



CALIFORNIA STATE AUDITOR

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FACT SHEET

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Report: I2008-1

The California State Auditor Released the following report today:
Investigations of Improper Activities by State Employees
July 2007 Through December 2007

BACKGROUND

Since July 1993 the state auditor has identified improper governmental activities totaling \$27.5 million. The state auditor has broad authority to perform independent investigations into complaints that state employees have engaged in improper governmental activities. The California Whistleblower Protection Act (whistleblower act) defines an "improper governmental activity" as any action by a state agency or employee during the performance of official duties that violates any state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency.

KEY FINDINGS

Between July 1, 2007, and December 31, 2007, the state auditor:

- Received 2,473 calls or inquiries through the hotline, mail, Web site, or from individuals who visited the office.
- Opened 316 new cases after careful review while it continued to analyze or investigate 113 other cases.
- Substantiated or jointly substantiated with other state agencies a total of seven significant cases and reported that state employees and departments engaged in improper activities, including the following:
 - The Department of Justice (Justice) created inefficiency in the collective bargaining process by entering into informal side letters with an employee bargaining unit without oversight by the Department of Personnel Administration or ratification by the Legislature. As a result, Justice absorbed the salaries and benefits of four employees released from work full-time to participate in union-related activities at a cost of \$2.4 million to the State without that oversight.
 - The Department of Social Services wasted \$14,714 in state and federal funds for conference-related expenses by paying unnecessary overhead charges in violation of state policy.
 - In just the three months we investigated, the California Department of Corrections and Rehabilitation wasted at least \$11,277 in state funds by mismanaging parking spaces under its control.
 - A manager at the California State University, Chancellor's Office, improperly used public funds to purchase an expensive business meal for herself and five other university employees at a total cost of \$742.
 - An Employment Development Department employee regularly drank alcoholic beverages during work hours, which impeded his ability to safely perform his duties. Further, his supervisors had been aware of the situation for years.

State departments must report to the state auditor any corrective action taken in response to an investigative report no later than 30 days after the state auditor issues a report or monthly until corrective action is completed. This report also summarizes corrective action taken on 13 previously reported cases. For example, the departments of Public Health and Health Care Services took adverse action against five employees for questionable and improper contract payments and the California Highway Patrol placed 51 vans into service in November 2007 after it had purchased and left them virtually unused for more than two years.

