201510382**

A DMH contract agency did not always follow their approved cost allocation plan and inappropriately allocated shared and indirect expenditures to County programs. The agency also charged DMH for rent and utilities for a site that was not approved by DMH, leased the site from a related party, and failed to appropriately credit the DMH program for rental income from the site's sublease. Further, the agency did not disclose one of the related parties on their financial statements. Although some of the allegations were factually accurate, we could not prove that the bookkeeping and accounting irregularities were the result of fraud. Questioned costs arising from these findings and the related accounting deficiencies will be addressed during the Auditor-Controller's recommendation follow-up process.

### **Probation Department (Probation)**

#### **Case Number: 201713335**

A Probation employee claimed and was paid \$1,063 for more than 19 hours of overtime that OCI's investigation found she did not work. The employee also admitted to violating County policy by teleworking without approval. In addition, the employee's manager failed to report and forward evidence of the overtime fraud to Probation Internal Affairs or OCI. Probation indicated that disciplinary actions are pending.

### **Workforce Development, Aging and Community Services (WDACS)**

#### **Case Number: 20115711**

A WDACS contractor fraudulently billed the County for services they did not provide, and contractor executives misappropriated and embezzled approximately \$9 million of public funds from several WDACS and Department of Public Social Services (DPSS)

## **Summary of Substantiated Cases**

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contracts. Between June 2015 and May 2017, three of the executives and one employee were arrested, and in August 2017, all four defendants pled guilty to a combined total of 30 felony counts, including misappropriation of public funds, embezzlement, conspiracy, and preparing false documentary evidence. In December 2017, the defendants were sentenced to a combined total of 12 years in State prison and ordered to pay full restitution to the County.

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**TOTAL SUBSTANTIATED CASES INVESTIGATED BY AUDITOR-CONTROLLER: 22**

## Summary of Substantiated Cases

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### CASES REFERRED TO AND SUBSTANTIATED BY OTHER DEPARTMENTS

#### Agricultural Commissioner/Weights & Measure (AC/WM)

##### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
1	1	0	2

##### Substantiated Cases:

Primary Allegation Type(s)	No.
Personal use of County equipment	1
<b>Total:</b>	<b>1</b>

#### High Risk / Impact Case Summaries

None

<b>Fraud Hotline Cases Open Over One Year:</b>	<b>0</b>
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## Summary of Substantiated Cases

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### Child Support Services Department (CSSD)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
2	3	0	5

#### Substantiated Cases:

<b>Primary Allegation Type(s)</b>	<b>No.</b>
Employee misconduct	1
Unauthorized access to County data	1
<b>Total:</b>	<b>2</b>

### High Risk / Impact Case Summaries

**Case Number: 201713518** – Personal use of County equipment

A CSSD employee installed several types of unauthorized software on his assigned County computer, and used it to remotely access his County computer from home, outside his scheduled work hours. The employee did not obtain authorization to work overtime, and had re-installed the software after previously being told to remove it. CSSD discharged the employee.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>0</b>
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## Summary of Substantiated Cases

### Department of Children and Family Services (DCFS)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
27	62	16	105

#### Substantiated Cases:

<b>Primary Allegation Type(s)</b>	<b>No.</b>
Failure to provide services/perform job duties	5
Falsification/forgery of County/government records	5
Falsification of medical certifications	3
Misuse/unauthorized access confidential data	3
Outside employment	3
Computer/Internet abuse	2
Unprofessional conduct	2
Violation of County policies/procedures	1
Abuse of authority	1
Personal use of County Equipment	1
Time abuse/falsification of time records	1
<b>Total:</b>	<b>27</b>

#### **High Risk / Impact Case Summaries**

**Case Number: 201510615** – Falsification of medical certifications to support absences

A DCFS employee admitted to falsifying eight medical certifications to justify her absences, and received medical benefit pay to which she was not entitled. DCFS intends to discharge the employee.

**Case Number: 201713040** – Personnel - Other

A DCFS employee engaged in a relationship with a person who had a prior conviction for sexual abuse of a child and a substantiated allegation of sexual abuse of a County dependent child, and failed to notify her supervisors, as required. The employee added this person to their County medical insurance as a domestic partner, but was evasive with DCFS during the administrative investigation, and failed to provide evidence of domestic partnership, as requested. Further, the employee threatened an informant (an outside individual) with bodily harm via text messages and over the telephone. DCFS indicated that disciplinary action is pending.

**Case Number: 201713109** – Failure to provide services/perform job duties

A DCFS employee did not carry out his job duties on multiple occasions, including by failing to return clients' calls, failing to conduct face-to-face contacts as required, and submitting falsified mileage claims. Also, the employee's supervisor failed to properly monitor the employee's work performance and take corrective action as necessary. DCFS indicated that the employee resigned in lieu of discharge, and a "Top of File" notice was placed in the employee's personnel folder, and the supervisor received a 15-day suspension with Education-Based Discipline Training.

## Summary of Substantiated Cases

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**Case Number: 201713215** – Falsification/forgery of County records

A DCFS employee falsified official DCFS documents related to a number of client cases, submitted the falsified documents to the court as part of official proceedings, and made erroneous statements to the court concerning cases. The employee also failed to perform certain essential job duties. DCFS indicated that disciplinary action is pending.

**Case Number: 201713293** – Failure to provide services/perform job duties

A DCFS employee misrepresented the Department's position concerning a client's case during a court proceeding, falsely indicating to the court that DCFS intended to close the case when it did not. DCFS intends to give the employee a 20-day suspension without pay when the employee returns from medical leave.

**Case Number: 201713349** – Failure to provide services/perform job duties

A DCFS employee falsified client contacts in the Child Welfare Services/Case Management System (CWS/CMS), and failed to conduct face-to-face client visits, as required. DCFS indicated that the employee was discharged.

**Case Number: 201713549** – Falsification/forgery of County records

A DCFS employee failed to document required information and falsified documentation in client case records, did not conduct required home visits, and asked a client to falsely report to DCFS supervisors that the employee had conducted a home visit when she did not. DCFS indicated that disciplinary action is pending.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>11</b>
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## Summary of Substantiated Cases

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### Fire Department

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
3	2	2	7

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Misuse of computer/Network equipment	1
Personal Use of County equipment	1
Violation of policies and procedures	1
<b>Total:</b>	<b>3</b>

#### **High Risk / Impact Case Summaries**

**Case Number: 201712628** – Violation of policies and procedures

A Fire employee did not properly handle a firearm when cleaning it, which resulted in an accidental discharge, and the unit in which the employee worked did not use a safe location to clear and clean firearms. Also, the Fire policy in effect at the time did not specify reporting procedures for accidental discharges. Fire indicated that policies were changed to address the proper firearms safety and reporting procedures for accidental discharges.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>8</b>
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## Summary of Substantiated Cases

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### Department of Health Services (DHS)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
12	21	7	40

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Time abuse/falsification of time records	5
Outside employment	2
Failure to perform job duties	1
Falsification/forgery of County records	1
Personal use of County equipment	1
Theft of County equipment	1
Violation of nepotism policy	1
<b>Total:</b>	<b>12</b>

#### **High Risk / Impact Case Summaries**

**Case Number: 201713161** – Falsification of time records

A DHS employee claimed she visited facilities that she did not actually visit and falsified her timecards by reporting time not actually worked. DHS indicated the employee received a 15-day suspension without pay.

**Case Number: 201713573** – Outside employment

A DHS employee exceeded the 24-hour per week limit on outside employment by working a second full time job for the last four years. DHS indicated that disciplinary action is pending.

**Case Number: 201713599** – Falsification/forgery of County records

A DHS employee submitted altered paystubs to DPSS to qualify for public assistance benefits. DHS indicated that disciplinary action is pending.

<b>Fraud Hotline Cases Open Over One Year:</b>	<b>5</b>
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## Summary of Substantiated Cases

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### Department of Mental Health (DMH)

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#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
5	4	2	11

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Personal Use of County equipment/resources	4
Falsification/forgery of County records	1
<b>Total:</b>	<b>5</b>

### High Risk / Impact Case Summaries

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**Case Number: 201712959** – Falsification/forgery of County records

A DMH employee submitted claims for certain mental health services that were not medically necessary and provided supporting notes that were superficial and generic. DMH indicated that the claims were disallowed and voided, and disciplinary action is pending concerning the employee.

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**Case Number: 201713766** – Personal Use of County equipment/resources

A DMH employee used his County e-mail account to send personal e-mails, including several to a gossip website, and sent unsecured e-mails containing client Protected Health Information (PHI). The employee also used his assigned County computer to conduct personal business. DMH indicated that the employee received a Letter of Reprimand.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>9</b>
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## Summary of Substantiated Cases

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### Department of Parks and Recreation (Parks)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
3	9	0	12

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Falsification of time records	1
Personal Use of County equipment/Resources	1
Violation of policy/procedure	1
<b>Total:</b>	<b>3</b>

### High Risk / Impact Case Summaries

None

<b>Fraud Hotline Cases Open Over One Year:</b>	<b>2</b>
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## Summary of Substantiated Cases

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### Probation Department (Probation)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
4	17	11	32

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Employee Misconduct	1
Time abuse/falsification of time records	2
Computer/Internet abuse	1
<b>Total:</b>	<b>4</b>

#### **High Risk / Impact Case Summaries**

**Case Number: 201814156** – Employee Misconduct

A Probation employee carried a pocket knife to work. Probation indicated the employee was counseled regarding bringing weapons to work.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>0</b>
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## Summary of Substantiated Cases

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### Department of Public Health (DPH)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
5	11	2	18

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Personal Use of County equipment/resources	1
Violation of Outside employment	2
Computer/Internet abuse	1
Falsification/forgery of County records	1
<b>Total:</b>	<b>5</b>

### High Risk / Impact Case Summaries

None

<b>Fraud Hotline Cases Open Over One Year:</b>	<b>1</b>
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## Summary of Substantiated Cases

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### Department of Public Social Services

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#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
41	82	9	132

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Misuse/Unauthorized access confidential data	14
Time abuse – Falsification of time records	7
Violation of policies and procedures	6
Failure to perform job duties	3
Computer/Internet abuse	2
Employee misconduct	2
Personal use of computer equipment/resources	2
Unprofessional behavior	2
Conflict of interest	1
Falsification/forgery of County records	1
Outside employment	1
<b>Total:</b>	<b>41</b>

### High Risk / Impact Case Summaries

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**Case Number: 201612227** – Falsification/forgery of County records

A DPSS manager authorized timekeeping staff to submit backdated overtime request forms, which enabled 17 DPSS employees to claim a combined total of 64 hours of overtime that they did not work. This resulted in an overpayment of approximately \$1,533 for that two-week period. DPSS indicated that disciplinary action is pending for the manager.

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**Case Number: 201612523** – Failure to perform job duties

A DPSS employee failed to conduct a scheduled home visit to an In-Home Supportive Services consumer, failed to correct her field itinerary, falsified the consumer's case record, issued an inappropriate notice to the consumer, and conducted an unauthorized home visit to the consumer. DPSS indicated that disciplinary action is pending.

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**Case Number: 201713387** – Employee misconduct

A DPSS employee attempted to cheat during a promotional exam by writing exam answers on her palm and using that information during the test administration. This conduct was observed by the exam proctor and monitor, and other witnesses. DPSS indicated the employee was disqualified from the exam and disciplinary action is pending.

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**Case Number: 201713447** – Violation of County policies and procedures

A DPSS employee allowed participants in a training class to take long morning, afternoon, and lunch breaks, and released the employees about one hour early without

## Summary of Substantiated Cases

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instructing them to return to their work locations. DPSS indicated that the employee received a 5-day suspension without pay.

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**Case Number: 201713522** – Personal use of County equipment/resources

Two DPSS employees admitted to using County office telephone lines to make almost 400 personal phone calls during a three-month period. DPSS indicated that both employees were reprimanded.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>3</b>
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## Summary of Substantiated Cases

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### Treasurer and Tax Collector (TTC)

#### Investigative Results:

<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>Total</i>
1	12	2	15

#### Substantiated Cases:

<b>Primary Allegation Types</b>	<b>No.</b>
Personal use of County equipment/resources	1
<b>Total:</b>	<b>1</b>

### High Risk / Impact Case Summaries

**Case Number: 201611859** – Personal use of County equipment

A TTC employee used his County e-mail account to send and receive a large volume of personal e-mails over several years. The employee also inappropriately shared confidential personnel information with another County employee. TTC indicated that the employee was discharged.

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<b>Fraud Hotline Cases Open Over One Year:</b>	<b>2</b>
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**LOS ANGELES COUNTY FRAUD HOTLINE**  
**Resolved and Disciplinary/Corrective Action Pending**  
**From Previous Semi-Annual Reports**  
**As of June 30, 2018**

Actual	Resolved Cases - Discipline/Corrective Action Taken	Pending Cases - Discipline/Corrective Action	Number of Days Outstanding
<b>Children and Family Services</b>	<b>14</b>	<b>3</b>	
	201511348	201611849	220
	201612400	201612051	246
	201712607	201713106	229
	201712797		
	201712823		
	201712888		
	201713021		
	201713093		
	201713100		
	201713155		
	201713220		
	201713279		
	201713330		
	201713336		
<b>Fire Department</b>	<b>2</b>	<b>0</b>	
	201611877		
	201612061		
<b>Health Services</b>	<b>2</b>	<b>1</b>	
	201612166	201511181	507
	201712855		
<b>Internal Services Department</b>	<b>0</b>	<b>1</b>	
		201713034	310
<b>Mental Health</b>	<b>9</b>	<b>7</b>	
	20138765 (1)	201510299 (2)	864
	20138783 (1)	201510433 (2)	614
	201511172	201511486	549
	201611809	201611522	228
	201611873	201712408	263
	201611888	201712426	254
	201611936	201713395	191
	201612223		
	201712823		
<b>Human Resources</b>	<b>0</b>	<b>1</b>	
		201713067	278
<b>Probation</b>	<b>2</b>	<b>0</b>	
	201612049 (2)		
	201612291		
<b>Public Defender</b>	<b>0</b>	<b>1</b>	
		201511124 (2)	803



**LOS ANGELES COUNTY FRAUD HOTLINE**  
**Resolved and Disciplinary/Corrective Action Pending**  
**From Previous Semi-Annual Reports**  
**As of June 30, 2018**

Actual	<i>Resolved Cases - Discipline/Corrective Action Taken</i>	<i>Pending Cases - Discipline/Corrective Action</i>	<i>Number of Days Outstanding</i>
<b>Public Health</b>	<b>4</b>	<b>3</b>	
	201612362	201511292	660
	201511292	201612032	388
	201612397	201612560	304
	201712850		
<b>Public Social Services</b>	<b>8</b>	<b>4</b>	
	201510146	201612016	432
	201511068	201713073	205
	201612016	201713256	225
	201612309	201713337	233
	201712756		
	201712884		
	201713073		
	201713491		
<b>TTC</b>	<b>1</b>	<b>1</b>	
	201612442	201713031	277
<b>Departments Total:</b>	<b>42</b>	<b>22</b>	

- (1) Discipline is pending the employee's return from leave of absence.  
(2) Case Investigated by OCI.



**LOS ANGELES COUNTY FRAUD HOTLINE**  
**Cases Actively Under Investigation**  
**Open Over One Year, By Department**  
**As of July 2, 2018**

<b>Department</b>	<b>Cases *</b>
Alternate Public Defender	1
Animal Care and Control	2
Assessor's Office	11
Auditor-Controller	2
Chief Executive Office	3
Children and Family Services	11
County Counsel	1
District Attorney	1
Fire	8
Health Services	5
Human Resources	3
Human Resources (Countywide)	29
Internal Services	4
Medical Examiner-Coroner	2
Mental Health	9
Military and Veterans Affairs	4
Parks and Recreation	2
Public Defender	5
Public Health	1
Public Social Services	3
Public Works	4
Registrar-Recorder/County Clerk	3
Sheriff	9
Treasurer and Tax Collector	2
Workforce Development, Aging and Community Services	13

**Total Number of Cases Outstanding Over One Year 138**

\* **NOTE:** These represent cases referred to County departments by the Office of County Investigations as the nature of the allegations are such that they are more appropriately reviewed by the department.