

Table 2
Monetary Values
January 1, 2011, Through December 31, 2018

Summary of Monetary Values From January 1, 2011, through December 31, 2018

| FISCAL YEAR | ANNUALIZED BENEFITS | ONE-TIME BENEFITS |
|--------------------------------|------------------------|----------------------|
| July 1, 2018—December 31, 2018 | \$1,062,573,600 | \$581,800 |
| July 1, 2017—June 30, 2018 | 448,413,200 | 33,700 |
| July 1, 2016—June 30, 2017 | 154,236,200 | 10,493,450 |
| July 1, 2015—June 30, 2016 | 107,497,200 | 39,700,800 |
| July 1, 2014—June 30, 2015 | 94,981,200 | 12,879,000 |
| July 1, 2013—June 30, 2014 | 77,997,000 | 516,780,000 |
| July 1, 2012—June 30, 2013 | 107,507,000 | 32,600,000 |
| July 1, 2011—June 30, 2012 | 110,395,000 | 21,037,000 |
| January 1, 2011—June 30, 2011 | 61,497,500 | 12,000 |
| TOTALS | \$2,225,097,900 | \$634,117,750 |
| Total Monetary Values | \$2,859,215,650 | |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|---|------------------------|
| Total for January 1, 2011, Through December 31, 2018 | | \$2,859,215,650 |
| Total for July 1, 2018, Through December 31, 2018 | | \$1,063,155,400 |
| Total One-Time Benefits for July 1, 2018, Through December 31, 2018 | | \$581,800 |
| I2018-1 (July 2018) (Allegations I2017-0276, I2016-1265, I2017-0414, I2015-1129, I2017-0453, I2017-0195) | Investigations of Improper Activities by State Agencies and Employees: Misuse of State Time, Economically Wasteful Activities, and Misuse of State Property | |
| | Wasted Funds —Two employees at California State University, Fresno (Fresno State) engaged in egregious and continued time and attendance abuse by taking extended breaks or leaving campus without accounting for their time. We estimate that from 2013 through 2017, the employees failed to account for more than 5,100 hours of work, costing the state more than \$111,000 in salary paid for work not performed. | \$111,000 |
| | Wasted Funds —An employee at Kern Valley State Prison misused state time for about two years by regularly leaving work up to 45 minutes early as a result of inadequate supervision. We estimate that the employee failed to account for 312 hours of missed work time, costing the State approximately \$9,000. | 9,000 |
| | Wasted Funds —An employee at the Department of Motor Vehicles (DMV) slept at her desk for extended periods of time during work hours for nearly four years. We estimate that from February 2014 through December 2017, the employee misused 2,200 hours of work time as a result of sleeping on the job, costing the state more than \$40,000. | 40,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|---|-------------------------------|
| | Wasted Funds —A nursing director at a Southern California adult prison removed a licensed vocational nurse (nurse) from her assigned nursing position providing patient care and reassigned her to perform nurse scheduling duties typically done by an office technician. During this period, the nurse continued to receive her pay as a nurse causing California Correctional Health Care Services (Correctional Health Care Services) to waste more than \$10,500 in unnecessary salary payments. Additionally, the nursing director's decision cost the State more than \$18,700 in unnecessary overtime payments paid to other nurses to cover the nurse's originally assigned post. Therefore, we estimate this decision cost the State approximately \$29,000. | \$29,000 |
| | Cost Recovery —The California Department of Corrections and Rehabilitation (Corrections) overpaid a staff services analyst at one of its prisons nearly \$3,000 from July 2016 through March 2017. Moreover, after two internal audits in 2017 documented the error in pay and recommended the recovery of the overpayments, the associate warden chose not to initiate any collection efforts, which violated state law. | 3,000 |
| | Wasted Funds —A manager at California State University, Dominguez Hills directed a member of his staff to purchase an electric vehicle quick charger for over \$6,800 in March 2013. The quick charger remained unused and uninstalled for five years. | 6,800 |
| 2018-603 (October 2018) | Department of Health Care Services: It Paid Billions in Questionable Medi-Cal Premiums and Claims Because It Failed to Follow Up on Eligibility Discrepancies | |
| | Cost Avoidance —The total questionable payments from the month of December 2017 was \$139 million, and projecting that amount across the 12 months of a year, we estimate that the Department of Health Care Services (Health Care Services) could avoid about \$1.7 billion per year in questionable payments if it resolved these discrepancies. | See annualized benefits below |
| | Cost Recovery —To recover inappropriately spent funds, prevent future erroneous payments, and ensure eligible individuals' access to care, Health Care Services should resolve the discrepancies we identified and recover erroneous payments where allowable by June 30, 2019. For example, Health Care Services paid the managed care plan more than \$383,000 for a deceased beneficiary whom it should have known was no longer in need of services. Accordingly, Health Care Services has started the process to recover the funds it paid to the managed care plan after this person had died. | \$383,000 |
| Annualized Carry Forward for July 1, 2018, Through December 31, 2018 | | \$1,062,573,600 |
| 2002-009 (April 2003) | California Energy Markets | \$14,500,000 |
| I2011-1 (August 2011) | Department of Mental Health [†] (Allegation I2009-0644) | 38,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 1,045,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 14,000 |
| 2011-120 (August 2012) | California Department of Transportation | 1,900,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 7,500 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 18,500 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 9,500 |
| 2012-117 (March 2013) | State Athletic Commission | 90,500 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 3,000,000 |
| 2013-501 (March 2014) | Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun | 18,000 |
| 2013-119 (August 2014) | Department of Health Care Services | 635,350 |
| 2012-603 (August 2014) | Department of Human Resources and California State University | 611,000 |
| 2014-301 (November 2014) | Superior Court of California, County of Alameda | 24,000 |
| 2013-125 (December 2014) | Department of Health Care Services | 7,000 |
| 2014-107 (January 2015) | Administrative Office of the Courts | 6,946,750 |
| 2015-502 (July 2015) | Department of Social Services | 11,600,000 |
| 2014-130 (August 2015) | Department of Health Care Services | 1,009,500 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|-------------------------------|
| 2015-119 (March 2016) | State Board of Equalization [#] | \$180,000 |
| 2015-806 (August 2016) | City of Hemet | 1,551,500 |
| 2015-803 (October 2016) | City of Maywood | 12,500 |
| 2016-111 (November 2016) | City of Irwindale | 1,760,000 |
| 2016-121 (April 2017) | Department of Motor Vehicles | 95,000 |
| 2017-109 (May 2018) | Department of Health Care Services | 167,500,000 |
| 2018-603 (October 2018) | Department of Health Care Services | 850,000,000 |
| Total for July 1, 2017, Through June 30, 2018 | | \$448,446,900 |
| Total One-Time Benefits for July 1, 2017, Through June 30, 2018 | | \$33,700 |
| 12017-2 (October 2017) (Allegations I2015-0959, I2016-0604, and I2016-0244) | <i>Investigations of Improper Activities by State Agencies and Employees: Inaccurate Attendance Records, Violation of State Laws, and Misuse of State Resources</i> | |
| | Cost Savings/Avoidance —Atascadero State Hospital failed to ensure the accuracy of a psychiatric technician's attendance records resulting in about \$7,500 in improper overtime pay from July 2015 through June 2016. | \$7,500 |
| | Cost Savings/Avoidance —Two managers at the Department of Water Resources (Water Resources) failed to ensure the accuracy of the time and attendance records of an administrative supervisor from 2008 to 2016. As a result, based on the limited data available, the administrative supervisor undercharged her leave by as many as 149 hours over a six-month period, at an estimated cost to the state almost \$5,200. However, based on the administrative supervisor's pattern of attendance and her failure to charge leave for partial-day absences during her nearly eight years of state employment, the actual cost to the State was likely much greater. | 5,200 |
| 2017-302 (December 2017) | <i>Judicial Council of California: It Needs to Follow Competitive Bidding Processes More Consistently and Establish Clear Guidance for Invoice Processing</i> | |
| | Cost Savings/Avoidance —The Judicial Council of California may have missed savings of about \$10,000 when it entered into a series of 25 contracts with the same vendor over two years instead of obtaining a master agreement with the vendor for a lower hourly rate. | \$10,000 |
| 2017-116 (April 2018) | <i>Community Child Care Council of Santa Clara County: Because It Disadvantaged Some Families and Misused State Funds, It Could Benefit From Increased Monitoring by the California Department of Education</i> | |
| | Cost Recovery —The Community Child Care Council (4Cs) expended over \$11,000 in unallowable administrative reimbursements pertaining to travel, conferences, supplies, and professional services. In order to rectify 4Cs' inappropriate use of state funding, the Department of Education should recalculate the amount of 4Cs' reimbursable costs based on the unallowable costs we identified and recover any funds that should be repaid. | \$11,000 |
| 2017-109 (May 2018) | <i>Skilled Nursing Facilities: Absent Effective State Oversight, Substandard Quality of Care Has Continued</i> | |
| | Cost Savings/Avoidance —The State received approximately \$521 million in annual quality assurance fees from nursing facilities as well as an equal amount of federal matching funds in fiscal year 2016–17. Health Care Services anticipated reimbursing those nursing facilities about \$335 million with no conditions. If the State instead used the \$335 million in quality assurance fees for new quality improvement incentives, the funds could help improve quality of care throughout the State. | See annualized benefits below |
| Annualized Carry Forward for July 1, 2017, Through June 30, 2018 | | \$448,413,200 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health [†] (Allegation I2009-0644) | 76,000 |

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|--|---|-------------------------------|
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | \$2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |
| 2011-120 (August 2012) | California Department of Transportation | 3,800,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 15,000 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 37,000 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 19,000 |
| 2012-117 (March 2013) | State Athletic Commission | 181,000 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 6,000,000 |
| 2013-501 (March 2014) | Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun | 36,000 |
| 2013-119 (August 2014) | Department of Health Care Services | 1,270,700 |
| 2012-603 (August 2014) | Department of Human Resources and California State University | 1,222,000 |
| 2014-301 (November 2014) | Superior Court of California, County of Alameda | 48,000 |
| 2013-125 (December 2014) | Department of Health Care Services | 14,000 |
| 2014-107 (January 2015) | Administrative Office of the Courts | 13,893,500 |
| 2015-502 (July 2015) | Department of Social Services | 23,200,000 |
| 2014-130 (August 2015) | Department of Health Care Services | 2,019,000 |
| 2015-119 (March 2016) | State Board of Equalization [#] | 360,000 |
| 2015-806 (August 2016) | City of Hemet | 3,103,000 |
| 2015-803 (October 2016) | City of Maywood | 25,000 |
| 2016-111 (November 2016) | City of Irwindale | 3,520,000 |
| 2016-121 (April 2017) | Department of Motor Vehicles | 190,000 |
| 2017-109 (May 2018) | Department of Health Care Services | 335,000,000 |
| Total for July 1, 2016, Through June 30, 2017 | | \$164,729,650 |
| Total One-Time Benefits for July 1, 2016, Through June 30, 2017 | | \$10,493,450 |
| 2015-806 (August 2016) | <i>City of Hemet: Its Ongoing Budget Deficit and Organizational Inefficiency Threaten Its Financial Stability and Delivery of Public Services</i> | |
| | Increased Revenue —The city of Hemet (Hemet) spent about \$1.8 million of its limited general fund resources in fiscal year 2014–15 to fund library operations and has spent similar amounts during the past several fiscal years. We found that even though it was facing ongoing budget deficits, Hemet did not have plans to make the library self-sufficient or to reduce its impact on the general fund. Nearly half of the library’s patrons do not actually live in Hemet. Hemet could generate at least \$835,000 in additional revenue annually for charging for nonresident use of the city library. | See annualized benefits below |
| | Cost Savings —Hemet outsourced landscape maintenance for some of its grounds. It could generate cost savings by outsourcing the remainder of the maintenance, including its parks. We determined that the annual cost of contracting with a private company to fully maintain a park ranges from 10 cents to 20 cents per square foot. We estimate that Hemet could generate annually \$183,000 in savings from outsourcing maintenance of city parks. | See annualized benefits below |
| | Increased Revenue —Hemet’s fire department does not charge for its services when it is the first responder to calls for emergency medical services. Although in 2015, the fire department responded to more than 13,000 emergency medical calls, representing more than 80 percent of its total calls it did not charge for such services. We determined that the city could have generated \$1,900,000 in fiscal year 2015–16 if it had charged for emergency medical services, based on a 50 percent collection rate. Further, we estimate that Hemet could generate annually \$2,085,000 to \$2,837,000 for fiscal years 2016–17 through 2019–20. | See annualized benefits below |

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|---|---|-------------------|
| I2016-2 (August 2016) (Allegations I2015-0034, I2014-0934, I2015-1073) | <i>Investigations of Improper Activities by State Agencies and Employees: Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities</i> | |
| | Wasted Funds —The Department of Public Health (Public Health) wasted state funds when it failed to enforce proper policies and procedures to ensure that it reimbursed travel in accordance with the applicable state law. From July 2012 through March 2016, Public Health improperly reimbursed a total of \$74,000 in travel expense claims for an official to travel from Sonoma County to Sacramento County. | \$74,000 |
| | Wasted Funds —The Napa State Hospital (hospital) overpaid an investigator nearly \$3,000 from October 2015, through February 2016 for performing the duties of a communications operator. The hospital wasted state funds by paying her overtime wages based on her regular pay as an investigator rather than at the regular hourly rate for communications operator. Additionally, a supervisor at the Department of Parks and Recreation (State Parks) misused state resources when she used her state-issued cell phone to promote and sell beauty products and to communicate with relatives who reside outside of the State. State Parks determined the total charges incurred from the supervisor’s misuse of her state-issued cell phone totaled nearly \$200. | 3,200 |
| 2015-803 (October 2016) | <i>City of Maywood: Its Flawed Governance and Financial Mismanagement Could Compromise the Basic Services It Provides to Residents</i> | |
| | Cost Recovery —We found that Maywood city council members used city funds inappropriately to pay for the cost of a celebration—\$2,450 for catering and \$800 for entertainment—of the new city council at the December 2015 meeting. Because these spending decisions represent a breach of the city council’s fiduciary responsibility to safeguard the city’s public resources, we recommended that the city council reimburse the city for the \$3,250 in costs incurred for the celebration. | \$3,250 |
| | Lost Revenue —As of June 2016, Maywood failed to collect more than \$177,000 in unpaid parking tickets issued since October 2015 and associated late fees. | 177,000 |
| | Lost Revenue —The city of Maywood (Maywood) failed to identify eight businesses and one apartment that were operating without business license. Many businesses known to Maywood were delinquent in their payments of license fees. Maywood could collect up to \$19,000 in additional, one-time revenue if it collects from these businesses. Further, we found that Maywood failed to collect more than \$60,000 in rent revenue and late fees since 2012. Maywood did not begin to collect these outstanding lease payments until we brought this issue to the attention of the interim city administrator. | 79,000 |
| 2016-106 (November 2016) | <i>Los Angeles County: Weak Oversight of Its Lease With the Los Angeles County Fair Association Has Likely Cost Millions of Dollars in Revenue</i> | |
| | Lost Revenue —Los Angeles County failed to actively monitor its lease with the association, potentially resulting in a loss of more than \$6 million in rent revenue related to the hotel from 2006 through 2015. | \$6,000,000 |
| | Lost Revenue —The Los Angeles County Fair Association failed to pay rent related to the conference center, contradicting its representations to the county when it sought help financing the construction. Los Angeles County has lost out on roughly \$350,000 in total rent revenue related to the Los Angeles County Fair Association’s conference center. | 350,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|-------------------------------|
| 2016-110 (November 2016) | Trade Apprenticeship Programs: The State Needs to Better Oversee Apprenticeship Programs, Such as the Air Conditioning Trade Association's Sheet Metal Program | |
| | Cost Recovery —The Air Conditioning Trade Association (ACTA) claimed homework assignment hours for reimbursement from Central Unified, but such claims are not allowable under state law. We estimate that between fiscal years 2010–11 through 2014–15, ACTA claimed at least 10,100 hours for unallowable reimbursements, with a cost of nearly \$51,000 in apprenticeship instruction funding. | \$51,000 |
| 2016-111 (November 2016) | City of Irwindale: It Must Exercise More Fiscal Responsibility Over Its Spending So That It Can Continue to Provide Core Services to Residents | |
| | Cost Savings/Avoidance —The city of Irwindale (Irwindale) provided key management and all other full-time employees with more generous employee pensions than those offered by comparable cities. For fiscal year 2015–16, the city budgeted approximately \$476,000 for Public Agency Retirement Services (PARS). Irwindale could reduce its employee benefits cost by eliminating further city contributions to the PARS supplemental benefit plan or at least increase participant contributions to cover the full employee share of the plan's costs. | See annualized benefits below |
| | Cost Savings/Avoidance —Irwindale spent \$944,000 on a prescription assistance program in fiscal year 2015–16. We recommended that Irwindale eliminate its current resident prescription drug program and replace it with the prescription discount card program offered by the League of California Cities that would provide discounts on prescriptions to residents at no cost to the city. | See annualized benefits below |
| | Cost Savings/Avoidance —If Irwindale were to implement a cap of \$2,500 per resident for its prescription program, two-thirds the average amount spent per participant in fiscal year 2015–16, it could save more than \$300,000 per year on prescription drug benefits. | See annualized benefits below |
| | Cost Savings/Avoidance —We recommended that Irwindale reevaluate the possibility of contracting policing services as an alternative to operating its own police department. In 2009 the Los Angeles County Sheriff's Department performed a study of the Irwindale City Police Department and proposed providing policing services to the city that would reduce its annual costs by 25 percent, or \$1.8 million at the time. | See annualized benefits below |
| I2017-1 (March 2017) (Allegations I2016-0112, I2015-0736, I2015-0576, I2016-0015, I2016-0195, I2016-0276) | Investigations of Improper Activities by State Agencies and Employees: Misuse of Resources, Inaccurate Attendance Records, Disclosure of Confidential Information, and Improper Payments | |
| | Wasted Funds —A parole agent with Corrections misused a state vehicle for her personal commute between January 2016 and July 2016 at a total cost to the state of about \$3,800. | \$3,800 |
| | Wasted Funds —An analyst at Caltrans misused state time by regularly taking excessive smoking breaks and extended lunches during her workdays, and she violated state law and a Caltrans directive regarding incompatible activities. We estimate that on average, the analyst misused 130 hours of state time from July 2015 to March 2016 at a total cost to the state of about \$4,300. | 4,300 |
| | Wasted Funds —A pharmacist at a state hospital failed to charge sufficient leave for absences and was overpaid for standby hours between January 2014 through August 2015 for a combined total of 99 hours. The combined 99 hours of undercharged leave and the overcompensated time represents a total cost to the state of \$5,000. | 5,000 |
| | Cost Recovery —The California Institution for Women improperly paid a program chief a total of \$2,520 from March 2015 through September 2015 in the form of a monthly \$360 Institutional Worker Supervision Pay differential intended for those involved in the supervision of inmate workers. In addition, Corrections paid the program chief \$1,080 in extra pay between December 2014 and February 2015 even though it did not maintain the initial approving paperwork on file to authorize these payments. | 3,600 |
| | Cost Recovery —California State University, San Diego erroneously paid a maintenance employee amounts totaling an additional \$2,100 from June 2015 to June 2016 because of an inaccurate hire date in a computer system. | 2,100 |
| | Wasted Funds —A full-time library employee at Fresno State misused a university resource by visiting more than 48,300 webpages largely related to online videos and games from May 2015 through May 2016. The library employee may have misused as many as 85 hours of Fresno State time for a representative one-month period. Over the course of the 13 months reviewed, we estimate that this misused time may have cost Fresno State as much as \$22,200. | 22,200 |

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|---|---|-------------------------------|
| 2016-121 (April 2017) | Department of Motor Vehicles: Administrative and Statutory Changes Will Improve Its Ability to Detect and Deter Misuse of Disabled Person Parking Placards | |
| | Increased Revenue —Officials at all six cities stated that they do not make use or were not aware of a provision in state law that allows local governments to pass ordinances to increase penalties for placard misuse by \$100 per citation. For example, Los Angeles Department of Transportation reported that the city issued almost 1,900 citations in 2016. If Los Angeles increased its placard misuse penalty by the additional \$100, it might have raised nearly \$190,000 in additional revenue for placard enforcement. | See annualized benefits below |
| | Lost Revenue —We estimate that the city of San Francisco missed out on at least \$3.4 million in annual parking revenue based on a 15 percent rate of misuse due to people parking for free with disabled placards or plates. | \$3,400,000 |
| Annualized Carry Forward for July 1, 2016, Through June 30, 2017 | | \$154,236,200 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health [†] (Allegation I2009-0644) | 76,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |
| 2011-120 (August 2012) | Department of Transportation | 3,800,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 15,000 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 37,000 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 19,000 |
| 2012-117 (March 2013) | State Athletic Commission | 181,000 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 6,000,000 |
| 2013-501 (March 2014) | Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun | 36,000 |
| 2013-119 (August 2014) | Department of Health Care Services | 1,270,700 |
| 2012-603 (August 2014) | Department of Human Resources and California State University | 1,222,000 |
| 2014-301 (November 2014) | Superior Court of California, County of Alameda | 48,000 |
| 2013-125 (December 2014) | Department of Health Care Services | 14,000 |
| 2014-107 (January 2015) | Administrative Office of the Courts | 13,893,500 |
| 2014-113 (January 2015) | Department of Public Health | 500,000 |
| 2015-502 (July 2015) | Department of Social Services | 23,200,000 |
| 2014-130 (August 2015) | Department of Health Care Services | 2,019,000 |
| 2015-119 (March 2016) | State Board of Equalization [#] | 360,000 |
| 2015-127 (April 2016) | Franchise Tax Board/ Corporate Tax Expenditures | 40,000,000 |
| 2015-806 (August 2016) | City of Hemet | 3,103,000 |
| 2015-803 (October 2016) | City of Maywood | 25,000 |
| 2016-111 (November 2016) | City of Irwindale | 3,520,000 |
| 2016-121 (April 2017) | Department of Motor Vehicles | 190,000 |

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| Total for July 1, 2015, Through June 30, 2016 | | \$147,198,000 |
| Total One-Time Benefits for July 1, 2015, Through June 30, 2016 | | \$39,700,800 |
| 2015-502 (July 2015) | <i>Follow-Up—California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children</i> | |
| | Cost Savings —The Department of Social Services (Social Services) has not implemented a recommendation from our 2011 audit to revise its regulations so that licensed foster homes have a higher priority than foster family agencies for children who do not have identified treatment needs. We estimate that if Social Services were to implement our recommendations, counties could save \$116 million over the next five years. | See annualized benefits below |
| 2014-130 (August 2015) | <i>California Department of Health Care Services: It Should Improve Its Administration and Oversight of School-Based Medi-Cal Programs</i> | |
| | Cost Savings/Avoidance —When Health Care Services implemented a random moment time survey methodology for its administrative activities program, it missed an opportunity to implement a single statewide quarterly time survey. We estimate that the administrative activities program could save as much as \$1.3 million annually in coding costs alone if Health Care Services conducted a single statewide quarterly time survey. | See annualized benefits below |
| | Lost Revenue —Health Care Services has not maximized federal reimbursements applicable to the administrative activities program because it has not adequately maximized schools' participation. We estimate that the schools that were still not participating in the program during fiscal year 2011–12 missed out on claiming \$10.2 million in federal reimbursements for that same fiscal year. Additionally, Health Care Services has not maximized the federal reimbursement amount available for translation services in a school-based setting. Health Care Services has allowed California schools to claim only a 50 percent reimbursement rate. This resulted in the loss of an estimated \$4.6 million in federal funding from February 2009 through June 2015. | \$14,800,000 |
| | Cost Recovery —We anticipate a future annual cost recovery of \$719,000 if Health Care Services revised reimbursement rates to authorize schools to claim the full allowable 75 percent rate. | See annualized benefits below |
| I2015-1 (August 2015) (Allegations I2013-0440, I2014-1440, I2014-1011, I2014-1398, I2015-0384) | <i>Investigations of Improper Activities by State Agencies and Employees: Violations of State Law Including Failure to Seek Competitive Bids, Increase Rental Rates, Properly Dispose of Surplus Property, and Adequately Supervise</i> | |
| | Wasted Funds —Correctional Health Care Services failed to seek competitive bids from vendors when it sought to upgrade the electrical infrastructure within state prisons beginning in 2011. It paid the contractor \$3.2 million to do nothing more than process invoices of the subcontractor, who performed all the work. | \$3,200,000 |
| | Lost Revenue —Caltrans failed to increase the rental rates to reflect the fair market value of state land rented by telecommunications companies in the San Francisco Bay Area, in violation of a provision in their license agreements. Caltrans' failure to increase rates cost the State nearly \$883,000 in revenue from July 1, 2012 through September 30, 2014. | 883,000 |
| | Wasted Funds/Cost Recovery —For nearly two years, Corrections and Correctional Health Care Services improperly allowed three chief psychologists to receive extra compensation for being on call or for returning to work after their shifts ended to perform additional duties. As a result, the State overpaid these employees a total of \$96,000 | 96,000 |
| | Lost Revenue —A field division chief and a civil maintenance branch chief (maintenance manager) with Water Resources failed to follow the appropriate policies when disposing of accumulated surplus property. The maintenance manager recycled property, including copper wire, without making the required notification to the branch in charge of property disposal. We estimate the state lost revenue of approximately \$8,000. | 8,000 |
| | Wasted Funds —The Chula Vista Veterans Home wasted state funds when it purchased a piece of equipment for nearly \$50,000 and rarely used it during the past five years. | 50,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|---|-------------------------------|
| I2016-1 (February 2016) (Allegations I2015-0478, I2014-0970, I2015-0084, and I2014-1285, I2014-0948, I2014-1576, I2013-1633) | <i>Investigations of Improper Activities by State Agencies and Employees: Misuse of State Resources, Forgery, False Time Reporting, Financial Interests Disclosure Violations, and Waste of State Funds</i> | |
| | Wasted Funds —A supervisor at Public Health misused state time by leaving for several hours during his shift nearly every day without using leave and without approval. We estimate the supervisor did not account for 234 hours of his work time, valued at nearly \$4,000, from January 2015 through the end of July 2015. | \$4,000 |
| | Wasted Funds —An employee at the Department of Fish and Wildlife misused state resources by submitting a travel expense claim for meals and incidentals, and charging a state credit card for fuel for traveling to a two-day retirement planning fair that he did not attend. We estimate the employee misused approximately \$300 of state resources. | \$300 |
| | Cost Recovery —A supervising nurse at Correctional Health Care Services forged seven military documents regarding the dates of his reservist duties and submitted false time sheets to his supervisor at Correctional Health Care Services. The supervising nurse did not work for the military on 10 of the 34 days identified in the forged documents, costing the state approximately \$4,000. Further, the state paid him nearly \$2,000 for four days he inaccurately indicated performing active duty when he actually performed inactive duty. We estimate the state overpaid the nurse nearly \$6,000. | 6,000 |
| | Wasted Funds —The Department of General Services (General Services) failed to update its statewide policy since forming a rental car contract with Enterprise. By appropriately making its policies and practices consistent with the statewide policy, the Department of Resources Recycling and Recovery (CalRecycle) unnecessarily spent approximately \$4,000 from July 2014 through June 2015. We estimate the total waste resulting from General Services' policy may have been much greater, given that other state agencies in the Sacramento area are also subject to this policy. | 4,000 |
| | Wasted Funds —Four psychiatrists at Patton State Hospital regularly worked an average of 22 to 29 hours per week instead of the average of 40 hours per week required by their collective bargaining agreement. We determined that the psychiatrists 2,254 hours of missed work between July 2014 and June 2015 had a value of nearly \$297,000. | 297,000 |
| | Wasted Funds —Water Resources wasted state funds when it improperly reimbursed three employees nearly \$4,500 in excess of the allowed amount for training as a result of its staff's inconsistent practices and failure to follow its training policies and procedures. | 4,500 |
| | Cost Avoidance/Savings —Water Resources could have saved nearly \$51,000 had its staff appropriately categorized training courses for seven employees and followed its policy of capping training reimbursements. | 51,000 |
| Wasted Funds —The Porterville Developmental Center wasted state funds when it charged only eight hours of leave to certain employees who missed scheduled nine-hour or 10-hour workdays. We determined that Porterville Developmental Center did not charge 566 hours of leave to the employees, which cost the State at least \$25,000. | 25,000 | |
| 2015-119 (March 2016) | <i>State Board of Equalization#: Its Tobacco Tax Enforcement Efforts Are Effective and Properly Funded, but Other Funding Options and Cost Savings Are Possible</i> | |
| | Cost Savings/Avoidance —Although the number of locations licensed by retailers, distributors, and wholesalers has declined, the State Board of Equalization (Equalization) did not decrease the number of inspections it conducted which resulted in an increased frequency of inspections. We believe Equalization could return to its initial frequency of inspections and continue to maintain the high level of compliance with the cigarette tax law that the three-part enforcement program has already achieved. We estimate that conducting over 800 fewer inspections each year would result in cost savings of more than \$360,000 per year. | See annualized benefits below |
| 2015-120 (March 2016) | <i>California Department of Transportation: Its Maintenance Division's Allocations and Spending for Field Maintenance Do Not Match Key Indicators of Need</i> | |
| | Wasted Funds —Caltrans paid a consultant to develop a budget model for its maintenance division's field maintenance program in 2009. However, the maintenance division never implemented the model. Therefore, we determined Caltrans wasted the \$250,000 it paid the consultant to develop the model. | \$250,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|---|----------------------|
| 2015-127 (April 2016) | Corporate Income Tax Expenditures: The State's Regular Evaluation of Corporate Income Tax Expenditures Would Improve Their Efficiency and Effectiveness Increased Revenue —We found that the tax expenditure—the waters edge election—may be providing corporations with unintentional benefits that reduce the state's revenue by mandating that all corporations use the water's edge election instead of allowing corporations to select between two tax structures could increase the state's tax revenue while continuing to fulfill the tax expenditure's purpose. The Franchise Tax Board (FTB) has estimated that including tax havens within the water's edge for California would result in additional state revenue of \$20 million for the first fiscal year and increase to \$40 million the following fiscal year. | \$20,000,000 |
| 2015-047 (May 2016) | The State Bar of California: Its Lack of Transparency Has Undermined Its Communications With Decision Makers and Stakeholders Wasted Funds —The State Bar of California (State Bar) created and used a nonprofit organization with little or no board oversight from 2013 through 2015. About two-thirds of the expenses the State Bar recorded in the foundation's fund were for unrelated purposes. Specifically, the State Bar charged to the foundation more than \$22,000 in expenses that were unrelated to the Legal Services Trust Fund or Sections Program, the foundation's ostensible beneficiaries. | \$22,000 |
| Annualized Carry Forward for July 1, 2015, Through June 30, 2016 | | \$107,497,200 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health† (Allegation I2009-0644) | 76,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |
| 2011-120 (August 2012) | Department of Transportation | 3,800,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 15,000 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 37,000 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 19,000 |
| 2012-117 (March 2013) | State Athletic Commission | 181,000 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 6,000,000 |
| 2013-501 (March 2014) | Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun | 36,000 |
| 2013-119 (August 2014) | Department of Health Care Services | 1,270,700 |
| 2012-603 (August 2014) | Department of Human Resources and California State University | 1,222,000 |
| 2014-301 (November 2014) | Superior Court of California, County of Alameda | 48,000 |
| 2013-125 (December 2014) | Department of Health Care Services | 14,000 |
| 2014-107 (January 2015) | Administrative Office of the Courts | 13,893,500 |
| 2014-113 (January 2015) | Department of Public Health | 500,000 |
| 2015-502 (July 2015) | Department of Social Services | 23,200,000 |
| 2014-130 (August 2015) | Department of Health Care Services | 2,019,000 |
| 2015-119 (March 2016) | State Board of Equalization# | 360,000 |

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|---|--|----------------------|
| Total for July 1, 2014, Through June 30, 2015 | | \$107,860,200 |
| Total One-Time Benefits for July 1, 2014, Through June 30, 2015 | | \$12,879,000 |
| 2013-119 (August 2014) | <i>California Department of Health Care Services: Its Failure to Properly Administer the Drug Medi-Cal Treatment Program Created Opportunities for Fraud</i> | |
| | Cost Recovery —Outpatient drug-free services providers in Los Angeles County and Fresno County could not locate all of the patients records we selected for testing, which amounted to \$11,502. In addition, the patient records for all three counties we visited did not always include the documentation that state regulations require, which amounted to \$49,618. In total, this amounted to \$ 61,120. When providers cannot produce patient records, they cannot demonstrate that they rendered services. Thus, the State and counties can recover the reimbursements they paid to these providers because the providers cannot produce patient records to support their claims. | \$61,000 |
| | Cost Recovery —Health Care Services and the Department of Alcohol and Drug Programs approved approximately \$953,000 in potentially improper payments to providers of outpatient drug-free services, which includes \$10,000 for purportedly deceased beneficiaries. We estimate \$317,700 in continued annual savings through cost avoidance as a result of our recommendations. | 953,000 |
| | Cost Recovery —Although Health Care Services had already suspended or terminated provider sites associated with nearly \$71 million of the \$84 million in services we identified using five high-risk indicators, the remaining provider sites account for more than \$13 million. We found that providers could not locate or provide adequate documentation to justify reimbursement claims for roughly 22 percent, or \$2.8 million of the services we reviewed. We estimate \$953,000 in continued annual savings through cost avoidance as a result of our recommendations. | 2,860,000 |
| 2012-603 (August 2014) | <i>High Risk Update: California Department of Human Resources and California State University: State Agencies Credited Their Employees With Millions of Dollars Worth of Unearned Leave</i> | |
| | Cost Recovery —From January 2008 through December 2012, state departments, agencies, California State University campuses, and other entities credited their employees with unearned leave worth nearly \$6.4 million as of December 2013. State law allows state agencies to recover overpayments to their employees only if the agencies initiate corrective action within three years of the date of the overpayment. We estimate \$1,222,000 in continued annual savings through cost avoidance as a result of our recommendations. | \$6,357,000 |
| 2014-301 (November 2014) | <i>Judicial Branch Procurement: Superior Court of California, County of Alameda: Five Superior Courts Did Not Consistently Follow Judicial Branch Contracting Practices</i> | |
| | Wasted Funds/Cost Savings —The Alameda court overpaid \$2,500 for mental health assessments for participants in the Parolee Reentry Court Program. It also purchased bottled water for court staff and jurors at a cost of over \$4,000 a month. The State Administrative Manual and the State Contracting Manual generally prohibit the purchase of bottled water for staff, except in limited circumstances, such as when the building water does not meet health standards. We estimate that the court could save \$48,000 each year by discontinuing purchasing bottled water for court staff and jurors. | \$51,000 |
| 2013-125 (December 2014) | <i>California Department of Health Care Services: Weaknesses in Its Medi-Cal Dental Program Limit Children's Access to Dental Care</i> | |
| | Wasted Funds —Health Care Services reimbursed more than \$70,000 for dental procedures that were purportedly provided to deceased beneficiaries between 2009 and 2013. We estimate \$14,000 in continued annual savings through cost avoidance as a result of our recommendations. | \$70,000 |
| I2014-1 (December 2014) (Allegations I2010-1250, I2012-0355, I2011-0878) | <i>Investigations of Improper Activities by State Agencies and Employees: Theft of State Funds, Waste of Public Resources, Improper Headquarters Designation and Improper Travel Expenses, Dishonesty, Incompatible Activities, and Other Violations of State Law</i> | |
| | Wasted Funds —The California Military Department (Military Department) failed to keep an accurate inventory of state property at the Camp Roberts training facility, which led to a loss of \$33,411 worth of state property in June 2011. | \$33,000 |

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|----------------------------------|---|---|
| | <p>Wasted Funds—General Services allowed a private security firm's security guards to park free of charge in the building's parking garage despite the contract with the firm specifically stating that General Services has no obligation to provide this benefit. General Services would have received at least \$12,825 in parking revenue from October 2008 through June 2012. General Services reported in November 2014 that it will amend the contract with the firm to allow security guards working evenings and weekends to park in the building's garage without charge.</p> | 13,000 |
| | <p>Wasted Funds—The Employment Development Department (EDD) failed to accurately designate an employee's office headquarters. Because of this inappropriate designation, the employee's supervisors approved \$20,695 in improper travel payments between July 2007 and January 2010. Had EDD properly designated the employee's headquarters, the State would not have incurred these travel expenses. In addition, the employee's supervisor approved an additional \$6,152 in improper travel expenses from January 2010 through July 2012.</p> | \$27,000 |
| 2014-107 (January 2015) | <p><i>Judicial Branch of California: Because of Questionable Fiscal and Operational Decisions, the Judicial Council and the Administrative Office of the Courts Have Not Maximized the Funds Available for the Courts</i></p> <p>Cost Savings—The Administrative Office of the Courts (AOC) pays salaries to its employees that are higher than those in the executive branch. If the salaries of the AOC's three executive officers and the managers of its 20 offices matched the levels of comparable California executive branch positions, we estimate it would save \$1 million annually in cost savings.</p> <p>Wasted Funds/Cost Savings—The AOC provides discounted transit passes for major public transportation providers, but it pays almost double the subsidy amounts for transit passes compared to the executive branch. For July 2010 through December 2013, this excess subsidy cost the AOC approximately \$1,160,000. We estimate an annual cost savings of \$330,000 associated with this recommendation.</p> <p>Cost Savings—The AOC pay the employee share of the member's retirement contribution for certain executive and management staff hired before October 2012. We estimate the AOC will save approximately \$110,000 per fiscal year in cost savings if it ceases to pay these employees' shares.</p> <p>Wasted Funds/Cost Savings—The AOC maintains three work locations, which has resulted in:</p> <ul style="list-style-type: none"> • approximately \$25,000 spent on travel expenses for executive managers who work in different locations than the majority of their staff. • a salary differential of \$47,000 annually paid to AOC's internal audits office. • an excess \$5 million annually spent on rent. <p>Cost Savings/Avoidance—The AOC's use of contractors, temporary workers, and consultants has resulted in significantly higher costs than the AOC would have incurred had it hired state employees to perform this work. If the AOC replaced 55 contractors with state employees, it could save up to \$7 million per year. If the AOC use state employees instead of 15 temporary workers, it could save about \$200,000 per year. We estimate a continued cost savings of \$7,200,000 if the AOC implemented this recommendation.</p> <p>Cost Savings/Avoidance—The AOC has assigned vehicles to its top executives, but we found that, on average, the three executives use the vehicles for business purposes for only about 20 percent of the time and personal use for the remaining 80 percent. If the AOC required these three executives to instead use their personal vehicles and claim the mileage reimbursement rate for their business miles, we estimate that it would save an average of roughly \$2,500 per vehicle each year.</p> <p>Cost Savings/Avoidance—The AOC pays for parking for five office directors, which it estimates costs an average of about \$1,000 each month. Executive branch policy only allows for reimbursement if there will be business-related travel on the same day. If the AOC stops providing this benefit, we estimate a continued cost savings of \$12,000 a year.</p> <p>Wasted Funds/Cost Savings—The AOC caters training sessions and meetings at its work locations and has greater allowances for meal costs than the executive branch. For fiscal years 2010–11 through 2012–13, this benefit cost approximately \$560,000. We estimate that AOC could save \$187,000 a year by discontinuing this benefit.</p> | <p>See annualized benefits below</p> <p>\$1,160,000</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>25,000</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>See annualized benefits below</p> <p>560,000</p> <p>See annualized benefits below</p> |

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|---|---|-------------------------------|
| 2014-118 (January 2015) | <i>California Department of Developmental Services: Its Process for Assessing Fees Paid by Parents of Children Living in Residential Facilities Is Woefully Inefficient and Inconsistent</i> Lost Revenue —The Department of Developmental Services (Developmental Services) failed to provide timely assessments of parental fees. For the roughly 250 initial assessments Developmental Services performs each year, we estimated that the annual amount of unbilled fees caused by assessment delays ranges from \$740,000 to \$1.1 million. Based on Developmental Services' average collection rate of 60 percent, we calculated approximately \$552,000 in lost revenue. | \$552,000 |
| 2014-113 (January 2015) | <i>California Department of Public Health: Even With a Recent Increase in Federal Funding, Its Efforts to Prevent Diabetes Are Focused on a Limited Number of Counties</i> Lost Revenue —We found two federal grants related to diabetes for which Public Health could have applied. Specifically, one had an award amount of up to \$500,000 per year for up to three years. Public Health stated that it did not have the resources and capacity required to apply for this particular grant. | See annualized benefits below |
| 2014-121 (June 2015) | <i>University of California, Davis: It Has Not Identified Future Financing for the Strawberry Breeding Program nor Collected All Available Revenues</i> Lost Revenue —Under the terms of the strawberry program's licensing agreements, the University of California (UC) Davis had opportunities to collect additional strawberry program revenues, but it chose not to do so. Over a three-year period, UC Davis did not collect approximately \$157,000 in interest charges from three licensed nurseries and a master licensee for late royalty payments. | \$157,000 |
| Annualized Carry Forward for July 1, 2014, Through June 30, 2015 | | \$94,981,200 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation (Allegation I2006-0665) | 50,000 |
| I2008-1 (April 2008) | Department of Social Services (Allegation I2006-1040) | 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health† (Allegation I2009-0644) | 76,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |
| 2011-120 (August 2012) | Department of Transportation | 3,800,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 15,000 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 37,000 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 19,000 |
| 2012-117 (March 2013) | State Athletic Commission | 181,000 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 6,000,000 |
| 2013-501 (March 2014) | Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun | 36,000 |
| 2013-119 (August 2014) | Department of Health Care Services | 1,270,700 |
| 2012-603 (August 2014) | Department of Human Resources and California State University | 1,222,000 |

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|--|--|----------------------|
| 2014-301 (November 2014) | Superior Court of California, County of Alameda | \$48,000 |
| 2013-125 (December 2014) | Department of Health Care Services | 14,000 |
| 2014-107 (January 2015) | Administrative Office of the Courts | 13,893,500 |
| 2014-113 (January 2015) | Department of Public Health | 500,000 |
| Total for July 1, 2013, Through June 30, 2014 | | \$594,777,000 |
| Total One-Time Benefits for July 1, 2013, Through June 30, 2014 | | \$516,780,000 |
| 2012-118 (July 2013) | <i>California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law</i> | |
| | Cost Recovery —The California Public Utilities Commission (CPUC) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in CPUC overpaying an estimated \$40,000 in interest payments on intervenor claims. CPUC is currently in the process of collecting the overpaid interest from the intervenors. | \$40,000 |
| 2012-121.2 (September 2013) | <i>Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System</i> | |
| | Wasted Funds —State Parks inappropriately paid nearly \$16,400 for leave to five employees in fiscal years 2009–10 and 2010–11. These leave buyback transactions were unallowable under the employees’ relevant bargaining unit agreements. | \$16,000 |
| I2011-0837 (October 2013) | <i>California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty</i> | |
| | Wasted Funds —The administrator of a veterans home operated by the Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted \$653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately \$424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly \$229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract. | \$653,000 |
| I2012-0651 (March 2014) | <i>Employment Development Department: It Failed to Participate in a Federal Program That Would Have Allowed the State to Collect Hundreds of Millions of Dollars</i> | |
| | Lost Revenue —EDD failed to take advantage of a federal program that would have allowed it to collect an estimated \$516 million owed to the State in unemployment benefit overpayments made to claimants. Several states chose to participate in the federal Treasury’s Offset Program to collect unemployment benefit overpayments from 2011 through 2013 with great success. However, EDD, acting on behalf of California, declined to participate in this aspect of the Offset Program, and instead persisted with its existing collection efforts. | \$516,000,000 |
| 2013-501 (March 2014) | <i>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun</i> | |
| | Wasted Funds/ Cost Savings —Over the two fiscal years we reviewed, the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun (board) reimbursed the San Francisco Bar Pilots approximately \$141,000 for what appear to be economy class tickets with fully refundable fares, compared to our estimate of nearly \$70,000—an amount based on the average of three airlines’ airfares for economy class tickets refundable for a small fee. This represents a potential savings of roughly \$71,000 over just a two year period. If the board carries out our recommendations regarding the purchase of airline tickets, we estimate \$36,000 in continuing annual savings through cost avoidance. | \$71,000 |

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|---|---|---------------------------------|
| Annualized Carry Forward for July 1, 2013, Through June 30, 2014 | | \$77,997,000 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation (Allegation I2006-0665) | 50,000 |
| I2008-1 (April 2008) | Department of Social Services (Allegation I2006-1040) | 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health† (Allegation I2009-0644) | 76,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |
| 2011-120 (August 2012) | Department of Transportation | 3,800,000 |
| I2012-1 (December 2012) | State Athletic Commission (Allegation I2009-1341) | 15,000 |
| I2012-1 (December 2012) | California Correctional Health Care Services (Allegation I2009-0689) | 37,000 |
| I2012-1 (December 2012) | California Natural Resources Agency (Allegation I2009-1321) | 19,000 |
| 2012-117 (March 2013) | State Athletic Commission | 181,000 |
| 2012-110 (April 2013) | Department of Motor Vehicles | 6,000,000 |
| Total for July 1, 2012, Through June 30, 2013 | | \$140,107,000 |
| Total One-Time Benefits for July 1, 2012, Through June 30, 2013 | | \$32,600,000 |
| 2011-120 (August 2012) | <i>California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties</i> | |
| | Increased Revenue —Caltrans charged the majority of the State Route 710 (SR 710) property tenants rents that are, on average, 43 percent below market rate. Caltrans’ rental of the SR 710 properties at below-market values constitutes a gift of public funds, which is prohibited by the California Constitution unless such rentals serve a public purpose. If it charged market rates for the 345 SR 710 properties, Caltrans could potentially generate as much as \$3.8 million more per year in rental income. We expect this benefit to begin in fiscal year 2013–14. | Benefit begins next fiscal year |
| 2012-105 (November 2012) | <i>Departments of Public Health and of Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children’s Trust Fund Limit Their Effectiveness</i> | |
| | Cost Recovery —Public Health did not provide proper oversight of the research foundation’s 2007 contract. In our review of the payroll information for 14 research foundation invoices paid under that contract, we found that Public Health may have been overcharged by roughly \$12,000 because the research foundation did not apply the allocation percentage stated in its original contract and adjust the allocation percentage for the subsequent amendments to the salaries of two individuals who were listed in the budgets. | \$12,000 |

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|---|---|------------------------------|
| 2010-102 (February 2011; December 2012 Update) | <p>Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management</p> <p>Cost Recovery—In February 2011 we issued a report regarding the AOC California Court Case Management System (CCMS). We found that the AOC inadequately planned the project since 2003 and has consistently failed to develop accurate cost estimates or timelines for the projects. Subsequently, the Legislature did not provide additional funds for the deployment of CCMS. The Judicial Council voted to halt deployment of CCMS in March 2012 and Deloitte Consulting agreed to repay \$16 million to compensate for delays caused by numerous quality issues.</p> | \$16,000,000 |
| I2012-1 (December 2012) (Allegation I2009-0634) | <p>Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees</p> <p>Cost Recovery—An FTB employee, an Office of the Secretary of State (secretary) employee, and a courier service owner engaged in an elaborate scheme that enabled the courier service owner to steal nearly a quarter of a million dollars from the State. The three individuals were convicted of bribery and ordered to pay a total of approximately \$227,000 in restitution to the secretary and FTB. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.</p> | \$227,000 |
| I2012-1 (December 2012) (Allegation I2008-1217) | <p>Employment Development Department: Investigations of Improper Activities by State Employees</p> <p>Cost Recovery—A former EDD accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly \$93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.</p> | \$93,000 |
| I2012-1 (December 2012) (Allegation I2009-1341) | <p>California State Athletic Commission: Investigations of Improper Activities by State Employees</p> <p>Cost Recovery—The California State Athletic Commission (Athletic Commission) overpaid approximately \$119,000 to 18 of its athletic inspectors from January 2009 through December 2010, because it inappropriately paid them at an hourly overtime rate rather than an hourly straight-time rate for work they performed. However, only about \$25,000 of that amount can be collected due to the statute of limitation for recovering overpayments.</p> <p>Wasted Funds—Due to the statute of limitation for recovering overpayments, the Athletic Commission cannot recover \$94,000 of the \$119,000 the commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.</p> <p>Wasted Funds—We identified \$29,000 in costs incurred over a two-year period that could have been avoided if the Athletic Commission had not employed as athletic inspectors persons who already were employed full-time by the State in classifications that are similar to the athletic inspector classification and thus were entitled to receive compensation at an overtime rate. If the Athletic Commission carries out all of our recommendations regarding the payment and hiring of athletic inspectors, we estimate \$14,525 in continuing annual savings through cost avoidance.</p> | \$25,000 94,000 29,000 |
| I2012-1 (December 2012) (Allegation I2009-1218) | <p>Department of Fish and Game[‡]: Investigations of Improper Activities by State Employees</p> <p>Wasted Funds—A supervisor with the Department of Fish and Game[‡] (Fish and Game) improperly implemented an agricultural lease agreement. He directed the lessee, in lieu of making lease payments, to purchase about \$54,000 in goods and services that did not constitute improvements and repairs to the leasehold, as required by the lease requirement.</p> | \$54,000 |
| I2012-1 (December 2012) (Allegation I2009-0689) | <p>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</p> <p>Wasted Funds—A manager with Correctional Health Care Services improperly allowed Corrections employees to use rental cars paid for by the state and receive mileage reimbursements for commuting, and Corrections improperly approved this. The manager also improperly authorized these employees to receive reimbursements for expenses they incurred near their homes and headquarters, and Corrections improperly approved the payments. As a result, the State paid 23 employees a total of \$55,000 in travel benefits over 18 months that they were not entitled to receive. As a result of our identifying the improper reimbursements and Corrections implementing our recommendation to end the reimbursements, we estimate \$37,000 in continued annual savings.</p> | \$55,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|---|
| I2012-1 (December 2012) (Allegation I2009-1321) | <p>Natural Resources Agency: Investigations of Improper Activities by State Employees</p> <p>Wasted Funds—From January 2009 through June 2011, an executive with the Natural Resources Agency (Resources) circumvented state travel regulations by improperly reimbursing an official and an employee about \$48,000 in state funds for commutes between their homes and headquarters and lodging and meal expenses incurred near Resources headquarters. If this pattern continued to occur, we estimate \$19,000 in continued annual savings through cost avoidance as a result of our recommendations.</p> | \$48,000 |
| I2012-1 (December 2012) (Allegation I2010-1151) | <p>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</p> <p>Cost Recovery—A supervising registered nurse at the California Training Facility in Soledad (facility) falsely claimed to have worked 183 hours of regular, overtime, and on-call hours that have resulted in overpayments and ultimately overpaid the nurse about \$9,000. Staff at the facility's personnel office reported that they have begun the process to collect the overpayments identified in this report.</p> | \$9,000 |
| I2012-1 (December 2012) (Allegation I2010-1022) | <p>University of California, Office of the President: Investigations of Improper Activities by State Employees</p> <p>Wasted Funds/Cost Recovery—The UC reimbursed an official approximately \$4,200 for travel expenses he incurred from July 2008 through July 2011 based on wasteful travel policies and procedures. Additionally, the UC official improperly requested, and the UC improperly authorized, reimbursements for travel expenses totaling nearly \$1,800, and we recommended that the UC seek recovery of these reimbursements.</p> | \$6,000 |
| I2005-2 (December 2012 Update) (Allegations I2004-0649, I2004-0681, I2004-0789) | <p>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</p> <p>Cost Recovery—Issued in September 2005, this investigation revealed that Corrections failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In June 2010 Corrections notified us that it had initiated litigation against the union to recover unreimbursed costs for all Corrections employees on full-time union leave. In January 2012 Corrections reached an agreement with the union that requires the union pay the State a total of \$3.5 million for all Corrections employees on full-time union leave through annual payments beginning that same month and continuing until the entire amount is paid.</p> | \$3,500,000 |
| 2012-117 (March 2013) | <p>State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question</p> <p>Wasted Funds—Over the last three calendar years for administrative spending, the Athletic Commission spent a total of \$197,400 in excess of the allowable 20 percent limit of its annual contribution. Should the commission limit administrative spending to the allowable 20 percent, it could save an annual average of \$66,000.</p> <p>Lost Revenue—The Athletic Commission's revenues are generally derived from taxes, assessments, and fees collected from events it regulates. Our review of 12 sample events found that the Athletic Commission failed to collect \$4,600 because it inconsistently adhered to its regulations and processes.</p> <p>Lost Revenue—The Athletic Commission failed to maximize the money available to fund boxers' pension benefits by not transferring funds into a higher-yield investment account, potentially resulting in a loss of \$20,000 between fiscal years 2007–08 and 2010–11. This is an ongoing benefit of approximately \$5,000 per year.</p> <p>Lost Revenue—In 2010 and 2011, the Athletic Commission inappropriately used funds from the Athletic Commission fund to pay \$40,000 in pension plan administration fees, despite the Legislature intending the pension fund to cover the administration of the pension plan.</p> <p>Increased Revenue—The Athletic Commission reports that it has worked with the Legislature to raise the maximum fee it charges promoters for the sale or lease of broadcasting rights from \$25,000 to \$35,000 per event. In fiscal years 2010–11 and 2011–12, the Athletic Commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Going forward, we estimate that the Athletic Commission will realize approximately \$110,000 in increased revenue annually as a result of these increased maximum fees.</p> | <p>\$197,000</p> <p>5,000</p> <p>20,000</p> <p>40,000</p> |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|----------------------|
| I2009-0640 (March 2013) | California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property | |
| | Cost Recovery —A supervisor with Caltrans improperly removed steel beams from a Caltrans facility. After discovering this, Caltrans paid \$2,000 to transport the beams back to a Caltrans facility. We recommended that Caltrans seek reimbursement for the transportation cost from the supervisor. | \$2,000 |
| | Cost Recovery —Caltrans improperly paid two technicians \$6,834 and \$6,954, respectively, for overtime and differential work hours that they did not work. We recommended that Caltrans seek reimbursement of these payments. | 14,000 |
| 2012-110 (April 2013) | Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported | |
| | Lost Revenue —The DMV's policy is to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using DMV's unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of \$12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, DMV could realize up to \$6 million in increased revenue annually. | \$12,000,000 |
| I2010-1045 (June 2013) | California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees | |
| | Wasted Funds —Corrections wasted \$126,952 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at six correctional facilities we examined. If what we found at the six facilities is representative of all correctional facilities during the period we examined, the amount wasted could be around \$400,000. | \$127,000 |
| | Wasted Funds —Correctional Health Care Services wasted \$42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined. | 43,000 |
| Annualized Carry Forward for July 1, 2012, Through June 30, 2013 | | \$107,507,000 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 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 (Allegations I2004-0649, I2004-0681, I2004-0789) | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife [‡] (Allegation I2004-1057) | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation (Allegation I2006-0665) | 50,000 |
| I2008-1 (April 2008) | Department of Social Services (Allegation I2006-1040) | 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| I2011-1 (August 2011) | Department of Mental Health [†] (Allegation I2009-0644) | 76,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 2,090,000 |
| 2011-119 (June 2012) | Physical Therapy Board | 28,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|---|----------------------|
| Total for July 1, 2011, Through June 30, 2012 | | \$131,432,000 |
| Total One-Time Benefits for July 1, 2011, Through June 30, 2012 | | \$21,037,000 |
| 2010-125 (August 2011) | State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund | |
| | Increased Revenue —The State Lands Commission (Lands Commission) should develop and adhere to policies and procedures that incorporate the State Administrative Manual’s guidance, including a process for consistently tracking delinquent leases. Also, the Lands Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Lands Commission should conduct rent reviews on each fifth anniversary, as specified in its lease agreements, or include provisions in its leases to allow for the use of other strategies, such as adjusting rents annually using an inflation indicator. Finally, the Lands Commission should amend its regulations for establishing pipeline rents on state land. | \$8,320,000 |
| I2011-1 (August 2011) (Allegation I2009-0644) | Department of Mental Health†: Investigations of Improper Activities by State Employees | |
| | Cost Savings —A senior official with the Department of Mental Health (Mental Health) improperly was paid for activities that either were taken on behalf of a nonstate organization or did not serve a state purpose. Mental Health should evaluate the need for the senior official’s position. | \$76,000 |
| I2011-1 (August 2011) (Allegation I2010-0844) | California Energy Commission: Investigations of Improper Activities by State Employees | |
| | Cost Recovery —An employee and 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. The Energy Commission should seek to recover the amount it improperly paid the retiring employee for unused annual leave hours. | \$7,000 |
| I2011-1 (August 2011) (Allegation I2009-0601) | Department of Fish and Game‡: Investigations of Improper Activities by State Employees | |
| | Cost Recovery —A manager at Fish and Game improperly directed an employee to use a state vehicle for commuting between her home and work locations during a nine-month period. In addition, the employee improperly requested, and the manager improperly approved, reimbursement for lodging and meal expenses incurred by the employee near her headquarters. Fish and Game should initiate repayment from the manager for the costs—totaling \$9,000—associated with the misuse of the state vehicle and seek recovery of the improper lodging and meal reimbursements that were paid to the employee. | \$9,000 |
| I2011-1 (August 2011) (Allegation I2009-1476) | State Controller’s Office: Investigations of Improper Activities by State Employees | |
| | 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. The Controller’s Office should seek reimbursement from the employee for the wages she did not earn. | \$7,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain | |
| | Cost Savings —Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has demonstrated to the Legislature that it has a plan to measure and report COMPAS’s effect on reducing recidivism. | \$2,090,000 |
| 2011-111 (March 2012) | Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California’s Job Seekers Find Employment | |
| | Lost Revenue —EDD missed opportunities to receive up to \$10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD’s reasons for foregoing grant opportunities. | \$10,500,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|----------------------|
| 2011-119 (June 2012) | <i>Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately</i> | |
| | Cost Savings —One of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. We believe that the physical therapy board may be able to save approximately \$28,000 to \$35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant. | \$28,000 |
| Annualized Carry Forward for July 1, 2011, Through June 30, 2012 | | \$110,395,000 |
| 2002-009 (April 2003) | California Energy Markets | \$29,000,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services ^S | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services ^S (Allegation I2002-0853) | 9,000 |
| I2004-2 (September 2004) | California Military Department (Allegation I2002-1069) | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation (Allegation I2003-0834) | 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 ^S | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789) | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife [‡] (Allegation I2004-1057) | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation (Allegation I2006-0665) | 50,000 |
| I2008-1 (April 2008) | Department of Social Services (Allegation I2006-1040) | 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 | 285,000 |
| 2009-112 (May 2010) | Department of Health Care Services | 4,700,000 |
| 2010-108 (June 2010) | Department of Public Health | 3,566,000 |
| 2009-118 (August 2010) | Department of Developmental Services | 15,000,000 |
| Total for January 1, 2011, Through June 30, 2011 | | \$61,509,500 |
| Total One-Time Benefits for January 1, 2011, Through June 30, 2011 | | \$12,000 |
| I2010-2 (January 2011) (Allegation I2008-1024) | <i>Department of General Services: Investigations of Improper Activities by State Employees</i> | |
| | Cost Recovery —A manager with General Services improperly used state vehicles for his daily commute for nine years. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles. | \$12,000 |
| Annualized Carry Forward for January 1, 2011, Through June 30, 2011 | | \$61,497,500 |
| 2002-009 (April 2003) | California Energy Markets | \$14,500,000 |
| 2002-118 (April 2003) | Department of Health Services ^S | 10,000,000 |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|----------------------------------|---|-------------------|
| 2003-106 (October 2003) | State Mandates | \$3,800,000 |
| 2003-125 (July 2004) | 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 [§] (Allegation I2002-0853) | 4,500 |
| I2004-2 (September 2004) | California Military Department (Allegation I2002-1069) | 32,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 145,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation (Allegation I2003-0834) | 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 (Allegations I2004-0649, I2004-0681, I2004-0789) | 96,500 |
| I2006-1 (March 2006) | Department of Fish and Wildlife [‡] (Allegation I2004-1057) | 4,150,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 19,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation (Allegation I2006-0665) | 25,000 |
| I2008-1 (April 2008) | Department of Social Services (Allegation I2006-1040) | 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 | 142,500 |
| 2009-112 (May 2010) | Department of Health Care Services | 2,350,000 |
| 2010-108 (June 2010) | Department of Public Health | 1,783,000 |

Benefits identified prior to 2011, but have annualized carry forward values

| | |
|--------------------------|---|
| 2002-009 (April 2003) | <p><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></p> <p>Cost Savings—In response to an audit recommendation, 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, which results in \$29 million annually.</p> |
| 2002-118 (April 2003) | <p><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></p> <p>Cost Savings—The Department of Health Services (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.</p> |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|-------------------|
| 2003-125 (July 2004) | California Department of Corrections^{II}: More Expensive Hospital Services and Greater Use of Hospital Facilities Have Driven the Rapid Rise in Contract Payments for Inpatient and Outpatient Care | |
| | Cost Savings —The potential for 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. | |
| 2003-124 (August 2004) | Department of Health Services^S: Some of Its Policies and Practices Result in Higher State Costs for the Medical Therapy Program | |
| | Cost Savings —Represents the savings 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. | |
| I2004-2 (September 2004) (Allegation I2002-0853) | Department of Health Services^S: Investigations of Improper Activities by State Employees | |
| | Cost Savings/Avoidance —We found that managers and employees at 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. | |
| I2004-2 (September 2004) (Allegation I2002-1069) | Military Department: Investigations of Improper Activities by State Employees | |
| | Cost Savings/Avoidance —We found that the Military Department improperly granted employees an increase in pay they were not entitled to receive. Because the Military Department has returned all the overpaid employees to their regular pay levels, it should be able to save approximately \$64,200 each year. | |
| 2004-105 (October 2004) | Department of Corrections^{II}: Although Addressing Deficiencies in Its Employee Disciplinary Practices, the Department Can Improve Its Efforts | |
| | Cost Savings —Corrections could save as much as \$290,000 annually by using staff other than peace officers to fill its employment relations officer positions. | |
| I2005-1 (March 2005) (Allegation I2003-0834) | Department of Corrections^{II}: Investigations of Improper Activities by State Employees | |
| | Cost Recovery/Cost Savings —In violation of state regulations and employee contract provisions, 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. | |

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|--|--|-------------------|
| 2004-033 (May 2005) | Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies | |
| | Cost Savings/Avoidance —In a prior audit, we had noted that opportunities existed for 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, Health Services ^S 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. | |
| 2004-113 (July 2005) | Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs | |
| | 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) | State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered | |
| | Increased Revenue —If the 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) | Department of Health Services^S: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements | |
| | 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. | |
| I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789) | Department of Corrections^{II}: Investigations of Improper Activities by State Employees | |
| | Cost Recovery —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 I2004-1057) | Department of Fish and Game^{II}: Investigations of Improper Activities by State Employees | |
| | Increased Revenue —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. | |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|-------------------|
| 2007-037 (September 2007) | 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 | |
| | 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. | |
| I2008-1 (April 2008) (Allegation I2006-0665) | Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees | |
| | Wasted Funds —Corrections leased 29 parking spaces at a private parking facility but did not use them. | |
| I2008-1 (April 2008) (Allegation I2006-1040) | Department of Social Services: Investigations of Improper Activities by State Employees | |
| | Cost Recovery/Cost Savings —Social Services improperly paid contractors for overhead costs that violated state policy. Social Services also will avoid these improper payments totaling about \$13,000 annually in the future. | |
| 2007-122 (June 2008) | Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal | |
| | Cost Savings —If Health Care Services 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. | |
| 2008-103 (November 2008) | California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources | |
| | 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. | |
| 2009-030 (July 2009) | State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs | |
| | Lost Revenue/Increased Revenues —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 \$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. | |
| 2009-043 (November 2009) | 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 | |
| | 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. | |
| 2009-118 (August 2010) | Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers | |
| | Cost Recovery —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. 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. | |

| REPORT NUMBER (DATE RELEASED) | ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|----------------------------------|--|-------------------|
| 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 Health Care Services performed cost-benefit analyses on treatment authorizations requests (TARs) 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 \$4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services. | |

- * This table covers an eight-year span and several departments have undergone name changes. To be consistent, we use each department’s current name throughout the table.
- † As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.
- ‡ As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.
- § On July 7, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Health.
- || On July 1, 2005, the Governor reorganized all departments under the Youth and Adult Correctional Agency, including the Department of Corrections, into the California Department of Corrections and Rehabilitation.
- # On July 1, 2017, the Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization. This act created the California Department of Tax and Fee Administration to perform the statutory duties formerly assigned to the California State Board of Equalization.