



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

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November 16, 2023

TO: Dr. Laura Trejo, Director  
Aging and Disabilities Department

FROM: Greg Hellmold, Division Chief *Greg Hellmold*  
Office of County Investigations

SUBJECT: **AGING AND DISABILITIES DEPARTMENT – IMPROVEMENT  
OPPORTUNITIES NOTED DURING CHICANA SERVICE ACTION CENTER  
INVESTIGATION (REPORT #IOR-2011-5711) – SECOND AND FINAL  
FOLLOW-UP REVIEW**

We completed a second and final follow-up review of the Workforce Development, Aging and Community Services Department (WDACS) Improvement Opportunities Noted During Chicana Service Action Center (CSAC) Report dated April 18, 2018 (Report #IOR-2011-5711). We reviewed the status of one Priority 2 recommendation that had not been fully implemented in our first follow-up report issued October 11, 2022.

Our original report was issued to WDACS, as the CSAC contracts were part of its workforce programming. WDACS implemented direct client service verification prior to being dissolved and transferring the workforce program to Department of Economic Opportunity on July 1, 2022. However, WDACS did not complete their planned implementation of direct client and service verification in all their aging programming. Therefore, as administration of WDACS' aging programming and contracted client-based service programs were transferred to the new Aging and Disabilities Department (AD), so are the responsibilities for implementing the direct client and service verification in these programs.

As summarized in Table 1, AD fully implemented the outstanding recommendation.

**Table 1 - Results of Second and Final Follow-up Review**

PRIORITY RANKINGS	TOTAL RECOS OUTSTANDIN	EXEMPT FROM REVIEW	RECOMMENDATION IMPLEMENTATION STATUS		
			FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	0	0	0	0	0
PRIORITY 2	1	0	1	0	0
PRIORITY 3	0	0	0	0	0
TOTAL	1	0	1	0	0
					0

For details of our review and the applicable corrective actions, see Attachment.

We thank AD management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0243 or [ghellmold@auditor.lacounty.gov](mailto:ghellmold@auditor.lacounty.gov), or contact Supervising Investigator Graciela Soto at (213) 893-0552 or [gsoto@auditor.lacounty.gov](mailto:gsoto@auditor.lacounty.gov).

GH:SL:GLS:rk

Attachment

c: Oscar Valdez, Auditor-Controller  
 Audit Committee  
 Audit Division

# LOS ANGELES COUNTY AUDITOR-CONTROLLER

**Robert G. Campbell**  
ASSISTANT AUDITOR-CONTROLLER

**Greg Hellmold**  
DIVISION CHIEF

## OFFICE OF COUNTY INVESTIGATIONS

Report #F2-2011-5711-B

### AGING AND DISABILITIES DEPARTMENT IMPROVEMENT OPPORTUNITIES NOTED DURING CHICANA SERVICE ACTION CENTER INVESTIGATION (#IOR-2011-5711) SECOND AND FINAL FOLLOW-UP REVIEW

RECOMMENDATION	A-C COMMENTS
<p><b>1</b> <b>Priority 2</b> – Aging and Disabilities Department (AD or Department) 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>On July 1, 2022, Workforce Development, Aging and Community Services Department transferred their aging programming and contracted client-based service programs to AD.</p> <p><b>Original Issue/Impact:</b> Contract monitoring procedures for programs transferred to AD did not require staff to independently verify directly with clients, on a sample basis, that they are receiving the services being paid for by the County. As a result, payments could be issued for clients who did not receive services and/or who are not eligible for services.</p> <p>Specifically, we found evidence that another County department paid \$6,440,120 over a four-year period to a contracted client service provider (Chicana Service Action Center) who submitted at least \$4,819,564 (75%) in fraudulent billings for Workforce and Welfare-to-Work services they either did not provide and/or for services they provided to clients who were ineligible for those services.</p>	<p><b>Recommendation Status: Implemented</b></p> <p>During our first follow-up review, AD management indicated they implemented the recommendation for 18 (82%) of their 22 programs where AD contractors provided direct client services.</p> <p>Since our last follow-up, AD trained Contract Monitoring staff on the use of monitoring tools to obtain direct client- and service-verification during their annual monitoring of all client- and service-based programs.</p> <p>In addition, we reviewed AD’s Fiscal Year (FY) 2022-23 monitoring workpapers and confirmed AD implemented direct client- and service-verification via telephone surveys for two of the four remaining programs: Adult Protective Services (APS) Home Safe and Health Insurance Counseling and Advocacy Program.</p> <p>The third remaining program, APS Shelter, did not have any clients for FY 2022-23. AD indicated they will use the same direct client- and service-verification survey procedures for future APS Shelter clients.</p> <p>AD management indicated that direct client- and service-verification is not applicable to the remaining program, Long-Term Care Ombudsman (LTCO). According to the California Department of Aging (CDA), funding for the LTCO program is provided using a set contract allocation methodology where the County is paid a fixed calculated amount to administer the program per facility, not fee per client-based billings. Further, CDA provided monitoring documents to show the State conducts their own monitoring of all LTCO programs due to confidentiality laws.</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](http://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.