



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

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December 14, 2021

TO: Antonia Jiménez, Director
Department of Public and Social Services

FROM: Robert G. Campbell, Chief
Office of County Investigations

SUBJECT: DEPARTMENT OF PUBLIC AND SOCIAL SERVICES – IMPROVEMENT OPPORTUNITIES NOTED DURING CHICANA SERVICE ACTION CENTER INVESTIGATION (REPORT #IOR-2011-5711) - FIRST FOLLOW-UP REVIEW

We completed a follow-up review of the Department of Public and Social Services (DPSS or Department) Improvement Opportunities Noted During Chicana Service Action Center Investigation Report dated April 18, 2018 (Report #IOR-2011-5711). As summarized in Table 1, DPSS partially implemented the one recommendation. DPSS should fully implement the outstanding recommendation.

Table 1 - Results of First Follow-up Review

PRIORITY RANKINGS	TOTAL RECOS	RECOMMENDATION IMPLEMENTATION STATUS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	OUTSTANDING RECOMMENDATIONS NOT IMPLEMENTED
PRIORITY 1	0	0	0	0
PRIORITY 2	1	0	1	0
PRIORITY 3	0	0	0	0
TOTAL	1	0	1	0
			1	

Attachment I details our review and the Department’s corrective actions. We will perform a second follow-up review and report back on the outstanding recommendation in accordance with our standard procedures.

We thank DPSS management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0058 or rcampbell@auditor.lacounty.gov, or Cristina del Rosario at (213) 893-0868 or cdelrosario@auditor.lacounty.gov.

RGC:GH:CDR:rk

Attachment

c: Arlene Barrera, Auditor-Controller
Audit Committee
Audit Division
Countywide Contract Monitoring Division

Report #F1-2011-5711-A

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Office of County Investigations

Report #F1-2011-5711-A

DEPARTMENT OF PUBLIC AND SOCIAL SERVICES
IMPROVEMENT OPPORTUNITIES NOTED DURING
CHICANA SERVICE ACTION CENTER INVESTIGATION (#IOR-2011-5711)
FIRST FOLLOW-UP REVIEW

RECOMMENDATION	A-C COMMENTS
<p>1 Priority 2 – Department of Public and Social Services (DPSS) management ensure that robust client and service-verification procedures are in place whenever contractors directly provide social services to County clients. Such verification can be accomplished in many ways, but must include specific procedures for directly contacting, corresponding with, and/or interviewing a representative sample of service recipients to obtain assurance that they exist, are eligible, and have received the services specified in the contracts and billed to the County.</p> <p>Original Issue/Impact: DPSS’s contract monitoring procedures did not require staff to independently verify directly with clients, on a sample basis, that they received the services paid by DPSS. As a result, payments can and sometimes were issued for services that were not provided and/or services on behalf of clients who were not eligible to receive County-paid services.</p> <p>For example, we found evidence that DPSS paid over \$4 million to a contracted client service provider who submitted fraudulent billings over a four-year period for services they either did not provide and/or for services they provided to clients who were ineligible for those services.</p>	<p>Recommendation Status: Partially Implemented</p> <p>DPSS indicated that they implemented the recommendation for six (60%) of their ten types of contracts (i.e., “contract groups”) where DPSS contractors provide services directly to clients. We reviewed a sample of contract compliance workpapers for three of DPSS’s largest contract groups:</p> <ul style="list-style-type: none"> • Community Services Block Grant (CSBG) • Community College CALWORKs • General Relief Opportunities for Work (GROW) <p>DPSS maintained contract compliance workpapers indicating that they fully implemented the recommendation for the CSBG contract group. DPSS’s workpapers indicate that for the remaining two contract groups we reviewed (i.e., Community College CALWORKs and GROW) DPSS partially implemented the recommendation by verifying that clients exist and were eligible, but did not directly verify with a sample of clients that they received the services billed.</p> <p>DPSS acknowledged that they have not yet implemented the recommendation for the remaining four (40%) contract groups including the DPSS-funded domestic violence (DV) contracts. Contract monitoring responsibilities of DPSS’s DV contracts were recently transferred to the Department of Public Health (DPH), and due to confidentiality laws that protect DV program participant information, DPSS and DPH are working with County Counsel to determine the best way to implement the recommendation for this one contract group while ensuring compliance with confidentiality rules.</p> <p>DPSS has not yet determined a date to fully implement the recommendation for all contract types.</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.