

# CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

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## ***Investigations of Improper Activities by State Employees, July 2003 Through December 2003***

ALLEGATION I2003-0836 (REPORT I2004-1),  
MARCH 2004

California Unemployment Insurance Appeals Board response  
as of January 2004

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### ***Investigative Highlight . . .***

*The Appeals Board violated state law when it agreed to allow an employee to work as a contractor as long as she performed work on her own time.*

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**W**e investigated and substantiated an allegation that the California Unemployment Insurance Appeals Board (Appeals Board) improperly contracted with one of its employees.

**Finding:** In violation of state law, the Appeals Board paid one of its employees \$13,579 for interpreting and translating services she provided between September 2002 and July 2003.

In 1998 an Appeals Board official notified other board officials that employees were not allowed to enter into contracts with the Appeals Board. Nevertheless, the employee sought and received permission from her superiors to work as a contractor as long as she performed the work on her own time. The employee's manager told us he had not received the 1998 notification and was unaware of the prohibition. However, officials are expected to be aware of the laws they are charged with administering.

### ***Appeals Board Action: Corrective action taken.***

The Appeals Board told the employee she would no longer be able to contract with the State. It also stated that it was apparent the situation occurred because the employee's manager was not aware that employees were prohibited from contracting with the State. This prohibition is now covered in the Appeals Board's mandatory ethics training program. In addition, the executive director met with the manager to review office procedures and provided him with a counseling memorandum regarding the specific breach of rules.

