

Introduction

This report summarizes the major recommendations from audit and investigative reports that we issued from January 2010 through December 2011.¹ The purpose of this report is to identify what actions, if any, these entities have taken in response to our findings and recommendations. We have placed this symbol ☹ in the margin of the entity’s action to identify areas of concern or issues that we believe have not been adequately addressed.

This report is organized by policy areas that generally correspond to the Assembly and Senate standing committees. Under each policy area we have included report summaries that relate to an area’s jurisdiction. Because an audit 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 Citation Penalties Account report summary is listed under two policy areas—Aging and Long-Term Care, and Health.

As shown in the Figure, the California State Auditor (state auditor) made 497 recommendations in audit and investigative reports that were issued from January 2010 through December 2011. Of those recommendations, entities asserted that they have fully implemented 241 and partially implemented 82; however, for the remaining 174 recommendations, we determined that entities have taken no action for 48, and corrective action is pending for 126 recommendations. Our audit and investigative efforts bring the greatest return when entities act upon our findings and recommendations. As a result, we will continue to monitor these entities’ efforts to implement the recommendations that have not been fully implemented.

Figure
Overview of Recommendation Status

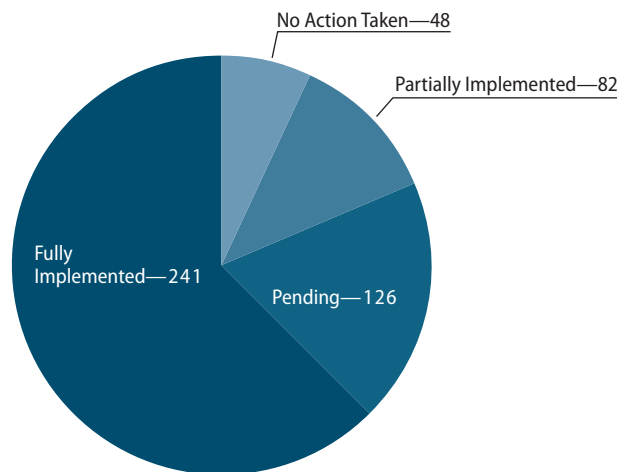


Table 1 beginning on page 3 summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2004, through December 31, 2011. We have grouped the monetary value into various categories such as cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than \$1.4 billion in monetary benefits either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, our October 2011 report on

¹ We have modified the format of this report from prior years’ reports. Specifically, in previous reports, we often grouped multiple recommendations under one finding and, when determining the total number of recommendations by status, we counted findings rather than recommendations. In this report, we have chosen to modify our calculations counting each individual recommendation by its status rather than findings. Thus, the total numbers by status are higher than those from previous reports and, therefore, are not comparable.

the child welfare system (CWS) found that the percentage of placements with foster family agencies has continued to increase over the last decade. One potential explanation for this trend was that the Department of Social Services (Social Services) required no justification from county CWS agencies for placing children with these higher cost agencies. We estimated that this trend had resulted in the State spending an additional \$327 million in foster care payments between 2001 and 2010. We recommended that Social Services revise its regulations so that placements in lower-cost, licensed foster homes take higher priority than placements with foster family agencies. We also recommended that Social Services require county CWS agencies to file a detailed justification for any child placed with a foster family agency. We estimate that if Social Services implements our recommendations, the State would save \$6 million in the first full year of implementation (the \$3 million shown in Table 1 is for a half year). We further estimate that these savings would steadily increase each year and that over a five-year period the cost savings would be \$90 million.

In another example, the Department of Developmental Service (Developmental Services) recovered approximately \$15 million in one year by implementing the recommendations from our August 2010 report. Our report found several deficiencies in Developmental Services' oversight of the nonprofit regional centers that it contracts with to coordinate services of individuals with developmental disabilities. Specifically, we found that Developmental Services did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Consequently, we recommended that Developmental Services require regional centers to document the reasonableness of their rates and develop formal procurement policies. We also made recommendations to help Developmental Services better use its biennial fiscal audits to ensure compliance with applicable laws and policies. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly \$15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate \$15 million annually in continued annual savings through a combination of cost recovery and cost avoidance.

The state auditor's policy requests that the entities 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 entity to provide updates on their implementation of audit recommendations. The state auditor requests these updates at 60 days, six months, and one year after the public release of the audit report. However, we may request that an entity provide a response beyond one year or initiate a follow-up audit if deemed necessary. For investigations, California Government Code, Section 8547.7, subdivision (a), requires that within 60 days of receiving an investigative report, an entity shall report any actions it has taken or it intends to take to implement the recommendations made in the report. The entity also is required to file subsequent reports on a monthly basis until it has completed all of the actions it intends to take in response to the recommendations. In addition, California Government Code, Section 8548.9 requires us to produce an annual report regarding recommendations that state entities have not fully implemented within a year of issuance. Accordingly, we will follow up with every state entity that we determine has not fully implemented one or more recommendations within one year of the issuance of an audit or investigative report to request an update on the entity's plans to implement the outstanding recommendations.

The investigative reports that we issue describe improper governmental activities by state entities and employees that we have substantiated through an investigation. The publicly reported investigations during 2010 and 2011 identified improper activities, including wasteful spending, improper overtime payments, improper gifts, and mismanagement of state resources and funds that produced nearly \$1 million in economic loss to the State. For example, an investigation we conducted at a facility operated by the Department of Corrections and Rehabilitation (Corrections) revealed that the chief psychologist at the facility was using his state-compensated time and state equipment to perform work related to his private psychology practice, costing the State an estimated \$212,261 in lost productivity over nearly five years. We, therefore, recommended that Corrections take appropriate disciplinary action against the chief psychologist and establish a system for monitoring whether psychology personnel at the facility are working during their specified hours of duty. As another example, an investigation we conducted at the Department of Mental Health (Mental Health) established that the department wasted at least \$51,244 during a one-year period by employing a long-time senior official to perform activities that either were undertaken on behalf of a nonstate organization or did not serve a

state purpose. We consequently recommended that Mental Health require the official to repay the State for salary he received for days he did not perform work for the State, evaluate the need for the official's position, and if it determined that the position can provide value to the State, increase oversight of the work performed by the person holding the position.

By making recommendations to shore up control weaknesses that facilitate harm to the State, such as the losses uncovered through our investigations, it is our intent that state entities will avoid wasting state funds and resources in the future.

Unless otherwise noted, we have not performed any type of review or validation of the corrective actions reported by the entities. All corrective actions noted in this report were generally based on responses received by our office as of December 31, 2011. Table 2 beginning on page 15 summarizes the status of entities' efforts to implement our recommendations based on the most recent response received from each one. Because an audit report's recommendations may apply to several policy areas, the status of an entity's implementation of our recommendations may be represented in Table 2 more than once, as previously discussed. Table 3 on page 23 summarizes the status of each entity's efforts to implement recommendations that we made to ensure accountability and address control weaknesses related to the improper governmental activities identified in our investigative reports.

Table 1
Monetary Values
January 1, 2004, Through December 31, 2011

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for January 1, 2004, Through December 31, 2011		\$1,384,650,500
Total for July 1, 2011, Through December 31, 2011		\$89,462,500
Total One-Time Benefits for July 1, 2011, Through December 31, 2011		\$5,266,000
2010-125 (August 2011)	<i>State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund</i> Increased Revenue—The commission has allowed lessees whose rent is past due to remain on state land for years without paying rent. Additionally, about 140 of its 1,000 revenue-generating leases had expired and lessees continued to pay the rent established by an old appraisal that may not be indicative of the property's current value at that time. Further, the commission generally failed to promptly conduct rent reviews causing it to lose millions in increased rent it could have been able to collect. Moreover, the commission did not appraise its leased properties as frequently as the lease agreements allowed and thus, some of the properties were undervalued because it used outdated methods for valuing its properties. In total, we estimate that the commission has lost approximately \$8.3 million in revenue.	4,160,000
I2011-1 (August 2011) (Allegation I2009-0644)	<i>Department of Mental Health: Investigations of Improper Activities by State Employees</i> Cost Savings—An executive at the Department of Mental Health (Mental Health) wasted state funds in 2009 by employing a longtime senior official to perform activities that either were undertaken on behalf of a nonstate organization or did not serve a state purpose. Mental Health has since eliminated the position.	38,000
I2011-1 (August 2011) (Allegation I2010-0844)	<i>California Energy Commission: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee and a personnel specialist at the California Energy Commission (Energy Commission) falsified time and attendance records to enable the employee—at the time of her retirement—to receive a payment for unused annual leave that was higher than the amount to which she was entitled, costing the State an estimated \$6,589.	7,000
I2011-1 (August 2011) (Allegation I2009-0601)	<i>Department of Fish and Game: Investigations of Improper Activities by State Employees</i> Cost Recovery—A manager at the Department of Fish and Game (Fish and Game) improperly directed an employee under his supervision to use a state vehicle for commuting between her home and work locations at a cost to the State of \$8,300 during a nine-month period. In addition the employee improperly requested—and the manager improperly approved—reimbursement for \$600 in lodging and meal expenses incurred by the employee near her headquarters. We recommended that Fish and Game should seek recovery of the improper payments.	9,000

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AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2011-1 (August 2011) (Allegation I2009-1476)	<i>State Controller's Office: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of the State Controller's Office (Controller's Office) failed to report an estimated 322 hours of absences over an 18-month period and her supervisor failed to adequately monitor her time reporting. The Controller's Office should seek reimbursement from the employee for the wages she did not earn.	7,000
2010-124 (September 2011)	<i>Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain</i> Cost Savings—The Department of Corrections (CDCR) should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has determined its usefulness and demonstrated to the legislature that it has a plan to measure and report COMPAS's effect on reducing recidivism. CDCR's budget for COMPAS shows approximately \$2 million in annual maintenance and operations cost which CDCR will save each year COMPAS is suspended.	1,045,000
Annualized carry forward for July 1, 2011, through December 31, 2011		\$84,196,500
2002-101 (July 2002)	California Department of Corrections	29,000,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	32,000
2004-105 (October 2004)	California Department of Corrections	145,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	59,500
2004-113 (July 2005)	Department of General Services	18,000
2004-134 (July 2005)	State Athletic Commission	16,500
2004-125 (August 2005)	Department of Health Services	5,150,000
I2005-2 (September 2005)	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)	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
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500
2009-043 (November 2009)	Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	141,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000
2009-118 (August 2010)	Department of Developmental Services	7,500,000
Total for July 1, 2010, through June 30, 2011		\$390,052,000
Total One-Time Benefits for July 1, 2010, through June 30, 2011		\$209,059,000
2009-114 (July 2010)	<i>Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises</i> Cost Savings and Recovery—We recommended that the Department of General Services (General Services) determine if there are further opportunities to achieve savings for consultant-recommended categories of goods and services contracts. Also, General Services should follow procedures for identifying strategic sourcing opportunities and work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing. Finally, General Services should implement standard procedures to recover identified overcharges. The potential savings to the state is currently unknown; but if General Services implements our recommendation, the savings will be quantifiable in the future. The report concludes that documents indicate that as a result of its initial strategic sourcing efforts, the State accrued at least \$160 million in net savings from 33 contracts through June 30, 2007.	Unknown

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-106 (August 2010 Update)	<i>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process</i>	194,000,000
	Cost Recovery— We recommended that the State Controller’s Office (Controller’s Office) audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010, the Controller’s Office informed the State Auditor that it had audited \$225 million in POBOR Program claims and identified \$194 million (86 percent of claims reviewed) in unallowable costs had been claimed.	
2009-118 (August 2010)	<i>Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers</i>	15,000,000
	Cost Recovery— We found that the Department of Developmental Services (Developmental Services) did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services’ recent fiscal audits, it has recovered roughly \$15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate \$15 million in continued annual savings through a combination of cost recovery and cost avoidance.	
2010-106 (November 2010)	<i>Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients’ Needs</i>	47,000
	Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services.	
I2010-2 (January 2011) (Allegation I2008-1024)	<i>Department of General Services: Investigations of Improper Activities by State Employees</i>	12,000
	Cost Recovery—A manager with General Services improperly used state vehicles for his daily commute for nine years. The cost of misuse for three years is an estimated \$12,000. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles.	

Annualized carry forward for July 1, 2010, through June 30, 2011 **\$180,993,000**

2002-101 (July 2002)	California Department of Corrections	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	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)	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
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	283,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for July 1, 2009, through June 30, 2010		\$195,429,000
Total One-Time Benefits for July 1, 2009, through June 30, 2010		\$23,023,000
2009-112 (May 2010)	<i>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</i> Cost Avoidance—If the Department of Health Care Services performed cost-benefit analyses on treatment authorization requests (TAR) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis we estimate that it could save \$4,700,000 annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	4,700,000
2010-108 (June 2010)	<i>Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts</i> Increased Revenue—The Department of Public Health (Public Health) inappropriately granted a 35 percent reduction to health facility penalties totaling \$70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated \$95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by \$3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated \$101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account.	70,000 95,000 3,300,000 101,000
I2010-1 (June 2010) (Allegation I2008-1066)	<i>Department of Industrial Relations: Investigations of Improper Activities by State Employees</i> Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health misused state resources and improperly engaged in dual employment during her state work hours, for which she received \$70,105 in inappropriate payments.	70,000
I2010-1 (June 2010) (Allegation I2008-0920)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of \$110,797. Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the clerical and administrative tasks. When these employees returned to their normal duties, the Department of Corrections and Rehabilitation did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of \$75,824.	111,000 76,000
I2010-1 (June 2010) (Allegation I2008-1037)	<i>California State University, Northridge: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation Northridge received payment of \$20,709 from the business owner.	21,000
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/Increased Revenues—The State Bar has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased thirty percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional \$850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately \$285,000 annually.	850,000
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> Cost Recovery—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—approximately \$12.45 million. 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.	12,450,000 1,100,000
I2009-0702 (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 recuparate the overpayments from the employees.	35,000

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>	9,000
	Increased 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.	
	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.	5,000 30,000
Annualized carry forward for July 1, 2009, through June 30, 2010		\$172,406,000
2002-101 (July 2002)	California Department of Corrections	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services	10,300,000
I2005-2 (September 2005)	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)	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
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
Total for July 1, 2008, through June 30, 2009		\$175,426,000
Total One-Time Benefits for July 1, 2008, through June 30, 2009		\$1,931,000
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—The Department of Public Health (Public Health) incorrectly adjusted the fees it charged to clinical laboratories, resulting in more than \$1 million in lost revenue. Public Health should adjust fees in accordance with the budget act.	
I2008-2 (October 2008) (Allegation I2006-0826)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	17,000
	Cost Recovery—The Department of Corrections and Rehabilitation improperly paid nine office technicians a total of \$16,530 for supervising inmates when the technicians did not qualify to receive the money.	
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—A full-time employee of the Department of Housing and Community Development simultaneously worked full-time at a nonprofit organization for a year, along with other time and attendance abuses.	

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2007-0917)	<i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation improperly compensated two physicians for 3,025 hours of work on a time-and-a-half basis rather than on an hour-for-hour basis.	108,000
I2008-2 (October 2008) (Allegation I2007-0771)	<i>State Personnel Board: Investigations of Improper Activities by State Employees</i> Wasted Funds—The State Personnel Board approved contracts with a retired annuitant and a retired employee without providing reasonable justification for the contract or the contract amount.	14,000
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> 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.	20,000
I2009-1 (April 2009) (Allegation I2006-1125)	<i>Department of Fish and Game, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees</i> 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.	72,000
I2009-1 (April 2009) (Allegation I2007-0909)	<i>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</i> 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.	8,000
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> 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.	580,000
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> 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.	34,000
Annualized carry forward for July 1, 2008, through June 30, 2009		\$173,495,000
2002-101 (July 2002)	California Department of Corrections	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	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
I2005-2 (September 2005)	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)	Department of Corrections and Rehabilitation	50,000
I2008-1 (April 2008)	Department of Social Services	13,000

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2007-122 (June 2008)	Department of Health Care Services	13,000,000
Total for July 1, 2007, through June 30, 2008		\$161,199,000
Total One-Time Benefits for July 1, 2007, through June 30, 2008		\$14,155,000
I2007-2 (September 2007) (Allegation I2006-1099)	<i>Department of Mental Health: Investigations of Improper Activities by State Employees</i> Wasted Funds—The Department of Mental Health misused state funds designated to purchase two vehicles for law enforcement purposes by improperly using the vehicles for non-law enforcement purposes, including commuting.	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—The California Highway Patrol (CHP) spent \$881,565 for 51 vans it had not used for their intended purposes. We calculated that the CHP lost \$90,385 in interest because it bought the vans two years prior to when it needed them.	882,000 90,000
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>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds— The Department of Corrections and Rehabilitation leased 29 parking spaces at a private parking facility but did not use them.	50,000
I2008-1 (April 2008) (Allegation I2006-1040)	<i>Department of Social Services: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Social Services (Social Services) improperly paid contractors for overhead costs that violated state policy. Cost Savings—Social Services also will avoid these improper payments totaling about \$13,000 annually in the future.	13,000 13,000
I2008-1 (April 2008) (Allegation I2007-0958)	<i>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
Annualized carry forward for July 1, 2007, through June 30, 2008		\$147,044,000
2002-101 (July 2002)	California Department of Corrections	43,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	119,000
2004-113 (July 2005)	Department of General Services	2,336,000

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)	Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000
Total for July 1, 2006, through June 30, 2007		\$154,575,000
Total One-Time Benefits for July 1, 2006, through June 30, 2007		\$6,111,000
I2006-2 (September 2006) (Allegation I2006-0663)	<i>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>	5,300,000
	Cost Recovery—A contractor consultant authorized long-term care Medi-Cal duplicate payments. 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.	780,000
I2007-1 (March 2007) (Allegation I2006-0945)	<i>California Exposition and State Fair: Investigations of Improper Activities by State Employees</i>	6,000
	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.	
I2007-1 (March 2007) (Allegation I2006-0731)	<i>Department of Health Care Services: Investigations of Improper Activities by State Employees</i>	7,000
	Cost Recovery—An employee of the Department of Health Care Services violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments totaling \$7,453.	
Annualized carry forward for July 1, 2006, through June 30, 2007		\$148,464,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	California Department of Corrections	29,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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)	California Military Department	64,000
2004-105 (October 2004)	California Department of Corrections	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000*
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)	Department of Corrections and Rehabilitation	193,000
I2006-1 (March 2006)	Department of Fish and Game	8,300,000

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for July 1, 2005, through June 30, 2006		\$133,750,000
Total One-Time Benefits for July 1, 2005, through June 30, 2006		\$20,948,000
2004-113 (July 2005)	<i>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</i>	1,115,000
	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.	36,000
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees.	45,000
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>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 Off-Highway Motor Vehicle Recreation 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 California 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>Department of Corrections: Investigations of Improper Activities by State Employees</i>	558,000
	Cost Recovery—The Department of 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>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i>	70,000 [‡]
	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.	
I2006-1 (March 2006) (Allegations I2004-0983, I2005-1013)	<i>Victim Compensation and Government Claims Board: Investigations of Improper Activities by State Employees</i>	26,000
	Cost Recovery—The Department of Corrections and Rehabilitation improperly awarded payments to a physician at Corrections totaling \$25,950.	

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2006-1 (March 2006) (Allegation I2004-1057)	<i>Department of Fish and Game: Investigations of Improper Activities by State Employees</i> 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.	8,300,000
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> 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.	45,000 ⁹
Annualized carry forward for July 1, 2005, through June 30, 2006		\$112,802,000
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	California Department of Corrections	14,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	California Department of Corrections	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	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000*
Total for July 1, 2004, through June 30, 2005		\$77,661,000
Total One-Time Benefits for July 1, 2004, through June 30, 2005		\$12,941,000
2003-125 (July 2004)	<i>California Department of Corrections: 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.	n/a
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 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. This monetary cost savings value will carry forward through fiscal year 2011–12.	3,600,000 774,000 254,000

AUDIT NUMBER (DATE RELEASED)	AUDIT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Benefits Identified Prior to 2004, but Have Annualized Carry Forward Values		
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.	
2002-101 (July 2002)	<i>California Department of Corrections: 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.	
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>	29,000,000
	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.	
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—The Department of 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.	

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

† Based on our follow-up audit 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 Corrections, we eliminated the improper holiday accruals we reported in 2007.

§ We will discontinue claiming \$45,000 as of this fiscal year. Recent changes to state law may impact the role previously performed by the commission. Senate Bill 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.

Table 2
Recommendation Status Summary

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Aging and Long-Term Care									
Department of Public Health									
Citation Penalties Accounts Report 2010-108				●	10	2	3	2	25
Banking and Finance									
California Housing Finance Agency									
Affordable Housing Solvency Report 2010-123			●		2				31
Business, Professions, and Consumer Protection									
California Energy Commission									
Intellectual Property Report 2011-106	●					1	1		39
Department of Food and Agriculture									
Intellectual Property Report 2011-106	●						2		39
Department of General Services									
Sourced Contracts Report 2009-114				●	2	6			33
School Construction Projects Report 2011-116.1	●						14		43
Department of Health Care Services									
Intellectual Property Report 2011-106	●						1		39
Department of Transportation									
Intellectual Property Report 2011-106	●						1		39
Education									
Commission on Teacher Credentialing									
Discipline of Teacher Misconduct Report 2010-119			●		9	3	10		55
Department of Education									
Meal Program Eligibility Report 2010-104				●	3	2		1	51
Department of General Services									
School Construction Projects Report 2011-116.1	●						14		43
San Dieguito Union High School District									
Financial Issues Report 2009-116				●	4				49

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Governmental Organization									
Amador County									
Indian Gaming Special Distribution Fund Report 2010-036			●			4		1	73
California Emergency Management Agency									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65
Recovery Act Funds Letter Report 2009-119.4				●	3	1			63
California Highway Patrol									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65
City of Fremont									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
City of Garden Grove									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
City of Santa Ana									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
Department of Corrections and Rehabilitation									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1		2		65
Department of Food and Agriculture									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1	1			65
Department of Housing and Community Development									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65
Department of Justice									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65
Department of Motor Vehicles									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Public Health									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	3				65
Department of Toxic Substances Control									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	2				65
Employment Development Department									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1	1			65
Humboldt County									
Indian Gaming Special Distribution Fund Report 2010-036			●					3	73
Riverside County									
Indian Gaming Special Distribution Fund Report 2010-036			●			1	2	1	73
San Diego County									
Indian Gaming Special Distribution Fund Report 2010-036			●		2	1			73
Santa Barbara County									
Indian Gaming Special Distribution Fund Report 2010-036			●					6	73
Shasta County									
Indian Gaming Special Distribution Fund Report 2010-036			●			1	2	2	73
State Personnel Board									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	4		1		65
Yolo County									
Indian Gaming Special Distribution Fund Report 2010-036			●		1	1		2	73
Health									
Department of Health Care Services									
Medi-Cal Managed Care Program Report 2011-104	●				1		3		87
Medi-Cal Treatment Authorizations Report 2009-112				●	1	1		1	79
Department of Managed Health Care									
Medi-Cal Managed Care Program Report 2011-104	●				1		2		87

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Public Health									
Citation Penalties Accounts Report 2010-108				●	10	2	3	2	25
Every Woman Counts Program Report 2010-103R				●	3	2			83
Higher Education									
California Community Colleges Chancellor's Office									
Crime Disclosure Report 2009-032				●	1				91
California State University, Fresno									
Crime Disclosure Report 2009-032				●	2				91
Mt. San Antonio Community College									
Crime Disclosure Report 2009-032				●	5				91
Ohlone Community College									
Crime Disclosure Report 2009-032				●	7				91
University of California									
Financial Records Report 2010-105		●			1		7		95
University of California, Riverside									
Crime Disclosure Report 2009-032				●	2				91
Western Career College--Sacramento									
Crime Disclosure Report 2009-032				●	3				91
Western University of Health Sciences									
Crime Disclosure Report 2009-032				●	3				91
Housing and Community Development									
California Housing Finance Agency									
Affordable Housing Solvency Report 2010-123			●		2				31
Department of Housing and Community Development									
Recovery Act Funds Letter Report 2009-119.3				●	9				99
Human Services									
Department of Developmental Services									
Regional Centers Report 2009-118				●	12			1	103

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Social Services									
Child Welfare Services Report 2011-101.1		●			1	4	14	1	111
Foster Family Home and Small Family Home Insurance Fund Report 2010-121		●			1		6		107
Insurance									
California Technology Agency									
Unemployment Program Report 2010-112			●				1		119
Department of Social Services									
Foster Family Home and Small Family Home Insurance Fund Report 2010-121		●			1		6		107
Employment Development Department									
Unemployment Program Report 2010-112			●				8	1	119
Jobs, Economic Development, and the Economy									
Administrative Office of the Courts									
Statewide Case Management Project Report 2010-102			●		11	19	6	1	127
California Energy Commission									
Intellectual Property Report 2011-106	●					1	1		39
California Recovery Task Force									
Reporting of Recovery Act Jobs Report 2010-601			●		5				125
California Technology Agency									
Unemployment Program Report 2010-112			●				1		119
Department of Food and Agriculture									
Intellectual Property Report 2011-106	●						2		39
Department of Health Care Services									
Intellectual Property Report 2011-106	●						1		39
Department of Transportation									
Intellectual Property Report 2011-106	●						1		39
Employment Development Department									
Unemployment Program Report 2010-112			●				8	1	119

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Judiciary									
Administrative Office of the Courts									
Statewide Case Management Project Report 2010-102			●		11	19	6	1	127
State Bar of California									
Lawyer Assistance Program Report 2011-030			●		2	1			155
Superior Court of California, County of Marin									
Sacramento and Marin Superior Courts Report 2009-109			●		14				141
Superior Court of California, County of Sacramento									
Sacramento and Marin Superior Courts Report 2009-109			●		24	6		11	141
Labor and Employment									
California Technology Agency									
Unemployment Program Report 2010-112			●				1		119
Employment Development Department									
Unemployment Program Report 2010-112			●				8	1	119
Local Government									
Amador County									
Indian Gaming Special Distribution Fund Report 2010-036			●			4		1	73
City of Fremont									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
City of Garden Grove									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
City of Santa Ana									
Dymally-Alatorre Bilingual Services Act Report 2010-106				●	1				65
Humboldt County									
Indian Gaming Special Distribution Fund Report 2010-036			●					3	73

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Riverside County									
Indian Gaming Special Distribution Fund Report 2010-036			●			1	2	1	73
San Diego County									
Indian Gaming Special Distribution Fund Report 2010-036			●		2	1			73
San Dieguito Union High School District									
Financial Issues Report 2009-116				●	4				49
Santa Barbara County									
Indian Gaming Special Distribution Fund Report 2010-036			●					6	73
Shasta County									
Indian Gaming Special Distribution Fund Report 2010-036			●			1	2	2	73
Yolo County									
Indian Gaming Special Distribution Fund Report 2010-036			●		1	1		2	73
Natural Resources									
Department of Resources Recycling and Recovery									
Beverage Container Recycling Program Report 2010-101				●	14		5		157
State Lands Commission									
Public Lands Report Report 2010-125		●			8	9	8	2	163
Public Safety									
California Community Colleges Chancellor's Office									
Crime Disclosure Report 2009-032				●	1				91
California Prison Health Care Services									
Three Strikes Law and Health Care Costs Report 2009-107.2				●	2	1	2		171
California Prison Industry Authority									
Inmate Employment Report 2010-118			●		5		4		177
California State University, Fresno									
Crime Disclosure Report 2009-032				●	2				91

	FOLLOW-UP RESPONSE				STATUS OF RECOMMENDATION				PAGE NUMBER
	INITIAL RESPONSE	60-DAY	SIX-MONTH	ONE-YEAR	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	PENDING	NO ACTION TAKEN	
Department of Corrections and Rehabilitation									
Correctional Offender Management Profiling for Alternative Sanctions Program Report 2010-124		●			1	2	3	1	185
Inmate Employment Report 2010-118			●				2		177
Sex Offender Commitment Program Report 2010-116		●					2		181
Three Strikes Law and Health Care Costs Report 2009-107.2				●	1	1	2	2	171
Department of Mental Health									
Sex Offender Commitment Program Report 2010-116		●				2	3		181
Mt. San Antonio Community College									
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Ohlone Community College									
Crime Disclosure Report 2009-032				●	7				91
University of California, Riverside									
Crime Disclosure Report 2009-032				●	2				91
Western Career College--Sacramento									
Crime Disclosure Report 2009-032				●	3				91
Western University of Health Sciences									
Crime Disclosure Report 2009-032				●	3				91
Transportation									
California High-Speed Rail Authority									
High Speed Rail Authority Report 2009-106				●	5	1	4		189
Department of Transportation									
Capital Outlay Support Program Report 2010-122			●		4	3	4		193
Water, Parks, and Wildlife									
Department of Finance									
Oversight of Bond Expenditures Report 2010-117			●			1		2	199
Department of Water Resources									
Oversight of Bond Expenditures Report 2010-117			●			2			199

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California Conservation Corps						
Failure to Follow State Contracting Laws Investigations Report I2010-2, Allegation I2008-1021	April 2011	4				209
California Energy Commission						
Falsification of Time and Attendance Records Investigations Report I2011-1, Allegation I2010-0844	November 2011	3	1			217
California State University, Northridge						
Misuse of State Property, Incompatible Activities Investigations Report I2010-1, Allegation I2008-1037	May 2010	2				203
Department of Corrections and Rehabilitation						
Misuse of State Employee's Time, Waste of State Funds Investigations Report I2010-1, Allegation I2008-0920	December 2010	2				205
Delay in Reassigning an Incompetent Psychiatrist, Waste of State Funds Investigations Report I2010-2, Allegation I2009-0607	November 2011	3				213
Improper Overtime Reporting Investigations Report I2010-2, Allegation I2007-0887	December 2010				2	211
Misuse of State Resources Investigations Report I2011-1, Allegation I2009-1203	November 2011	1	2			219
Department of Fish and Game						
Misuse of a State Vehicle, Improper Travel Investigations Report I2011-1, Allegation I2009-0601	October 2011				4	221
Department of General Services						
Misuse of State Resources Investigations Report I2010-2, Allegation I2008-1024	June 2011	2				215
Department of Industrial Relations						
Misuse of State Time and Resources, Incompatible Activities, Inadequate Administrative Controls Investigations Report I2010-1, Allegation I2008-1066	December 2010	3				207
Failure to Monitor Adequately Employee's Time Reporting Investigations Report I2011-1, Allegation I2008-0902	September 2011	1				223
Department of Mental Health						
Waste of State Funds, Misuse of State Resources Investigations Report I2011-1, Allegation I2009-0644	June 2011	4				225
Department of Transportation						
Inexcusable Neglect of Duty Investigations Report I2011-1, Allegation I2008-0731	December 2011	3		1		227
State Controller's Office						
Failure to Report Absences, Failure to Monitor Adequately an Employee's Time Reporting Investigations Report I2011-1, Allegation I2009-1476	September 2011	3				229