


## Introduction

This report summarizes the major findings and recommendations from audit and investigative reports we issued from January 2008 through December 2009. The purpose of this report is to identify what actions, if any, these auditees have taken in response to our findings and recommendations. We have placed this symbol  in the margin of the auditee's action to identify areas of concern or issues that we believe an auditee has not adequately addressed. We have compiled and summarized the recommendations we directed to the Legislature in a separate report we issued in December 2009 (report number 2009-701).

This report is organized by policy areas that generally correspond to the Assembly and Senate standing committees. Under each policy area we have included audit report summaries that relate to an area's jurisdiction. Because an audit or investigation may involve more than one issue or because it may cross the jurisdictions of more than one standing committee, a report summary could be included in more than one policy area. For example, the Commission on State Mandates' report summary is listed under three policy areas—Appropriations; Business, Professions and Economic Development; and Local Government.

As shown in the Figure, the California State Auditor's Office (office) made 281 recommendations in audit reports and investigations we issued from January 2008 through December 2009. Of those, agencies asserted that they have fully implemented 132 and partially implemented 88; however, for the remaining 61 recommendations we determined that agencies have taken no action, did not provide a response, or corrective action is pending. Our audit efforts bring the greatest return when agencies act upon our findings and recommendations. As a result, we will continue to monitor these agencies' efforts to implement the recommendations that have not been fully implemented.

**Figure**  
**Overview of Recommendation Status**

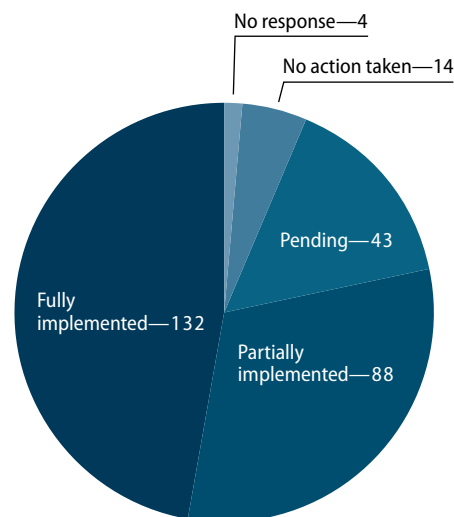


Table 1 beginning on page 3, summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2002, through December 31, 2009. We have grouped the monetary value into various categories such as cost recovery, cost savings, lost revenue, increased revenue, and wasted funds. We estimate that if auditees implemented our recommendations contained in these reports, they could realize more than \$1.4 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, in September 2008 we reported that

the Department of Public Health's Laboratory Services could increase its revenue. We noted that Laboratory Services improperly raised its fees in one year and failed to impose fee increases the following two years as called for in the budget act—foregoing more than \$1 million in revenue. We recommended that Laboratory Services work with the Department of Public Health's budget section and other appropriate parties to ensure that it adjusts its fees in accordance with the budget act.

In addition to these issues of fiscal responsibility, the Department of Public Health has not overseen clinical laboratories as state law and regulations mandate. For example, Laboratory Services is not inspecting laboratories every two years as state law requires and has no plans to do so unless it receives additional resources. State law requires that Laboratory Services investigate consumer complaints, however, in late 2007 Laboratory Services had a backlog of complaints it had received, and it closed many cases without taking action. Particularly troubling was one complaint regarding a laboratory that was believed to have cross-contaminated blood samples, leading a medical professional to reportedly misdiagnose tuberculosis in a patient who consequently was hospitalized twice for complications from the prescribed tuberculosis treatments she received. One reason Laboratory Services cited for not pursuing the case was sparse resources. However, if Laboratory Services had correctly collected fees it was due, it could potentially use those funds to obtain the resources necessary to comply with state laws and regulations that it reports it cannot comply with at current resource levels.

Another example where revenue could be increased includes delays in taking steps to claim millions of dollars in overpayments counties have received from food stamp recipients. Specifically, the Department of Social Services has been delayed in seeking the State's \$12.5 million share of the \$42.1 million in food stamp overpayments that counties have collected. In addition, because neither the Department of Social Services nor the federal government have addressed this issue during the past six years, we estimated that the State lost the opportunity to earn approximately \$1.1 million in interest on its share of the funds.

For this report we have relied upon periodic written responses prepared by auditees to determine whether corrective action has been taken. The office's policy requests that the auditees provide a written response to the audit findings and recommendations before the audit report is initially issued publicly. As a follow-up, state law requires the auditee to respond at least three times subsequently: at 60 days, six months, and one year after the public release of the audit report. However, we may request that an auditee provide a response beyond one year or initiate a follow-up audit if deemed necessary. In addition, California Government Code, Section 8548.9, requires us to produce an annual report regarding recommendations that state agencies have not fully implemented within a year of issuance. Accordingly, for those state agencies we determine have not fully implemented one or more recommendations within one year of the issuance of an audit report, we will follow up and request an update of each respective agency's plans to implement outstanding recommendations.

In addition to our audits, we issue investigative reports that include instances of improper governmental activities we have substantiated. For example, in April 2009 we reported that a high-ranking official formerly working for the Office of Spill Prevention and Response—part of the Department of Fish and Game—incurred \$71,747 in improper travel expenses. We recommended that the Department of Fish and Game seek to recover the amount it reimbursed the official for her improper travel expenses. In that same investigative report we reported that the Department of Corrections and Rehabilitation and the Department of General Services wasted a total of \$580,000 in state funds by failing to terminate a lease for 5,900 square feet of office space that Corrections had left unoccupied for more than four years. We recommended that the Department of Corrections and Rehabilitation require its employees to confirm its leasing needs before submitting a request to the Department of General Services, and to review and approve required lease information to facilitate the process. We also recommended that the Department of General Services strengthen its oversight role to prevent state agencies from unnecessarily using leased space when state-owned space is available.

By making recommendations to shore up control weaknesses such as these in our investigations, it is our intent that state agencies avoid wasting state funds and resources in the future. These departments are required to report the status of their corrective actions every 30 days until all such actions are complete. Investigations published during 2008 and 2009 have identified over \$3 million in state

governmental improper acts and spending, and inefficiencies including improper overtime payments, failure to accurately report absences, and mismanagement of state resources and funds. These investigations are typically initiated via tips to the office's Whistleblower hotline, 1.800.952.5665.

Unless otherwise noted, we have not performed any type of review or validation of the corrective actions reported by the auditees. All corrective actions noted in this report were based on responses received by our office as of January 2010. Table 2 beginning on page 13, summarizes the status of agencies' efforts to implement recommendations based on the most recent response received from each agency. Because an audit report's recommendations may apply to several policy areas, the agency's status on implementing our recommendations may be represented in Table 2 more than once. For instance, the recommendations made to the Unemployment Insurance Appeals Board are reflected under the policy areas for Banking, Finance and Insurance; Labor, Employment and Industrial Relations; and the policy area of Public Employees and Retirement.

### Summary of Monetary Value Identified in Audit Reports Released From January 1, 2002, Through December 31, 2009

We estimate that auditees could have realized roughly \$1.4 billion of monetary value during the period January 1, 2002, through December 31, 2009, if they implemented our recommendations and/or addressed the improper governmental activities we substantiated during our investigations. Table 1 provides a brief description of the monetary values we found, such as potential cost recoveries, cost savings, increased revenues, lost revenues, and funds wasted. Finally, many of the monetary values we have identified are not only one-time benefits, but could be realized each year for many years to come. This table reflects the cumulative impact of the monetary values identified.

**Table 1**  
**Monetary Values**  
**January 1, 2002, Through December 31, 2009**

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
<b>July 1, 2009, through December 31, 2009</b>		
2009-030 (July 2009)	<i>State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</i>  Lost Revenue—The State Bar has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased 30 percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional \$283,333 annually for the past three years.	\$283,000
2009-101 (November 2009)	<i>Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts</i>  Lost Revenue—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments. As a result, of the six-year delay in addressing this issue, we estimate Social Services lost approximately \$1.1 million in interest on its share of the funds.	1,100,000
12009-0702 (November 2009)	<i>Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision</i>  Cost Recovery—We identified almost \$35,000 in overpayments made to 23 employees, and we recommended that the Department of Corrections and Rehabilitation recuperate the overpayments from the employees.	35,000

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AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2009-043 (November 2009)	<i>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements</i>	
	Lost Revenue—The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee. This table shows a 6-month value.	4,000
	Cost Savings—The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, \$4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately \$30,000 annually. Because the board has already finished training for the 2009–10 fiscal year, we will claim the annual cost savings value beginning in fiscal year 2010–2011.	5,000
<b>Annualized carry forward for July 1, 2009, through December 31, 2009</b>		<b>\$105,447,500</b>
2001-120 (March 2002)	School Bus Safety II	22,150,000
2001-116 (April 2002)	San Diego Unified Port District	350,000
2002-101 (July 2002)	California Department of Corrections and Rehabilitation	29,000,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2002-118 (April 2003)	Department of Health Services	10,000,000
2003-125 (July 2004)	California Department of Corrections and Rehabilitation	10,350,000
2003-124 (August 2004)	Department of Health Services	2,300,000
I2004-2 (September 2004)	Department of Health Services	4,500
I2004-2 (September 2004)	Military Department	32,000
2004-105 (October 2004)	California Department of Corrections and Rehabilitation	145,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	59,500
2004-113 (July 2005)	Department of General Services	593,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services	5,150,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	96,500
I2006-1 (March 2006)	Department of Fish and Game	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
I2008-1 (April 2008)	California Department of Corrections and Rehabilitation	25,000
I2008-1 (April 2008)	Department of Social Services	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000
<b>Total for July 1, 2009, through December 31, 2009</b>		<b>\$106,874,500</b>
2007-040 (September 2008)	<i>Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk</i>	\$1,020,000
	Increased Revenue—Net effect of Clinical Laboratory misstatement. If fee adjustments are properly made, this should be a one time-monetary value.	
I2008-2 (October 2008) (Allegation I2006-0826)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	17,000
	Cost Recovery—Recover improper payments that were made to employees for which they were not entitled.	
I2008-2 (October 2008) (Allegation I2008-0678)	<i>California Environmental Protection Agency: Investigations of Improper Activities by State Employees</i>	23,000
	Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used.	
I2008-2 (October 2008) (Allegation I2007-1049)	<i>Department of Housing and Community Development: Investigations of Improper Activities by State Employees</i>	35,000
	Cost Recovery—Recover improper payments that were made to employees for which they were not entitled.	

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2007-0917)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	108,000
	Cost Recovery—Recover improper overtime payments that were made to employees at San Quentin State Prison for which they were not entitled.	
I2008-2 (October 2008) (Allegation I2007-0771)	<i>State Personnel Board: Investigations of Improper Activities by State Employees</i>	14,000
	Cost Savings—The State Personnel Board approved contracts with a retired annuitant without providing reasonable justification for the contract or the contract amount. Although three different contracts were entered into, the amount of the contracts either varied or the amount of work was unspecified.	
2008-103 (November 2008)	<i>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</i>	20,000
	Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save \$61,000 annually. We are showing a benefit of \$20,000 for the remainder of fiscal year 2008–09.	
I2009-1 ( April 2009) (Allegation I2006-1125)	<i>Department of Fish and Game: Investigations of Improper Activities by State Employees</i>	72,000
	Cost Recovery— A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred \$71,747 in improper travel expenses she was not entitled to receive.	
I2009-1 ( April 2009) (Allegation I2007-0909)	<i>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</i>	8,000
	Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours she did not work.	
I2009-1 ( April 2009) (Allegation I2007-0891)	<i>Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees</i>	580,000
	Wasted Funds—The Departments of Corrections and Rehabilitation and General Services wasted \$580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years.	
2009-042 (May 2009)	<i>Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program</i>	34,000
	Lost Revenue—We identified interest revenues totaling \$34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$210,895,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-116 (April 2002)	San Diego Unified Port District	700,000
2002-101 (July 2002)	California Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-125 (July 2004)	California Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	1,186,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000

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AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	California Department of Corrections and Rehabilitation	50,000
I2008-1 (April 2008)	Department of Social Services	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
<b>Total for July 1, 2008, through June 30, 2009</b>		<b>\$212,826,000</b>
<b>July 1, 2007, through June 30, 2008</b>		
I2007-2 (September 2007) (Allegation I2006-1099)	<i>Department of Mental Health: Investigations of Improper Activities by State Employees</i> Wasted Funds—Misuse of state funds designated to purchase two law enforcement vehicles by using the vehicles for non-law enforcement purposes.	\$19,000
2007-037 (September 2007)	<i>Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent</i> Lost Revenue—Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	38,000
I2007-2 (September 2007) (Allegation I2007-0715)	<i>California Highway Patrol: Investigations of Improper Activities by State Employees</i> Cost Avoidance—Purchase cost of \$881,565 for 51 vans it had not used for their intended purposes. We calculated that California Highway Patrol lost \$90,385 in interest because it bought the vans two years prior to when it needed them.	972,000
2007-109 (November 2007)	<i>DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State</i> Increased Revenue—Counties did not always assess and collect all required DNA penalties.	32,000
I2008-1 (April 2008) (Allegation I2006-0665)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds—Corrections leased 29 parking spaces at a private parking facility but did not use them.	50,000*
I2008-1 (April 2008) (Allegation I2006-1040)	<i>California Department of Social Services: Investigations of Improper Activities by State Employees</i> Cost Recovery—Recover improper payments that were made to contractors. Cost Savings—The Department of Social Services will avoid these improper payments totaling about \$13,000 annually in the future.	26,000
I2008-1 (April 2008) (Allegation I2007-0958)	<i>California Department of Justice: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period.	18,000
2007-122 (June 2008)	<i>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharge Medi-Cal</i> Cost Recovery—The Department of Health Care Services (department) has identified overbilling to Medi-Cal by equipment providers. We estimated the department has overpaid providers by approximately \$13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to the department if they collect all overpayments. Cost Savings—If the department implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually.	13,000,000
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$184,094,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-116 (April 2002)	San Diego Unified Port District	350,000
2002-101 (July 2002)	California Department of Corrections and Rehabilitation	43,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2003-125 (July 2004)	California Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	2,336,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
<b>Total for July 1, 2007 through June 30, 2008</b>		<b>\$198,249,000</b>
<b>July 1, 2006, through June 30, 2007</b>		
I2006-2 (September 2006) (Allegation I2006-0663)	<i>California Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i>  Cost Recovery—Between January 2004 and December 2005 an employee with the Department of Forestry and Fire Protection improperly claimed and received \$17,904 in wages for 672 hours he did not work in violation of state law.	\$18,000
2006-035 (February 2007)	<i>Department of Health Services: It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities</i>  Cost Savings/Avoidance—A contractor consultant authorized long-term care Medi-Cal duplicate payments. The Department of Health Services will recoup approximately \$5.3 million from facilities that received duplicate payments and an additional \$780,000 for duplicate or overlapping payments made to one or more different provider entities. Since authorization for the duplicate payments occurred because of a flawed procedure, the error may have caused other duplicate payments outside those we identified.	6,100,000
I2007-1 (March 2007) (Allegation I2006-0945)	<i>California Exposition and State Fair: Investigations of Improper Activities by State Employees</i>  Cost Recovery—An official within the California Exposition and State Fair (Cal Expo) sold his personal vehicle to Cal Expo. Because he was involved in the decision to make this purchase while acting in his official capacity and because he derived a personal financial benefit, this official violated the Political Reform Act of 1974 and Section 1090 of the California Government Code. Cal Expo has indicated that it has reversed the transaction regarding the vehicle, resulting in the reimbursement of \$5,900 to Cal Expo and the return of the vehicle to the prior owner.	6,000
I2007-1 (March 2007) (Allegation I2006-0731)	<i>California Department of Health Care Services: Investigations of Improper Activities by State Employees</i>  Cost Recovery—An employee violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments.	8,000
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$185,164,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	California Department of Corrections and Rehabilitation	29,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-125 (July 2004)	California Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000 <sup>†</sup>
2004-113 (July 2005)	Department of General Services	2,336,000 <sup>‡</sup>

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AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	California Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
<b>Total for July 1, 2006, through June 30, 2007</b>		<b>\$191,296,000</b>
<b>July 1, 2005, through June 30, 2006</b>		
2004-113 (July 2005)	<i>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</i>	\$1,231,000 <sup>‡</sup>
	Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about \$2.3 million each year. Cost savings reflect six months—January through June 2006.	
	Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year.	
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.	
2004-134 (July 2005)	<i>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</i>	33,000
	Increased Revenue—If the State Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year.	
2004-125 (August 2005)	<i>California Department of Health Services: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</i>	10,300,000
	Increased Revenue—We estimate that California school districts would have received at least \$53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional \$4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about \$10.3 million per year beginning in fiscal year 2005–06.	
2004-126 (August 2005)	<i>Off-Highway Motor Vehicle Recreation Program: The Lack of a Shared Vision and Questionable Use of Program Funds Limits Its Effectiveness</i>	226,000
	Cost Recovery—Of the \$566,000 in grant advances we identified as outstanding from Los Angeles County, the division reports receiving a \$226,000 refund and determining that the remaining \$340,000 was used in accordance with grant guidelines.	
I2005-2 (September 2005) (Allegation I2004-0710)	<i>California Military Department: Investigations of Improper Activities by State Employees</i>	133,000
	Cost Recovery—A supervisor at the Military Department embezzled \$132,523 in public funds; a court has subsequently ordered restitution of these funds.	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	558,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling \$365,500, Corrections can save \$192,500 annually by discontinuing this practice.	
I2006-1 (March 2006) (Allegation I2005-0781)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	70,000 <sup>§</sup>
	Cost Recovery—The Department of Corrections and Rehabilitation failed to exercise its management controls, resulting in gifts of public funds of \$70,255 in leave not charged.	
I2006-1 (March 2006) (Allegations I2005-0810, I2005-0874, I2005-0929)	<i>Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i>	61,000
	Cost Recovery—Several employees of the Department of Forestry and Fire Protection received \$61,466 in improper overtime payments.	



AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
I2006-1 (March 2006) (Allegations I2004-0983, I2005-1013)	<i>Victim Compensation and Government Claims Board and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	26,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly awarded payments to a physician at Corrections totaling \$25,950.	
I2006-1 (March 2006) (Allegation I2004-1057)	<i>Department of Fish and Game: Investigations of Improper Activities by State Employees</i>	8,300,000
	Increased Revenue—The Department of Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as \$8.3 million by charging fair-market rents.	
2005-120 (April 2006)	<i>California Student Aid Commission: Changes in the Federal Family Education Loan Program, Questionable Decisions, and Inadequate Oversight Raise Doubts About the Financial Stability of the Student Loan Program</i>	45,000 <sup>ll</sup>
	Cost Savings/Avoidance—We recommended that the Student Aid Commission amend its operating agreement to require EDFUND to establish a travel policy that is consistent with the State's policy and that it closely monitor EDFUND expenses paid out of the Operating Fund for conferences, workshops, all-staff events, travel, and the like. By implementing policy changes as recommended, we estimate EDFUND could save a minimum of \$45,000 annually.	
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$152,202,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	California Department of Corrections and Rehabilitation	14,500,000
2002-109 (December 2002)	Durable Medical Equipment	2,700,000 <sup>#</sup>
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-125 (July 2004)	California Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services	4,600,000
I2004-2 (September 2004)	Department of Health Services	9,000
I2004-2 (September 2004)	Military Department	64,000
2004-105 (October 2004)	California Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	California Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000 <sup>**</sup>
<b>Total for July 1, 2005, through June 30, 2006</b>		<b>\$173,185,000</b>
<b>July 1, 2004, through June 30, 2005</b>		
2003-125 (July 2004)	<i>California Department of Corrections and Rehabilitation: More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care</i>	††
	Cost Savings—The potential for the Department of Corrections and Rehabilitation (Corrections) to achieve some level of annual savings appears significant if it could negotiate cost-based reimbursement terms, such as paying Medicare rates, in its contracts with hospitals. We estimated potential savings of at least \$20.7 million in Corrections' fiscal year 2002–03 inmate hospital costs. Specifically, had Corrections been able to negotiate contracts without its typical stop-loss provisions that are based on a percent discount from the hospitals' charges rather than costs, it might have achieved potential savings of up to \$9.3 million in inpatient hospital payments in fiscal year 2002–03 for the six hospitals we reviewed that had this provision. Additionally, had Corrections been able to pay hospitals the same rates as Medicare—which bases its rates on an estimate of hospital resources used and their associated costs—it might have achieved potential savings of \$4.6 million in emergency room and \$6.8 million in nonemergency room outpatient services at all hospitals in fiscal year 2002–03. Recognizing that Corrections will need some time to negotiate cost-based reimbursement contract terms, we estimate that it could begin to realize savings of \$20.7 million annually in fiscal year 2005–06.	

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AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2003-124 (August 2004)	<i>Department of Health Services: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program</i> Cost Savings— Represents the savings the Department of Health Services (Health Services) would have achieved in fiscal year 2002–03 had it paid only the amount specifically authorized by law for the Medical Therapy Program. Of the total, \$3.6 million relates to the full funding of county positions responsible for coordinating with services provided by special education programs; \$774,000 relates to Health Services' method for sharing Medi-Cal payments with counties; and \$254,000 relates to Health Services' failure to identify all Medi-Cal payments made to certain counties.	\$4,600,000
I2004-2 (September 2004) (Allegation I2002-0853)	<i>Department of Health Services: Investigations of Improper Activities by State Employees</i> Cost Savings—We found that managers and employees at the Department of Health Services' (Health Services) Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of \$9,260 each year because its employees no longer use state vehicles for personal use.	9,000
I2004-2 (September 2004) (Allegation I2002-1069)	<i>California Military Department: Investigations of Improper Activities by State Employees</i> Cost Savings—We found that the California Military Department (Military) improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year.	64,000
2004-105 (October 2004)	<i>California Department of Corrections and Rehabilitation : Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts</i> Cost Savings—The Department of Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions.	290,000
I2005-1 (March 2005) (Allegation I2003-0834)	<i>California Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.	357,000
2005-030 (April 2005)	<i>State Bar of California: It Should Continue Strengthening Its Monitoring of Disciplinary Case Processing and Assess the Financial Benefits of Its New Collection Enforcement Authority</i> Cost Recovery—As a result of our recommendation that it prioritize its cost recovery efforts to focus on attorneys who owe substantial amounts, the State Bar of California sent demand letters to the top 100 disciplined attorneys and has received \$24,411 as of April 2006.	24,000 <sup>##</sup>
2004-033 (May 2005)	<i>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</i> Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually. Cost Recovery—As we recommended, the Department of Health Services identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error.	5,100,000 <sup>\$\$</sup> 2,469,000
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$104,120,000</b>
2001-120 (March 2002)	School Bus Safety	44,300,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-109 (December 2002)	Durable Medical Equipment	2,700,000 <sup>#</sup>
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
<b>Total for July 1, 2004, through June 30, 2005</b>		<b>\$117,033,000</b>

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
<b>July 1, 2003, through June 30, 2004</b>		
2002-121 (July 2003)	<i>California Environmental Protection Agency: Insufficient Data Exists on the Number of Abandoned, Idled, or Underused Contaminated Properties, and Liability Concerns and Funding Constraints Can Impede Their Cleanup and Redevelopment</i> Increased Revenue—The California Environmental Protection Agency received \$1 million in revenues after it applied for a one-time federal grant.	\$1,000,000
2003-106 (October 2003)	<i>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process</i> Cost Savings—If the local entities we audited file corrected claims for the errors we identified, the State will save \$4.8 million (\$4.1 million related to the Peace Officers Procedural Bill of Rights mandate and \$675,000 related to the Animal Adoption mandate). We also recommended that the State Controller’s Office audit the Peace Officers Procedural Bill of Rights’ claims that have been filed. We believe that such audits could yield savings of up to \$159.6 million.	4,800,000
2003-102 (December 2003)	<i>Water Quality Control Boards: Could Improve Their Administration of Water Quality Improvement Projects Funded by Enforcement Actions</i> Increased Revenue—We identified 92 violations that require fine issuance and collection of the fines and three fines that were issued but not collected. The State Water Resources Control Board could increase its revenue if it collected these fines.	301,000
2003-117 (April 2004)	<i>California Department of Corrections and Rehabilitation: It Needs to Ensure That All Medical Service Contracts It Enters Are in the State’s Best Interest and All Medical Claims It Pays Are Valid</i> Cost Savings/Avoidance—Recovery of overpayments to providers for medical service charges in the amount of \$77,200 and the establishment of procedures to avoid lost discounts and prompt payment penalties totaling \$18,600.	96,000
2003-138 (June 2004)	<i>Department of Insurance: It Needs to Make Improvements in Handling Annual Assessments and Managing Market Conduct Examinations</i> Increased Revenue—We estimate a one-time increase of revenue totaling \$7 million from the Department of Insurance’s ability to make regulation changes that will result in capturing more specific data from insurers about the number of vehicles they insure. Future increases in revenue are undeterminable.	7,000,000
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$104,200,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-107 (October 2002)	Office of Criminal Justice Planning	23,000
2002-109 (December 2002)	Durable Medical Equipment	2,700,000 <sup>#</sup>
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,057,000
<b>Total for July 1, 2003, through June 30, 2004</b>		<b>\$117,397,000</b>
<b>July 1, 2002, through June 30, 2003</b>		
2001-123 (July 2002)	<i>Deaf and Disabled Telecommunications Program: Insufficient Monitoring of Surcharge Revenues Combined With Imprudent Use of Public Funds Leave Less Money Available for Program Services</i> Cost Savings—Represents \$200,000 in known unremitted collections from intrastate telecommunication charges and \$68,000 in penalties and interest due for 2000 and 2001.	\$268,000
2002-101 (July 2002)	<i>California Department of Corrections and Rehabilitation: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management’s Control</i> Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save \$58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the \$42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of \$14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching \$58 million in fiscal year 2008–09.	††

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AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2002-107 (October 2002)	<i>Office of Criminal Justice Planning: Experiences Problems in Program Administration, and Alternative Administrative Structures for the Domestic Violence Program Might Improve Program Delivery</i>  Cost Savings—Represents estimated annual savings from the elimination of duplicative work conducted by the State Controller's Office. This savings would recur indefinitely. However, in 2008, we decided to carry forward this cost savings through fiscal year 2003-04 only.	23,000
2002-109 (December 2002)	<i>Department of Health Services: It Needs to Better Control the Pricing of Durable Medical Equipment and Medical Supplies and More Carefully Consider Its Plans to Reduce Expenditures on These Items</i>  Cost Savings—Represents savings the Department of Health Services (Health Services) would have achieved in fiscal year 2002-03 had it updated its maximum price for blood glucose test strips and volume remained the same as it was in the previous fiscal year. Also, beginning in fiscal year 2003-04, Health Services could save an additional \$2.7 million annually if it purchases stationary volume ventilators instead of renting them. However, because this action has not taken place, we are not adding the \$2.7 million to the monetary value estimate.	911,000
2002-009 (April 2003)	<i>California Energy Markets: The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue</i>  Cost Savings—In response to an audit recommendation, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized. The estimated savings totaling \$580 million over 20 years varies by year from approximately -\$130 million to +\$180 million.	29,000,000
2002-118 (April 2003)	<i>Department of Health Services: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures</i>  Cost Savings—For two drugs we found that the net costs of the brand names were higher than those of the generics because the Department of Health Services (Health Services) failed either to renegotiate the contract or to secure critical contract terms from the manufacturer—errors we estimated cost Medi-Cal roughly \$57,000 in 2002. Additionally, Health Services estimated that it could save \$20 million annually by placing the responsibility on the pharmacists to recover \$1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003-04.	††
<b>Annualized carry forward from prior fiscal years:</b>		<b>\$52,420,000</b>
2001-120 (March 2002)	School Bus Safety II	44,300,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
<b>Total for July 1, 2002, through June 30, 2003</b>		<b>\$82,622,000</b>
<b>January 1, 2002, through June 30, 2002</b>		
2001-120 (March 2002)	<i>School Bus Safety II: State Law Intended to Make School Bus Transportation Safer Is Costing More Than Expected</i>  Cost Savings—We recommended that the Legislature clarify what activities are reimbursable. In 2002 the Legislature passed Assembly Bill 2781, which specifies that costs associated with implementation of transportation plans are not reimbursable claims. Costs for a six-year period ending June 30, 2002, were \$235.8 million and the ongoing costs after June 30, 2002, are \$44.3 million each year thereafter.	\$235,800,000
2001-128 (April 2002)	<i>Enterprise Licensing Agreement: The State Failed to Exercise Due Diligence When Contracting With Oracle, Potentially Costing Taxpayers Millions of Dollars</i>  Cost Savings—The State and Oracle agreed to rescind the contract in July 2002. As a result, we estimate the State will save \$8,120,000 per year for five years starting in fiscal year 2002-03.	††

AUDIT NUMBER/DATE RELEASED	AUDIT TITLE/BASIS OF MONETARY VALUE	MONETARY VALUE
2001-116 (April 2002)	<i>San Diego Unified Port District: It Should Change Certain Practices to Better Protect the Public's Interests in Port-Managed Resources</i>	††
	Increased Revenue—We estimate an increase in revenue of \$700,000 per year by obtaining market value rents. This monetary value will recur for many years, however, it is not anticipated to begin until 2007.	
2001-124 (June 2002)	<i>Los Angeles Unified School District: Outdated, Scarce Textbooks at Some Schools Appear to Have a Lesser Effect on Academic Performance Than Other Factors, but the District Should Improve Its Management of Textbook Purchasing and Inventory</i>	1,762,000
	Cost Savings—We found that some publishers are not equitably providing free instructional materials (commonly referred to as gratis items) to different schools within Los Angeles Unified School District (LAUSD), as state law requires. Subsequently, LAUSD reports that it negotiated with publishers and thus far one publisher has actually provided approximately \$300,000 in gratis items.	
<b>Total for January 1, 2002, through June 30, 2002</b>		<b>\$237,562,000</b>
<b>Total for January 1, 2002, through December 31, 2009</b>		<b>\$1,437,044,500</b>

\* This monetary value amount represents the benefit identified for a 12-month period. The monetary value amount identified for this allegation in Table 1 of the investigations report I2008-2, is for a three-month period.

† Based on our follow-up work (Report 2007-501), we will discontinue claiming \$7.8 million as of fiscal year 2007–08 because the Department of General Services' (General Services) two new pharmaceutical contracts will expire November 2007. (See related footnote \*\* below.)

‡ Based on our follow-up audit Report 2007-502, issued May 2007, we reduced General Services' expected \$3 million of cost savings we reported in 2005 to \$2.3 million of potential savings.

§ This monetary value was previously listed at \$66,000. Additional audit work resulted in additional cost recovery of more than \$4,000 and based on updated information from the Department of Corrections and Rehabilitation, we eliminated the improper holiday accruals we reported in 2007.

|| We will discontinue claiming \$45,000 as of fiscal year 2005–06. Recent changes to state law may impact the role previously performed by the Student Aid Commission (commission). Senate Bill 89 (SB 89), an emergency measure enacted as Chapter 182, Statutes of 2007, and signed by the governor on August 24, 2007, took effect immediately, and may affect the ownership of EDFUND, and impact the commission's oversight role. SB 89 prohibits the commission from authorizing EDFUND to perform any new or additional services unless they are deemed necessary or convenient by the Department of Finance for the operation of the loan program or for maximizing the value of the state student loan guarantee program. Similarly, the director must approve any expenditure by EDFUND. Moreover, SB 89 provides that all actions, approvals, and directions of the commission affecting the state student loan guarantee program are effective only upon the approval of the director. Thus, the director now has significant authority over the commission and EDFUND.

# Although this cost savings was previously identified, it was not previously reported as cost savings.

\*\* This monetary value was previously listed at \$5.1 million. However, according to General Services, its strategic sourcing contractor assisted it in negotiating two new pharmaceutical contracts for the period of November 2005 to November 2007 that General Services believed would result in increased savings to the State. Our follow-up report indicates that the State appears to have achieved savings of \$7.8 million during the first 10 months of these two new contracts. See report number 2007-501 (June 2007).

†† Although we identified monetary values the auditee could reasonably expect to realize if it implements our recommendations, these benefits would be realized in a future period rather than the period in which the report was issued. Therefore, the appropriate amounts either are or will be included in future years' annualized carry forward.

‡‡ This monetary value was previously listed as \$2,700. The State Bar reported that it has since received an increased amount of cost recovery.

§§ This monetary value was not previously reported because General Services had not yet implemented the contracts resulting in this savings.

**Table 2**  
**Recommendation Status Summary**

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Aging &amp; Long Term Care</b>										
<b>Department of Veterans Affairs</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
<b>California Veterans Board</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
<b>Veterans Home-Yountville</b>										
Veterans Home-Yountville Report 2007-121				●	3	2				25

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	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Department of Public Health</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
<b>Appropriations</b>										
<b>Department of Social Services</b>										
Safely Surrendered Baby Report 2007-124				●		1	4	1		33
<b>Department of Public Health</b>										
Clinical Laboratories Report 2007-040				●	1	8				41
<b>Commission on State Mandates</b>										
State Mandates Report 2009-501		●				1	2			49
<b>State Controller</b>										
State Mandates Report 2009-501		●				1				49
<b>Department of Finance</b>										
State Mandates Report 2009-501		●			1					49
Investigations Report I2009-1 [I2008-0633]	●				1					53
<b>Banking, Finance &amp; Insurance</b>										
<b>Department of Insurance</b>										
Executive Life Insurance Report 2005-115.2				●	4					55
<b>Unemployment Insurance Appeals Board</b>										
Unemployment Insurance Report 2008-103				●	5	1				59
<b>Health Facilities Financing Authority</b>										
Children's Hospital Program Report 2009-042			●			3				67
<b>Business, Professions &amp; Economic Development</b>										
<b>Highway Patrol</b>										
CHP Contracting Report 2007-111				●	3	1				71
E-Waste Report 2008-112				●	2					97
<b>Department of Motor Vehicles</b>										
E-Waste Report 2008-112				●	2					97
<b>Department of Transportation</b>										
E-Waste Report 2008-112				●	2					97
<b>Employment Development Department</b>										
E-Waste Report 2008-112				●	2					97
<b>Department of Justice</b>										
E-Waste Report 2008-112				●		1				97
<b>Department of General Services</b>										
CHP Contracting Report 2007-111				●	3	1				71
E-Waste Report 2008-112				●	1					97

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
Investigations Report I2009-1 [I2007-0891]			●		1					137
<b>Department of Toxic Substance Control</b>										
E-Waste Report 2008-112				●	1					97
<b>Waste Management Board</b>										
E-Waste Report 2008-112				●	1					97
<b>State Board of Chiropractic Examiners</b>										
Chiropractic Board Report 2007-117				●	18	4				79
<b>Department of Corrections and Rehabilitation</b>										
Investigations Report I2008-1 [I2006-0665]				●	1					103
Operations and Management Report 2009-107.1		●				2	3			121
Investigations Report I2009-1 [I2007-0891]			●			1				137
Investigations Report I2008-0805		●			1					141
<b>Department of Social Services</b>										
Investigations Report I2008-1 [I2006-1040]				●	1					105
<b>California Prison Health Care Services</b>										
Data and Technology Goods and Services Report 2008-501			●		3					107
Investigations Report I2008-0805		●				1				141
<b>Health Facilities Financing Authority</b>										
Children's Hospital Program Report 2009-042			●			3				67
<b>State Bar of California</b>										
State Bar Report 2009-030		●			1	7	3			111
<b>Department of Health Care Services</b>										
Information Technology Contracting Report 2009-103		●			2	3	1			129
<b>Department of Public Health</b>										
Information Technology Contracting Report 2009-103		●			1	3	1			129
<b>State Personnel Board</b>										
Information Technology Contracting Report 2009-103		●						1		129
<b>Commission on State Mandates</b>										
State Mandates Report 2009-501		●				1	2			49
<b>State Controller</b>										
State Mandates Report 2009-501		●				1				49
<b>Department of Finance</b>										
State Mandates Report 2009-501		●			1					49

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	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Department of Parks and Recreation</b>										
Investigations Report I2009-1 [I2008-0606]		●			1					139
<b>Board of Pilot Commissioners</b>										
Operations and Finances Report 2009-043	●				1	6	4			143
<b>Education</b>										
<b>University of California</b>										
College Textbook Affordability Report 2007-116				●	4	1				155
<b>California State University</b>										
College Textbook Affordability Report 2007-116				●	2	3	1			155
<b>Community Colleges</b>										
College Textbook Affordability Report 2007-116				●	3	1	1			155
<b>Department of Education</b>										
Special Education Hearings Report 2008-109				●	2	1				165
<b>California State University, Chancellor's Office</b>										
Investigations Report I2007-1158	●					1	2			169
<b>Elections, Redistricting &amp; Constitutional Amendments</b>										
<b>Office of the Secretary of State</b>										
Poll Workers Training Report 2008-106				●	1					173
<b>Alameda County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>Fresno County</b>										
Poll Workers Training Report 2008-106				●	2		1	1		173
<b>Kings County</b>										
Poll Workers Training Report 2008-106		●			2			2		173
<b>Los Angeles County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>Orange County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>San Diego County</b>										
Poll Workers Training Report 2008-106				●	3			1		173
<b>Santa Clara County</b>										
Poll Workers Training Report 2008-106				●	3			1		173



	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS	
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE		
<b>Solano County</b>											
Poll Workers Training Report 2008-106	●									4	173
<b>Energy, Utilities &amp; Communications</b>											
<b>Energy Resource Conservation &amp; Development Commission</b>											
Recovery Act Funds Report 2009-119.1	●					1	1				183
<b>Environmental Quality &amp; Toxic Materials</b>											
<b>Department of Public Health</b>											
Low-Level Radioactive Waste Report 2007-114				●		3	1	2			187
<b>Office of Spill Prevention and Response</b>											
Cosco Busan Report 2008-102				●		5	1				193
<b>Highway Patrol</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Motor Vehicles</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Transportation</b>											
E-Waste Report 2008-112				●	2						97
<b>Employment Development Department</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Justice</b>											
E-Waste Report 2008-112				●		1					97
<b>Department of General Services</b>											
E-Waste Report 2008-112				●	1						97
<b>Department of Toxic Substance Control</b>											
E-Waste Report 2008-112				●	1						97
<b>Waste Management Board</b>											
E-Waste Report 2008-112				●	1						97
<b>Governmental Organization</b>											
<b>Highway Patrol</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Motor Vehicles</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Transportation</b>											
E-Waste Report 2008-112				●	2						97
<b>Employment Development Department</b>											
E-Waste Report 2008-112				●	2						97
<b>Department of Justice</b>											
E-Waste Report 2008-112				●		1					97
<b>Department of General Services</b>											
E-Waste Report 2008-112				●	1						97

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	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Department of Toxic Substance Control</b>										
E-Waste Report 2008-112				●	1					97
<b>Waste Management Board</b>										
E-Waste Report 2008-112				●	1					97
<b>Department of Mental Health</b>										
State Overtime Costs Report 2009-608		●				1	2	1		199
<b>Department of Developmental Services</b>										
State Overtime Costs Report 2009-608		●				2	1			199
<b>Health &amp; Human Services</b>										
<b>Department of Social Services</b>										
Sex Offender Placement Report 2007-115				●	1					207
Safely Surrendered Baby Report 2007-124				●		1	4	1		33
CalWORKs & Food Stamps Programs Report 2009-101	●					1	4	1		225
<b>Department of Corrections and Rehabilitation</b>										
Sex Offender Placement Report 2007-115				●	3					207
<b>Department of Justice</b>										
Sex Offender Placement Report 2007-115				●	1					207
<b>Department of Public Health</b>										
Low-Level Radioactive Waste Report 2007-114				●		3	1	2		187
Clinical Laboratories Report 2007-040				●	1	8				41
<b>Department of Veterans Affairs</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
<b>Department of Health Care Services</b>										
Durable Medical Equipment Report 2007-122				●	1	1		1		213
<b>Victims Compensation and Government Claims Board</b>										
Victim Compensation Program Report 2008-113				●	5	5				217
<b>Higher Education</b>										
<b>University of California</b>										
College Textbook Affordability Report 2007-116				●	4	1				155
<b>California State University</b>										
College Textbook Affordability Report 2007-116				●	2	3	1			155

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>California State University, Chancellor's Office</b>										
Investigations Report I2007-1158	●					1	2			169
<b>Community Colleges</b>										
College Textbook Affordability Report 2007-116				●	3	1	1			155
<b>Housing &amp; Community Development</b>										
<b>Department of Housing and Community Development</b>										
Housing Bond Funds Report 2009-037	●				1	1	1			231
<b>Housing Finance Agency</b>										
Housing Bond Funds Report 2009-037	●					1				231
<b>Judiciary</b>										
<b>State Bar of California</b>										
State Bar Report 2009-030		●			1	7	3			111
<b>Labor, Employment &amp; Industrial Relations</b>										
<b>Unemployment Insurance Appeals Board</b>										
Unemployment Insurance Report 2008-103				●	5	1				59
<b>Department of Corrections and Rehabilitation</b>										
Investigations Report I2008-2 [I2006-0826]				●		1				235
<b>Contractors State License Board</b>										
Investigations Report I2008-2 [I2007-1046]				●		1				237
<b>California Environmental Protection Agency</b>										
Investigations Report I2008-2 [I2008-0678]			●		2					239
<b>Department of Mental Health</b>										
State Overtime Costs Report 2009-608		●				1	4	1		199
<b>Department of Developmental Services</b>										
State Overtime Costs Report 2009-608		●				2	1			199
<b>Local Government</b>										
<b>Department of Social Services</b>										
Safely Surrendered Baby Report 2007-124				●		1	4	1		33
<b>Santa Clara Valley Transportation Authority</b>										
Santa Clara Valley Transportation Report 2007-129				●	4	2				241

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	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Office of Spill Prevention and Response</b>										
Cosco Busan Report 2008-102				●		5	1			193
<b>Office of the Secretary of State</b>										
Poll Workers Training Report 2008-106				●	1					173
<b>Alameda County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>Fresno County</b>										
Poll Workers Training Report 2008-106				●	2		1	1		173
<b>Kings County</b>										
Poll Workers Training Report 2008-106		●			2			2		173
<b>Los Angeles County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>Orange County</b>										
Poll Workers Training Report 2008-106				●	4					173
<b>San Diego County</b>										
Poll Workers Training Report 2008-106				●	3			1		173
<b>Santa Clara County</b>										
Poll Workers Training Report 2008-106				●	3			1		173
<b>Solano County</b>										
Poll Workers Training Report 2008-106	●								4	173
<b>Highway Patrol</b>										
E-Waste Report 2008-112				●	2					97
<b>Department of Motor Vehicles</b>										
E-Waste Report 2008-112				●	2					97
<b>Department of Transportation</b>										
E-Waste Report 2008-112				●	2					97
<b>Employment Development Department</b>										
E-Waste Report 2008-112				●	2					97
<b>Department of Justice</b>										
E-Waste Report 2008-112				●		1				97
<b>Department of General Services</b>										
E-Waste Report 2008-112				●	1					97
<b>Department of Toxic Substance Control</b>										
E-Waste Report 2008-112				●	1					97
<b>Waste Management Board</b>										
E-Waste Report 2008-112				●	1					97

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Victims Compensation and Government Claims Board</b>										
Victim Compensation Program Report 2008-113				●	5	5				217
<b>Contra Costa County</b>										
Temporary Workers Report 2008-107			●		1	1				247
<b>Riverside County</b>										
Temporary Workers Report 2008-107			●		1					247
<b>San Joaquin County</b>										
Temporary Workers Report 2008-107			●			1				247
<b>City of Escondido</b>										
Temporary Workers Report 2008-107			●		1					247
<b>Commission on State Mandates</b>										
State Mandates Report 2009-501		●				1	2			49
<b>State Controller</b>										
State Mandates Report 2009-501		●				1				49
<b>Department of Finance</b>										
State Mandates Report 2009-501		●			1					49
<b>Department of Social Services</b>										
CalWORKS & Food Stamps Programs Report 2009-101	●					1	4	1		225
<b>Natural Resources and Water</b>										
<b>Office of Spill Prevention and Response</b>										
Cosco Busan Report 2008-102				●		5	1			193
<b>Department of Fish and Game</b>										
Bay-Delta Sport Fishing Stamp Report 2008-115				●	2		1			253
<b>Public Employees and Retirement</b>										
<b>Unemployment Insurance Appeals Board</b>										
Unemployment Insurance Report 2008-103				●	5	1				59
<b>Department of Justice</b>										
Investigations Report I2008-1 [I2007-0728]				●	1					257
Investigations Report I2008-1 [I2007-0958]				●	2					259
Investigations Report I2009-1 [I2007-1024]			●			2				269
<b>Contractors State License Board</b>										
Investigations Report I2008-2 [I2007-1046]				●		1				237

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	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60- DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>California Environmental Protection Agency</b>										
Investigations Report I2008-2 [I2008-0678]			●		2					239
<b>Contra Costa County</b>										
Temporary Workers Report 2008-107			●		1	1				247
<b>Riverside County</b>										
Temporary Workers Report 2008-107			●		1					247
<b>San Joaquin County</b>										
Temporary Workers Report 2008-107			●			1				247
<b>City of Escondido</b>										
Temporary Workers Report 2008-107			●		1					247
<b>Department of Mental Health</b>										
State Overtime Costs Report 2009-608		●				1	2	1		199
<b>Department of Developmental Services</b>										
State Overtime Costs Report 2009-608		●				2	1			199
<b>Office of Spill Prevention and Response</b>										
Investigations Report I2009-1 [I2006-1125]			●				2			261
<b>State Compensation Insurance Fund</b>										
Investigations Report I2009-1 [I2007-0909]			●			1				265
<b>Department of Social Services</b>										
Investigations Report I2009-1 [I2007-0962]		●			2					267
<b>Employment Development Department</b>										
Investigations Report I2009-1 [I2008-0699]			●		2					271
<b>Department of Corrections and Rehabilitation</b>										
Investigations Report I2009-0702	●						2			273
<b>California State University, Chancellor's Office</b>										
Investigations Report I2007-1158	●					1	2			169
<b>Public Safety</b>										
<b>Department of Social Services</b>										
Sex Offender Placement Report 2007-115				●	1					207

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION					PAGE NUMBERS
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	NO FOLLOW-UP RESPONSE	
<b>Department of Corrections and Rehabilitation</b>										
Sex Offender Placement Report 2007-115				●	3					207
Parole Discharge Report 2008-104				●	2	1				275
<b>Department of Justice</b>										
Sex Offender Placement Report 2007-115				●	1					207
<b>Revenue &amp; Taxation</b>										
<b>State Bar of California</b>										
State Bar Report 2009-030		●			1	7	3			111
<b>Transportation</b>										
<b>Highway Patrol</b>										
CHP Contracting Report 2007-111				●	3	1				71
<b>Department of General Services</b>										
CHP Contracting Report 2007-111				●	3	1				71
<b>Santa Clara Valley Transportation Authority</b>										
Santa Clara Valley Transportation Report 2007-129				●	4	2				241
<b>Veterans Affairs</b>										
<b>Department of Veterans Affairs</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
Veterans Programs Report 2009-108		●				4	4	2		279
<b>California Veterans Board</b>										
Veterans Home-Yountville Report 2007-121				●	1					25
<b>Veterans Home-Yountville</b>										
Veterans Home-Yountville Report 2007-121				●	3	2				25
<b>Department of Public Health</b>										
Veterans Home-Yountville Report 2007-121				●	1					25