CALIFORNIA STATE AUDITOR
Elaine M. Howle, State Auditor

FACT SHEET

Date: June 29, 2010   **Report: I2010-1**

The California State Auditor released the following report today:

Investigations of Improper Activities by State Employees
*Misuse of State Time and Resources, Improper Gifts, Inadequate Administrative Controls,
and Other Violations of State Law
January 2009 Through December 2009*

BACKGROUND

Since July 1993 the State Auditor's Office has identified improper governmental activities totaling roughly $29.7 million and other improper activities that cannot be quantified in dollars but have had negative social impacts such as violations of fiduciary trust or abuse of authority. The California Whistleblower Protection Act (whistleblower act) empowers the State Auditor to perform independent investigations of complaints that state employees have engaged in improper conduct. The whistleblower act defines an "improper governmental activity" as any action by a state agency or employee during the performance of official duties that violates any state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency.

KEY FINDINGS

Between January 1, 2009, and December 31, 2009, the State Auditor's Office:

- Received 4,990 allegations of improper governmental activities either through calls or inquiries from the Whistleblower Hotline, mail, Web site, or individuals who visited the office.

- Opened 882 new cases after careful review and continued to analyze or investigate 122 other cases it opened previously.

- Substantiated or jointly substantiated with other state agencies, 11 particularly significant investigations and reported that state employees and departments engaged in improper activities, including the following:

  - An inspector with the Department of Industrial Relations, Division of Occupational Safety and Health, misused state resources and received improper payments totaling $70,105. The inspector used state time and equipment to teach safety courses for a state university and to give presentations for a professional association during her work hours.

  - A supervisor at one of the Department of Corrections and Rehabilitation's correctional facilities misused the time of two psychiatric technicians by assigning them to perform clerical or administrative duties rather than providing direct care to facility patients, resulting in a loss to the State of $110,797.

  - An employee of the California State University, Northridge, improperly allowed an acquaintance and three associates to use the laboratory facility and university-owned equipment and supplies for almost five years, costing the State $20,790 in usage fees.

  - Several departments improperly paid employees a total of $4,203 more than they were entitled to receive:

    - ✓ An employee from the California Architects Board claimed $392 in travel expenses she did not incur. In addition, she violated state law when she accepted gifts from a hotel she frequently used for state business.

    - ✓ The Department of Justice paid an employee $2,605 for time she did not work when the employee failed to report leave taken.

    - ✓ The 32nd District Agricultural Association paid an employee $1,206 for time the employee did not work because the employee did not accurately report absences.

  - A supervisor from the Department of Water Resources improperly received $1,840 in gifts from a vendor and made purchases from that vendor without complying with state contracting rules.

This report also summarizes corrective actions taken on previously reported cases—state departments must report to the State Auditor's Office any corrective action taken in response to an investigative report until corrective action is completed. For example, although the Department of Parks and Recreation took some appropriate steps toward improving its controls over the procurement and inventory of cellular phones, after three years, it has not yet finalized its actions to resolve the misuse of cellular phones.