



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

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August 15, 2025

TO: Jackie Contreras, Ph.D., Director
Department of Public Social Services

FROM: Greg Hellmold, Chief 
Office of County Investigations

SUBJECT: **DEPARTMENT OF PUBLIC SOCIAL SERVICES – IMPROVEMENT
OPPORTUNITIES NOTED DURING LIMITED REVIEW
(REPORT #IOR-2022-18769) – FIRST AND FINAL FOLLOW-UP REVIEW**

We completed the first and final follow-up review of the Department of Public Social Services (DPSS or Department) Improvement Opportunities Noted During Limited Review dated April 29, 2024 (Report #IOR-2022-18769). As summarized in Table 1, DPSS fully implemented the recommendation to improve internal controls for promptly notifying the Office of County Investigations of suspected County employee welfare fraud.

Table 1 - Results of First and Final Follow-up Review

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

For details of our review and the Department's corrective actions, see Attachment.

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

GH:SL:GLS
F1-2022-18769

Attachment

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

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment
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Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Greg Hellmold
DIVISION CHIEF

OFFICE OF COUNTY INVESTIGATIONS

Report #F1-2022-18769

DEPARTMENT OF PUBLIC SOCIAL SERVICES IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (REPORT #IOR-2022-18769) FIRST AND FINAL FOLLOW-UP REVIEW

RECOMMENDATION	A-C COMMENTS
<p>1 Priority 1 - Department of Public Social Services (DPSS or Department) management strengthen processes and internal controls to ensure compliance with Board of Supervisors (Board) Policy 9.040 and County Fiscal Manual (CFM) Chapter 15 by:</p> <p>a) Developing desk procedures requiring that allegations and findings of suspected welfare fraud involving County employees are immediately referred to the Office of County Investigations (OCI), and ensuring that all impacted employees are aware of these procedures.</p> <p>b) Developing a process for management to ensure that staff are following applicable policies and procedures as required in CFM Chapter 15.</p> <p>Original Issue/Impact: During our limited review, we noted that DPSS does not always make a referral to OCI, as required, when County employees are suspected of engaging in welfare fraud. DPSS management indicated that they do not have any formal or documented procedures for immediately notifying OCI when they suspect a non-DPSS County employee engaged in welfare fraud.</p> <p>Board Policy Manual Section 9.040, Investigations of Possible Criminal Activity Within County Government, stipulates that in all instances when it is suspected that a County employee has engaged in criminal activity, OCI is to be notified immediately.</p> <p>Failure to follow Board Policy and notify OCI of suspected welfare fraud by County employees may result in the inability to pursue criminal prosecution, reputational damage to the County, and increased risk of fraud to the County by continuing to employ unethical personnel in positions of trust.</p>	<p>Recommendation Status: Implemented</p> <p>We reviewed DPSS records, which indicate the following actions were implemented in response to our recommendation:</p> <p>a) On September 25, 2024, DPSS issued Call Out 24-008, <i>Reporting Responsibilities For Referrals to Internal Affairs</i> (IA), to all DPSS employees via departmental e-mail. The directive outlines procedures for reporting suspected employee misconduct to both IA and Welfare Fraud Prevention and Investigations (WFP&I). In accordance with Board Policy 9.040, IA and WFP&I are then responsible for notifying OCI. The call-out also clarifies that suspected fraud involving a County employee does not need to meet the DPSS' overpayment or over-issuance thresholds to warrant a referral.</p> <p>Additionally, WFP&I developed a desk manual detailing procedures for handling referrals involving County employees. These procedures require such referrals to be assigned to WFP&I, where an investigator initiates the referral to IA. The desk manual also provides guidance in verifying whether a referral involves a County employee using resources such as the County's Employee Contact database, online directory, and Microsoft Outlook Address Book.</p> <p>b) On April 30, 2025, WFP&I issued a memo titled <i>Internal Monitoring Review of Los Angeles County Employee-Related Fraud Referrals</i>, outlining its ongoing self-monitoring process to ensure cases involving County employees are properly identified and reported to OCI. As part of this effort, WFP&I will maintain a quality assurance log, overseen by WFP&I staff who are not involved in the day-to-day referral process. Each month, staff will review a sample of cases and document their findings in the log.</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.