

L.A. NOW

(<http://www.latimes.com/local/lanow/>)

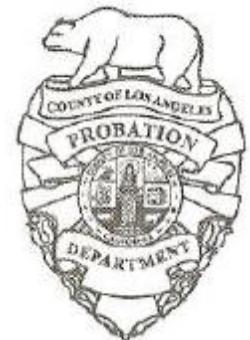
Southern California -- this just in

f 

Allegations of credit card fraud by county employees referred to prosecutors [Updated]

June 16, 2010 | 7:15 am

The head of Los Angeles County's beleaguered Probation Department said late Tuesday that he has referred allegations of credit card fraud by his employees -- who county auditors said made numerous unauthorized purchases with store credit cards issued in the department's name -- to the district attorney's office.



[Updated at 8:06 a.m.: An earlier version of this post misidentified County Auditor-Controller Wendy Watanabe as Wendy Greuel.]

Probation Chief Donald H. Blevins said he was notified Monday about the preliminary audit findings, first made public by Times columnist Steve Lopez (<http://www.latimes.com/news/local/la-me-lopezcolumn-20100616,0,472543.column>). Blevins said the audit covered late 2007 to 2009 under the administration of his predecessor, Robert Taylor, who retired earlier this year.

Blevins said he believed the audit findings could amount to “criminal activity” and immediately referred them to the prosecutors.

“Essentially, you’ve got staff that ordered things that disappeared,” he said. “There appears to be very little oversight in this department when it comes to these things and kind of a lackadaisical attitude about, ‘Hey, it’s county money -- we can do with it what we want.’”

The latest news of alleged misspending by probation employees comes as department officials are still struggling to account for \$79.5 million in county funding (<http://www.latimes.com/news/local/la-me-county-budget-20100608,0,6657088.story>) intended to improve juvenile halls, camps and management under a 2004 settlement with the U.S. Department of Justice.

An e-mail summary of the audit, reviewed by The Times, includes numerous findings by Los Angeles County Auditor-Controller Wendy Watanabe's office, (<http://portal.lacounty.gov/wps/portal/auditor>) including:

- * Probation employees obtained store credit cards in the department’s name from Best Buy, Home Depot, Sears and other stores, then used the cards to make non-emergency purchases -- lawn mowers, barbecues, LCD televisions, Sony PlayStations, DVD players and video games. Some of the purchases were not approved by supervisors, could not be located or were never used. Of nine PlayStations, six were missing, as well as 90% of the video games, according to the summary. After auditors notified the county, the cards were canceled.

- * Probation staff failed to get required price quotes and approval for purchases, failed to justify sole-source suppliers and split purchases.

- * Staff failed to track purchases by matching requisitions, invoices and packing slips before making payments. Out of a sample of invoices, 25% were not paid within a month.

- * Staff kept such poor records and inventory control of food at some of the county’s 18 juvenile probation camps, that at one camp monthly food costs reached \$210 per youth, more than double the cost at other camps.

Blevins said the final audit will probably be released to the County Board of Supervisors within a few weeks.

He said he asked an internal affairs investigator to look into the allegations and report back in a month. Based on that report, department officials will decide whether to discipline staff, he said.

The auditors' findings came a week after the Office of Independent Review, acting at the behest of county supervisors, issued a scathing report on the failure of probation's internal investigations (<http://www.latimes.com/la-me-probation-review-20100614,0,3659471.story>).

Blevins said he has assigned a top investigator from his department to spend the next month exclusively looking into the audit findings of financial impropriety.

Already, Blevins said he has centralized procurement and, under the new practice, has one official at headquarters who now approves purchases made only by designated staff at each of the 21 juvenile probation camps and halls.

Blevins said he made those changes, as well as additional inventory controls, "so these things don't disappear out the back door."

County Chief Executive William T Fujioka said his staff was reviewing the allegations in the audit. He said, "if necessary" he may bring in investigators from the district attorney's office or the Sheriff's Department.

"If it's true," Fujioka said of the initial findings, "it's absolutely unacceptable and we're going to get to the bottom of it."

-- Molly Hennessy-Fiske

(<http://www.latimes.com/>)