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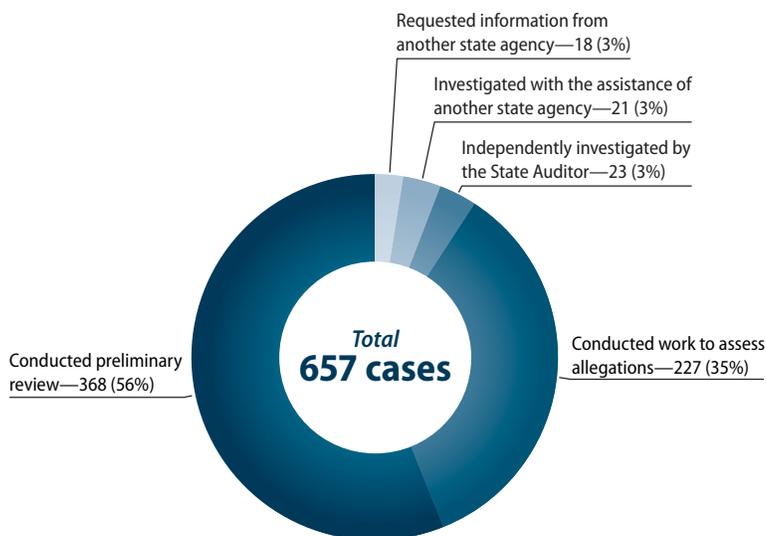
Investigations of Improper Activities by State Agencies and Employees

Conflict of Interest, Violation of Post-Employment Ethics Restrictions, Waste of State Funds, Misuse of State Resources, and Incompatible Activities

Background

The California Whistleblower Protection Act (Whistleblower Act) empowers the State Auditor to investigate allegations of improper governmental activities by state agencies and employees. The Whistleblower Act defines an “improper governmental activity” as any action by a state agency or employee during the performance of official duties that violates state or federal law, is wasteful, or involves gross misconduct, incompetence, or inefficiency. Since 1993, when the State Auditor activated the hotline, it has identified improper governmental activities that resulted in a total loss to the State of over \$576 million.

From January 2016 Through June 2016, the State Auditor Conducted Work on 657 Cases



Key Findings

Based on allegations of improper governmental activities pursuant to the Whistleblower Act, this report discusses seven significant investigations with substantiated improper governmental activities that the State Auditor either completed or directed other state agencies to complete on its behalf over a six-month period, including the following:

- A district engineer for the State Water Resources Control Board violated state conflict-of-interest law by participating in making numerous decisions from 2010 through 2015 that financially affected the engineering firm that employed the district engineer’s spouse. The engineer participated in 59 decisions, including approving claims for payment, that resulted in the engineering firm receiving a total of \$3.9 million.
- A former section chief repeatedly violated the one-year post-employment ban per the Political Reform Act of 1974 when, within a month after leaving the Department of Health Care Services and beginning to work for a provider, he began contacting his former coworkers on behalf of his new clients.
- The California Department of Public Health wasted state funds by reimbursing an official nearly \$75,000 for lodging, meals, incidentals, mileage, and parking related to commuting to work.
- Because it did not properly manage a San Joaquin Valley mobile home park it purchased as part of a project to improve a freeway on-ramp, the California Department of Transportation failed to collect nearly \$315,000 from its tenants.

For complaints of state employee misconduct, contact us through one of the following methods:

- Whistleblower Hotline | 1.800.952.5665
- auditor.ca.gov/hotline
- INVESTIGATIONS, California State Auditor
PO Box 1019 | Sacramento | CA | 95812
- Whistleblower FAX line | 916.322.2603