



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


OFFICE OF COUNTY INVESTIGATIONS  
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**OSCAR VALDEZ**  
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September 4, 2025

TO: Anthony C. Marrone, Fire Chief  
Fire Department

FROM: Greg Hellmold, Chief   
Office of County Investigations

SUBJECT: **IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED  
REVIEW #2024-21014**

NUMBER OF RECOMMENDATIONS	
<b>PRIORITY 1</b>	<b>0</b>
CORRECTIVE ACTION REQUIRED WITHIN 90 DAYS	
<b>PRIORITY 2</b>	<b>2</b>
CORRECTIVE ACTION REQUIRED WITHIN 120 DAYS	
<b>PRIORITY 3</b>	<b>0</b>
CORRECTIVE ACTION REQUIRED WITHIN 180 DAYS	

During a limited review at Fire Department (Fire or Department), we noted areas where Fire can strengthen its internal controls over Cal-Card purchases and inventory management to prevent procurement fraud, theft, and/or unauthorized use of County equipment. Please see Attachment I, Table of Findings and Recommendations for Corrective Action, for details of our observations and recommendations.

**Review of Report**

We discussed our report with Fire management. The Department's response (Attachment II) indicates general agreement with our findings and recommendations.

We thank Fire 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 your staff may contact Supervising Investigator, Dean Aardema at (213) 893-2471 or [daardema@auditor.lacounty.gov](mailto:daardema@auditor.lacounty.gov).

GH:RPC:DWA:JO  
IOR-2024-21014

Attachments (2)

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

# LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment I  
Page 1 of 3

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

**Greg Hellmold**  
DIVISION CHIEF

## OFFICE OF COUNTY INVESTIGATIONS

Report #IOR-2024-21014

### FIRE DEPARTMENT IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2024-21014

#### BACKGROUND

The Los Angeles County (County) Fire Department (Fire or Department) participates in the State “Cal-Card” Credit Card Program intended to provide an additional alternative within the existing procurement system to help support and/or expedite small-dollar-value operating requirements. Cal-Cards may be used as an alternative to small-dollar purchase orders and/or in lieu of petty cash purchases, and purchases of items to complete jobs-in-progress and emergency items. Currently, Fire has 266 employees with assigned Cal-Cards who incurred over \$1.5 million in Cal-Card purchases in Fiscal Year 2024-25.

Fire’s Construction and Maintenance Division (CMD) is responsible for new construction, repair, and maintenance of Fire facilities. CMD employs a variety of staff, including project managers, carpenters, electricians, and plumbers. CMD employees are often assigned County vehicles to commute to their work assignment locations (i.e., Fire facilities), some of which store County work tools and supplies.

#### TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

##### ISSUE

##### RECOMMENDATION

<p><b>1</b> <b>Cal-Card Purchases</b> - During an investigation into purchasing improprieties and equipment theft related to one Fire employee’s Cal-Card transactions, we found that CMD lacks adequate internal controls and management oversight. This allowed questionable and potentially improper purchases—including some possibly for personal use—to go undetected.</p> <p>During our review, we identified several questionable purchases of tools that had already been issued to the employee or were listed in purchase records as being related to the employee’s personal account or family plumbing businesses.</p> <p>In addition, we noted that the cardholder’s supervisors did not provide adequate oversight. They approved the monthly billing statement reconciliations without sufficient verification or follow-up with the respective cardholder. Further, supervisors and managers appeared uncertain about whether Cal-Cards could be used to purchase tools.</p> <p><b>Criteria:</b> County Fiscal Manual (CFM) Section (§) 4.4.4, Use of Credit Cards, states that departments must develop policies and procedures to govern the use of procurement cards, including what types of items can and cannot be purchased, monthly</p>	<p><b>Priority 2 - Fire management:</b></p> <ul style="list-style-type: none"><li>a) <b>Review and improve existing policies and procedures to address areas lacking sufficient controls and oversight over Cal-Card usage.</b></li><li>b) <b>Develop and implement improved Cal-Card forms that require employees to provide sufficient justification for purchases; Retrain cardholders accordingly.</b></li><li>c) <b>Retrain cardholder supervisors to require sufficient justification and documentation for Cal-Card purchases.</b></li><li>d) <b>Update the Department Cal-Card policy to clarify requirements and restrictions for using Cal-Cards to purchase tools and supplies.</b></li></ul> <p><b>Department Response:</b> Agree Implementation Date: March 1, 2026</p>
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**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.

<b>TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION</b>	
<b>ISSUE</b>	<b>RECOMMENDATION</b>
<p>and transaction/daily purchase limits, proposed users, approval authority/requirements, and any other restrictions that management requires.</p> <p>CFM § 4.4.5, General Internal Controls Over Credit Cards, states that department credit cardholders must ensure that all purchases comply with County purchasing policies and procedures and must not be used to purchase prohibited items.</p> <p>Internal Services Department Purchasing Policy and Procedure Manual Chapter 5 – County Procurement Cards, prohibits cardholders from using the cards for various purposes, including purchasing materials not intended for a job in-progress and for restocking supplies. In addition, cardholders' supervisors must review card receipts and invoices to verify that all purchases are appropriate and comply with the policy.</p> <p><b>Impact:</b> Insufficient controls and oversight over the use of Cal-Cards increase the risk of fraud and theft (unauthorized or inappropriate purchases), leading to monetary losses for the Department and the County.</p>	
<p><b>2</b> <b>Vehicle Supplies - Inventory Control</b> - During the investigation into purchasing improprieties and equipment theft, we examined processes and controls over tool and equipment inventory of CMD work trucks and noted that CMD does not maintain a stock list of equipment assigned to each vehicle or conduct periodic inventories upon vehicle assignment or re-assignment to identify missing equipment. Further, CMD does not have standards identifying the supplies assigned to a work vehicle or procedures for documenting, verifying, and maintaining those supplies.</p> <p><b>Criteria:</b> County Code § 2.06.130 and CFM § 1.0.2 requires departmental management to design, implement, monitor, and document internal controls—both preventative and detective—by clearly defining ownership and oversight responsibilities, collaborating with others as needed, and taking corrective action when issues arise.</p> <p>CFM § 5.2.2 – Internal Controls over Supplies, states that departments must establish procedures</p>	<p><b>Priority 2</b> - Fire management develop and implement policies and procedures to safeguard equipment and supply inventories on fleet utility vehicles.</p> <p><b>Department Response:</b> Agree Implementation Date: March 1, 2026</p>

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>and controls to ensure that supply inventories are safeguarded from theft or personal use. The degree of control exercised over actual supply inventories should be commensurate with the size and/or dollar value of inventories maintained. Departmental managers must review their operations and establish appropriate controls such that supplies inventories are not over or under controlled. Management should consider the dollar value obsolescence factors, inventory turnover, and existence of consumer-useable items.</p> <p><b>Impact:</b> The lack of procedures for tracking vehicle supply inventories increases the risk of theft and/or unauthorized use of County supplies.</p>	

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).



ANTHONY C. MARRONE  
FIRE CHIEF  
FORESTER & FIRE WARDEN

*"Proud Protectors of Life,  
the Environment, and Property"*

## COUNTY OF LOS ANGELES FIRE DEPARTMENT

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(323) 881-2401  
[www.fire.lacounty.gov](http://www.fire.lacounty.gov)



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September 4, 2025

TO: GREG HELLMOLD, CHIEF  
OFFICE OF COUNTY INVESTIGATIONS

FROM: ANTHONY C. MARRONE, FIRE CHIEF

### RESPONSE TO THE IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2024-21014 REPORT

Attached is the Fire Department's (Department) response to recommendations made in the Auditor-Controller's Improvement Opportunities Noted During Limited Review #2024-21014 report.

The Department concurs with and has initiated corrective actions to address the recommendations in the report.

If you have any questions, please contact me at (323) 881-6180 or via email at [Anthony.Marrone@fire.lacounty.gov](mailto:Anthony.Marrone@fire.lacounty.gov); or your staff may contact Jason Stempinski, Head Compliance Officer, at (323) 881-2377 or via email at [Jason.Stempinski@fire.lacounty.gov](mailto:Jason.Stempinski@fire.lacounty.gov).

ACM:js

Attachment

c: Rhea Celles

#### SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS  
ARTESIA  
AZUSA  
BALDWIN PARK  
BELL  
BELL GARDENS  
BELLFLOWER  
BRADBURY  
CALABASAS

CARSON  
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HERMOSA BEACH  
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IRVINDALE  
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LA MIRADA  
LA PUENTE  
LAKEWOOD  
LANCASTER

LAWDALE  
LOMITA  
LYNWOOD  
MALIBU  
MAYWOOD  
NORWALK  
PALMDALE  
PALOS VERDES ESTATES  
PARAMOUNT

PICO RIVERA  
POMONA  
RANCHO PALOS VERDES  
ROLLING HILLS  
ROLLING HILLS ESTATES  
ROSEMEAD  
SAN DIMAS  
SANTA CLARITA

SIGNAL HILL  
SOUTH EL MONTE  
SOUTH GATE  
TEMPLE CITY  
VERNON  
WALNUT  
WEST HOLLYWOOD  
WESTLAKE VILLAGE  
WHITTIER



FIRE DEPARTMENT IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2024-21014 DEPARTMENT ACTION PLAN/RESPONSE	
ISSUE 1: CAL-CARD PURCHASES	
A/C Recommendation	<p>a) Review and improve existing policies and procedures to address areas lacking sufficient controls and oversight over Cal-Card usage.</p> <p>b) Develop and implement improved Cal-Card forms that require employees to provide sufficient justification for purchases; Retrain cardholders accordingly.</p> <p>c) Retrain cardholder supervisors to require sufficient justification and documentation for Cal-Card purchases.</p> <p>d) Update the Department Cal-Card policy to clarify requirements and restrictions for using Cal-Cards to purchase tools and supplies.</p>
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan	While it should be noted that Construction and Maintenance Division (CMD) management's oversight procedures identified the potentially improper personal purchases that prompted the investigation, Fire management agrees with the recommendations to further improve oversight and has begun enhancing policies, procedures, and internal Cal-Card forms. Once complete, cardholders and cardholder supervisors will be retrained.
Planned Implementation Date	March 1, 2026
ISSUE 2: VEHICLE SUPPLIES – INVENTORY CONTROL	
A/C Recommendation	Fire management develop and implement policies and procedures to safeguard equipment and supply inventories on fleet utility vehicles.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan	Fire management agrees with the recommendations and will develop and implement supply inventory policies and procedures for CMD work trucks.
Planned Implementation Date	March 1, 2026