


Introduction

This report summarizes the major recommendations from audit and investigative reports that the California State Auditor (state auditor) issued from January 2011 through December 2012. The purpose of this report is to identify what actions, if any, these entities have taken in response to our findings and recommendations. We have placed this symbol  in the margin of the entity's action to identify areas of concern or issues that we believe have not been adequately addressed.

This report is organized by policy areas that generally correspond to the Assembly and Senate standing committees. Under each policy area we have included report summaries that relate to an area's jurisdiction. Because an audit may involve more than one issue or because it may cross the jurisdictions of more than one standing committee, a report summary could be included in more than one policy area. For example, the California's Mutual Aid System report summary is listed under two policy areas—Government Organization and Housing and Community Development.

As shown in the Figure, the state auditor made 609 recommendations in audit and investigative reports that were issued from January 2011 through December 2012.¹ Of those recommendations, entities asserted that they have fully implemented 270 and partially implemented 129; however, for the remaining 210 recommendations, we determined that entities have taken no action for 95, and corrective action is pending for 115 recommendations. Our audit and investigative efforts bring the greatest return when entities act upon our findings and recommendations. As a result, we will continue to monitor these entities' efforts to implement the recommendations that have not been fully implemented.

Figure
Overview of Recommendation Status

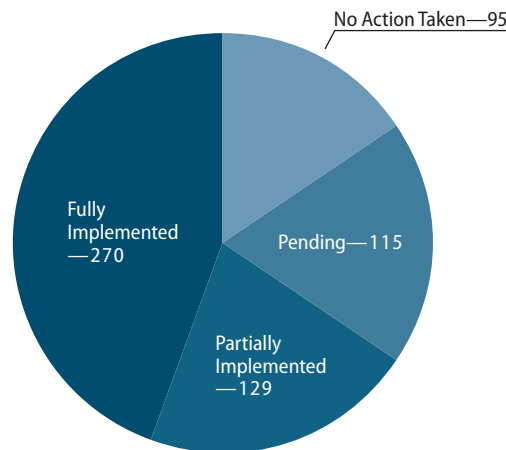


Table 1, beginning on page 3, summarizes the monetary value associated with certain findings from reports we issued during the period January 1, 2005, through December 31, 2012. We have indicated the nature of the monetary value in the following categories: cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than \$1.5 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, our August 2012 report on the California Department of Transportation's (Caltrans) management of State Route 710 (SR 710) extension project properties found that Caltrans charges the majority of the SR 710 property tenants

¹ This total does not include recommendations directed to the Legislature, nor do legislative recommendations appear in Table 2. However, we discuss the status of these recommendations in the body of this report.

rents that are, on average, 43 percent below market rate. By doing so, we estimate that Caltrans has foregone \$22 million in rental income between July 1, 2007, and December 31, 2011. Based on assertions from various Caltrans staff and documents we obtained, it appears that a former Caltrans director suspended all rent increases in 2002 after communicating with a member of the Legislature. In 2007 Caltrans' Division of Right of Way and Land Surveys (ROW headquarters division) sought approval from the former Governor's Office to raise the tenants' rents. However, according to the chief of the ROW headquarters division, Caltrans did not receive a response to this request and it is the division's current policy not to raise rents without instruction from Caltrans' director. We estimate that beginning in fiscal year 2013–14, Caltrans could collect at least \$3.8 million more per year if it began charging fair market rents. This estimate is conservative because it was based on Caltrans' latest fair market rent determinations and these determinations were, on average, over four years old. We recommended that Caltrans adjust the tenants' rents for SR 710 properties to fair market value after providing them with proper notice.

The state auditor's policy requests that the entities provide a written response to the audit findings and recommendations before the audit report is initially issued publicly. As a follow-up, state law requires the entity to provide updates on their implementations of audit recommendations. The state auditor requests these updates at 60 days, six months, and one year after the public release of the audit report. However, we may request that an entity provide a response beyond one year or initiate a follow-up audit if deemed necessary. For investigations, California Government Code, Section 8547.7, subdivision (a), requires that within 60 days of receiving an investigative report, an entity shall report any actions it has taken or intends to take to implement the recommendations made in the report. The entity also is required to file subsequent reports on a monthly basis until it has completed all of the actions it intends to take in response to the recommendations. In addition, California Government Code, Section 8548.9 requires us to produce an annual report regarding recommendations that state entities have not fully implemented within a year of issuance.² Accordingly, we will follow up with every state entity that we determine has not fully implemented one or more recommendations within one year of the issuance of an audit or investigative report to request an update on the entity's plans to implement the outstanding recommendations.

The investigative reports that we issue describe improper governmental activities by state entities and employees that we have substantiated through an investigation. The publicly reported investigations during 2011 and 2012 identified improper activities, including wasteful spending, improper overtime payments, improper gifts, and mismanagement of state resources and funds. The financial impact to the State of the activities totalled more than \$4.2 million. For example, an investigation we conducted at the California State Athletic Commission (commission) revealed that it overpaid nearly \$119,000 to 18 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 the work they performed. We, therefore, recommended that the commission immediately cease paying the 18 athletic inspectors an overtime rate for the work they perform, and inform all athletic inspectors that it will compensate them at the classification's straight-time rate unless their work meets a federal law's criteria for receiving overtime. As another example, an investigation we conducted at the Natural Resources Agency (Resources) found that from January 2009 through June 2011, an executive with Resources circumvented state travel regulations by improperly reimbursing an official and an employee \$47,944 in state funds for commuting between their homes and headquarters. In addition, Resources improperly reimbursed the official \$209 for lodging and meal expenses incurred near the Resources headquarters. We consequently recommended that Resources discontinue improperly reimbursing employees for their commute-related expenses and for lodging and meal expenses incurred within 50 miles of their headquarters.

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

² The state auditor released its annual report on the status of recommendations not fully implemented after one year in January 2013. This report covers audits issued between November 2005 and October 2011, which had outstanding recommendations as of the agency's one-year response and provides the status of these recommendations as of December 2012.

Unless otherwise noted, we have not performed any type of review or validation of the corrective actions reported by the entities. All corrective actions noted in this report were generally based on responses received by our office as of December 31, 2012. Table 2, beginning on page 17, summarizes the status of entities' efforts to implement our recommendations based on the most recent response received from each one. Because an audit report's recommendations may apply to several policy areas, the status of an entity's implementation of our recommendations may be represented in Table 2 more than once, as previously discussed. Table 3, beginning on page 27, summarizes the status of each entity's efforts to implement recommendations that we made to ensure accountability and address control weaknesses related to the improper governmental activities identified in our investigative reports.

Table 1
Monetary Values
January 1, 2005, Through December 31, 2012

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|---|------------------------|
| Total for January 1, 2005, Through December 31, 2012 | | \$1,526,823,000 |
| Total for July 1, 2012, Through December 31, 2012 | | \$75,891,000 |
| Total One-Time Benefits for July 1, 2012, Through December 31, 2012 | | \$20,152,000 |
| 2011-120 (August 2012) | <p><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></p> <p>Increased Revenue—The California Department of Transportation (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.</p> | |
| 2010-102 (December 2012 Update) | <p><i>Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management</i></p> <p>Cost Recovery—In February 2011 we issued a report regarding the Administrative Office of the Courts' (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 Counsel 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 |
| 2012-105 (November 2012) | <p><i>Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness</i></p> <p>Cost Recovery—The Department of Public Health (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.</p> | 12,000 |
| I2012-1 (December 2012) (Allegation I2009-0634) | <p><i>Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees</i></p> <p>Cost Recovery—A Franchise Tax Board (board) 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 the board. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.</p> | 227,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|----------------|
| I2012-1 (December 2012) (Allegation I2008-1217) | <p><i>Employment Development Department: Investigations of Improper Activities by State Employees</i></p> <p>Cost Recovery—A former Employment Development Department (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><i>California State Athletic Commission: Investigations of Improper Activities by State Employees</i></p> <p>Wasted Funds/Cost Recovery—The California State Athletic Commission (Commission) overpaid approximately \$119,000 to 18 of its athletic inspectors from January 2009 through December 2010 because it inappropriately paid them an hourly overtime rate rather than an hourly straight-time rate for work they performed—only about \$25,000 of that amount can be collected due to the three-year limitation for recovering overpayments.</p> <p>Wasted Funds—We identified \$29,000 in costs incurred over a two-year period that could have been avoided if the 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 Commission carries out all of our recommendations, regarding the payment and hiring of athletic inspectors, we estimate \$59,350 in continuing annual savings through cost avoidance.</p> | 94,000 |
| I2012-1 (December 2012) (Allegation I2009-1218) | <p><i>Department of Fish and Game†: Investigations of Improper Activities by State Employees</i></p> <p>Wasted Funds—A supervisor with the Department of Fish and Game improperly implemented an agricultural lease agreement. He directed the lessee to use the state funds derived from the lease to purchase about \$54,000 in goods and services that did not provide the improvements and repairs the lease required.</p> | 54,000 |
| I2012-1 (December 2012) (Allegation I2009-0689) | <p><i>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i></p> <p>Wasted Funds—A manager with California Correctional Health Care Services improperly allowed Department of Corrections and Rehabilitation (Corrections) employees to use rental cars and receive mileage reimbursements for commutes that Corrections approved improperly. The manager also allowed these employees to receive reimbursements for improper expenses they incurred near their homes and headquarters, and Corrections inappropriately approved the payment. As a result, the State paid 23 employees a total of \$55,000 over 18 months in travel benefits to which they were not entitled. Assuming that this would have continued to occur going forward without our recommendations, we estimate \$37,000 in continued annual cost savings.</p> | 55,000 |
| I2012-1 (December 2012) (Allegation I2009-1321) | <p><i>Natural Resources Agency: Investigations of Improper Activities by State Employees</i></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 approximately \$48,000 in state funds for commutes between their homes and 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><i>California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i></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><i>University of California, Office of the President: Investigations of Improper Activities by State Employees</i></p> <p>Wasted Funds—We found that the University of California (university) reimbursed an official in the university's Office of the President approximately \$6,000 for wasteful travel expenses he incurred from July 2008 through July 2011. We also ascertained that although the university increased its monitoring of the official's travel expenses, its absence of defined limits for lodging expenses led to some of these wasteful expenditures.</p> | 6,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|----------------------|
| I2005-2 (December 2012 Update) (Allegations I2004-0649, I2004-0681, I2004-0789) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—Issued in September 2005, this investigation revealed that the Department of Corrections and Rehabilitation (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In 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. | 3,500,000 |
| Annualized Carry Forward for July 1, 2012, Through December 31, 2012 | | \$55,739,000 |
| 2002-009 (April 2003) | California Energy Markets | 14,500,000 |
| 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 [‡] | 4,500 |
| I2004-2 (September 2004) | California Military Department | 32,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 145,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 59,500 |
| 2004-113 (July 2005) | Department of General Services | 18,000 |
| 2004-134 (July 2005) | California State Athletic Commission | 16,500 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 5,150,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 96,500 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 4,150,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 19,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation | 25,000 |
| I2008-1 (April 2008) | Department of Social Services | 6,500 |
| 2007-122 (June 2008) | Department of Health Care Services | 6,500,000 |
| 2008-103 (November 2008) | California Unemployment Insurance Appeals Board | 30,500 |
| 2009-043 (November 2009) | Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun | 19,000 |
| 2009-030 (July 2009) | State Bar of California | 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 |
| 2009-118 (August 2010) | Department of Developmental Services | 7,500,000 |
| I2011-1 (August 2011) | Department of State Hospitals | 19,000 |
| 2010-124 (September 2011) | Department of Corrections and Rehabilitation | 522,500 |
| Total for July 1, 2011, Through June 30, 2012 | | \$184,189,000 |
| Total One-Time Benefits for July 1, 2011, Through June 30, 2012 | | \$15,794,000 |
| 2010-125 (August 2011) | <i>State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund</i> Increased Revenue—The State Lands Commission (commission) has not always managed its more than 4,000 leases in the States' best interest and has missed opportunities to generate at least millions of dollar in revenues for the State's General Fund. About 140 of the commission's 1,000 revenue-generating leases had expired and for 10 expired leases we reviewed, the commission had lost \$269,000 because lessees were paying the rent established by an old appraisal rather than the property's current value. Also, the commission failed to promptly conduct rent reviews causing it to lose \$6.3 million in increased rent it may have been able to collect. Other leases were delinquent and for a sample of delinquent leases we reviewed, we estimated losses totaling \$1.6 million. Further, the commission uses a rate to establish rent for pipelines on state property that is more than 30 years old. | 4,160,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|----------------------|
| I2011-1 (August 2011) (Allegation I2009-0644) | <i>Department of Mental Health^S: Investigations of Improper Activities by State Employees</i> 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. | 38,000 |
| I2011-1 (August 2011) (Allegation I2010-0844) | <i>California Energy Commission: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee and 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) | <i>Department of Fish and Game^T: Investigations of Improper Activities by State Employees</i> Cost Recovery—A manager at the Department of Fish and Game (Fish and Game) improperly directed an employee 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) | <i>State Controller's Office: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of the State Controller's Office failed to report an estimated 322 hours of absences over an 18-month period. The State Controller's Office should seek reimbursement from the employee for the wages she did not earn. | 7,000 |
| 2010-124 (September 2011) | <i>Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain</i> The Department of Corrections and Rehabilitation's (Corrections) use of the Correctional Offender Management Profiling for Alternative Sanctions Program (COMPAS) is, at best, uncertain, and we found problems with the deployment of COMPAS that negatively affect its usefulness. We recommend that Corrections 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' effect on reducing recidivism. | 1,045,000 |
| 2011-111 (March 2012) | <i>Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment</i> Lost Revenue—The Employment Development Department (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 |
| 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 | | \$168,395,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 58,000,000 |
| 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 [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|---|----------------------|
| 2004-113 (July 2005) | Department of General Services | 36,000 |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services† | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation | 50,000 |
| I2008-1 (April 2008) | Department of Social Services | 13,000 |
| 2007-122 (June 2008) | Department of Health Care Services | 13,000,000 |
| 2008-103 (November 2008) | California Unemployment Insurance Appeals Board | 61,000 |
| 2009-043 (November 2009) | Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun | 38,000 |
| 2009-030 (July 2009) | State Bar of California | 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 July 1, 2010, Through June 30, 2011 | | \$390,054,000 |
| Total One-Time Benefits for July 1, 2010, Through June 30, 2011 | | \$209,059,000 |
| 2009-114 (July 2010) | <i>Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises</i> Cost Savings and Recovery—We recommended that the Department of General Services (General Services) determine if there are further opportunities to achieve savings for consultant-recommended categories of goods and services contracts. Also, General Services should follow procedures for identifying strategic sourcing opportunities and work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing. Finally, General Services should implement standard procedures to recover identified overcharges. The potential savings to the State is currently unknown, but if General Services implements our recommendation, the savings will be quantifiable in the future. The report concludes that documents indicate that as a result of its initial strategic sourcing efforts, the State accrued at least \$160 million in net savings from 33 contracts through June 30, 2007. | Unknown |
| 2003-106 (August 2010 Update) | <i>State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process</i> Cost Recovery—We recommended that the State Controller's Office (Controller's Office) audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010 the Controller's Office informed the California State Auditor that it had audited \$225 million in POBOR Program claims and identified \$194 million (86 percent of claims reviewed) in unallowable costs had been claimed. | 194,000,000 |
| 2009-118 (August 2010) | <i>Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers</i> Cost Recovery—We found that the Department of Developmental Services (Developmental Services) did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly \$15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate \$15 million in continued annual savings through a combination of cost recovery and cost avoidance. | 15,000,000 |
| 2010-106 (November 2010) | <i>Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs</i> Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services. | 47,000 |
| 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 the Department of General Services (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 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|----------------------|
| Annualized Carry Forward for July 1, 2010, Through June 30, 2011 | | \$180,995,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 58,000,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |
| 2004-113 (July 2005) | Department of General Services | 36,000 |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation | 50,000 |
| I2008-1 (April 2008) | Department of Social Services | 13,000 |
| 2007-122 (June 2008) | Department of Health Care Services | 13,000,000 |
| 2008-103 (November 2008) | California Unemployment Insurance Appeals Board | 61,000 |
| 2009-043 (November 2009) | Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun | 38,000 |
| 2009-030 (July 2009) | State Bar of California | 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 |
| Total for July 1, 2009, Through June 30, 2010 | | \$195,429,000 |
| Total One-Time Benefits for July 1, 2009, Through June 30, 2010 | | \$23,023,000 |
| 2009-112 (May 2010) | <i>Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits</i> | 4,700,000 |
| | Cost Avoidance—If the Department of Health Care Services performed cost-benefit analyses on treatment authorization requests (TAR) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis, we estimate that it could save \$4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services. | |
| 2010-108 (June 2010) | <i>Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts</i> | 70,000 |
| | Increased Revenue—The Department of Public Health (Public Health) inappropriately granted a 35 percent reduction to health facility penalties totaling \$70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated \$95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by \$3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated \$101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account. | 95,000 |
| | | 3,300,000 |
| | | 101,000 |
| I2010-1 (June 2010) (Allegation I2008-1066) | <i>Department of Industrial Relations: Investigations of Improper Activities by State Employees</i> | 70,000 |
| | Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health, misused state resources and improperly engaged in dual employment during her state work hours, for which she received \$70,105 in inappropriate payments. | |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|---|-----------------|
| I2010-1 (June 2010) (Allegation I2008-0920) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> | 111,000 |
| | Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of \$110,797. | |
| | Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform clerical and administrative tasks. When these employees returned to their normal duties, the Department of Corrections and Rehabilitation did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of \$75,824. | 76,000 |
| I2010-1 (June 2010) (Allegation I2008-1037) | <i>California State University, Northridge: Investigations of Improper Activities by State Employees</i> | 21,000 |
| | Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation, Northridge received payment of \$20,709 from the business owner. | |
| 2009-030 (July 2009) | <i>State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs</i> | 850,000 |
| | Lost Revenue/Increased Revenues—The State Bar of California (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. | |
| 2009-101 (November 2009) | <i>Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts</i> | 12,450,000 |
| | Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments—approximately \$12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately \$1.1 million in interest on its share of the funds. | 1,100,000 |
| I2009-0702 (November 2009) | <i>Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision</i> | 35,000 |
| | Cost Recovery—We identified almost \$35,000 in overpayments made to 23 employees, and we recommended that the Department of Corrections and Rehabilitation recupereate the overpayments from the employees. | |
| 2009-043 (November 2009) | <i>Board of Pilot Commissioners For the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements</i> | 9,000 |
| | Increased Revenue—The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional \$8,640 annually based on the current surcharge of \$9 per trainee. | |
| | Cost Savings—The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease—\$4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately \$30,000 annually. | 5,000 30,000 |

Annualized Carry Forward for July 1, 2009, Through June 30, 2010 **\$172,406,000**

| | | |
|--------------------------|--|------------|
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 58,000,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|--|----------------------|
| 2004-113 (July 2005) | Department of General Services | 36,000 |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation | 50,000 |
| I2008-1 (April 2008) | Department of Social Services | 13,000 |
| 2007-122 (June 2008) | Department of Health Care Services | 13,000,000 |
| 2008-103 (November 2008) | California Unemployment Insurance Appeals Board | 61,000 |
| Total for July 1, 2008, Through June 30, 2009 | | \$175,426,000 |
| Total One-Time Benefits for July 1, 2008, Through June 30, 2009 | | \$1,931,000 |
| 2007-040 (September 2008) | <i>Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk</i> Increased Revenue—The Department of Public Health (Public Health) incorrectly adjusted the fees it charged to clinical laboratories, resulting in more than \$1 million in lost revenue. Public Health should adjust fees in accordance with the budget act. | 1,020,000 |
| I2008-2 (October 2008) (Allegation I2006-0826) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation improperly paid nine office technicians a total of \$16,530 for supervising inmates when the technicians did not qualify to receive the money. | 17,000 |
| I2008-2 (October 2008) (Allegation I2008-0678) | <i>California Environmental Protection Agency: Investigations of Improper Activities by State Employees</i> Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used. | 23,000 |
| I2008-2 (October 2008) (Allegation I2007-1049) | <i>Department of Housing and Community Development: Investigations of Improper Activities by State Employees</i> Cost Recovery—A full-time employee of the Department of Housing and Community Development simultaneously worked full-time at a nonprofit organization for a year, along with other time and attendance abuses. | 35,000 |
| I2008-2 (October 2008) (Allegation I2007-0917) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation improperly compensated two physicians for 3,025 hours of work on a time-and-a-half basis rather than on an hour-for-hour basis. | 108,000 |
| I2008-2 (October 2008) (Allegation I2007-0771) | <i>State Personnel Board^{II}: Investigations of Improper Activities by State Employees</i> Wasted Funds—The State Personnel Board approved contracts with a retired annuitant and a retired employee without providing reasonable justification for the contract or the contract amount. | 14,000 |
| 2008-103 (November 2008) | <i>California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources</i> Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save \$61,000 annually. We are showing a benefit of \$20,000 for the remainder of fiscal year 2008–09. | 20,000 |
| I2009-1 (April 2009) (Allegation I2006-1125) | <i>Department of Fish and Game[†], Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees</i> Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred \$71,747 in improper travel expenses she was not entitled to receive. | 72,000 |
| I2009-1 (April 2009) (Allegation I2007-0909) | <i>State Compensation Insurance Fund: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her \$8,314 for hours she did not work. | 8,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE* / REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|----------------------|
| I2009-1 (April 2009) (Allegation I2007-0891) | <i>Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees</i> | 580,000 |
| | Wasted Funds—The departments of Corrections and Rehabilitation and General Services wasted \$580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years. | |
| 2009-042 (May 2009) | <i>Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program</i> | 34,000 |
| | Lost Revenue—We identified interest revenues totaling \$34,000 the California Health Facilities Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable. | |
| Annualized Carry Forward for July 1, 2008, Through June 30, 2009 | | \$173,495,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 58,000,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |
| 2004-113 (July 2005) | Department of General Services | 1,186,000 |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| 2007-037 (September 2007) | Department of Housing and Community Development | 38,000 |
| I2008-1 (April 2008) | Department of Corrections and Rehabilitation | 50,000 |
| I2008-1 (April 2008) | Department of Social Services | 13,000 |
| 2007-122 (June 2008) | Department of Health Care Services | 13,000,000 |
| Total for July 1, 2007, Through June 30, 2008 | | \$161,199,000 |
| Total One-Time Benefits for July 1, 2007, Through June 30, 2008 | | \$14,155,000 |
| I2007-2 (September 2007) (Allegation I2006-1099) | <i>Department of Mental Health[§]: Investigations of Improper Activities by State Employees</i> | 19,000 |
| | Wasted Funds—The Department of Mental Health misused state funds designated to purchase two vehicles for law enforcement purposes by improperly using the vehicles for non-law enforcement purposes, including commuting. | |
| 2007-037 (September 2007) | <i>Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent</i> | 38,000 |
| | 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. | |
| I2007-2 (September 2007) (Allegation I2007-0715) | <i>California Highway Patrol: Investigations of Improper Activities by State Employees</i> | 882,000 |
| | Cost Avoidance—The California Highway Patrol (CHP) spent \$881,565 for 51 vans it had not used for their intended purposes. We calculated that the CHP lost \$90,385 in interest because it bought the vans two years prior to when it needed them. | 90,000 |
| 2007-109 (November 2007) | <i>DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State</i> | 32,000 |
| | Increased Revenue—Counties did not always assess and collect all required DNA penalties. | |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|--|
| I2008-1 (April 2008) (Allegation I2006-0665) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Wasted Funds—The Department of Corrections and Rehabilitation leased 29 parking spaces at a private parking facility but did not use them. | 50,000 |
| I2008-1 (April 2008) (Allegation I2006-1040) | <i>Department of Social Services: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Social Services (Social Services) improperly paid contractors for overhead costs that violated state policy. Cost Savings—Social Services also will avoid these improper payments totaling about \$13,000 annually in the future. | 13,000 13,000 |
| I2008-1 (April 2008) (Allegation I2007-0958) | <i>Department of Justice: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period. | 18,000 |
| 2007-122 (June 2008) | <i>Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharge Medi-Cal</i> Cost Recovery—The Department of Health Care Services (department) has identified overbilling to Medi-Cal by equipment providers. We estimated the department has overpaid providers by approximately \$13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to the department if they collect all overpayments. Cost Savings—If the department implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid \$13 million in overpayments annually. | 13,000,000 13,000,000 13,000,000 |
| Annualized Carry Forward for July 1, 2007, Through June 30, 2008 | | \$147,044,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 43,500,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |
| 2004-113 (July 2005) | Department of General Services | 2,336,000 ^{††} |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| Total for July 1, 2006, Through June 30, 2007 | | \$154,575,000 |
| Total One-Time Benefits for July 1, 2006, Through June 30, 2007 | | \$6,111,000 |
| I2006-2 (September 2006) (Allegation I2006-0663) | <i>Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i> Cost Recovery—Between January 2004 and December 2005 an employee with the Department of Forestry and Fire Protection improperly claimed and received \$17,904 in wages for 672 hours he did not work in violation of state law. | 18,000 |
| 2006-035 (February 2007) | <i>Department of Health Services[‡]: It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities</i> Cost Recovery—A contractor consultant authorized long-term care Medi-Cal duplicate payments. Health Services will recoup approximately \$5.3 million from facilities that received duplicate payments and an additional \$780,000 for duplicate or overlapping payments made to one or more different provider entities. Since authorization for the duplicate payments occurred because of a flawed procedure, the error may have caused other duplicate payments outside those we identified. | 5,300,000 780,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|---|-------------------------------|
| I2007-1 (March 2007) (Allegation I2006-0945) | <i>California Exposition and State Fair: Investigations of Improper Activities by State Employees</i> Cost Recovery—An official within the California Exposition and State Fair (Cal Expo) sold his personal vehicle to Cal Expo. Because he was involved in the decision to make this purchase while acting in his official capacity and because he derived a personal financial benefit, this official violated the Political Reform Act of 1974 and Section 1090 of the California Government Code. Cal Expo has indicated that it has reversed the transaction regarding the vehicle, resulting in the reimbursement of \$5,900 to Cal Expo and the return of the vehicle to the prior owner. | 6,000 |
| I2007-1 (March 2007) (Allegation I2006-0731) | <i>Department of Health Care Services: Investigations of Improper Activities by State Employees</i> Cost Recovery—An employee of the Department of Health Care Services violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments totaling \$7,453. | 7,000 |
| Annualized Carry Forward for July 1, 2006, Through June 30, 2007 | | \$148,464,000 |
| 2001-128 (April 2002) | Enterprise Licensing Agreement | 8,120,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 29,000,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | California Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |
| 2004-033 (May 2005) | Pharmaceuticals | 7,800,000** |
| 2004-113 (July 2005) | Department of General Services | 2,336,000 ^{††} |
| 2004-134 (July 2005) | California State Athletic Commission | 33,000 |
| 2004-125 (August 2005) | Department of Health Services [‡] | 10,300,000 |
| I2005-2 (September 2005) | Department of Corrections and Rehabilitation | 193,000 |
| I2006-1 (March 2006) | Department of Fish and Wildlife | 8,300,000 |
| Total for July 1, 2005, Through June 30, 2006 | | \$133,750,000 |
| Total One-Time Benefits for July 1, 2005, Through June 30, 2006 | | \$20,948,000 |
| 2004-113 (July 2005) | <i>Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs</i> Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about \$2.3 million each year. Cost savings reflect six months—January through June 2006. Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling \$36,000 per year. Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover \$45,000 in previously unpaid parking fees. | 1,115,000 36,000 45,000 |
| 2004-134 (July 2005) | <i>State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered</i> Increased Revenue—If the State Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of \$33,300 more per year. | 33,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---|--|------------------------|
| 2004-125 (August 2005) | <i>Department of Health Services[‡]: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements</i> 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. | 10,300,000 |
| 2004-126 (August 2005) | <i>Off-Highway Motor Vehicle Recreation Program: The Lack of a Shared Vision and Questionable Use of Program Funds Limits Its Effectiveness</i> Cost Recovery—Of the \$566,000 in grant advances we identified as outstanding from Los Angeles County, the division reports receiving a \$226,000 refund and determining that the remaining \$340,000 was used in accordance with grant guidelines. | 226,000 |
| 12005-2 (September 2005) (Allegation 12004-0710) | <i>California Military Department: Investigations of Improper Activities by State Employees</i> Cost Recovery—A supervisor at the California Military Department embezzled \$132,523 in public funds; a court has subsequently ordered restitution of these funds. | 133,000 |
| 12005-2 (September 2005) (Allegations 12004-0649, 12004-0681, 12004-0789) | <i>Department of Corrections^{‡‡}: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling \$365,500, Corrections can save \$192,500 annually by discontinuing this practice. | 558,000 |
| 12006-1 (March 2006) (Allegation 12005-0781) | <i>Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation failed to exercise its management controls, resulting in gifts of public funds of \$70,255 in leave not charged. | 70,000 |
| 12006-1 (March 2006) (Allegations 12005-0810, 12005-0874, 12005-0929) | <i>Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees</i> Cost Recovery—Several employees of the Department of Forestry and Fire Protection received \$61,466 in improper overtime payments. | 61,000 |
| 12006-1 (March 2006) (Allegations 12004-0983, 12005-1013) | <i>Victim Compensation and Government Claims Board: Investigations of Improper Activities by State Employees</i> Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly awarded payments to a physician at Corrections totaling \$25,950. | 26,000 |
| 12006-1 (March 2006) (Allegation 12004-1057) | <i>Department of Fish and Game[†]: Investigations of Improper Activities by State Employees</i> Increased Revenue—The Department of Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration ¹¹ demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as \$8.3 million by charging fair-market rents. | 8,300,000 |
| 2005-120 (April 2006) | <i>California Student Aid Commission: Changes in the Federal Family Education Loan Program, Questionable Decisions, and Inadequate Oversight Raise Doubts About the Financial Stability of the Student Loan Program</i> Cost Savings/Avoidance—We recommended that the Student Aid Commission amend its operating agreement to require EDFUND to establish a travel policy that is consistent with the State's policy and that it closely monitor EDFUND expenses paid out of the Operating Fund for conferences, workshops, all-staff events, travel, and the like. By implementing policy changes as recommended, we estimate EDFUND could save a minimum of \$45,000 annually. | 45,000 ^{\$\$} |
| Annualized Carry Forward for July 1, 2005, Through June 30, 2006 | | \$112,802,000 |
| 2001-128 (April 2002) | Enterprise Licensing Agreement | 8,120,000 |
| 2002-101 (July 2002) | Department of Corrections and Rehabilitation | 14,500,000 |
| 2002-009 (April 2003) | California Energy Markets | 29,000,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 20,000,000 |
| 2003-106 (October 2003) | State Mandates | 7,600,000 |
| 2003-125 (July 2004) | Department of Corrections and Rehabilitation | 20,700,000 |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|--|---|----------------------------|
| 2003-124 (August 2004) | Department of Health Services [‡] | 4,600,000 |
| I2004-2 (September 2004) | Department of Health Services [‡] | 9,000 |
| I2004-2 (September 2004) | Military Department | 64,000 |
| 2004-105 (October 2004) | Department of Corrections and Rehabilitation | 290,000 |
| I2005-1 (March 2005) | Department of Corrections and Rehabilitation | 119,000 |
| 2004-033 (May 2005) | Pharmaceuticals | 7,800,000** |
| Total for January 1, 2005, Through June 30, 2005 | | \$40,310,000 |
| Total One-Time Benefits for January 1, 2005, Through June 30, 2005 | | \$7,950,000 |
| I2005-1 (March 2005) (Allegation I2003-0834) | <i>Department of Corrections^{‡‡}: Investigations of Improper Activities by State Employees</i> Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly \$238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save \$119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate. | 357,000 |
| 2005-030 (April 2005) | <i>State Bar of California: It Should Continue Strengthening Its Monitoring of Disciplinary Case Processing and Assess the Financial Benefits of Its New Collection Enforcement Authority</i> Cost Recovery—As a result of our recommendation that it prioritize its cost recovery efforts to focus on attorneys who owe substantial amounts, the State Bar of California sent demand letters to the top 100 disciplined attorneys and has received \$24,411 as of April 2006. | 24,000 |
| 2004-033 (May 2005) | <i>Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies</i> Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State \$5.1 million annually. Cost Recovery—As we recommended, the Department of Health Services [‡] identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly \$2.5 million in net overpayments that resulted from its error. | 5,100,000 2,469,000 |
| Annualized Carry Forward for January 1, 2005, Through June 30, 2005 | | \$32,360,000 |
| 2001-128 (April 2002) | Enterprise Licensing Agreement | 4,060,000 |
| 2002-009 (April 2003) | California Energy Markets | 14,500,000 |
| 2002-118 (April 2003) | Department of Health Services [‡] | 10,000,000 |
| 2003-106 (October 2003) | State Mandates | 3,800,000 |
| Benefits Identified Prior to 2005, but Have Annualized Carry Forward Values | | |
| 2001-128 (April 2002) | <i>Enterprise Licensing Agreement: The State Failed to Exercise Due Diligence When Contracting With Oracle, Potentially Costing Taxpayers Millions of Dollars</i> Cost Savings—The State and Oracle agreed to rescind the contract in July 2002. As a result, we estimate the State will save \$8,120,000 per year for five years starting in fiscal year 2002–03. | |
| 2002-101 (July 2002) | <i>California Department of Corrections^{‡‡}: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control</i> Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save \$58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the \$42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of \$14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching \$58 million in fiscal year 2008–09. | |

| AUDIT NUMBER (DATE RELEASED) | AUDITEE*/ REPORT TITLE/ BASIS OF MONETARY VALUE | MONETARY VALUE |
|---------------------------------|---|----------------|
| 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, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be \$580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the \$580 million over the 20-year period the savings will be realized, 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 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> | |

* 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 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.

§ As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.

|| On July 1, 2012, the State Personnel Board and the Department of Personnel Administration were combined to create the California Department of Human Resources.

** Based on our follow-up work (Report 2007-501), we will discontinue claiming \$7.8 million as of fiscal year 2007–08 because the Department of General Services' two new pharmaceutical contracts will expire November 2007. This monetary value was previously listed at \$5.1 million. However, according to General Services, its strategic sourcing contractor assisted it in negotiating two new pharmaceutical contracts for the period of November 2005 to November 2007 that General Services believed would result in increased savings to the State. Our follow-up report indicates that the State appears to have achieved savings of \$7.8 million during the first 10 months of these two new contracts. See report number 2007-501 (June 2007).

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

‡‡ 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.

§§ We will discontinue claiming \$45,000 as of this fiscal year. Recent changes to state law may impact the role previously performed by the Student Aid Commission (commission). Senate Bill 89, an emergency measure enacted as Chapter 182, Statutes of 2007, and signed by the governor on August 24, 2007, took effect immediately, and may affect the ownership of EDFUND, and impact the commission's oversight role.

Table 2
Recommendation Status Summary

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER | |
|---|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|----|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | | |
| Banking and Finance | | | | | | | | | | |
| California Health Facilities Financing Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | | | | 31 |
| California Housing Finance Agency Affordable Housing Solvency Report 2010-123 | | | ● | | 2 | | | | | 29 |
| California Municipal Finance Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | 2 | | | 31 |
| California Statewide Communities Development Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | 1 | 2 | | | 31 |
| Fair Political Practices Commission Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | | | | 31 |
| Business, Professions, and Consumer Protection | | | | | | | | | | |
| California Energy Commission Intellectual Property Report 2011-106 | | | | ● | 2 | | | | | 35 |
| California Department of Transportation Intellectual Property Report 2011-106 | | | | ● | 1 | | | | | 35 |
| Department of Consumer Affairs Physical Therapy Board Report 2011-119 | | | ● | | | 1 | | | | 49 |
| Department of Food and Agriculture Intellectual Property Report 2011-106 | | | | ● | 2 | | | | | 35 |
| Department of General Services School Construction Projects Report 2011-116.1 | | | | ● | 2 | 10 | 2 | | | 39 |
| Division of the State Architect Report 2011-116.2 | | | ● | | 3 | 3 | 4 | | | 45 |
| Department of Health Care Services Intellectual Property Report 2011-106 | | | | ● | | | | 1 | | 35 |
| Physical Therapy Board of California Physical Therapy Board Report 2011-119 | | | ● | | 2 | | 1 | | | 49 |

continued on next page ...

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Education | | | | | | | | | |
| California Department of Education | | | | | | | | | |
| High School Graduation and Dropout Data Report 2011-117 | | | ● | | 2 | 1 | | | 59 |
| Commission on Teacher Credentialing | | | | | | | | | |
| Discipline of Teacher Misconduct Report 2010-119 | | | | ● | 22 | | | | 51 |
| Department of General Services | | | | | | | | | |
| School Construction Projects Report 2011-116.1 | | | | ● | 2 | 10 | 2 | | 39 |
| Division of the State Architect Report 2011-116.2 | | | ● | | 3 | 3 | 4 | | 45 |
| Los Angeles Unified School District | | | | | | | | | |
| Child Abuse Allegations Report 2012-103 | ● | | | | | 1 | 2 | | 61 |
| Governmental Organization | | | | | | | | | |
| Amador County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | 2 | 2 | | 1 | 65 |
| California Department of Forestry and Fire Protection | | | | | | | | | |
| California's Mutual Aid System Report 2011-103 | | | ● | | 1 | | 1 | | 71 |
| California Emergency Management Agency | | | | | | | | | |
| California's Mutual Aid System Report 2011-103 | | | ● | | 2 | 1 | 5 | | 71 |
| Humboldt County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | | | | 3 | 65 |
| Riverside County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | | 1 | 2 | 1 | 65 |
| San Diego County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | 2 | 1 | | | 65 |
| Santa Barbara County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | | | | 6 | 65 |
| Shasta County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | | 1 | 2 | 2 | 65 |
| Yolo County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | 1 | 1 | | 2 | 65 |

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|---|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Health | | | | | | | | | |
| California Health Facilities Financing Authority Children's Hospital Program Report 2012-042 | | ● | | | | | 4 | | 89 |
| Department of Consumer Affairs Physical Therapy Board Report 2011-119 | | | ● | | | 1 | | | 49 |
| Department of Health Care Services Medi-Cal Managed Care Program Report 2011-104 | | | | ● | 2 | | 2 | | 77 |
| Department of Managed Health Care Medi-Cal Managed Care Program Report 2011-104 | | | | ● | 3 | | | | 77 |
| Department of Public Health Child Health and Safety Fund/Children's Trust Fund Report 2012-105 | ● | | | | | | 8 | | 91 |
| Department of Social Services Child Health and Safety Fund/Children's Trust Fund Report 2012-105 | ● | | | | | | 10 | 4 | 91 |
| Physical Therapy Board of California Physical Therapy Board Report 2011-119 | | | ● | | 2 | | 1 | | 49 |
| Salinas Valley Memorial Healthcare System Executive Compensation and Conflict of Interest Report 2011-113 | | | ● | | 11 | 3 | 1 | | 81 |
| Higher Education | | | | | | | | | |
| Academy of Art University, San Francisco Crime Disclosure Report 2012-032 | | ● | | | 1 | 1 | | | 103 |
| California State University, Northridge Crime Disclosure Report 2012-032 | | ● | | | 2 | | | | 103 |
| Laney College, Oakland Crime Disclosure Report 2012-032 | | ● | | | | | 4 | | 103 |
| San Bernardino Valley College Crime Disclosure Report 2012-032 | | ● | | | | | 4 | | 103 |
| San Diego City College Crime Disclosure Report 2012-032 | | ● | | | 1 | 2 | 1 | | 103 |
| University of California Financial Records Report 2010-105 | | | | ● | 1 | 4 | 2 | 1 | 99 |
| University of the Pacific, Stockton Crime Disclosure Report 2012-032 | | ● | | | | | 4 | | 103 |

continued on next page ...

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|---|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Housing and Community Development | | | | | | | | | |
| California Department of Forestry and Fire Protection California's Mutual Aid System Report 2011-103 | | | ● | | 1 | | 1 | | 71 |
| California Emergency Management Agency California's Mutual Aid System Report 2011-103 | | | ● | | 2 | 1 | 5 | | 71 |
| California Health Facilities Financing Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | | | 31 |
| California Housing Finance Agency Affordable Housing Solvency Report 2010-123 | | | ● | | 2 | | | | 29 |
| California Municipal Finance Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | 2 | | 31 |
| California Statewide Communities Development Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | 1 | 2 | | 31 |
| Department of Finance Housing Bonds Report 2012-037 | | ● | | | 1 | | | | 107 |
| Department of Housing and Community Development Housing Bonds Report 2012-037 | | ● | | | 4 | 2 | | | 107 |
| Fair Political Practices Commission Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | | | 31 |
| Human Services | | | | | | | | | |
| Department of Public Health Child Health and Safety Fund/Children's Trust Fund Report 2012-105 | ● | | | | | | 8 | | 91 |
| Department of Social Services Foster Family Home and Small Family Home Insurance Fund Report 2010-121 | | | | ● | 4 | | 3 | | 111 |
| Child Welfare Services Report 2011-101.1 | | | | ● | 9 | 2 | 1 | 8 | 115 |
| Child Health and Safety Fund/Children's Trust Fund Report 2012-105 | ● | | | | | | 10 | 4 | 91 |
| Los Angeles County Department of Children and Family Services Los Angeles County Child Welfare Services Report 2011-101.2 | | | ● | | 3 | 2 | 2 | 2 | 123 |

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | |
|---|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | PAGE NUMBER |
| Insurance | | | | | | | | | |
| Department of Social Services Foster Family Home and Small Family Home Insurance Fund Report 2010-121 | | | | ● | 4 | | 3 | | 111 |
| California Technology Agency Unemployment Program Report 2010-112 | | | | ● | 1 | | | | 127 |
| Employment Development Department Unemployment Program Report 2010-112 | | | | ● | 4 | 1 | | 4 | 127 |
| Jobs, Economic Development, and the Economy | | | | | | | | | |
| Administrative Office of the Courts[†] Statewide Case Management Project Report 2010-102 | | | | ● | 17 | 4 | | | 131 |
| California Department of Transportation Intellectual Property Report 2011-106 | | | | ● | 1 | | | | 35 |
| California Energy Commission Intellectual Property Report 2011-106 | | | | ● | 2 | | | | 35 |
| California Labor and Workforce Development Agency Federal Workforce Investment Act Report 2011-111 | | | ● | | | 1 | | | 147 |
| California Workforce Investment Board Federal Workforce Investment Act Report 2011-111 | | | ● | | | 2 | | | 147 |
| Department of Food and Agriculture Intellectual Property Report 2011-106 | | | | ● | 2 | | | | 35 |
| Department of Health Care Services Intellectual Property Report 2011-106 | | | | ● | | | | 1 | 35 |
| Employment Development Department Federal Workforce Investment Act Report 2011-111 | | | ● | | 2 | | 2 | | 147 |
| Judiciary | | | | | | | | | |
| Administrative Office of the Courts[†] Statewide Case Management Project Report 2010-102 | | | | ● | 17 | 4 | | | 131 |
| State Bar of California Lawyer Assistance Program Report 2011-030 | | | | ● | 2 | 1 | | | 165 |
| Superior Court of California, County of Marin Sacramento and Marin Superior Courts Report 2009-109 | | | | ● | 14 | | | | 151 |

continued on next page ...

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Superior Court of California, County of Sacramento Sacramento and Marin Superior Courts Report 2009-109 | | | | ● | 31 | 2 | | 8 | 151 |
| Labor and Employment | | | | | | | | | |
| California Labor and Workforce Development Agency Federal Workforce Investment Act Report 2011-111 | | | ● | | | 1 | | | 147 |
| California Technology Agency Unemployment Program Report 2010-112 | | | | ● | 1 | | | | 127 |
| California Workforce Investment Board Federal Workforce Investment Act Report 2011-111 | | | ● | | | 2 | | | 147 |
| Employment Development Department Unemployment Program Report 2010-112 | | | | ● | 4 | 1 | | 4 | 127 |
| Federal Workforce Investment Act Report 2011-111 | | | ● | | 2 | | 2 | | 147 |
| Local Government | | | | | | | | | |
| Amador County Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | 2 | 2 | | 1 | 65 |
| California Department of Forestry and Fire Protection California's Mutual Aid System Report 2011-103 | | | ● | | 1 | | 1 | | 71 |
| California Department of Transportation State Route 710 Extension Properties Report 2011-120 | | ● | | | | 23 | 2 | 1 | 167 |
| California Emergency Management Agency California's Mutual Aid System Report 2011-103 | | | ● | | 2 | 1 | 5 | | 71 |
| California Health Facilities Financing Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | | | 31 |
| California Municipal Finance Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | | 2 | | 31 |
| California Statewide Communities Development Authority Conduit Bond Issuers Report 2011-118 / 2011-613 | | ● | | | 1 | 1 | 2 | | 31 |
| City of San José Retirement Costs Report 2012-106 | | ● | | | | | 1 | | 199 |

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | PAGE NUMBER |
| City of Vernon | | ● | | | | | | | |
| Financial Stability Report 2011-131 | | | | | 1 | 4 | 13 | 21 | 189 |
| Department of General Services | | ● | | | | | | | |
| State Route 710 Extension Properties Report 2011-120 | | | | | | 10 | 1 | 4 | 167 |
| Department of Health Care Services | | | | ● | | | | | |
| Medi-Cal Managed Care Program Report 2011-104 | | | | | 2 | | 2 | | 77 |
| Department of Managed Health Care | | | | ● | | | | | |
| Medi-Cal Managed Care Program Report 2011-104 | | | | | 3 | | | | 77 |
| Department of Social Services | | | | ● | | | | | |
| Child Welfare Services Report 2011-101.1 | | | | | 9 | 2 | 1 | 8 | 115 |
| Fair Political Practices Commission | | ● | | | | | | | |
| Conduit Bond Issuers Report 2011-118 / 2011-613 | | | | | 1 | | | | 31 |
| Humboldt County | | | | ● | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | | | | | 3 | 65 |
| Los Angeles County Department of Children and Family Services | | | ● | | | | | | |
| Los Angeles County Child Welfare Services Report 2011-101.2 | | | | | 3 | 2 | 2 | 2 | 123 |
| Los Angeles County | | ● | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | | | | 2 | 1 | | | 179 |
| Riverside County | | | | ● | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | | | 1 | 2 | 1 | 65 |
| Sacramento County | | ● | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | | | | 3 | | | 1 | 179 |
| Salinas Valley Memorial Healthcare System | | | ● | | | | | | |
| Executive Compensation and Conflict of Interest Report 2011-113 | | | | | 11 | 3 | 1 | | 81 |
| San Diego County | | | | ● | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | | 2 | 1 | | | 65 |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | | | | | |
| | | | | | 2 | 2 | | | 179 |
| Santa Barbara County | | | | ● | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | | | | | 6 | 65 |

continued on next page ...

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Santa Clara County | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 1 | 4 | | | 179 |
| Shasta County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | | 1 | 2 | 2 | 65 |
| Superior Court of California, County of Los Angeles | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 2 | | | | 179 |
| Superior Court of California, County of San Diego | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 1 | 3 | 2 | | 179 |
| Yolo County | | | | | | | | | |
| Indian Gaming Special Distribution Fund Report 2010-036 | | | | ● | 1 | 1 | | 2 | 65 |
| Natural Resources | | | | | | | | | |
| Department of Fish and Game[‡] | | | | | | | | | |
| Oil Spill Prevention and Administration Fund Report 2011-123 | | ● | | | 3 | | 2 | | 211 |
| Office of Spill Prevention and Response | | | | | | | | | |
| Oil Spill Prevention and Administration Fund Report 2011-123 | | ● | | | 1 | | 2 | | 211 |
| State Lands Commission | | | | | | | | | |
| Public Lands Report 2010-125 | | | | ● | 21 | 5 | | 1 | 201 |
| Oil Spill Prevention and Administration Fund Report 2011-123 | | ● | | | 1 | | | | 211 |
| Public Employees, Retirement and Social Security | | | | | | | | | |
| City of San José | | | | | | | | | |
| Retirement Costs Report 2012-106 | | ● | | | | | 1 | | 199 |
| Public Safety | | | | | | | | | |
| Board of State and Community Corrections | | | | | | | | | |
| Juvenile Justice Realignment Report 2011-129 | | ● | | | | | 3 | 5 | 229 |
| California Prison Industry Authority | | | | | | | | | |
| Inmate Employment Report 2010-118 | | | | ● | 5 | | 3 | | 219 |

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | PAGE NUMBER |
| Department of Corrections and Rehabilitation | | | | | | | | | |
| Sex Offender Commitment Program Report 2010-116 | | | | ● | 1 | | | 1 | 215 |
| Inmate Employment Report 2010-118 | | | | ● | | | 3 | | 219 |
| Correctional Offender Management Profiling for Alternative Sanctions Program Report 2010-124 | | | | ● | 2 | 2 | | 3 | 223 |
| Juvenile Justice Realignment Report 2011-129 | | ● | | | | | | 1 | 229 |
| Department of Justice | | ● | | | | 1 | 1 | 1 | 229 |
| Juvenile Justice Realignment Report 2011-129 | | ● | | | | 1 | 1 | 1 | 229 |
| Department of Mental Health^S | | | | | | | | | |
| Sex Offender Commitment Program Report 2010-116 | | | | ● | 1 | 2 | 1 | 1 | 215 |
| Los Angeles County | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 2 | 1 | | | 179 |
| Los Angeles Unified School District | | | | | | | | | |
| Child Abuse Allegations Report 2012-103 | ● | | | | | 1 | 2 | | 61 |
| Sacramento County | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 3 | | | 1 | 179 |
| San Diego County | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 2 | 2 | | | 179 |
| Santa Clara County | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 1 | 4 | | | 179 |
| Superior Court of California, County of Los Angeles | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 2 | | | | 179 |
| Superior Court of California, County of San Diego | | | | | | | | | |
| Probationers' Domestic Violence Payments Report 2011-121 | | ● | | | 1 | 3 | 2 | | 179 |
| Revenue and Taxation | | | | | | | | | |
| City of Vernon | | | | | | | | | |
| Financial Stability Report 2011-131 | | ● | | | 1 | 4 | 13 | 21 | 189 |

| | FOLLOW-UP RESPONSE* | | | | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------------|--------|-----------|----------|--------------------------|-----------------------|---------|-----------------|-------------|
| | INITIAL RESPONSE | 60-DAY | SIX-MONTH | ONE-YEAR | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Transportation | | | | | | | | | |
| California Department of Transportation | | | | | | | | | |
| Capital Outlay Support Program Report 2010-122 | | | | ● | 4 | 5 | 2 | | 235 |
| State Route 710 Extension Properties Report 2011-120 | | ● | | | | 23 | 2 | 1 | 167 |
| Department of General Services | | | | | | | | | |
| State Route 710 Extension Properties Report 2011-120 | | ● | | | | 10 | 1 | 4 | 167 |
| High-Speed Rail Authority Follow-Up Report 2011-504 | | | ● | | 1 | | | | 241 |
| High-Speed Rail Authority | | | | | | | | | |
| High-Speed Rail Authority Follow-Up Report 2011-504 | | | ● | | 16 | 4 | 2 | 1 | 241 |
| Water, Parks and Wildlife | | | | | | | | | |
| Department of Finance | | | | | | | | | |
| Oversight of Bond Expenditures Report 2010-117 | | | | ● | | 1 | | 2 | 249 |
| Department of Water Resources | | | | | | | | | |
| Oversight of Bond Expenditures Report 2010-117 | | | | ● | 1 | | | 1 | 249 |

* For audits issued between January 1, 2011, and October 31, 2011, this table generally reflects the agencies' one-year response. The California State Auditor's report 2012-041, *Recommendations Not Fully Implemented After One Year, the Omnibus Accountability Act of 2006*, released in January 2013, reflects these agencies' subsequent responses.

† Sixteen of the original 37 recommendations are no longer relevant as the Judicial Council voted to halt deployment of the Court Case Management System in March 2012.

‡ As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

§ As of July 1, 2012, the Department of Mental Health became the Department of State Hospitals.

Table 3
Investigative Reports

| | REPORT ISSUED | DATE OF LAST RESPONSE | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------|-----------------------|--------------------------|-----------------------|---------|-----------------|-------------|
| | | | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| California Conservation Corps Failure to Follow State Contracting Laws Investigations Report I2010-2, Allegation I2008-1021 | January 2011 | April 2011 | 4 | | | | 253 |
| California Correctional Health Care Services (Receiver) Improper Travel Expenses Investigations Report I2012-1, Allegation I2009-0689 | December 2012 | December 2012 | | 1 | 1 | | 275 |
| False Claims, Inefficiency, Inexcusable Neglect of Duty Investigations Report I2012-1, Allegation I2010-1151 | December 2012 | December 2012 | | 2 | | | 277 |
| California Department of Education Misuse of State Resources, Inexcusable Neglect of Duty Investigations Report I2012-1, Allegation I2011-1083 | December 2012 | December 2012 | 2 | 1 | | 1 | 279 |
| California Department of Transportation Inexcusable Neglect of Duty Investigations Report I2011-1, Allegation I2008-0731 | August 2011 | January 2012 | 4 | | | | 261 |
| California Energy Commission Falsification of Time and Attendance Records Investigations Report I2011-1, Allegation I2010-0844 | August 2011 | December 2011 | 4 | | | | 263 |
| California State Athletic Commission Improper Overtime Payments Investigations Report I2012-1, Allegation I2009-1341 | December 2012 | December 2012 | 1 | | 1 | | 281 |
| Department of Corrections and Rehabilitation Improper Overtime Reporting Investigations Report I2010-2, Allegation I2007-0887 | January 2011 | December 2010 | | | | 2 | 255 |
| Delay in Reassigning an Incompetent Psychiatrist, Waste of State Funds Investigations Report I2010-2, Allegation I2009-0607 | January 2011 | November 2011 | 3 | | | | 257 |
| Misuse of State Resources Investigations Report I2011-1, Allegation I2009-1203 | August 2011 | November 2012 | 3 | | | | 265 |
| Improper Travel Expenses Investigations Report I2012-1, Allegation I2009-0689 | December 2012 | December 2012 | 2 | | | | 275 |
| False Claims, Inefficiency, Inexcusable Neglect of Duty Investigations Report I2012-1, Allegation I2010-1151 | December 2012 | December 2012 | | 5 | | | 277 |

continued on next page . . .

| | REPORT ISSUED | DATE OF LAST RESPONSE | STATUS OF RECOMMENDATION | | | | PAGE NUMBER |
|--|---------------|-----------------------|--------------------------|-----------------------|---------|-----------------|-------------|
| | | | FULLY IMPLEMENTED | PARTIALLY IMPLEMENTED | PENDING | NO ACTION TAKEN | |
| Department of Fish and Game* | | | | | | | |
| Misuse of a State Vehicle, Improper Travel Reimbursements Investigations Report I2011-1, Allegation I2009-0601 | August 2011 | September 2012 | 1 | 1 | | 2 | 267 |
| Improper Use of Lease Proceeds Investigations Report I2012-1, Allegation I2009-1218 | December 2012 | December 2012 | | | | 3 | 283 |
| Department of General Services | | | | | | | |
| Misuse of State Resources Investigations Report I2010-2, Allegation I2008-1024 | January 2011 | June 2011 | 2 | | | | 259 |
| Department of Industrial Relations | | | | | | | |
| Failure to Monitor Adequately Employee's Time Reporting Investigations Report I2011-1, Allegation I2008-0902 | August 2011 | September 2011 | 1 | | | | 269 |
| Department of Mental Health† | | | | | | | |
| Waste of State Funds, Misuse of State Resources Investigations Report I2011-1, Allegation I2009-0644 | August 2011 | June 2011 | 4 | | | | 271 |
| Employment Development Department | | | | | | | |
| Conspiracy to Commit Mail Fraud Investigations Report I2012-1, Allegation I2008-1217 | December 2012 | October 2012 | 1 | | | | 285 |
| Natural Resources Agency | | | | | | | |
| Improper Travel Expenses Investigations Report I2012-1, Allegation I2009-1321 | December 2012 | October 2012 | 2 | | | | 289 |
| State Controller's Office | | | | | | | |
| Failure to Report Absences, Failure to Monitor Adequately an Employee's Time Reporting Investigations Report I2011-1, Allegation I2009-1476 | August 2011 | September 2011 | 3 | | | | 273 |
| University of California | | | | | | | |
| Waste of State Funds Investigations Report I2012-1, Allegation I2010-1022 | December 2012 | December 2012 | | 1 | 4 | | 291 |

* As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

† As of July 1, 2012, the Department of Mental Health became the Department of State Hospitals.