



Concealed Carry Weapon Licenses

Sheriffs Have Implemented Their Local Programs
Inconsistently and Sometimes Inadequately

Report 2017-101

COMMITMENT
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December 14, 2017

2017-101

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As requested by the Joint Legislative Audit Committee, the California State Auditor presents this audit report concerning concealed carry weapon (CCW) license programs operated by county sheriff's departments. State law allows licensing authorities—such as county sheriff's departments—to issue CCW licenses to members of the general public upon proof of an applicant's good moral character, that good cause exists for the license, that an applicant resides within the licensing authority's jurisdiction, and that the applicant has completed firearms training. State law does not further define good moral character or good cause for a license, and therefore licensing authorities have broad discretion in the decision to issue licenses. Our review focused on the programs run by the Los Angeles, Sacramento, and San Diego County sheriff's departments.

This report concludes that the three sheriff's departments we reviewed each use the discretion provided to them by state law to implement their licensing programs differently than one another. However, the departments we reviewed failed to consistently apply their own licensing policies or standards in the licenses we reviewed at each department. We also reviewed fiscal information about the CCW programs to determine whether the programs negatively affect county budgets. We found that each program was relatively small when compared to each sheriff department's expenditures and overall county expenditures and therefore did not have a significant fiscal effect on the county. Although the three sheriffs' departments we reviewed charge application processing fees for CCW licensing, these fees do not appear to cover the costs of the programs. Further, we found that licensing authorities differ in their interpretations of state law's maximum allowable fees for CCW licenses. Therefore, we recommend that the Legislature clarify the law that limits these fees and that each department increase their fees to the maximum extent allowed by state law.

Some have argued that state law needs to change to remove the broad discretion licensing authorities have to issue licenses. After reviewing the CCW program at these three departments, including license issuance rates and license revocations, we did not identify a bad effect due directly to the different approaches departments take to issuing licenses. As a result, we do not conclude state law needs to change to clarify the issuance criteria. However, we do recommend that each department take steps to strengthen their local programs, including modifying licensing policies, establishing or modifying license processing procedures, and improving staff training.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

Selected Abbreviations Used in This Report

CCPI	California Consumer Price Index
Justice	California Department of Justice
CCW	Concealed carry weapon
DMV	Department of Motor Vehicles
DUI	Driving under the influence

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Summary

Results in Brief

State law outlines four broad criteria that an individual must meet to be issued a concealed carry weapon (CCW) license. Specifically, state law allows licensing authorities—sheriffs’ and police departments—to issue a CCW license upon proof that the applicant is of good moral character, has good cause for the license, is a resident of the licensing authority’s jurisdiction, and has completed firearms training. Although state law establishes these four criteria, it provides broad discretion to the licensing authority to determine whether an applicant has met the requirements. Under this discretion, each of the entities we reviewed as part of this audit—the Los Angeles County Sheriff’s Department (Los Angeles), Sacramento County Sheriff’s Department (Sacramento), and San Diego County Sheriff’s Department (San Diego)—established its own requirements for how applicants can satisfy the four criteria.

The approaches taken to assess whether applicants have met the four criteria vary widely among the three departments. For example, Sacramento’s practice is to accept as good cause an applicant’s stated desire to obtain a license for self-defense or for the defense of his or her family. In contrast, Los Angeles considers an applicant to have good cause only if there is convincing evidence of a clear and present danger to life or of great bodily harm to the applicant, his or her spouse, or dependent child; and that this danger cannot be adequately dealt with by existing law enforcement resources, cannot be reasonably avoided by alternative measures, and would be significantly mitigated by the applicant’s carrying a concealed firearm. In another example, Sacramento and San Diego have set specific criteria for situations when an applicant’s criminal history reveals a lack of good moral character. However, Los Angeles has not set such a standard and decides case by case whether an applicant meets the requirement for good moral character. Although this wide range of approaches to issuing CCW licenses is allowed by state law, we found that the three departments each failed to follow their own respective policies in some cases.

We found the starkest failure to follow policy at Los Angeles. Our review of 25 CCW licenses issued from fiscal years 2014–15 through 2016–17 showed that the department did not follow its CCW policy when it issued any of those licenses. Most notably, Los Angeles issued most of these licenses—24—without obtaining documentation that the applicants met its good cause requirement. The department’s policy requires each applicant to submit convincing evidence of a clear and present danger to life or of great bodily harm to establish good cause. The department also requires each applicant to document that a personal threat exists. Further, of

Audit Highlights . . .

Our review of information related to CCW license programs operated by three county sheriffs’ departments—Los Angeles, Sacramento, and San Diego—revealed the following:

- » *State law allows licensing authorities to issue a CCW license upon proof that the applicant is of good moral character, has good cause for the license, is a resident of the licensing authority’s jurisdiction, and has completed firearms training.*
- » *Although the three departments have developed their own permissible policies for evaluating CCW applications, they do not consistently follow those policies when issuing CCW licenses.*
 - *Los Angeles approved applications that did not meet its policy requirements for good cause, residency, and training.*
 - *Sacramento issued some CCW licenses without collecting documentation showing that the licensing process adhered to its own standards.*
 - *San Diego’s renewal process has weaknesses that led it to renew some licenses inappropriately.*
- » *The CCW programs have minimal impact on county budgets because they represent a small percentage of those budgets.*
- » *Although the departments’ CCW programs likely run a deficit, only Sacramento tracks its CCW program expenditures.*

continued on next page . . .

» *Licensing authorities differ in their interpretations of state law's maximum allowable fees for CCW licenses.*

- *All three departments charged fees for initial CCW licenses that were below the maximum amount allowed by state law.*

the 25 CCW licenses we reviewed, 22 were issued to individuals within the law enforcement community, including current or former law enforcement officers, judicial officers, and deputy district attorneys. In fact, our review of the 197 CCW licenses Los Angeles issued that were active as of August 2017 showed that more than half were issued to individuals in these professions. When we asked about this condition, the lieutenant responsible for reviewing CCW applications stated that individuals within the law enforcement community satisfy the department's good cause requirement by the nature of their jobs. However, making that decision based solely on the applicant's profession both directly contradicts Los Angeles's written policy—which specifically states that no position or job classification in itself shall constitute good cause for issuance—and has led the department to treat applicants inequitably based on their occupations.

Sacramento also issued licenses without complying with its internal standards for good moral character, county residency, and training. Of the 25 CCW licenses we reviewed there, Sacramento issued eight without documentation that demonstrated residency, as the department's standards require. However, in most of these cases, the department obtained at least some evidence aligned with its standards that demonstrated the applicants resided within Sacramento County. Other issues we noted in those 25 CCW license files showed that Sacramento also did not consistently document evidence of good moral character or of firearms training.

We also found that San Diego did not always comply with its policies and procedures when it issued and renewed some licenses. Most notably, San Diego's renewal process has weaknesses that have led it to renew some licenses inappropriately. San Diego allows staff the discretion to issue renewed CCW licenses without supervisory approval if an applicant's good cause remains the same and if the applicant has not had any contact with law enforcement. As a result, San Diego renewed a license without collecting documentation that demonstrated residency, good cause for a license, or the applicant's signature on the application. Then it renewed the same license a second time without obtaining sufficient documentation to satisfy its residency or good cause requirements.

Despite the departments' differing standards for issuing CCW licenses, we did not identify a bad effect from the varying approaches they have taken. Although we believe the differences between Sacramento's criteria for good cause and the criteria of the other two departments are most likely the reason for the higher number of licenses it issued during the period we audited, we cannot conclude that a higher rate of license issuance is necessarily a harmful effect of local discretion. Similarly, Sacramento has revoked many more CCW licenses than did either San Diego or Los Angeles, but the number of revoked licenses

is not sufficient on its own to determine that state law needs to be clarified. A revoked license is not necessarily evidence that a licensing authority erred in issuing the license because an individual could have been qualified at the time of licensure and then had a particular circumstance—such as a conviction or mental health-related event—that resulted in a prohibition under federal and state law for that individual to own or possess a firearm. The licensing authority could not have known these subsequent events at the time of licensure.

When we reviewed the funding of each of the three CCW programs, we found that Los Angeles and San Diego could not readily determine whether their respective CCW programs operate at a surplus or a deficit because neither specifically tracks CCW expenditures. At Los Angeles, staff asserted that because of the minimal size of the CCW program, its expenditures were not significant enough for the department to track specifically the costs and time associated with the program. At San Diego, the licensing unit tracks only the expenditures of its entire unit because it is not required to track separately the specific costs of CCW licensing. In contrast, Sacramento does track its CCW program expenditures. Its fiscal records from fiscal years 2014–15 through 2016–17 show that its CCW program had deficits ranging from about \$160,000 to \$275,000 in each year. However, Sacramento’s overall CCW expenditures represent a very small percentage of its budget and of the county’s budget; in fiscal year 2016–17, for example, CCW expenditures represented 0.13 percent of total departmental expenditures and an even smaller percentage, 0.03 percent, of Sacramento County’s total general fund expenditures in that year. According to the chief of departmental administrative services, the department pays for a large portion of its CCW costs using salary savings. Therefore, Sacramento’s CCW program likely has a negligible impact on the county budget.

Finally, we found that licensing authorities differ in their interpretations of state law’s maximum allowable fees for CCW licenses. State law allows licensing authorities to charge a processing fee equal to the actual costs of processing a license application up to a maximum of \$100. The law also stipulates that licensing authorities may raise this fee beyond the \$100 limit, consistent with the rise in the California Consumer Price Index (CCPI) since 1999. However, the Sacramento sheriff believes that state law does not allow his department to charge more than \$100 for an initial license. We disagree with this interpretation, and we calculated that the maximum allowable fee as of 2017 would be about \$156 for an initial license. If Sacramento had charged the maximum allowable fee during the three-year period we reviewed, it would have reduced its program’s annual deficits by more than half. Because of licensing authorities’ differing interpretations of state law governing fees for CCW licenses and the potential benefit that clarifying the law could have, we believe that the Legislature should amend state law.

Selected Recommendations

Legislature

The Legislature should amend state law to clarify that licensing authorities can increase fees for CCW applications above the maximum amount in state law, provided that the fee for an initial application does not exceed the authority's costs and that the rate of increase for any of the fees does not exceed that of the CCPI.

Departments

To ensure that its CCW licensing decisions align with its public licensing policy, Los Angeles should only issue a CCW license after collecting documentation of personal threats against the applicant that satisfies its definition of good cause. If Los Angeles believes that its CCW policy does not include all acceptable good causes, it should, by March 2018, revise its policy and post the revised policy to its website.

To ensure that staff are gathering sufficient evidence from applicants to demonstrate residency, good moral character, and firearms training, by March 2018 Sacramento should create formal CCW processing procedures and train its staff to follow these procedures. Sacramento should also establish a review process in which it regularly reviews a selection of license files to determine whether its staff are collecting sufficient and consistent documentation in accordance with its policies.

To ensure that its staff appropriately renew CCW licenses, by March 2018 San Diego should establish a routine supervisory review of a selection of renewed licenses.

Agency Comments

Although each department expressed concerns about the conclusions we reached, Los Angeles and San Diego agreed with most of the recommendations that we made to them. However, Los Angeles disagreed with our recommendation related to its good cause policy and only partially agreed with a recommendation we made related to its good moral character, residency, and training policies. San Diego did not agree with a recommendation related to its fees. Sacramento disagreed with our conclusion related to the maximum allowable fees under state law and did not clearly indicate whether it agreed with our recommendations.

Introduction

Background

Generally, under California law, members of the public may not carry a concealed weapon in public unless they have been issued a license, commonly referred to as a *concealed carry weapon (CCW) license*. A CCW license enables individuals to carry a specific pistol, revolver, or other firearm that can be concealed upon their person. In California, state law allows—but does not require—a licensing authority, which can be either the sheriff of a county or the chief or other head of a municipal police department, to issue licenses. This discretion makes California a *may-issue* state. In contrast, a *shall-issue* state is one in which issuing authorities are required to issue a permit to a qualified applicant. Licenses issued by any licensing authority in California are valid throughout the State unless a license-specific restriction provides otherwise.

Criteria for CCW Licensing

California law gives discretion to licensing authorities to issue licenses to applicants through a public licensing process upon proof of the following: the applicant is of good moral character, good cause exists for issuing the license, the applicant is a resident of that county or city within the county or the applicant's principal place of employment or business is in the county or city within the county, and the applicant has completed a training course on firearm safety and the law regarding the permissible use of a firearm. Beyond setting these licensing requirements, state law does not further define what constitutes *good moral character* or *good cause* for a license, and it defers to licensing authorities as to how applicants must demonstrate that they meet the residency requirement. Licensing authorities may also issue licenses to reserve law enforcement officers using different issuing criteria. Our audit focused on licenses issued through the public process.

Licensing authorities may not issue a CCW license to an applicant under certain circumstances. Specifically, if the applicant is a *prohibited person*—an individual prohibited by state or federal law from possessing, receiving, owning, or purchasing a firearm—a licensing authority may not issue that individual a CCW license. California also requires licensing authorities to submit an applicant's fingerprints to the California Department of Justice (Justice), and state law requires Justice to provide the licensing authority a report of all data and information pertaining to the applicant, including whether the applicant is a prohibited person. Also, if at any time during licensure the applicant becomes a

prohibited person, state law requires Justice to notify the licensing authority of that fact, and the licensing authority must revoke the individual's license and notify Justice of the revocation.

State law regulates the maximum duration of a CCW license, and licensing authorities have the discretion to apply even shorter periods. Generally, a CCW license is valid for up to two years, but state law makes certain exceptions to this time frame. For example, licenses issued to judges can be valid for up to three years. Licensing agencies also have the authority and discretion to include any reasonable restrictions or conditions that the authority deems warranted, including restrictions as to the time, place, manner, and circumstances under which the licensee may carry the firearm. An individual can also choose to apply for a renewed license, at which point he or she must still meet the four key requirements for a CCW license.

CCW Funding and Fees

Applicants for a CCW license must pay a fee to Justice, which conducts a criminal background check. State law allows licensing authorities to charge a local processing fee for an initial license as well as a local processing fee for license renewal or license amendment. Licenses must be amended if, for example, the licensed individual changes his or her address, or when the individual wishes to designate a different firearm to carry concealed. In addition, state law provides that a licensing authority's initial application fee must not exceed the actual cost of processing the application. However, state law allows the initial, renewal, and amendment license fee limits, shown in Table 1, to be increased at a rate not to exceed any increase in the California Consumer Price Index (CCPI) provided that actual costs are not exceeded in the case of the initial license. Also, the licensing authority is allowed to collect up to 20 percent of its initial application fee at the time the individual applies for a license; it then collects the remaining amount when it issues the license. Finally, state law prohibits licensing authorities from imposing any additional fee or charge as a condition of processing an application for a CCW license.

Table 1
Maximum Local License Fees Permitted Under State Law Before CCPI Adjustment

	MAXIMUM UNADJUSTED FEE
Upon initial license application*	\$100
Upon application for license renewal	25
Upon amendment of a license	10

Source: Penal Code section 26190.

Note: Each of these fees may be increased at a rate not to exceed any increase in the CCPI.

* Local fees for processing an initial license application may not exceed a licensing authority's actual cost to process the application. The licensing authority may collect the first 20 percent of the local fee upon the applicant's filing of the application and collect the balance upon issuance of the license.

Scope and Methodology

The Joint Legislative Audit Committee (Audit Committee) directed the California State Auditor to review information related to the CCW licenses issued by licensing authorities in Sacramento, San Diego, and Los Angeles counties over the last three fiscal years. The licensing authorities within those counties that we reviewed were the Sacramento County Sheriff's Department (Sacramento), the San Diego County Sheriff's Department (San Diego), and the Los Angeles County Sheriff's Department (Los Angeles) respectively. We reviewed the sheriffs' departments because they were the licensing authorities that would have jurisdiction over the largest number of people within the counties. Specifically, the Audit Committee directed us to identify the number of CCW licenses issued, modified, denied, and revoked by year as well as fiscal information about the CCW program across the three licensing authorities; whether those authorities were consistently following existing laws and enforcing department processes; and whether the statutory "good cause" requirement needs clarifying. To provide additional context, at each department we identified the number of active licenses. As of June 30, 2017, Sacramento had 9,130 active licenses and San Diego had 1,281 active licenses and as of January 1, 2017, county populations of about 1.5 million and 3.3 million, respectively.¹ As of August 18, 2017, our manual count of Los Angeles's hard-copy license files identified 197 active licenses and a county population of more than 10.2 million as of January 1, 2017.² Table 2, beginning on the following page, lists the objectives that the Audit Committee approved and the methods used to address those objectives.

¹ The number of active licenses is based on unaudited data obtained from Sacramento and San Diego.

² We conducted a manual count of Los Angeles's CCW license files because, although Los Angeles has a tracking spreadsheet for active CCW licenses, the Audit Committee directed us to identify information that its tracking spreadsheet did not include, such as the number of licenses Los Angeles renewed and issued during our audit period.

Table 2
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
1 Review and evaluate the laws, rules, and regulations significant to the audit objectives.	Reviewed relevant laws, rules, regulations, and other background materials applicable to CCW programs.
2 Identify the number of new, renewed, and amended CCW licenses issued, the number of denied licenses, and the number of licenses revoked each year.	<ul style="list-style-type: none"> • For fiscal years 2014–15 through 2016–17, attempted to determine the number of CCW licenses issued, renewed, denied, and revoked at the sheriffs’ departments in Los Angeles, Sacramento, and San Diego. We were unable to determine the total number issued, renewed, denied, and revoked in Los Angeles for fiscal year 2014–15 because the department’s record retention policy is to keep nonactive files for only two years. • We were unable to determine the number of amended CCW licenses for Sacramento and San Diego because the information was not tracked reliably in those departments’ databases. At Los Angeles, we identified a total of 21 amendments to licenses during our audit period. However, we found during our review of active license files that Los Angeles did not consistently file the amendment documents alongside the documentation for the licenses that were amended. Further, according to Los Angeles, after two years the department purges its records of inactive licenses. Accordingly, any amendments to those purged licenses were not available for our review. Therefore, we are not assured that our count of amendments is complete. Licenses can be amended if a licensee wants to change the firearm listed on a license or if the licensee’s address changes. Amended licenses can also be issued if the licensing authority changes the restrictions applicable to a license. State law prohibits an amendment to a license from extending the period of time for which the license is valid. Therefore, although the information we present does not include a complete count of amended licenses, this situation does not affect this report’s conclusions about the volume of licenses issued or renewed.
<p>3 Determine whether the licensing authorities are consistently following existing laws and enforcing their processes for CCW licensing in their county, including the following:</p> <p>a. Issuing licenses in accordance with state law’s requirements.</p> <p>b. Collecting adequate evidence to demonstrate “good cause” and an individual’s “good moral character.”</p> <p>c. Enforcing the license program by revoking CCW licenses upon receiving notification that the license holder became ineligible.</p>	<ul style="list-style-type: none"> • Reviewed available information from each of the departments that describes how each department applies the four key criteria from state law related to the issuance of CCW licenses: good moral character, good cause, county residency, and firearms training. • Interviewed key staff to determine how each department processes CCW applications. • At each department, reviewed a random selection of 25 issued licenses—15 initial licenses and 10 renewed licenses—and 15 denied licenses. We tested these files to determine whether the department processed each application according to its own policies and practices, as well as the requirements of state law. • Interviewed relevant staff about any exceptions we identified in our testing. • Requested that Justice provide us with copies of all prohibited person notices that it sent to the three departments from fiscal years 2014–15 through 2016–17. No notices were sent to Los Angeles during this period. • For Sacramento, we selected 10 prohibited person notices. For San Diego, we selected all available notices from the audit period (four notices). We then determined whether the departments revoked licenses in response to the notices and whether they notified Justice of the revocations. • We reviewed up to five additional revocations that did not have an associated prohibited person notice to determine whether Sacramento and San Diego had reported these local revocations to Justice. We found both departments reported all of the local revocations we reviewed. We did not review any revocations at Los Angeles because it did not revoke any licenses during our audit period.

AUDIT OBJECTIVE	METHOD
<p>4 Determine, to the extent possible, whether the factors licensing authorities consider before issuing a license should be expanded in state law. For example, determine whether there is a need to clarify the statutory “good cause” requirement.</p>	<ul style="list-style-type: none"> • Interviewed the sheriff or his designee to obtain perspective on whether the factors in state law for CCW license issuance should be changed. • Considered the results of our review of each of the three departments under objectives 2 and 3. • Reviewed the licensing requirements of five other <i>may-issue</i> states—Delaware, Hawaii, Massachusetts, New Jersey, and New York—and compared those states’ requirements to California’s. Our review determined that other states also provide for discretion in the decisions made by licensing authorities. Specifically on the issue of good cause, we found that the other states we reviewed varied greatly in how much additional guidance they provide on what constitutes good cause for a CCW license.
<p>5 Compare and contrast fiscal information about the CCW program across licensing authorities. At each licensing authority, determine the following:</p>	
<p>a. The licensing authority’s budget and costs for processing CCW licenses and enforcing the license program.</p>	<ul style="list-style-type: none"> • Obtained financial reports from Sacramento to identify the amount the department budgeted and spent on its CCW program. Sacramento did not budget specifically for its CCW program in the first two years of our audit period. In the final year, the department budgeted for the program’s one full-time staff member. As we describe in Chapter 2, the department operates its CCW program by using several part-time retired annuitants from its extra help pool. The department budgets separately for its extra help pool. • We found that Los Angeles and San Diego did not budget for or track expenditures specifically for their CCW programs. We discuss this in Chapter 2.
<p>b. The amount of fees charged and collected.</p>	<p>Interviewed relevant staff and reviewed documentation such as receipts and fee schedules to determine the amount each department charged for initial and renewed CCW licenses.</p>
<p>c. Whether the fees the licensing authority charges and collects comply with state law, including the degree to which licensing authority fees were increased and whether the licensing authority’s fees increased at a rate that exceeded the CCPI.</p>	<ul style="list-style-type: none"> • Assessed the fee amounts identified under Objective 5(b) against the requirements in state law related to maximum fees. • Determined the CCPI-adjusted maximums that state law would allow licensing authorities to charge for initial and renewed CCW licenses. • Evaluated whether the departments’ fees were higher than the CCPI-adjusted maximums from state law at any point from fiscal years 2014–15 through 2016–17.
<p>d. Whether the licensing process had an operating surplus or deficit and, if applicable, how the program was subsidized as well as any associated fiscal impact on county budgets.</p>	<ul style="list-style-type: none"> • At each of the departments, determined the total amount of revenue collected under the CCW program annually from fiscal years 2014–15 through 2016–17. • In Sacramento, because the department tracked both revenues and expenditures, we assessed whether expenditures were higher than revenues and then interviewed staff to determine what source of funding the department used to pay for any deficit in the CCW program. • In Los Angeles and San Diego, because the departments did not track CCW program expenditures, we reviewed available information, such as fiscal reports, about the larger units within which the CCW program operated. In San Diego, we also reviewed a cost study conducted in fiscal year 2011–12 to determine whether a deficit likely existed in each department’s CCW program. • Reviewed public information about the size of each sheriff’s department budget and each county’s budget. • For each of the entities we reviewed, we obtained expenditure reports both for the sheriff’s department as a whole and for the county general fund. We interviewed staff at each county to assess the level of involvement each county has in setting budgets or other fiscal matters related specifically to the CCW program. We determined that none of the counties regularly review fiscal information about the CCW program.
<p>6 Review and assess any other issues that are significant to the audit.</p>	<p>Reviewed available information for what six other licensing authorities in California charge for an initial CCW license processing fee and confirmed that information with those licensing authorities.</p>

Sources: California State Auditor’s analysis of Joint Legislative Audit Committee audit request number 2017-101, and information and documentation identified in the table column titled *Method*.

Assessment of Data Reliability

In performing this audit, we obtained electronic data files extracted from the information systems listed in Table 3. The U.S. Government Accountability Office, whose standards we are statutorily required to follow, requires us to assess the sufficiency and appropriateness of computer-processed information that we use to support findings, conclusions, or recommendations. Table 3 describes the analyses we conducted using data from these information systems, our methods for testing, and the results of our assessments. Although these determinations may affect the precision of the numbers we present, there is sufficient evidence in total to support our audit findings, conclusions, and recommendations.

Table 3
Methods Used to Assess Data Reliability

DATA SOURCE	PURPOSE	METHOD AND RESULT	CONCLUSION
Sacramento Weapons Permits and Licenses database Permitium database	To determine the number of new, renewed, amended, denied, and revoked CCW licenses from July 1, 2014, through June 30, 2017.	We performed data-set verification procedures and electronic testing of key data elements and we did not identify any significant issues. However, we identified limitations in the Weapons Permits and Licenses database—the database primarily used to track CCW licenses in all but six months of the audit period. Specifically, this database did not track CCW license amendment dates and only contained the most recent date for a recurring action. Because of these data limitations, we could not determine the number of amended CCW licenses. Further, the number of new, renewed, denied, and revoked CCW licenses were limited to the most recent actions not overwritten in the Weapons Permits and Licenses database.	Not sufficiently reliable for this audit purpose. Although this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
	To make a selection of CCW license actions from July 1, 2014, through June 30, 2017.		Because we were limited to the most recent actions not overwritten in the database, the data are not complete for this audit purpose. However, the department's procedures for processing applications did not change significantly throughout most of our audit period. Therefore, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
San Diego License Application Processing and Tracking database	To determine the number of new, renewed, amended, denied, revoked, and suspended CCW licenses from July 1, 2014, through June 30, 2017.	We performed data-set verification procedures and electronic testing of key data elements and did not identify any significant issues. However, we identified limitations in the License Application Processing and Tracking database. Specifically, this database did not track CCW license amendment dates and is not designed to consistently track and identify all license revocations and suspensions. Additionally, the database contained only the most recent date for a recurring action. Because of these data limitations, we could not determine the number of amended CCW licenses. Further, the number of new, renewed, denied, revoked, and suspended CCW licenses were limited to the most recent actions not overwritten in the License Application Processing and Tracking database.	Not sufficiently reliable for this audit purpose. Although this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
	To make a selection of CCW license actions from July 1, 2014, through June 30, 2017.		Because we were limited to the most recent actions not overwritten in the database, the data are not complete for this audit purpose. However, the department's procedures for processing applications did not change significantly during our audit period. Therefore, there is sufficient evidence in total to support our findings, conclusions, and recommendations.

DATA SOURCE	PURPOSE	METHOD AND RESULT	CONCLUSION
Sacramento Financial reports run from Sacramento County's Comprehensive Online Management Personnel and Accounting Systems for Sacramento County (COMPASS).	To determine the revenues and expenditures for the CCW program for fiscal years 2014–15 through 2016–17.	We did not perform full data reliability testing. However, to gain some assurance of the reliability of the data related specifically to the CCW program, we observed Sacramento's staff running the expenditure and revenue reports to ensure that the staff entered the appropriate date range and account numbers. We did not perform additional procedures specific to data reliability because the expenditure records for Sacramento's CCW program were primarily paperless and the revenue records were kept among the revenue records for the entire county, which made identifying CCW-revenue records cost prohibitive.	Undetermined reliability for these audit purposes. Although this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
	To determine departmentwide expenditures and budgets for fiscal years 2014–15 through 2016–17.		
	To determine Sacramento County's expenditures for fiscal year 2016–17.		
San Diego Financial reports run from San Diego County's Oracle E-Business Suite financial system.	To determine revenues for the CCW program for each fiscal year 2014–15 through fiscal year 2016–17.	We did not perform full data reliability testing. However, to gain some assurance of the reliability of the data related specifically to the CCW program, we observed San Diego staff running the reports to ensure that the staff member entered the appropriate date range and account numbers. We then haphazardly selected CCW revenue receipts and requested the supporting documentation to ensure that the reports we obtained included a record of the revenues that were included in those receipts. Although we planned to review 29 receipts, we found the system did not reflect the revenues collected for two of the receipts we selected and then stopped testing.	Not sufficiently reliable for the purpose of determining the CCW program revenue. Undetermined reliability for the remaining purposes. Although these determinations may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
	To determine licensing unit expenditures and revenues for fiscal years 2014–15 through 2016–17.		
	To determine departmentwide expenditures and budgets for fiscal years 2014–15 through 2016–17.		
	To determine San Diego County's expenditures for fiscal year 2016–17.		
Los Angeles Financial reports run from Los Angeles County's eCAPs financial system.	To determine revenues for the CCW program for each fiscal year 2014–15 through fiscal year 2016–17.	We did not perform full data reliability testing. However, to gain some assurance of the reliability of the data related specifically to the CCW program, we observed Los Angeles staff run financial reports to ensure that the staff member entered the appropriate date range and account numbers. We haphazardly selected 29 CCW revenue receipts from the available license files, which, because of the department's record retention policy, did not include all files from fiscal year 2014–15. Although the department kept additional CCW receipts from fiscal year 2014–15, it did so among its total receipts for that year, which made identifying items from that year cost prohibitive. We found that the receipts we selected were all included on supporting documents that we traced back to the revenue report we received.	Undetermined reliability for these audit purposes. Although this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.
	To determine Office of the Undersheriff expenditures and revenues for fiscal years 2014–15 through 2016–17.		
	To determine departmentwide expenditures and budgets for fiscal years 2014–15 through 2016–17.		
	To determine Los Angeles County's expenditures for fiscal year 2016–17.		

Source: California State Auditor's analysis of various documents, interviews, or data from the entities listed in this table.

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Chapter 1

THREE SHERIFFS' DEPARTMENTS HAVE DIFFERENT CCW POLICIES, BUT THEY HAVE NOT ALWAYS FOLLOWED THOSE POLICIES WHEN IMPLEMENTING THEIR LOCAL CCW PROGRAMS

State law grants licensing authorities discretion in establishing criteria to satisfy the four conditions required for issuing a CCW license. Although the sheriffs' departments in Sacramento, San Diego, and Los Angeles have developed their own permissible policies for evaluating CCW applications, they do not consistently follow those policies when issuing CCW licenses. In fact, Los Angeles did not completely adhere to its policies when issuing any of the 25 CCW licenses we reviewed. For example, Los Angeles issued all but one of these licenses without obtaining the level of documentation it expects to demonstrate that the applicant has met the good cause requirement.

Although the departments have differing policies for processing CCW applications, we did not identify a bad effect resulting from the variations in policy. After reviewing information related to licensing rates and the factors that can lead to a revoked license, we determined that neither a high number of licenses nor a high number of revoked licenses necessarily demonstrates that state law's licensing criteria must be clarified. For example, a revoked license is not necessarily evidence that a licensing authority inappropriately evaluated an individual at the time it issued the license. Individuals can become prohibited persons after they are issued a license because of factors that would not be evident at the time they applied.

The Three Sheriffs' Departments Differ in Their CCW License Policies

State law allows licensing authorities to issue a CCW license to an applicant upon his or her proof of the following four conditions: the applicant is of good moral character, good cause exists for the issuance of the license, the applicant is a resident of the county or a city within the county or the applicant's principal place of employment or business is in the county or city, and the applicant has completed a course in firearms training. Although state law provides a brief description of the subject matter that must be included in the required firearms training, it provides little additional guidance as to what information licensing authorities should require to determine whether the applicant meets the four conditions for CCW licensing. As a result, state law grants licensing authorities broad discretion in the decision to issue CCW licenses. Under that discretion, the three departments we reviewed have developed widely differing requirements for how applicants must demonstrate that they satisfy the four required conditions, and the number of licenses that each

issued varied significantly in each fiscal year from 2014–15 through 2016–17. Table 4 shows the number of CCW licenses each department issued, denied, renewed, revoked, and suspended over that period. As we discuss later in this chapter, San Diego was unique among these three departments in its practice of suspending licenses.

Table 4
CCW Licenses Issued, Denied, Renewed, Revoked, and Suspended by the Sacramento, San Diego, and Los Angeles Sheriff Departments in Fiscal Years 2014–15 Through 2016–17

	SACRAMENTO			SAN DIEGO			LOS ANGELES		
	2014–15	2015–16	2016–17	2014–15	2015–16	2016–17	2014–15*	2015–16	2016–17
New licenses issued	2,552	1,569	2,218	138	173	153	16	30	20
Denied license applications	237	235	182	27	35 [†]	33	6	278	548 [‡]
Renewed licenses issued	1,528 [§]	2,279	3,331	349 [§]	423	425	89	64	68
Revoked licenses	47	70	59	1	1	3	0	0	0
Suspended licenses	NA	NA	NA	1	2	2	NA	NA	NA

Sources: California State Auditor's analysis of Sacramento's Weapons Permits and Licenses database and its Permittum database, San Diego's License Application Processing and Tracking database, spreadsheets kept by Sacramento's and San Diego's staff related to renewed licenses, and San Diego's and Los Angeles's CCW license files. As stated in Table 3 on page 10 of our report, we determined that the Sacramento and San Diego databases are not sufficiently reliable because those departments primarily record only the most recent date for a CCW license action.

NA = Not applicable.

* Los Angeles has a policy of retaining CCW applications for two years. According to its CCW manager, the department purges its records of inactive CCW licenses and denied CCW applications after two years. Although we found that some inactive records and denied CCW applications still exist, the number of CCW actions we show for fiscal year 2014–15 does not include all activity in that year.

† During the *Peruta v. San Diego* litigation, several individuals sued San Diego challenging the department's interpretation and application of the statutory good cause requirement. In June 2016, San Diego announced that it would not take further action on applications that were held pending a decision on this litigation, and the applicants were instructed to reapply. The number of CCW licenses denied by San Diego does not include these applications.

‡ As a result of the *Peruta v. San Diego* litigation, Los Angeles issued notices to applicants who applied under the self-defense standard set forth in *Peruta* informing them that once the *Peruta* decision was final, it would process their applications. According to its CCW manager, Los Angeles began processing these applications in mid-June 2016, and this activity led to an increased number of license denials in fiscal year 2016–17.

§ Because CCW licenses are typically renewed every two years and Sacramento and San Diego primarily record only the most recent date of a CCW license action in their databases, the databases likely understate the number of renewed licenses in fiscal year 2014–15. Therefore, we used spreadsheets each department kept separate from their databases, which we did not assess the reliability of, to determine the number of renewed licenses in that year.

To evaluate an applicant's moral character, each department reviews his or her criminal history but not in the same manner. Sacramento and San Diego have established guidelines for how they determine that an applicant does not meet the moral character requirement. For example, Sacramento considers applicants who have been arrested within the past five years or convicted within the past seven years, regardless of the charge, to have failed the good moral character requirement. Guidance from the sheriff highlights that any criminal history, regardless of the severity, speaks to an applicant's judgment and should be given weight in the decision to issue the license. San Diego's procedures state that it does not issue CCW licenses to individuals who are under any form of probation or who have had numerous negative contacts with law enforcement. In contrast, according to Los Angeles's

administrative service manager, who is responsible for reviewing CCW applications (CCW manager), that department does not automatically deny a CCW applicant with a criminal history. Instead, it evaluates criminal history case by case to determine whether the applicant meets the moral character requirement.

In addition to reviewing an applicant's criminal history, the three departments may contact the applicant to perform other assessments to evaluate good moral character. According to its CCW manager, Los Angeles reviews statements on the CCW application and makes decisions regarding moral character based on the applicant's answers to questions on the application. Furthermore, if an applicant discloses a conviction on the application, the department contacts the individual for more information. Sacramento and San Diego take a different approach and interview every CCW applicant—whether or not they disclosed a conviction—to verify the information provided in the application and, if necessary, to obtain additional information about the applicant's circumstances. For example, if an applicant has a criminal history, Sacramento obtains an explanation from the applicant. In addition to the in-person interview, San Diego also conducts a review of the applicant's social media presence. According to San Diego's manager of the Licensing and Criminal Registration Division (licensing manager), individuals will occasionally post something online that speaks negatively to their moral character, but she was unable to recall a specific instance in which the social media review significantly influenced the department's evaluation of an application.

Similarly, each department requires different kinds and amounts of documentation for establishing that an applicant has good cause, and Sacramento is markedly different in its approach. Sacramento's practice permits the applicant's stated desire to obtain a license for self-defense or for the defense of an applicant's family to suffice as good cause. We noted that most of the 25 Sacramento CCW licenses we reviewed identified the good cause to be one or the other of these reasons. Unlike Sacramento, San Diego does not consider an applicant's stated desire to obtain a license for self-defense sufficient cause. Instead, that department requires other types of documentation for its four good cause categories: law enforcement personnel, personal protection, security or investigative personnel, and business owners or employees. For example, it requires individuals applying under the personal protection category to provide documentation, such as a restraining order, to demonstrate that their circumstances distinguish them from the mainstream and cause them to be in harm's way. Of the three departments we reviewed, Los Angeles has the policy with the narrowest definition of *good cause*. Its policy states that good cause exists only if there is convincing evidence of a clear and present danger to life or of great bodily harm to the applicant or to his or her spouse or dependent child; in addition, it must be demonstrated that this danger cannot be adequately dealt with by existing law

In addition to reviewing an applicant's criminal history, the three departments may contact the applicant to perform other assessments to evaluate good moral character.

Each department has established different firearms training requirements for new applicants, although they all have the same requirement for CCW license renewal applicants.

enforcement resources, cannot be reasonably avoided by alternative measures, and would be significantly mitigated by the applicant's carrying a concealed firearm.

In addition, although each department requires applicants to provide at least two items to verify residency, the three departments do not require the same proof. According to its website, Sacramento requires applicants to demonstrate residency by submitting two monthly bills with their current address, such as utility bills, cellphone bills, credit card statements, or mortgage statements. San Diego also requires at least two documents, such as a utility bill, lease agreement, or property tax statement, to demonstrate residency. In addition to the documentation, Sacramento and San Diego both review Department of Motor Vehicles (DMV) records to verify the applicant's address. Los Angeles, on the other hand, requires individuals to submit an approved, recognized identification card and at least one recent item of U.S. mail.

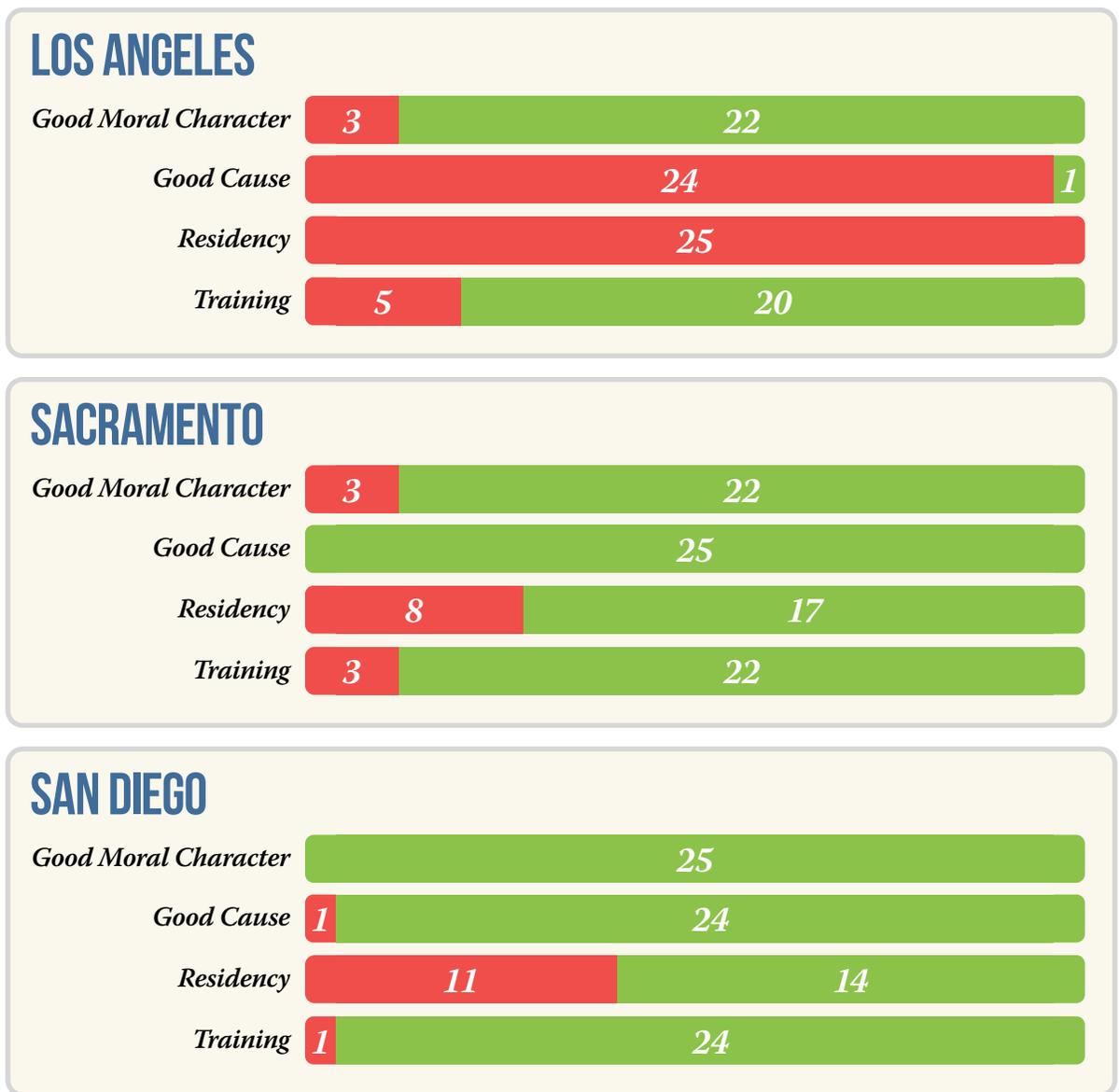
Lastly, each department has established different firearms training requirements for new applicants, although they all have the same requirement for CCW license renewal applicants. State law prohibits a licensing authority from requiring more than 16 hours of firearms training for initial applicants; at the same time, it does not specify a minimum number of training hours for such applicants. As a result, licensing authorities have some discretion on the number of training hours they require applicants to complete. For new applicants, Sacramento requires a 16-hour training course, whereas San Diego requires an eight-hour course. Until January 2016, San Diego also required individuals to complete a qualifying shoot and weapons safety check with its Weapons Training Unit in addition to the eight-hour course.³ However, the department found that these activities were identical to those already occurring during the eight-hour training it required and, in January 2016, the department eliminated the additional requirement. Los Angeles, on the other hand, does not prescribe the number of hours that an applicant must attend training. Instead, its policy simply mirrors state law's requirement by not requiring more than 16 hours of firearms training for a new applicant. According to Los Angeles's CCW manager, most initial training courses are eight hours, but the individual has the option to take up to 16 hours. For renewal of licenses, all three departments require the applicants to complete a four-hour training course.

The differing policies established by the departments are all permissible under the broad discretion given by state law. However, as we discuss in the following sections, the departments did not consistently adhere to their respective CCW license policies when evaluating the applications we reviewed. For each department, we reviewed 25 issued

³ According to San Diego's licensing manager, a *qualifying shoot* is a training session that requires the applicant to demonstrate accuracy through live fire from different positions.

licenses—15 initial and 10 renewed—and 15 denied applications from fiscal years 2014–15 through 2016–17. Figure 1 identifies the number of issued licenses we reviewed that did not comply with the departments’ respective policies and practices.

Figure 1
The Three Sheriffs’ Departments Did Not Always Follow Their Respective CCW Policies, Procedures, or Stated Practices Before They Issued or Renewed the CCW Licenses We Reviewed



Sources: California State Auditor’s review of CCW licenses that Los Angeles, Sacramento, and San Diego issued or renewed from fiscal years 2014–15 through 2016–17.

■ = Number of files that did not demonstrate that the department adhered to its policies, procedures, or stated practices.

■ = Number of files that demonstrated that the department adhered to its policies, procedures, or stated practices.

During our review of licenses issued from fiscal years 2014–15 through 2016–17, we found that Los Angeles approved applications that did not meet its policy requirements for good cause, residency, and training.

Los Angeles's CCW Program Is Marked by a Consistent Failure to Follow Its Public CCW Policies

During our review of licenses issued from fiscal years 2014–15 through 2016–17, we found that Los Angeles approved applications that did not meet its policy requirements for good cause, residency, and training. Additionally, it did not follow its stated practices for assessing good moral character. As previously mentioned, the department's written policy requires all CCW applicants to meet certain requirements in order to qualify for a CCW license. However, we reviewed 15 initial CCW licenses and 10 renewed CCW licenses that Los Angeles issued in our audit period and found that the department could not demonstrate that it properly issued any of them. Specifically, the department failed to obtain documented support in the area of good cause for 24 CCW licenses, failed to adequately document verification of the residency requirement for any of the 25, failed to obtain evidence of firearms training for five of the licenses, and failed to verify good character in accordance with its practice for three.

Los Angeles Issued Most CCW Licenses Without Evidence That the Applicants Met Its Good Cause Requirement

Although Los Angeles has a clear policy describing the conditions that an applicant must meet to satisfy its good cause requirement, it rarely collected adequate evidence that applicants to whom it issued CCW licenses met this requirement. As we described previously, Los Angeles requires individuals to satisfy the good cause requirement by submitting convincing evidence of a clear and present danger to life or of great bodily harm. The denial letters that Los Angeles sends to applicants state that "convincing evidence of clear and present danger" typically refers to a current situation involving specific persons who have threatened an individual and who have displayed behavior that suggests the threat could be carried out. According to its CCW manager, the department expects individuals to turn in documentation, such as restraining orders or police reports, to demonstrate that direct, recent threats exist against them. The CCW manager stated that it is insufficient for an applicant to submit a statement that he or she is aware of others receiving threats or being attacked to establish good cause. Los Angeles's denial letters also state that situations that suggest only a *potential* danger to safety, such as carrying large amounts of money to the bank or holding a specific job or profession, will not satisfy its criteria for a CCW license. We reviewed 15 initial licenses and 10 renewed licenses the department issued from fiscal years 2014–15 through 2016–17 and found that Los Angeles issued 14 of them without obtaining documentation that supported the applicants' written statements identifying specific, personal threats. For example, a judicial officer stated on his application that he had

been subject to numerous verbal and written attacks and veiled threats of physical harm and that he had received letters from parolees stating that they would do everything they could to get “justice.” However, his application file contained no documentation of these threats, and yet Los Angeles issued him a CCW license without any supporting evidence for those threats he claimed.

In contrast, Los Angeles does not grant CCW licenses to other applicants who described personal threats but did not provide documentation. For example, the department denied a license to an individual whose CCW application, like that of the judicial officer’s, did not contain documents to support an asserted threat. According to this application, the individual was a board member and vice president of a neighborhood council. He stated on his application that an aggrieved individual had researched his personal life and mentioned the applicant’s recent family activities during a council meeting. He also asserted that the individual had made indirect threats, such as “you will get what you deserve.” However, unlike the judicial officer, Los Angeles denied this applicant a CCW license, stating that he did not satisfy the requirements of good cause.

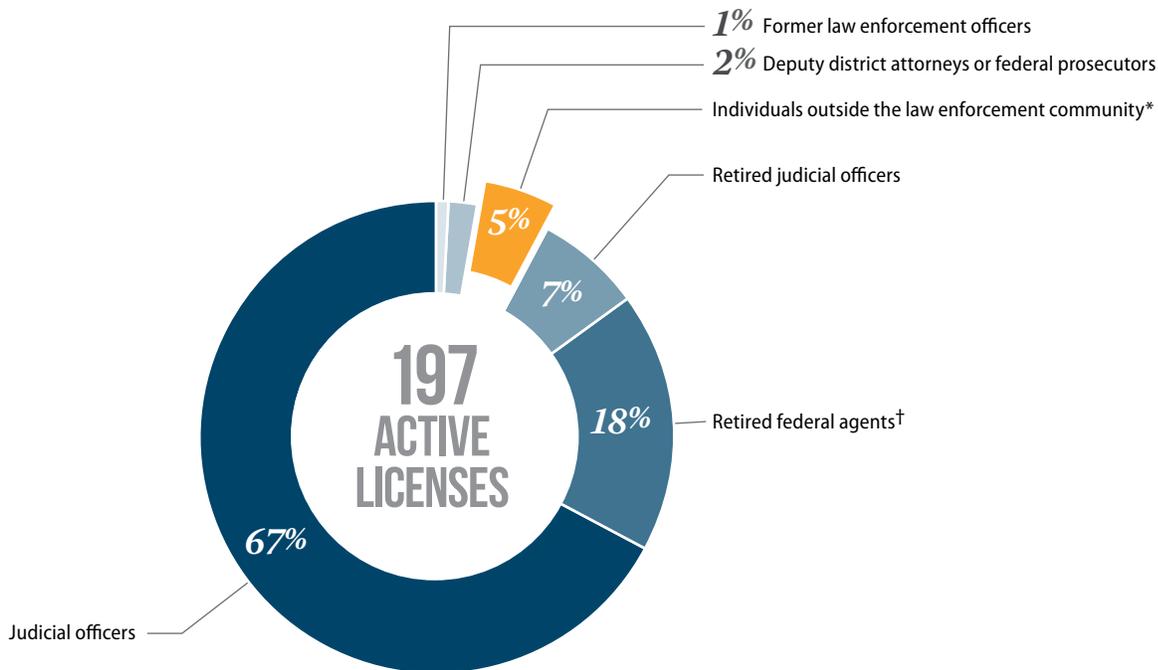
We also found that Los Angeles issued licenses to applicants who did not even assert that they faced personal threats. Of the 25 CCW licenses we reviewed, Los Angeles issued 10 to applicants who did not identify in their individual CCW applications a specific, personal threat. One of these applicants—a judge in the Los Angeles County Superior Court—stated on his application that he wanted a CCW license for self-protection and the protection of others. He further stated that as a judge he sentences defendants to jail every day. Although this individual provided no information about a personal threat, Los Angeles issued him a CCW license in February 2017. However, the department denied CCW licenses to other individuals who did not claim a specific threat. For example, in March 2017, Los Angeles denied a license to an individual who stated in his application that he wanted a CCW for personal protection because he worked in undesirable and remote areas and carried large amounts of cash. In its denial letter, the department stated that it was denying the license because the circumstances, as outlined in the application, did not satisfy the requirements for good cause. In this case, the denial was consistent with Los Angeles’s policy on CCW licenses. Nevertheless, the number of licenses among those we reviewed that were issued without an identified specific threat indicates that Los Angeles is not consistently adhering to its policies.

During our testing, we noted that 22 of the 25 CCW licenses we reviewed were issued to applicants with professions that connected them to the law enforcement community: the individuals were former or current law enforcement officers, judges, court

Of the 25 CCW licenses we reviewed, Los Angeles issued 10 to applicants who did not identify in their individual CCW applications a specific, personal threat.

commissioners, retired federal agents, and deputy district attorneys.⁴ In fact, we found that of the 197 licenses that Los Angeles had issued that were active as of mid-August 2017, only nine were issued to applicants outside of that community. Figure 2 shows the different professions of applicants to whom Los Angeles issued CCW licenses that were active as of mid-August 2017.

Figure 2
Only 5 Percent of Los Angeles’s Active CCW Licenses Were Held by Individuals Outside the Law Enforcement Community as of Mid-August 2017



Source: California State Auditor’s review of Los Angeles’s CCW license records for the 197 individuals with active licenses as of mid-August 2017.

* We define *law enforcement community* as including law enforcement officers, retired federal agents, judicial officers, and deputy district attorneys.

† Retired federal agents are not required by state law to meet the same criteria as other applicants. For example, they do not need to meet the good cause requirement.

When we asked Los Angeles about the number of licenses issued to applicants within the law enforcement community, the lieutenant responsible for reviewing CCW applications said that he was aware that most of the department’s CCW licenses were issued to such individuals and that they met the good cause requirement because

⁴ Our random selection of 25 CCW licenses included two law enforcement officers—one former and one current—who, due to certain circumstances, applied for licenses through the public process rather than being able to carry concealed weapons due to their status as officers as is allowed by state law. Our review only included licenses Los Angeles issued through its public process.

of the nature of their jobs. He also stated that the decision to recognize these occupations as sufficient good cause went back several sheriffs and that it was institutional knowledge within the department that individuals in the law enforcement community satisfy the good cause requirement through their occupations. Nevertheless, his statement contradicts Los Angeles's written CCW policy, which specifically states that "no position or job classification in itself shall constitute good cause for the issuance, or for the denial, of a CCW license."

The department disagrees that its practice contradicts its written CCW policy. When we asked the lieutenant about the discrepancy between its policy and practice, he agreed that there are some inconsistencies in Los Angeles's practice, but he did not believe that the department's practice contradicted the policy because the policy allows discretion in evaluating an applicant's good cause. He also believes that the department issued CCW licenses to applicants with connections to the law enforcement community because of both the nature of their jobs and the circumstances they described in their applications. However, as noted earlier in this section, for 10 of the issued licenses we reviewed, the applicants did not describe in their CCW applications a specific, personal threat. Nine of these individuals were members of the law enforcement community. In those applications, we found some statements that claimed as good cause for licenses little more than the individuals' desire for self-protection that expressed knowledge that other individuals had been threatened or that described the applicants' duties as judges. These circumstances fall well short of Los Angeles's definition of a *clear and present personal danger* to the applicant. Therefore, it is not clear how Los Angeles's determination that these applicants met its good cause requirement could be based on anything other than their occupations, which Los Angeles's policy specifically states are insufficient on their own to meet its good cause requirement.

Moreover, we found that Los Angeles's failure to adhere to its good cause policy extends beyond those in the law enforcement community. From April 2015 through June 2017, the department issued CCW licenses to six applicants who stated in their applications that they were employed in Los Angeles by the Consulate General of Israel (consulate general). We tested one of these licenses as part of our review of 25 issued licenses and identified the others during our count of licenses. None of these six individuals submitted documentation to support that he or she had experienced a specific, personal threat. When we asked why Los Angeles granted these individuals CCW licenses, the CCW manager stated that staff who work in security for the consulate general satisfy Los Angeles's good cause requirement because they protect diplomats and other individuals who face threats. However,

It is not clear how Los Angeles's determination that applicants within the law enforcement community met its good cause requirement could be based on anything other than their occupations.

her assertion also directly contradicts Los Angeles's CCW policy, which states that good cause shall only exist if there is convincing evidence of a clear and present danger to life or of great bodily harm to the applicant, the applicant's spouse, or dependent child.

Having formal, written guidance about individuals whose applications Los Angeles believes satisfy the good cause requirement because of their professions would help it better defend its decisions to issue certain applicants licenses while denying others who submit similar documentation or statements about personal threats. As previously mentioned, San Diego has four categories for which it issues CCW licenses, and one of those is a category specifically for law enforcement professions, which include active or retired reserve officers, federal agents, deputy district attorneys, and judicial officers. San Diego's CCW policy states that it evaluates good cause case by case. The policy describes how all applicants must provide documentation to support their cause and how the type of documentation will vary based on the category in which the individual applies. According to San Diego's licensing manager, individuals applying for a license under the law enforcement category of good cause must submit evidence of their employment. In this way, San Diego makes it clear that it expects different types of documentation from individuals who apply under each of its four categories. Because it does not have a similar policy, Los Angeles is unable to fully support its practice of determining that some applicants have good cause simply because of their occupations while denying licenses to other individuals who submit otherwise similar applications.

Los Angeles issued a license to one individual based on direct authorization from the sheriff, even though the individual did not meet its definition of good cause.

In addition to the inequitable treatment under its policy that Los Angeles has given to certain applicants based on occupation, the department issued a license to one individual based on direct authorization from the sheriff, even though the individual did not meet its definition of *good cause*. When the individual submitted his application, the department requested additional information about the threats he had experienced. Although the applicant did not provide documentation of a specific threat, Los Angeles's former chief of staff informed a former assistant sheriff that the sheriff would approve the application and instructed the former assistant sheriff to proceed with processing the license. The department issued the applicant a license in June 2016. In doing so, Los Angeles did not adhere to its CCW policy because it did so without documentation of a specific threat. Although state law gives the sheriff ultimate discretion to issue CCW licenses, direction from the sheriff to approve a specific license is outside of the regular approval process in Los Angeles, and in this case the direct approval appears to have ended the department staff's efforts to obtain information that would have supported issuing the license in accordance with policy.

When we asked about the sheriff's involvement in the decision to issue that license, the lieutenant stated that while he agreed that the sheriff is not typically involved in reviewing CCW applications, the sheriff has the right and authority to weigh in on the process as well as the responsibility for the CCW program. However, regardless of whether the sheriff himself approved the CCW license, we expected that the department would obtain sufficient documentation according to its policy before it issued a license. The lieutenant also stated that the department requested that this applicant provide additional information and the applicant did so in a written statement that documented the justification for a CCW license. Although the applicant provided a written statement outlining the threats he received during his career as a federal prosecutor, he did not provide any documentation, such as a police report, to support this statement. As we have previously discussed, Los Angeles expects applicants to submit supporting documents to demonstrate a direct and recent threat. Therefore, based on this expectation the department should have obtained more from this applicant before it granted him a license.

Los Angeles Also Failed to Follow Consistently Its CCW Policies and Stated Practices for Its Residency, Training, and Good Moral Character Requirements

Los Angeles did not follow its policy for determining residency before it issued any of the 25 CCW licenses that we reviewed. According to its policy, applicants satisfy the residency requirement by presenting an approved, recognized identification card and at least one item of U.S. mail. However, Los Angeles did not collect this documentation for 24 of the 25 license applications we reviewed. In the 25th application file, the identification card and U.S. mail provided differing address information. As a result, the department cannot demonstrate that it followed its residency policy when issuing any of these 25 licenses. Because it did not verify that these individuals resided at the addresses stated on their applications, Los Angeles faces a higher risk that it issued CCW licenses to individuals who were not residing in its county and whom it was therefore not allowed to license. The department's CCW manager, who has been the manager since June 2017, was unsure why Los Angeles does not obtain the documentation that its written policy requires. Although she also asserted that many applicants submit proof of residency per the policy, we did not find this statement to be accurate for the 25 license files or even the 15 denied applications that we reviewed. Obtaining documentation to support that applicants reside at their stated addresses can provide the department confirmation that individuals are honest on their applications and helps ensure that the department does not license individuals it is not allowed to license.

Because it did not verify residency, Los Angeles faces a higher risk that it issued CCW licenses to individuals who were not residing in its county and whom it was therefore not allowed to license.

Los Angeles did not obtain documentation that every approved applicant completed the required firearms training.

Furthermore, Los Angeles did not obtain documentation that every approved applicant completed the required firearms training. State law requires licensing authorities to obtain proof that applicants have completed a training course with instruction on firearm safety and the law regarding the permissible use of a firearm as a minimum. Accordingly, as previously mentioned, Los Angeles requires up to 16 hours of training for initial CCW applicants and no less than four hours of training for renewal applicants. However, Los Angeles did not obtain proof that applicants completed training for five of the 25 licenses we reviewed. The CCW manager stated that every individual to whom the department issues a CCW license should have documentation of completed training in his or her CCW application file before the department issues the CCW license. She also stated that she was not aware of any reason an applicant would not have training records on file. Without the appropriate documentation, Los Angeles cannot demonstrate that it complied with state law when it issued these five CCW licenses. Further, it cannot ensure that these individuals are trained on firearm safety and the permissible use of a firearm.

Finally, Los Angeles also did not always follow its stated practices for evaluating whether applicants are of good moral character. According to the CCW manager, the department has a two-part evaluation of an applicant's good moral character: a review of the individual's statements on the application and a criminal background check processed through Justice. The CCW manager stated that if an applicant's responses on the application cause the department concern, the lieutenant interviews the applicant to obtain additional information or to verify the documentation and statements. However, we found that the department could not demonstrate that it completed such a review for three of the 25 applicants. Two of these individuals submitted incomplete applications—one did not address three questions regarding any incidents involving firearms, domestic violence, and arrests or charges for criminal offenses, while the other did not address questions about whether he had been convicted of any criminal offense, was on probation or parole, or had been or was subject to a restraining order.

When we asked the department about these two cases, the lieutenant was unsure why the individuals did not complete the applications and said that staff reviewing the applications should have caught the mistakes. The lieutenant also stated that the unanswered questions do not necessarily mean that the applicants are of bad moral character and that the totality of their applications indicate that they are responsible people. However, we believe these unanswered questions should have concerned the department because the questions address serious topics that speak to the applicant's character and criminal history,

regardless of whether the department believes that the applicants are responsible people. Furthermore, the department forgoes a valuable opportunity to evaluate applicants' honesty when it does not ensure that they address every question on the application, including those concerning criminal history. Therefore, Los Angeles should have contacted these individuals and obtained additional information about their circumstances to ensure that they were not purposefully omitting critical information.

In the third case, Los Angeles issued a CCW license to an applicant who disclosed that he had been arrested for driving under the influence (DUI) about six months before he applied, but the department did not document that it considered either this arrest or a previous conviction for DUI when making its determination about the applicant's moral character. We expected that the department would have contacted the applicant and obtained more information about his arrest. However, we found no documentation that it did so. The lieutenant stated that the department issued this license before he joined the CCW program, and he felt it was inappropriate to speculate about the decision-making process that led to the issuance of this license.

Los Angeles's failure to obtain complete documentation before it issued the licenses we reviewed can be attributed in part to the department's lack of written procedures for processing CCW applications. Although it has a formal CCW policy, the department has no written procedures for processing applications. As a result, its staff do not have guidance to ensure that they are appropriately and consistently evaluating all applications. By having written procedures, Los Angeles can better define its expectations for the documents its staff should obtain from CCW applicants.

Sacramento's Administrative Weaknesses Led It to Issue Some Licenses That Did Not Meet Its Requirements

Although we found no evidence that it did not comply with state law, Sacramento issued some CCW licenses without collecting documentation showing that the licensing process adhered to Sacramento's standards. According to the assistant to the sheriff who oversaw the CCW program during the majority of our audit (assistant to the sheriff), the department does not have formal procedures for the staff who review CCW applications. To assess its CCW application process, we spoke with the assistant to the sheriff to confirm the department's expectations for processing an application. We also reviewed the instructions that Sacramento provides applicants on its website about what documents it requires to demonstrate residency and receipt of appropriate firearms training. The department has also developed internal criteria to

Sacramento issued some CCW licenses without collecting documentation showing that the licensing process adhered to Sacramento's standards.

For the 25 licenses we reviewed, we found seven cases in which only some of the residency documentation aligned with Sacramento's standards and one instance in which the file did not contain any sufficient documents.

determine whether applicants meet the good moral character and good cause requirements. For some of the 25 issued licenses we reviewed, Sacramento accepted documentation that did not align with its stated expectations. However, in most of these cases, other evidence in the application files indicated that the applicants had met its standards for a CCW license.

Among the application files we reviewed, documents related to residency were those that most often did not align with Sacramento's standards. On its website, the department provides examples of acceptable residency proof, which include utility bills and credit card statements. According to the website, applicants are to provide two documents proving residency that are dated within 60 days of their application dates. The website also explains that the department will verify that the applicant's address is current. Therefore, we expected to find the documents that the applicant provided as well as evidence that the department had verified that the applicant's address matched the address on file with the DMV. However, for the 25 licenses we reviewed, we found seven cases in which only some of the residency documentation aligned with Sacramento's standards and one instance in which the file did not contain any sufficient documents.

According to the assistant to the sheriff, the department's goal is to verify residency through multiple means. For seven of the files we reviewed, we saw evidence that the department had at least one properly dated residency proof that the applicants submitted or that the department had checked the applicants' addresses against the DMV records. For example, in two of these files we observed that applicants submitted residency proofs that were dated more than 60 days before the application date. However, we also saw evidence that the department had checked the applicants' addresses against the DMV records. In other cases, the department did not document that it verified applicant addresses with the DMV, but the application file contained at least one residency proof that was dated no earlier than 60 days before the application date. Therefore, in these cases, Sacramento obtained at least some evidence—aligned with its standards—that demonstrated the applicants were residents of Sacramento County. Nevertheless, for these seven cases, according to the instructions it provides applicants to submit two documents dated within 60 days of application, Sacramento had less assurance about the applicants' residency than it expects to have according to the instructions on its website.

Further, in one case we reviewed, Sacramento obtained undated residency proofs, and it did not document address verification with the DMV. That application file contained two residency proofs with insufficient information to determine whether the applicant met the 60-day requirement: one proof was undated and the other

was a credit card statement that listed only a payment due date. Therefore, according to its stated expectations, Sacramento did not obtain adequate documentation in this case to establish that the applicant met the residency requirement in state law.

Additionally, Sacramento issued one of the 25 licenses we reviewed to an applicant who did not provide evidence proving that she had attended the required number of training hours. Sacramento's website explains that it requires initial licensees to attend a 16-hour firearm training within 180 days before the issuance of the license. In one case, Sacramento issued an initial license to an applicant who provided a certificate that showed she had completed a four-hour training course for CCW renewal. There were no documents in the application file that demonstrated the applicant had attended any additional training. The assistant to the sheriff agreed that this amount of training does not meet the department's standards for initial licenses. In addition, we found that Sacramento issued licenses to two other applicants who provided training certifications that were older than Sacramento's 180-day standard by as much as 21 days. Both trainings were taken after the applicants applied for their CCW licenses. According to the sheriff's assistant, the department prefers that applicants complete their training within the 180 days before the department issues the CCW license, but it will accept older training provided the applicant received the training after submitting the application.

Further, we found that Sacramento renewed some licenses without documenting that it had performed local background checks. The local background check is separate from the criminal history background checks that Justice performs. According to the assistant to the sheriff, during these local checks, the department reviews local law enforcement databases that contain non-arrest contact that law enforcement may have had with the individual. The assistant to the sheriff stated that the department's practice is to perform local checks on applicants when they first apply for a CCW license and when they renew, and the department may use that information to deny an applicant a license if there is a consistent demonstration of poor decision making. However, we found that Sacramento renewed three of the 10 renewed licenses we reviewed without documenting a local background check. Because Sacramento did not have such documentation, anyone reviewing these files would have less assurance that these applicants met Sacramento's good moral character standard.

Our review of 25 application files for licenses that Sacramento issued found that the files contained varied amounts of documentation for whether applicants had met its standards. In some cases, such as the one involving the applicant who did not demonstrate she had obtained a sufficient number of

Sacramento renewed some licenses without documenting that it had performed local background checks.

training hours or the case of the applicant who did not provide appropriately dated proof of residency, Sacramento issued licenses without its required level of assurance. The assistant to the sheriff attributed these inconsistencies to human errors in the application process. However, we noted that Sacramento's CCW program has administrative weaknesses that make it more likely for these types of errors to occur.

Sacramento does not provide its staff with formal training or procedures to follow when reviewing applications. According to the assistant to the sheriff, Sacramento staffs its CCW unit with one full-time staff member and part-time retired annuitants. He stated that Sacramento expects its CCW application reviewers to use the information within the application and their previous law enforcement experience to guide their reviews. Further, he observed that the unit does not have formal written procedures for application reviews because it is easier to adjust practices when they do not need to be frequently rewritten. However, we believe training and formal procedures would better inform staff about the expectations for CCW application reviews and are important for ensuring that the inconsistencies we observed do not continue. The assistant to the sheriff agreed that a formal policy and training are reasonable, and he noted that it would not put an unmanageable burden on the unit.

Sacramento would likely benefit by reviewing a selection of files regularly to ensure that applications are being processed in accordance with stated expectations.

It would also likely benefit Sacramento to review a selection of files regularly to ensure that applications are being processed in accordance with stated expectations. The assistant to the sheriff explained that during most of our audit period, the CCW unit staff would verify training documentation before issuing a license to an applicant. However, our testing of 25 issued licenses showed that verification of documents' alignment with Sacramento's expectations would be beneficial. The department's current application review process includes review by a panel of two captains and a chief, yet when we spoke with one of the longer-serving panel members at the time we began our audit, he indicated that for most applications, the panel only reviews a summary of the information in the file and it performs a more detailed review of applications only if staff indicate possible reasons not to approve the application. Therefore, the panel review is not an adequate check on whether the type of documentation that Sacramento collects is consistent across all CCW applications. We believe Sacramento could achieve greater consistency in its licensing process by adopting a second-level review of application files performed by the assistant to the sheriff. By doing so, the department would better adhere to its standards for issuing CCW licenses under the broad discretion that state law vests in the department.

Weaknesses in San Diego’s Renewal Process Led to Inappropriately Renewed Licenses

We found that San Diego issued some of the initial and renewed licenses we reviewed without obtaining documentation that demonstrated that the applicants had satisfied its residency, training, and good cause requirements. San Diego has specific requirements for the type of documentation that applicants must submit to demonstrate that they reside within the county and have completed a training course. Further, San Diego makes specific document requests to applicants based on the good cause category under which the applicant applies. For example, applicants who are applying for business-related purposes may be asked to provide proof that their business is legitimate and fully credentialed or that they deposit large amounts of cash. For cases in which documents did not align with its policies, San Diego—much like Sacramento—often had other evidence in the application files that provided some level of assurance that the applicants met its standards for CCW licenses.

However, San Diego’s renewal process has weaknesses that have led it to renew some licenses inappropriately. Specifically, the department allows staff the discretion to issue a renewed CCW license without supervisory approval if the applicant’s good cause remains the same and the applicant has not had any contact with law enforcement. In the most serious instance we found, the department did not collect documentation to demonstrate residency, good cause for a license, or the applicant’s signature on the application for one of the 10 renewed license files we reviewed, yet it renewed this individual’s license in July 2015. When we asked the licensing manager about this file, she confirmed that the clerk should have waited to issue the license until the applicant had provided all of the required documentation and that this error was most likely the result of a new clerk’s not following the department’s practices and procedures. However, upon further review, we found that when the applicant came back to renew the license again in June 2017, San Diego still did not obtain sufficient documentation from him to satisfy its residency requirement or the business tax certificate that the department had requested to support his good cause requirement. Like the applicants whose files we discuss later in this section, in 2017 he also submitted only one document that aligned with San Diego’s residency requirement. According to the licensing manager, the clerk who renewed the license the second time was still in training, and this clerk should have obtained a current, valid business tax certificate. She then stated that after we brought this issue to the department’s attention, the clerk contacted the individual and expects that he will soon be mailing his current business license to the department.

San Diego allows staff the discretion to issue a renewed CCW license without supervisory approval if the applicant’s good cause remains the same and the applicant has not had any contact with law enforcement.

The level of discretion that San Diego allows its clerks leaves San Diego at a higher risk for inappropriate renewals such as those we found during our review.

A file found during our review of revocations at San Diego also highlights another problem with the department's renewal process. In this case, in response to a federal request for information about an individual, San Diego reviewed his CCW file and found a "disturbing and reoccurring pattern of violence" on his part. A review panel then decided to revoke his CCW license, and the notes associated with that revocation indicate that the application should have been reviewed by a supervisor at the time of renewal because of the negative contact the applicant had with law enforcement.

As previously mentioned, when we spoke with the licensing manager about one of these cases, she indicated that staff experience level was a contributing cause towards the failure to collect adequate documentation. However, the level of discretion that San Diego allows its clerks leaves San Diego at a higher risk for inappropriate renewals such as those we found during our review. Although additional training for its clerks on how to process a CCW license renewal could likely benefit San Diego, the department would also benefit from a supervisory review of a selection of files. Performing such a review, which could target the licenses renewed by less-experienced employees, could provide additional assurance that San Diego is not renewing CCW licenses when the applicant has not provided sufficient proof of residency, good cause, or has had negative contact with law enforcement.

Beyond problems specific to San Diego's renewed licenses, we found other instances in which the department processed applications without obtaining sufficient documentation that aligned with its policy and procedures. Among the 25 initial and renewal applications we reviewed, we found that problems with residency documents were the most common issue. San Diego requires applicants to provide two proofs of residency—such as a utility bill, lease agreement, or property tax statement dated within 30 days of the application date—that list the applicant's name, mailing address and address where he or she received the utility service. However, 11 of the 25 files we reviewed did not meet this requirement. In eight of these files, at least one residency proof that the applicant submitted was not dated within San Diego's 30-day time frame, instead ranging from two to 64 days past the 30-day limit. The remaining three cases were the renewal license discussed earlier, for which San Diego did not collect any documents related to residency or good cause, and two instances in which the applicants only provided one adequate residency proof. According to the licensing manager, although having two proofs of residency is required, if a clerk can verify residency using other supporting documentation, such as a DMV report or the county assessor's property record, then a clerk has the discretion to approve the application. Although in most of these 11 cases San Diego had some of the documentation

that it requires applicants to submit, it had less assurance in these cases than in other cases that the applicants met the residency requirement.

Further, for one file we reviewed, rather than submitting evidence of completing the required firearm training, the applicant—an active duty member of the Coast Guard—submitted evidence of a qualifying shoot from the Coast Guard. However, on its website, San Diego informs applicants they must complete a firearm training course from an approved vendor. Although the individual did not submit evidence of such a training, San Diego issued the individual a license in February 2016. When we asked the licensing manager about this file, she provided us with a memo from December 2015 that she issued to the licensing unit, which explained that active peace officers were exempt from the firearms training requirement and that the unit should accept proof of a recent qualifying shoot from the individual’s employing agency. However, the Coast Guard applicant does not fall under the exceptions outlined in this memo. State law prescribes that firearms training for CCW licensure must address firearm safety and the law regarding the permissible use of a firearm. When San Diego issues licenses without evidence that applicants attended such a training, it does so without adequate assurance that it has followed the requirements of state law.

Finally, we found that in three of the 25 files we reviewed, San Diego requested more documentation to support an individuals’ good cause than it would later determine was necessary for issuance. These instances are not violations of San Diego’s policy, which allows clerks to use discretion in deciding what documentation is required. San Diego relies on its clerks to request documents from applicants based on an initial interview. In one of the three cases, San Diego requested that an applicant submit 11 documents, such as a business permit and statements showing cash deposits, to support his good cause for a CCW license. However, the applicant did not submit one of the 11 items requested—the articles of incorporation for his business. Although the applicant did not fully comply with San Diego’s request for documents, San Diego issued him a CCW license. The licensing manager indicated that certain business-related documents were more essential to an applicant proving good cause than others. For example, she described that some business-related documents, such as a business license, must be renewed more regularly than others.

We noted that the practice of asking for documents that may not have been essential to proving good cause was not unique to these three instances. Two other files we reviewed show that San Diego asked for 10 or more documents related to a business-related

When San Diego issues licenses without evidence that applicants attended the required firearms training, it does so without adequate assurance that it has followed the requirements of state law.

State law requires that when a licensing authority determines one of its license holders is a prohibited person or when Justice notifies a licensing authority of this fact, the authority must revoke the license and notify Justice of the revocation.

good cause, some of which were the same as the documents the department requested and did not receive in the other three cases. This, combined with the licensing manager's perspective that not all documents are equally important, leads us to believe that San Diego could benefit from evaluating its current expectations for good cause documentation and setting standards for the type of documents that is sufficient to satisfy its requirement. By modifying its procedures and training its staff to clarify the amount and type of documentation staff should request from applicants, San Diego can better ensure it is treating applicants consistently and avoid asking them to obtain documents that the department considers unnecessary.

San Diego Did Not Always Revoke Licenses When Required, and Both It and Sacramento Failed to Notify Justice of All Their License Revocations

Although state law requires licensing authorities to revoke CCW licenses when license holders become prohibited persons, San Diego did not do so in all cases. State law requires that when a licensing authority determines one of its license holders is a prohibited person or when Justice notifies a licensing authority of this fact, the authority must revoke the license and notify Justice of the revocation. To determine whether the sheriffs' departments we audited complied with state law, we reviewed their responses to up to 10 notices that Justice sent to them as of June 28, 2017. In Sacramento, we reviewed 10 notices, and in San Diego we reviewed all four notices Justice had sent to the department. We found that Sacramento revoked the related licenses in all 10 cases we reviewed, but San Diego only revoked two of the four licenses. We did not review any instances at Los Angeles because Justice's records indicated that it had not sent any notices to that department during our audit period.

When we asked San Diego's licensing manager why her unit did not revoke two of the four licenses Justice notified it of, she stated that it was because the license holders had already surrendered their licenses. She believed that once a license is surrendered, it is no longer active and that accepting a surrendered license is effectively the same as revoking the license. San Diego asserted that it was not required to revoke these two licenses because they were no longer active at the time the department received the notification from Justice. However, the portions of state law that create CCW licensing requirements do not establish that a license is inactive simply because the licensee is no longer in possession of the license. Further, although San Diego reported all of its revocations to Justice, it did not always report when it accepted a surrendered license, including in these two instances. Because state law requires licensing authorities to revoke the licenses of prohibited persons and report those revocations to Justice,

San Diego should still revoke the licenses of prohibited persons, even if it has already accepted the licenses as surrendered to ensure it complies with state law and reports to Justice.

Additionally, we determined that San Diego failed to revoke a third prohibited person's license. Although this person was not among the four we originally reviewed, we observed during our review of files that one of San Diego's licensees was convicted of a felony in February 2017. This conviction made the individual a prohibited person, and San Diego should have revoked the license. When we asked San Diego why it did not revoke the license in this case, the licensing manager stated that the department had already suspended the individual's license when he was arrested. San Diego's procedures describe its suspension process as similar to its revocation process, and they provide the example that the department will suspend a license if it is waiting for the final outcome of a court case. Although it was true the department suspended the license in this particular case and notified Justice of the suspension, San Diego should have revoked the license because the license holder had become prohibited. Among the three departments we reviewed, San Diego was the only one we observed that had a practice of suspending CCW licenses.

Sacramento did not consistently comply with state law when reporting its revocations to Justice. State law requires licensing authorities to report to Justice when they revoke licenses. We found that among the 10 revocations we reviewed in Sacramento, the department failed to report eight of them to Justice. According to the assistant to the sheriff, reporting to Justice is redundant in cases where Justice has already instructed the department to revoke the licenses. Nonetheless, state law requires licensing authorities to report to Justice when it revokes licenses. Further, the notification Justice sends to licensing authorities specifically states that Justice must be notified in writing about the revocation. When Sacramento does not report to Justice that it has revoked licenses, Justice does not know that Sacramento revoked the license and therefore cannot adequately track CCW license holders throughout the State.

We found that San Diego reported to Justice when it revoked licenses, but it did not report the two surrendered licenses that we discuss earlier in this section as well as five others we found during our review. Although the portion of state law that requires licensing authorities to report revocations to Justice does not require licensing authorities to report surrendered licenses, Justice would prefer to be notified of those surrenders. The director of Justice's bureau of firearms stated that Justice did want licensing authorities to report these actions to it. According to San Diego's licensing manager, the state law related to CCW licenses does not require the department to report surrendered licenses to Justice,

Sacramento did not consistently comply with state law when reporting its revocations to Justice—among the 10 revocations we reviewed, the department failed to report eight of them.

and the department did not know until the time of our audit that Justice would like to receive this information. However, when San Diego does not report all inactivated licenses to Justice—regardless of whether the license was revoked, suspended, or surrendered—it withholds valuable information from the State’s lead law enforcement agency about who is licensed to carry a concealed weapon.

Sacramento Did Not Inform Applicants of Denied Licenses of Which Requirement They Did Not Meet

San Diego and Los Angeles processed the 15 denied license applications we reviewed at each location in accordance with their policies. Similarly, even though Sacramento did not have written procedures, it generally denied applicants for reasons its staff explained to us at the outset of our audit. In two cases, Sacramento’s reasons for denial were not the same as those staff had initially explained, but we did not have concerns about this given the broad discretion that state law provides to the sheriff over issuance decisions. However, Sacramento did not comply with state law’s denial requirements for any of the denials we reviewed because it did not state which criterion was unmet in its correspondence with the applicant regarding the denial. State law requires licensing authorities to provide written notice to applicants indicating whether a license is denied and in those cases it also requires the written notice to include a statement of which requirement has not been met. Sacramento’s assistant to the sheriff acknowledged that the denial letters the department sent to CCW applicants during our audit period did not specify a reason, but he could not speak to why the information was not included because decisions about what content the letters included were made before he began overseeing the program. Nevertheless, the law requires licensing authorities to state which requirement that applicants did not meet.

Sacramento has since changed its practice, but its new denial letters still do not always meet the requirement of the law. By July 2017, during the course of our audit, Sacramento modified its denial letters to include a reason why the applicant was denied a CCW license. According to the assistant to the sheriff, the issue came to his attention when he was reviewing the law related to CCW licenses and he adjusted the department’s practices to include a reason why the department denied the permit. We reviewed six denial letters sent to applicants after he adjusted Sacramento’s practices and found that only one included an explanation that met the requirement in state law. Specifically, only one provided the requirement that the applicant failed to meet. Most of the others stated that the denial reason was “criminal history” and provided a citation to the section of state law that details the issuance criteria

Sacramento did not comply with state law’s denial requirements because it did not state which criterion was unmet in its correspondence with the applicant regarding the denial.

for CCW licenses. This information is insufficient under the law because simply stating that the applicant was denied because of criminal history does not indicate a failed requirement such as good cause.

The assistant to the sheriff disagrees with our conclusion that the department's new denial letters do not always comport to the requirements in state law. He believes that a reference to criminal history as the reason for denying a CCW license is sufficient information for the applicant to understand and appeal if he or she desires to do so. However, the information in the letters we reviewed is not sufficient based on the plain language of state law, which requires licensing authorities to provide a statement of the *requirement* that was unmet. For example, the applicant cannot know from that information alone what about their criminal history the sheriff objected to, and criminal history is not one of the four key criteria for issuing a license.

Although Sacramento has taken some steps toward resolving the deficiencies in its denial letters, it has not yet ensured that it always complies with state law. If it further defined the type of information it expects its investigators to include in denial letters, Sacramento would be more likely to avoid such instances. Without being informed which requirement they did not meet, applicants cannot know what additional information to provide the department to appeal the denial effectively. The assistant to the sheriff informed us it is Sacramento's practice to allow denied applicants the opportunity to appeal. However, during our review, we found a letter to the department from an applicant stating that he could not reasonably initiate an appeal without knowing the specific reason for the denial. This example highlights the importance of complying with the law and providing applicants information about the specific requirement they did not meet when they are denied a CCW license.

Despite Widely Differing Issuance Practices for CCW Licenses, the Local Discretion Established by Current State Law Has No Apparent Bad Effect

As we discussed in the previous sections, each licensing authority we reviewed applied the requirements of state law concerning CCW licenses differently. Such different approaches are permissible under the broad discretion that state law grants licensing authorities in interpreting key requirements such as good cause and good moral character. However, these inconsistent approaches have led some to argue that state law should not grant such discretion to local authorities. For example, some have argued that the lack of a definition of *good cause* has resulted in the unequal application

Without being informed which requirement they did not meet, applicants cannot know what additional information to provide Sacramento to appeal the denial effectively.

of state law across the State and an arbitrary denial of CCW licenses to many Californians. Others have asserted that the sheer number of permits issued shows a lack of appropriate scrutiny. Further, some have pointed to the number of revoked licenses as evidence that licensing authorities have not properly issued licenses. Nevertheless, after reviewing the departments' policies and practices and analyzing each department's issuance statistics, we did not identify a bad effect from the varying approaches taken by the three sheriffs' departments we reviewed that would lead us to conclude that state law needs to be changed to clarify the issuance criteria for CCW licenses.

Under the discretion that state law allows, the three departments have issued different numbers of licenses. As we show in Table 4 on page 14, Sacramento issued a far larger number of CCW licenses than did San Diego or Los Angeles during our audit period despite the fact that Sacramento's jurisdiction covers fewer potential license applicants than does either of the other two departments. This difference is partially the result of Sacramento's interpretation of the good cause requirement in state law, which accepts an applicant's statement that he or she desires to protect himself or herself or family as sufficient good cause for a CCW license. In contrast, Los Angeles's policy and San Diego's policy related to licenses for personal protection both require that an applicant provide evidence of danger to satisfy the good cause requirement. Therefore, applicants can more easily satisfy the good cause requirement in Sacramento than in San Diego or Los Angeles. Although more than one factor affects whether an applicant is granted a CCW license at any of the three licensing authorities we reviewed, we believe it is Sacramento's interpretation of the good cause requirement that is the most likely reason for its higher number of licenses issued.

Although more than one factor affects whether an applicant is granted a CCW license, we believe it is Sacramento's interpretation of the good cause requirement that is the most likely reason for its higher number of licenses issued.

However, it does not necessarily follow that a higher rate of license issuance results in a harmful effect because of local discretion. In fact, despite their differing approaches to CCW licensing, the sheriffs in Sacramento and San Diego and the undersheriff in Los Angeles all observed that the needs of local jurisdictions vary and agreed that the law provides those jurisdictions the ability to set their CCW policies accordingly. San Diego's sheriff noted that individuals in other counties with fewer deputies and larger geographical areas may have a greater need for personal protection because of slower response times from law enforcement. That perspective illustrates how adopting a more restrictive definition of *good cause* for a license might have unintended consequences across the State because the conditions that would justify carrying a concealed weapon might vary greatly across the State. We found differences in local conditions to be a reasonable explanation for why licensing authorities would issue CCW licenses at a rate that

does not necessarily correspond to their population. Accordingly, the variance in the number of licenses issued among licensing authorities does not necessarily indicate that the law should be changed.

Similarly, the number of revoked licenses is not sufficient on its own to determine that the issuance criteria in state law need to be clarified. Among the three licensing authorities we reviewed, only Sacramento and San Diego revoked CCW licenses during our audit period. As Table 4 on page 14 shows, Sacramento revoked many more licenses during this period than did San Diego. However, a revoked license is not necessarily evidence that a licensing authority erred in issuing the license. State law requires licenses to be revoked when the licensee becomes prohibited by federal or state law from possessing, receiving, owning, or purchasing a firearm. Prohibiting events—which could occur after a department initially issues a license—include a variety of criminal and mental health-related events, such as a felony conviction for robbery or an involuntary placement in a mental health facility. In these cases, we cannot conclude that the prohibiting event is evidence that the individual was incorrectly granted a CCW license at the time of application. In other words, a present-day conviction that prohibits an individual from keeping the CCW license is not necessarily evidence that the applicant was not qualified at the time of licensure. For example, in addition to the reviewed revocations we discussed in an earlier section, we reviewed four revocations in Sacramento that came to our attention because in each case Sacramento had revoked a CCW license after the license holder had a serious criminal or mental health event. Although we found some instances among these four files in which the residency documents in the application file did not align with Sacramento's current expectations, these exceptions do not relate to the events that occurred later that led to Sacramento revoking these licenses.

Further, the number of licenses revoked could be higher as a result of locally initiated revocations. Nothing in the state law related to CCW licenses prevents licensing authorities from revoking licenses based on the license holder's conduct even when the holder has not had a prohibiting event. For example, Sacramento sometimes revoked licenses when the license holder was arrested for DUI. Although this does not appear on Justice's list of prohibiting events, it is a condition that under Sacramento's practices prohibits someone from being eligible for a CCW license. Accordingly, we conclude that the number of revoked licenses could actually be higher because a licensing authority was more active in monitoring its license holders and revoking licenses even when such a revocation was not strictly required by law. In fact, among the licenses revoked during our audit period, both Sacramento and San Diego revoked or suspended more licenses as a result of local

Both Sacramento and San Diego revoked or suspended more licenses as a result of local decisions—such as Sacramento's DUI-related revocations—than they did as a result of notices from Justice that license holders had become prohibited persons.

decisions—such as Sacramento’s DUI-related revocations—than they did as a result of notices from Justice that license holders had become prohibited persons.

Additionally, we asked each of the three licensing authorities whether they believed that public safety was at risk because of the disparity in how local licensing authorities interpret the four key criteria for CCW license issuance. Each representative we spoke with—the sheriffs in Sacramento and San Diego and the undersheriff in Los Angeles—told us that the differing interpretations of state law did not make them concerned for public safety in their jurisdiction and they had not noticed any bad effect in their jurisdiction that could be attributed to another licensing authority’s different interpretation of state law. San Diego’s sheriff noted that despite differing issuance criteria, CCW license holders must still undergo a rigorous process to receive a license. We found that local implementation of that process could be improved at each of the three locations we reviewed; however, after looking at the rate of issuance and the rate of revocation, and considering the factors that affect each of those conditions when combined with the perspective of the local licensing authorities, we could identify no direct bad effect from the different approaches each has taken in implementing state law’s CCW licensing requirements. Finally, state law establishes the issuance of CCW licenses as a local control issue. The ultimate discretion to issue a license rests with sheriffs and chiefs of police departments. Therefore, to the extent that citizens do not approve of the issuance policies that are employed by their respective sheriff or police chief, they can elect a different sheriff or demand a change in law enforcement leadership.

Recommendations

To ensure that its CCW licensing decisions align with its CCW policy, Los Angeles should only issue licenses to applicants after collecting documentation of specific, personal threats against the applicants so as to satisfy its definition of *good cause*. If Los Angeles believes that its public licensing policy does not include all acceptable good causes for a CCW license, then by March 2018 it should revise that policy and publish the new policy on its website. It should then immediately begin processing applications according to that revised policy.

To ensure that it only issues licenses to individuals after receiving evidence of residency, firearms training, and good moral character that aligns with its policy, Los Angeles should only issue licenses after verifying that it has received this evidence. To avoid overlooking required evidence, Los Angeles should create

procedures by March 2018 for its staff to follow to ensure that each CCW file contains the evidence its policy requires before issuing the license.

To ensure that staff are gathering consistent evidence from applicants to demonstrate residency, good moral character, and firearms training and are including which requirement applicants did not meet in its denial letters, by March 2018 Sacramento should create formal CCW processing procedures and train its staff to follow these procedures. These procedures should require staff to gather and evaluate the information the department believes is required to demonstrate that each of the criteria for a CCW license has been met, and they should also require staff to include which requirement applicants did not meet in its denial letters.

To ensure that staff are following its newly established procedures and to identify any need for additional guidance, by March 2018 Sacramento should establish a review process wherein it regularly reviews a selection of license files and denied applications to determine whether its staff are collecting sufficient and consistent documentation in accordance with its policies and are appropriately including which requirement applicants did not meet in its denial letters.

To ensure that its staff appropriately renew CCW licenses, by March 2018 San Diego should establish a routine supervisory review of a selection of renewed licenses.

To ensure that it consistently obtains sufficient evidence to demonstrate that an applicant satisfies its requirements for a license, by March 2018 San Diego should develop guidance and train its staff on what good cause documentation staff should request from applicants. Further, it should train its staff regarding the expected documents for residency and training.

To ensure that it provides all required information to Justice, Sacramento should immediately inform Justice when it revokes a CCW license, including when it receives a prohibition notice from Justice.

To ensure that it follows state law's requirements for revoking licenses, San Diego should immediately revoke CCW licenses and should then inform Justice that it has revoked licenses whenever license holders become prohibited persons. Additionally, San Diego should notify Justice when it suspends a license or a license is surrendered.

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Chapter 2

THE CCW PROGRAMS IN THE COUNTIES WE REVIEWED HAVE LIMITED FISCAL IMPACT, AND STATE LAW SHOULD BE CLARIFIED CONCERNING MAXIMUM FEES FOR CCW LICENSES

Although the three sheriffs' departments we reviewed charge application processing fees for CCW licensing, these fees do not appear to cover the costs of the programs. However, any deficits associated with the CCW programs are likely to have a very minimal adverse effect on overall county budgets because they represent a very small percentage of those budgets. Although the departments' CCW programs likely run a deficit, only Sacramento tracks its CCW program expenditures and could identify its total deficit. The other two departments—Los Angeles and San Diego—do not specifically track CCW expenditures. However, using the CCW-specific information in Sacramento and the expenditure information related to the administrative units that process CCW licenses at the other two departments, we determined that program expenditures as a whole at all three locations represent a tiny percentage of the overall county budgets. Nevertheless, each department could improve its approach to the fees it charges. Doing so in Los Angeles would improve the department's compliance with the fee requirements set by state law, which allows licensing authorities to charge a fee equal to the amount of their actual costs up to \$100 and which can be increased at a rate not to exceed the California Consumer Price Index (CCPI). In Sacramento and San Diego, because we can reasonably infer that the departments are charging fees less than their costs, maximizing the fee that each department collects could increase fee revenue in each location. Finally, licensing authorities have interpreted state law related to the maximum allowable CCW fees differently. Because of this situation, we believe that clarifying state law concerning the maximum fees allowed would be beneficial.

At the Three Departments We Reviewed, the Relative Sizes of CCW Programs Makes Them Unlikely to Have Significant Impacts on County Budgets

At all three of the licensing authorities we reviewed, CCW programs constituted a very small proportion of the overall department and county budgets. For Sacramento, the only entity for which we were able to determine a specific deficit amount, the CCW deficit had a negligible impact on the department's cost to the county. Los Angeles and San Diego do not separately track CCW expenditures; instead they track the expenditures of the larger departmental units that manage their CCW programs.

However, the expenditures of these units were similarly small in comparison to the total department and county expenditures. As a result, the CCW programs at Los Angeles and San Diego likely have even less of a fiscal impact on department and county budgets than at Sacramento.

Two of the Three Licensing Authorities Cannot Readily Determine Whether Their CCW Programs Operate at a Surplus or Deficit

Los Angeles's staff were unable to provide us with a cost study showing how much each CCW license costs to process or any documentation that contained its annual CCW expenditures.

Los Angeles does not specifically track CCW-related expenditures, and therefore it cannot readily determine whether its costs are greater than the revenue it receives from CCW fees. According to the manager of special accounts in its Financial Programs Bureau, the department does not track expenditures for CCW licenses. Instead, it organizes its budget across 11 broad budget units, which contain divisions or programs. One of these units—the administration budget unit—contains the Office of the Undersheriff, which processes CCW applications. Neither the staff in Los Angeles's CCW program nor its fiscal staff were able to provide us with a cost study showing how much each CCW license costs to process or any documentation that contained its annual CCW expenditures, so we were unable to calculate whether the CCW program is operating at a surplus or deficit. According to its CCW manager, most of Los Angeles's CCW expenditures are staffing costs. The CCW manager confirmed the part-time nature of her CCW-related duties as well as that of the only other staff member who spends a comparable amount of time on the program. According to the director of the financial programs bureau, the CCW program's expenditures have not risen to the level of something significant enough that the department has wanted to specifically track the extent of costs and time for the program. As shown in Table 5, from fiscal years 2014–15 through 2016–17, revenues from CCW fees for Los Angeles ranged between about \$10,000 to almost \$12,000. Given the level of revenue, Los Angeles's expenditures would have to be very low for its program not to operate at a deficit.

San Diego also does not specifically track CCW-related expenditures, leaving it unable to verify whether its CCW program is operating at a surplus or deficit. However, San Diego does track the expenditures of its licensing unit, which processes CCW license applications along with many other types of licenses such as licenses for taxicab companies or bingo licenses. According to San Diego's budget finance officer, the CCW program funding comes from the fees it charges along with unrestricted county general fund money, and therefore there is no requirement for San Diego to track CCW expenditures. A fiscal year 2016–17

expenditure report for San Diego’s entire licensing unit indicates that the primary expenditures for the unit are related to staffing. However, according to the licensing manager, although the unit tracks the time staff spend conducting initial interviews with CCW applicants, this is not a listing of the full staff costs for CCW licenses.

Table 5
CCW-Related Revenue for Los Angeles and San Diego

FISCAL YEAR	LOS ANGELES	SAN DIEGO*
2014–15	\$11,390	\$17,580
2015–16	11,880	15,540
2016–17	10,150	23,210 [†]
Totals	\$33,420	\$56,330

Sources: California State Auditor’s analysis of unaudited financial reports from San Diego’s Oracle E-Business Suite financial management system and financial reports from Los Angeles County’s eCAPS financial system.

* We did not include any revenue San Diego labeled as related to reserve officer licenses because the information we present for Los Angeles did not include such revenue, and our audit did not focus on licenses issued to reserve officers. However, a senior accountant at San Diego indicated that in approximately November 2015, the department instructed its staff to be more consistent in the labels used to identify revenue. Therefore, it is possible that our revenue totals include revenue related to reserve officer licenses that we were not able to identify due to insufficient labeling.

† San Diego’s revenue in fiscal year 2016–17 included \$3,830 that San Diego did not account for in a previous year. We identified this revenue during our review of the fiscal year 2016–17 revenue report that San Diego provided. We confirmed with San Diego fiscal staff that this revenue was from fiscal year 2015–16, but we report it in fiscal year 2016–17 because this was the year in which the department accounted for it.

We determined that San Diego’s CCW program is likely operating at a deficit. San Diego conducted a cost study in fiscal year 2011–12, which estimated that the department spent more than \$2,700 to process an initial CCW application. Given this estimated cost and the revenue San Diego collects for each issued license, which is \$63, even if San Diego’s costs were one-tenth of what the cost study estimated in fiscal year 2011–12, which would be about \$270, its per-license costs would still be greater than its per-license revenue. As shown in Table 5, San Diego’s total annual CCW revenue ranged from just over \$15,500 to \$23,200 over the three-year period we reviewed. Like Los Angeles, San Diego would need to keep its CCW costs fairly low for its program to be cost-neutral. We observed that some of San Diego’s CCW application files contain more than 100 pages of documentation that an analyst had reviewed before issuing the license, making it unlikely that San Diego is able to keep the total cost for processing an initial application below its per-license revenue of \$63. Finally, based on financial reports San Diego provided, its entire licensing unit had a deficit in each year from fiscal years 2014–15 through 2016–17. Therefore, although

San Diego's expenditure tracking does not allow us to conclude that its CCW program operates at a deficit, we believe it likely that the CCW program costs the department more than it generates from fees.

In contrast to Los Angeles and San Diego, Sacramento does track its CCW-related expenditures. As shown in Table 6, Sacramento's CCW program has operated at a deficit that has ranged from about \$160,000 to more than \$275,000 annually from fiscal years 2014–15 through 2016–17. Based on the financial reports that Sacramento's chief of Departmental Administrative Services (administrative services chief) provided, almost all of the department's CCW expenditures in fiscal year 2016–17 came from staffing-related costs. The assistant to the sheriff indicated that Sacramento staffs its CCW program with one full-time staff member and several part-time retired annuitants from its extra help pool. According to the administrative services chief, the department pays for a large portion of its extra help costs by using salary savings. She further explained that if funding is needed beyond what the salary savings can cover, the department uses savings from other budget categories, such as fuel costs. She stated that she does not actually transfer funds when she uses salary savings to pay for funding shortages in the CCW program, so no specific record of using salary savings to cover CCW deficits exists. However, Sacramento's fiscal records show that in each year of our audit period, it had enough savings in salary-related budget categories to cover the CCW deficits. The assistant to the sheriff told us he sees the CCW program as a mandated service and that any revenue generated to support the program is a positive for the department. In addition, the department as a whole was more than \$9 million under budget for general fund expenditures in fiscal year 2016–17. Nonetheless, even though it can cover the deficits in its CCW program through savings, by using these resources in this way, Sacramento cannot use them for other purposes.

Table 6
Sacramento's CCW Licensing Program Had a Deficit in Each of the Last Three Fiscal Years

	FISCAL YEAR		
	2014-15	2015-16	2016-17
Expenditures	\$483,140	\$504,820	\$597,330
Revenues	322,820	229,380	383,440
Surplus/(Deficit)	(\$160,320)	(\$275,440)	(\$213,890)

Source: California State Auditor's analysis of unaudited financial reports from Sacramento County's COMPASS system.

All Three Licensing Authorities' CCW Programs Have Very Small Effects on Their Counties' Budgets

We found that Sacramento's CCW program expenditures represented only a fraction of 1 percent of both the department's budget and of the entire Sacramento County budget. For example, in fiscal year 2016–17, CCW program expenditures represented 0.13 percent of total department expenditures and an even smaller percentage, 0.03 percent, of the total Sacramento County general fund expenditures in that year. This demonstrates that overall, Sacramento's CCW program likely has a negligible impact on the county budget. Although the program operated at a deficit in each fiscal year from 2014–15 through 2016–17, the assistant to the sheriff believes that the deficit is very minor compared to the department's total expenditures. This seems to be true at the county level as well. If the program had been revenue-neutral—program revenues equaling program expenditures—in fiscal year 2015–16, the year in our audit period in which the program deficit was the highest, it would only have reduced Sacramento's overall cost to the county by about 0.1 percent. Additionally, Sacramento spent less than its budgeted general fund expenditures in each year of our three-year audit period. Nevertheless, as we show later, Sacramento could reduce its CCW program deficits by increasing its CCW fees.

It is also unlikely that any deficits in Los Angeles or San Diego have a significant effect on their respective county's budgets given that San Diego spent less than its budgeted general fund expenditures in each fiscal year of our three-year audit period and Los Angeles had the same condition in two of the three fiscal years. For example, San Diego's licensing division, which is responsible for CCW licenses, represents a very small portion of San Diego's overall expenditures: 0.23 percent of the department's expenditures in fiscal year 2016–17 and 0.05 percent of the county's expenditures. At Los Angeles, the CCW program is housed within the Office of the Undersheriff. That office's total expenditures—which include expenditures for such activities as managing the department's personnel and budget resources and overseeing the activities of the assistant sheriffs—constituted only 0.11 percent of the department's expenditures and 0.02 percent of the county's total expenditures for fiscal year 2016–17.

All Three Sheriffs' Departments Charged Initial License Fees Within Allowable Maximums, but the State Should Clarify the Maximum Allowable Fee

All three sheriffs' departments charged fees for initial CCW licenses that were below the maximum amount allowed by state law. State law allows licensing authorities to charge a processing

Sacramento's CCW program expenditures represented only a fraction of 1 percent of both the department's budget and of the entire Sacramento County budget.

fee equal to the actual costs of processing a license application up to a maximum of \$100. However, the law also permits licensing authorities to raise this fee beyond the \$100 limit, consistent with the rise in the CCPI since 1999. Even though none of the three departments we reviewed charged more than \$100 as an application processing fee, we found others throughout the State that do charge more than \$100. However, one of the departments we reviewed—Sacramento—asserted that it cannot raise its application processing fee above \$100. Although we believe that the law allows licensing authorities to raise their application processing fee beyond \$100, the disparity we found in license fees points to a need for clarification to state law.

The Sheriffs’ Departments We Reviewed Charged Initial CCW License Fees That Were Below the Maximum That State Law Allows

The three departments we reviewed charged fees for initial CCW licenses within the maximum allowable amount under state law. In 1998 the Legislature amended state law to allow licensing authorities to charge a fee equal to the amount of their actual costs for processing an application for a new license, up to a maximum of \$100; this law went into effect on January 1, 1999. Before this change, state law had limited the application processing fee to \$3. In addition to increasing the maximum fee, the Legislature also amended the law to allow licensing authorities to increase their application fee above \$100 but at a rate not to exceed the rate of the CCPI. State law also allows licensing authorities to collect up to 20 percent of the application processing fee upon filing of the initial application; the authorities may only collect the balance of the fee when they issue the license. In addition to an initial application fee, the law allows licensing authorities to charge up to \$25 for processing a renewal application and up to \$10 for an amendment to a license, irrespective of the actual cost of these processes. These fees may also be increased at a rate consistent with the CCPI. Table 7 shows the fees that Los Angeles, Sacramento, and San Diego currently charge for each of these CCW-related activities.

Table 7
Fees Charged by Each Department for Processing CCW Licenses

	LOS ANGELES	SACRAMENTO	SAN DIEGO
Initial license application	\$66	\$100	\$63
License renewal	39	25	21.50
License amendment	0	10	10

Sources: California State Auditor’s review of published fee schedules at Sacramento and San Diego as well as internal documents about fees and interviews with the CCW manager at Los Angeles.

Los Angeles currently charges an initial license processing fee of \$66, which is below the maximum fee state law established. It also charges \$39 for license renewals—which is below the CCPI-adjusted maximum allowed by state law as of 2017—but it does not charge for amending a license. We discuss in an earlier section how Los Angeles did not specifically track expenditures related to its CCW program. Provided that its costs to process an initial application are less than or equal to \$66, the amount of its processing fee is appropriate. However, Los Angeles had been charging three unallowable fees in addition to its processing fee. Although state law allows licensing authorities to charge an application processing fee, it prohibits them from requiring the payment of additional funds—through fees, assessments, charges, or any other condition that requires the payment of additional funds by the applicant as a condition of processing the application for a license. Despite this prohibition, Los Angeles was charging \$12 for fingerprinting, \$2 for a photograph, and \$29 for a local record check in addition to its \$66 processing fee. Because it included these extra fees, Los Angeles was overcharging applicants for the CCW licenses it issued. When we questioned the allowability of these fees, Los Angeles’s chief legal advisor stated that the department would stop charging the additional fees and that it intends to consult with the county’s auditor-controller to implement a plan to reimburse persons who were charged fees in excess of \$66. She also stated that the department would reassess its processing fee to ensure that it accurately reflects costs.

Our review of Los Angeles’s fees found that the department lacked sufficient oversight to ensure that its fees are allowable. For example, none of the individuals we spoke with at the department knew how or when Los Angeles established its fee structure. An administrative services manager in Los Angeles’s Financial Programs Bureau believed the department conducted a cost study to establish the processing fee but the department does not have a copy of the study. Furthermore, the CCW manager could not provide any documentation showing when or how fees had been established at their current levels. She explained that the individuals who would have known if or when the fees were changed have retired from the department. Without specific attention to its fee structure and the requirements of state law, Los Angeles is at a greater risk for charging unallowable CCW-related fees as it did during our audit period.

Sacramento charges applicants \$100 for an initial license, \$25 for a renewal, and \$10 for amendments as state law allows, but its total program revenue is insufficient to cover the costs of the licensing program. According to the assistant to the sheriff, the department set the initial license fees and renewal fees to the maximum state law allows, but he could not locate historical

Los Angeles was overcharging applicants for the CCW licenses it issued by charging three unallowable fees in addition to its processing fee.

Sacramento could reduce its CCW program deficit by increasing its CCW fees to the maximum extent possible under state law.

documentation related to the setting of the fees. Furthermore, the sheriff believes that state law prohibits him from increasing these CCW fees beyond the amounts currently charged. We disagree with the sheriff's position on fee maximums for reasons we explain in the next section. By not increasing its fees, Sacramento has incurred a larger deficit in its CCW program than necessary.

Sacramento could reduce its CCW program deficit by increasing its CCW fees to the maximum extent possible under state law. To assess how increases to Sacramento's CCW fees for initial licenses and for renewals would have reduced its program deficits, we calculated the maximum possible fee and the maximum possible renewal fee the department could have charged during fiscal years 2014–15 through 2016–17. Because the department did not have a cost study, we assumed the cost to process an initial application was equal to or higher than the CCPI-adjusted maximum fee. In the case of renewals, we did not need to make a similar assumption because the law does not limit the renewal fee to the cost of processing. We also assumed that increased fees would not affect the number of applicants who applied for initial licenses or license renewals. We asked the assistant to the sheriff whether he believed a fee increase would reduce demand for licenses. In his opinion, raising the fee consistent with the increase in the CCPI would not reduce demand for licenses. Our analysis showed that if Sacramento had maximized its initial and renewal fees during our audit period, its revenue over the three-year period would have been about \$411,000 higher. We calculated this amount by multiplying the number of licenses Sacramento issued and renewed in each fiscal year by the difference between its current fees and the CCPI-adjusted maximum fees allowed by state law. Over the three years we reviewed, CCW program expenditures were greater than revenue in Sacramento by a total of about \$650,000. This additional revenue would have decreased this deficit by over half—63 percent. We explained our calculation to the sheriff's assistant, who agreed with our method of developing a rough estimate of potential additional revenue, although he reiterated the department's position that it has already maximized its fees to the full extent of state law.

Finally, San Diego has a CCW fee of about \$63 for an initial license application and \$21.50 for an application to renew. Like Los Angeles, San Diego does not track the expenditures related to its CCW program. Assuming its costs to process an initial application are not less than \$63, its fee would be appropriate. However, as we stated earlier, San Diego's fiscal year 2011–12 cost study estimated that it costs \$2,700 to process an initial application. Therefore, it is likely San Diego's CCW program is operating at a deficit. Although its fees do not exceed the maximums established in state law, they are probably too low. Moreover, by charging less than the

maximum allowable, San Diego is also incurring a larger deficit in its CCW program than may be necessary. San Diego last received approval from its county board of supervisors to raise its CCW fees in 2007. According to its licensing manager, the department is concerned that raising the fee too high could make obtaining a CCW license too expensive. However, as previously discussed, San Diego's own cost study determined that the department spends about \$2,700 to process an initial CCW application. Applying the same assumptions as we did at Sacramento about actual costs and applicant demand for licenses, we calculated that by not increasing its fees, San Diego has forgone roughly \$60,000 in revenue over the three years we audited. Although this amount is negligible in the overall budget, these funds still could have been used by the department for other purposes, such as purchasing needed equipment.

The State Should Clarify the Maximum Allowable CCW Fees

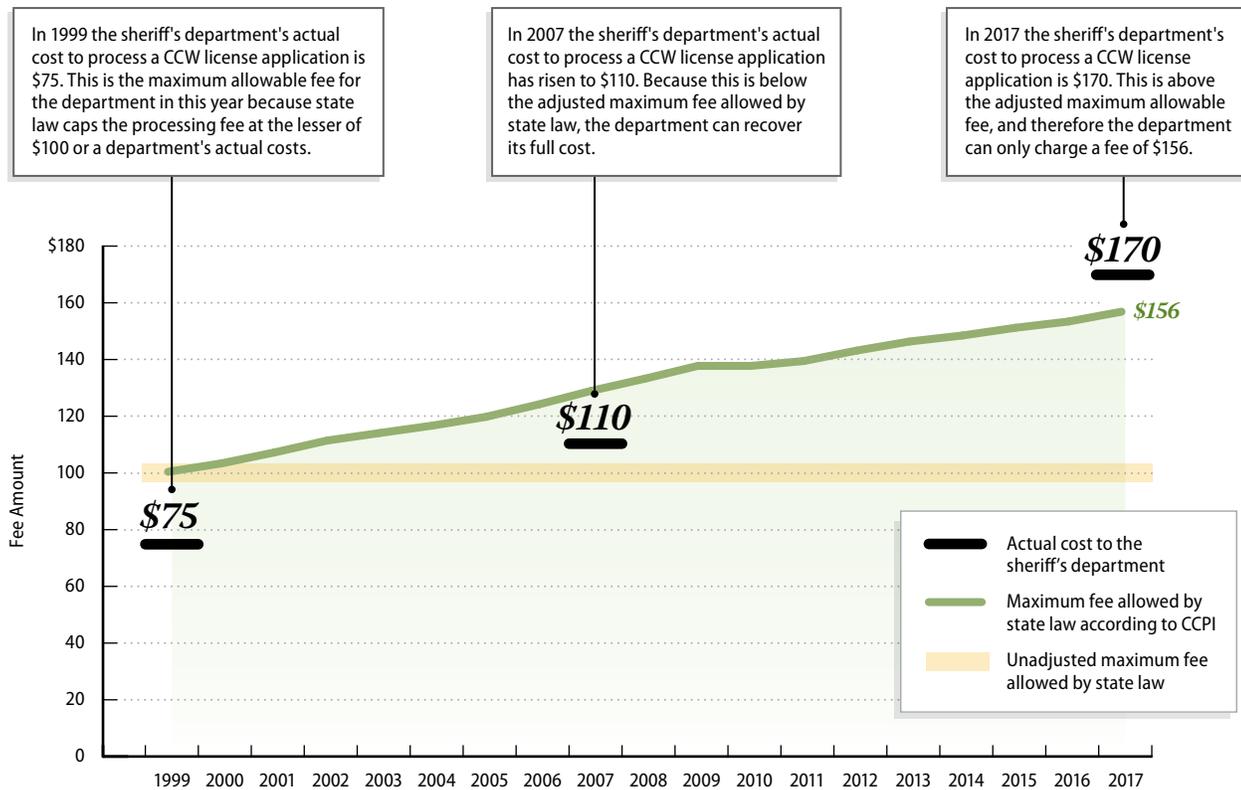
Licensing authorities vary in their interpretation of the state law that limits the maximum processing fee for initial and renewal applications and amendments to CCW licenses, leading to differences in the fees they charge. As we discussed previously, state law sets the maximum fee for initial CCW application licenses at up to \$100 of its actual costs to process the application. In addition, state law allows licensing authorities to charge up to \$25 for renewal applications and \$10 for license amendments, such as a change of address on the license. Additionally, separate sections of state law allow licensing authorities to increase all three of these fees at a rate not to exceed the CCPI. Figure 3 on the following page uses a hypothetical scenario to demonstrate how state law governs the fee that licensing authorities may charge for an initial CCW license. We applied the CCPI to the \$100 cap initially set by the Legislature in 1998 and determined that the maximum allowable fee as of 2017 would be approximately \$156. However, as we noted, Sacramento's sheriff believes that the law prohibits charging an amount higher than \$100 for initial application processing.

We disagree with Sacramento's interpretation of the law. The section of state law that allows licensing authorities to charge an application processing fee specifies that the authorities can charge a fee equal to their costs but not to exceed \$100 for an initial application. We believe this allows a licensing authority to recover any amount of its actual costs up to the \$100 limit. Once a licensing authority reaches the \$100 limit on cost recovery, it can then continue to recover actual costs above \$100, provided that it does not exceed the CCPI adjustment to the \$100 limit. The license renewal and amendment fees are not subject to an actual cost constraint like the initial application processing fee is, but they

Licensing authorities vary in their interpretation of state law that limits the maximum processing fee for initial and renewal applications and amendments to CCW licenses, leading to differences in the fees they charge.

too may be increased at a rate that does not exceed any increase in the CCPI. We believe that the Legislature’s intention that licensing authorities could incrementally increase the amount they recovered through these fees beyond the initial limits of \$100, \$25, and \$10, respectively, can be found in the legislative history of the bill that implemented the CCPI provisions. Specifically, the analyses of the bill describe that the changes to state law would allow for a cost-of-living increase to local application processing fees. However, by amending state law, the State can make it clearer to licensing authorities currently charging less than \$100, \$25, and \$10 that they can raise their fees beyond these initially imposed limits.

Figure 3
A Model of How State Law Governs the Maximum Fee That Licensing Authorities May Charge for Processing an Initial CCW License Application



Source: California State Auditor’s analysis of how Penal Code section 26190 and its requirements would affect a hypothetical licensing authority.

We noted that other licensing authorities we did not audit already appear to interpret state law in this way. We selected sheriffs’ departments from six additional counties—Fresno, Humboldt, Monterey, Orange, San Bernardino, and Solano—that appeared to be charging more than \$100 for an initial application processing

fee according to their websites. One of these departments—Humboldt—was including the fees payable to Justice in the CCW fee reported on its website which, when eliminated, reduced its local fees to \$100. Monterey charged a convenience fee, in addition to its \$100 fee, similar to the convenience fee that we discuss in the next section.⁵ The four remaining departments were charging an initial application processing fee that exceeded \$100. All of the licensing authorities we contacted charged a fee that was below the CCPI-adjusted maximum as of the most recently published CCPI information.

Until Recently, Sacramento Did Not Inform Applicants That They Can Avoid Additional Application Fees

Sacramento has been charging convenience and credit card fees to apply for CCW licenses without informing applicants that these fees are not mandatory. Since December 2016, Sacramento has used a third-party vendor to establish an online process where individuals can apply for a CCW license. To provide this service, Sacramento allows its vendor to collect a \$4 convenience fee for both initial and renewal applications in addition to the application fee the department charges. In addition, individuals who apply online must pay a credit card processing fee, with the amount based on an agreed upon rate with a payment transaction company. As we describe previously, state law allows licensing authorities to collect an application processing fee. However, state law prohibits licensing authorities from imposing any condition that requires applicants to pay any additional fees as a condition of the application for a license. Nevertheless, Sacramento's website did not inform applicants that they could avoid the convenience and credit card fees by applying in person. In fact, a December 2016 press release from the department announced that applicants could submit initial paperwork and payment online through a web-based application without any mention that applicants could avoid using that system and the associated additional fees. As a result, applicants likely assumed that the department required the use of the online application system and payment of the additional fees to apply for a license.

According to the assistant to the sheriff, if applicants had called and inquired about not using this online system, the department would have informed them that they could visit the CCW office and complete a paper application in person. In this alternate process, the individual would not have to pay the convenience and credit card fees. However, the assistant to the sheriff stated

State law prohibits licensing authorities from imposing any condition that requires applicants to pay any additional fees as a condition of the application for a license.

⁵ Although Monterey was not subject to our audit, we informed its staff that its \$7 convenience fee constituted an unallowable additional fee.

that although this option existed, no applicants asked for an alternative to the online system. Because Sacramento decided to allow a third party to impose the online convenience charge on its applicants and because it failed to advertise alternatives to this process, applicants have borne unlawful additional fees since December 2016, amounting to a \$4 increase in the initial portion of the \$100 application cost—from \$20 to \$24.

In response to our discussions during August 2017, Sacramento added a paragraph to the application section of its website informing applicants that they can go to a department office to apply for a CCW license. The assistant to the sheriff acknowledged that some applicants may have thought the online application system was the only option available for applying for a CCW license, but he believed applicants would have called or emailed if they had questions about an alternative method. Now that Sacramento has made an alternative CCW application option clear, applicants can make an informed choice as to whether they wish to pay the convenience and credit card fees to apply for a license online.

Recommendations

Legislature

The Legislature should amend state law to clarify that licensing authorities can increase fees for CCW applications, renewals, and modifications above \$100, \$25, and \$10, the respective maximum amounts specified in state law, provided that the fee for an initial application does not exceed the authorities' actual costs and that the rate of increase for any of the fees does not exceed that of the CCPI.

Departments

To ensure that it is only charging fees that state law allows, Los Angeles should immediately cease charging applicants fees in addition to its license processing fee. Los Angeles should reimburse applicants who paid the unallowable fees. Further, if Los Angeles believes its license fee does not recover its entire cost of processing an initial application, it should complete a cost study and, if appropriate, revise its fee according to the results of that study and the maximum allowed fees under state law.

To ensure that it is maximizing allowable revenue from the CCW program and reducing its program deficits, Sacramento should perform a cost study of its initial application processing and, on

completion of the study, immediately increase its CCW license fees and begin charging the maximum amounts allowable under state law.

To ensure that it maximizes allowable revenue from its CCW program, San Diego should immediately pursue increasing its initial, renewal, and amendment fees to the maximum amounts allowable under state law.

We conducted this audit under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives specified in the Scope and Methodology section of the report. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

Date: December 14, 2017

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For questions regarding the contents of this report, please contact Margarita Fernández, Chief of Public Affairs, at 916.445.0255.

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OFFICE OF THE SHERIFF

COUNTY OF LOS ANGELES

HALL OF JUSTICE

JIM McDONNELL, SHERIFF



December 1, 2017

Elaine M. Howle, CPA*
California State Auditor
621 Capitol Mall
Sacramento, California 95814

Dear Ms. Howle:

**RESPONSE TO THE CALIFORNIA STATE AUDITOR REPORT – CONCEALED
WEAPON LICENSES WITHIN THE LOS ANGELES COUNTY SHERIFF'S
DEPARTMENT**

Attached is the Los Angeles County Sheriff's Department's (Department) response to the California State Auditor's (State Auditor) report entitled, "Concealed Weapon Licenses." ①

We initially note that the report did not find LASD to have issued any license in violation of State law.

It is unfortunate the Department's concerns are being addressed at this late stage of the audit process in response to the final draft report. The auditors presented written findings, without supporting evidence and solicited immediate validation responses from personnel without reasonable time to evaluate the information and prepare a comprehensive response. This type of interactive process would have allowed us to ask substantive questions and provide auditors with more evidence to validate the findings and confirm compliance with applicable laws. Unfortunately, during what appeared to have been an exit conference, the auditors did not ensure the Department understood the audit's purpose, methodologies, and/or results. This was a missed opportunity for the auditors to educate the Department regarding the audit process. The audit process and the manner in which it was documented are disappointing. We have since been sent a draft audit report and been given only five days to submit a detailed response. The chance to respond to the audit is appreciated, however more time to clarify objective compliance with the auditors would have been productive. ②

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* California State Auditor's comments begin on page 61.

Ms. Howle

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December 1, 2017

We acknowledge that the audit identified some weaknesses in our processes and corrective action has been undertaken as identified in attachment "A." Specifically, we have created a checklist that will be completed before any license is issued, verifying that the file contains all necessary documentation of good moral character, good cause, residency and training. We have also revised our fees and begun the process of identifying individuals entitled to a refund. We are further initiating a cost study to determine the actual costs of issuing licenses, as the report correctly points out that our actual costs are likely significantly higher than the fees currently charged.

- ③ We strongly disagree, however, that our CCW program is "marked by a consistent failure" to follow our policies. The report misinterprets our policy. The LASD policy simply requires that the applicant provide "convincing evidence" of good cause. Contrary to the assertion contained in the report, that does not necessarily require the "collection of documentation." In some cases, we may exercise our discretion to ask an applicant for additional documentation. In other instances, the declaration provided in the application itself can serve as documentation of good cause. We do agree that the application must contain satisfactory written evidence of good cause. That determination is based on an exercise of discretion by the individual making the decision at the time.
- ④ Auditors utilized testimonial evidence from staff that may have been taken out of context. The staff interviewed were not the same staff who held the responsibility of processing CCW applications during the audit time period. Subsequently, their testimony was conjecture as to what may have occurred during the audit time period. When it was stated that applicants from the law enforcement community met the requirements for good cause, the report implied the Department did not follow its own policy of requiring applicants from the law enforcement community to demonstrate good cause.
- ⑤ We also disagree with the suggestion in the report that licenses are unduly granted to persons involved in the criminal justice system, or that the LASD treats applicants inequitably based solely on their occupation. A decision to grant a license is not made solely due to a specific occupation, but consideration is given to the specific circumstances attendant to the individual's occupation. Not surprisingly, a large number of applicants for CCWs are current or former members of the law enforcement/criminal justice communities. The law itself acknowledges this, in that there are specific provisions made for licenses issued to judicial officers and former peace officers.

Ms. Howle

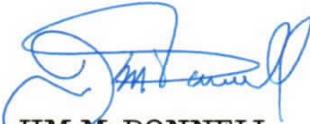
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December 1, 2017

In sum, although past practices may have been consistent with the law, it may be fair to say that some documentation to support compliance with policies should have been better. In the spirit of continuous improvement, we are committed to implementing the recommendations as noted in the attachment.

Should you have any questions, please feel free to contact Captain Steven Gross, Audit and Accountability Bureau, at (323) 307-8302.

Sincerely,



JIM McDONNELL
SHERIFF

RESPONSE TO THE CALIFORNIA STATE AUDITOR
Attachment "A"

COUNTY OF LOS ANGELES – SHERIFF

SUBJECT: CONCEALED WEAPON LICENSES WITHIN THE LOS ANGELES
COUNTY SHERIFF'S DEPARTMENTRESPONSE TO RECOMMENDATIONS BY THE CALIFORNIA STATE AUDITOR
(STATE AUDITOR)

1. To ensure that the Los Angeles Sheriff's Department's (Los Angeles) Concealed Carry Weapon (CCW) licensing decisions align with its CCW policy, Los Angeles should only issue licenses to applicants after collecting documentation of specific personal threats against the applicants so as to satisfy its definition of good cause. If Los Angeles believes that its public licensing policy does not include all acceptable good causes for a CCW license, then by March 2018, it should revise that policy and publish the new policy on its website. It should then immediately begin processing applications according to that revised policy.

⑥

Response: **Do not concur.** The Los Angeles County Sheriff's Department has been issuing CCWs consistent with its policies, procedures, and State law. Although the audit concluded the Department was not adhering to policy, this conclusion was based on inadequate documentation rather than evidence of policy violation. Our policies are currently aligned with State law and further defined whereas State law is broad. CCWs have been issued consistent with good cause although, we concur that documentation and retention thereof could be improved. We do not see a need to revise policy based on this audit, however, we recognize a potential need to clarify State law for consistent application throughout its counties.

2. To ensure that Los Angeles only issues licenses to individuals after receiving evidence of residency, firearms training, and good moral character that aligns with its policy, Los Angeles should only issue licenses after verifying that it has received this evidence. To avoid overlooking required evidence, Los Angeles should create procedures, by March 2018, for its staff to follow to ensure that each CCW file contains the evidence its policy requires before issuing the license.

⑥

Response: **Concur in part.** The Department has been issuing CCWs only after applicants have demonstrated good moral character, good cause exists, and residency of the County and firearms training. We agree to improve our process of documenting when an applicant demonstrates they have fulfilled the legal requirements necessary to obtain a CCW. We have therefore developed and implemented a checklist that will be completed before any license is issued, verifying that the file contains all necessary documentation of good moral character, good cause, residency, and training.

3. To ensure that Los Angeles is only charging fees that State law allows, Los Angeles should immediately cease charging applicants fees in addition to its license processing fee. Los Angeles should also reimburse applicants that paid these unallowable fees.

Response: **Concur.** As mentioned in the audit, the Department has stopped charging the additional fees and has consulted with the county's Auditor-Controller to implement a plan to reimburse individuals entitled to a refund.

⑦

4. If Los Angeles believes its license fee does not recover its entire cost of processing an initial application, it should complete a cost study and, if appropriate, revise its fee according to the results of that study and the maximum allowed fees under State law.

Response: **Concur.** The Department requested a cost study and will assess the results and, if appropriate, will revise the associated fees. The Department will also take into consideration of California Penal Code Section 26170(3)(b), which allows for the waiver of fees for Peace Officer as defined by Section 830.6.

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Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

To provide clarity and perspective, we are commenting on Los Angeles's response to the audit. The numbers below correspond to the numbers we have placed in the margin of its response.

The copy of our report that we provided to Los Angeles for its response was redacted to include only information related to our review of Los Angeles. The department's response incorrectly refers to a general description of the report's subject matter as the title of the report.

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Los Angeles has greatly mischaracterized our audit process, and its response ignores the multiple conversations we had with its staff throughout the audit to discuss our findings and recommendations. During our entrance conference, we discussed the audit's scope, purpose, and the audit standards we would be following with Los Angeles's staff. During our audit, the audit team was on-site in Los Angeles on multiple occasions gathering evidence, interviewing staff, and obtaining the department's perspective on the issues we identified. During our exit conference, we again explained the audit process and shared draft report text with the department. At that exit conference, we stressed the importance of continued communication about any concerns that Los Angeles may have about the planned report text. Accordingly, we continued to discuss the draft report with Los Angeles after our exit conference. We contacted Los Angeles multiple times during its five-day review period to ask if it had any concerns about the report text, and it did not communicate any concerns about the accuracy of our conclusions. Finally, our report includes direct perspective from Los Angeles about our conclusions, including in cases where Los Angeles had expressed disagreement, such as on page 21. Los Angeles's response implies that it had an inadequate amount of time to provide perspective on our audit findings, but this is simply untrue.

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Based on the number of exceptions to Los Angeles's policies we identified during our review, which are highlighted in Figure 1 on page 17, we stand by our conclusion that its CCW program is marked by a consistent failure to follow its policies. Further, we disagree that we are misinterpreting Los Angeles's policy. We reviewed the department's policy and describe its good cause requirement on pages 15 and 16 of our report. To establish how Los Angeles applies its policy, we discussed the policy with its CCW manager and on page 18, we report that she informed us Los Angeles expects individuals to turn in documentation

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such as restraining orders or police reports, to demonstrate that direct, recent threats exist against them. On that same page, we state that Los Angeles issued 14 of the 25 licenses we reviewed without obtaining documentation that supported the applicants' written statements identifying specific, personal threats. On page 19, we discuss how we found Los Angeles was inconsistent in how it treated applicants who did not submit documentation to support their claimed good cause. Specifically, Los Angeles denied licenses to applicants who described personal threats without providing supporting documentation but granted licenses to others who submitted similar good cause statements. On that same page, we also describe that 10 of the 25 issued licenses we reviewed were issued to applicants that did not even assert that they faced a specific, personal threat. As we explain on page 21, these applications sometimes contained little more than a desire for self-protection that expressed knowledge that other individuals had been threatened or that described the applicants' professional duties. Therefore, we stand by our conclusion that the department failed to follow its policy related to good cause.

- ④ Our report appropriately presents the perspective of Los Angeles's staff. We acknowledge on page 23 that the department's CCW manager has been in her position since June 2017, and on page 25 we report that the lieutenant who is responsible for reviewing CCW applications felt it was inappropriate to speculate about the decision-making process as it related to an application processed before he joined the CCW program. Further, Los Angeles's response appears to refer to a statement made by its lieutenant on pages 20 and 21 of our report, where the lieutenant states that applicants from the law enforcement community met the good cause requirement because of the nature of their jobs. As we explain on page 21, this is a direct contradiction of Los Angeles's written CCW policy, which states that "no position of job classification in itself shall constitute good cause for the issuance, or for the denial, of a CCW license."
- ⑤ Our report does not conclude that any of the licenses Los Angeles issued were granted unduly to individuals who are involved in the criminal justice system. Our report concludes that most licenses we reviewed were not issued in accordance with Los Angeles's public CCW policy, as we describe beginning on page 18. The totality of our review makes it clear that Los Angeles accepted as "convincing evidence" different levels of support for an applicant's good cause based on the individual's occupation. This treatment of applicants is inequitable under Los Angeles's current policy, which does not state that it will review applications in this way and, as discussed on page 21, specifically explains that an applicant's occupation will not in itself constitute good cause. It is disappointing to see that, in its response on page 58, Los Angeles refuses to implement our recommendation related to this issue. That recommendation

acknowledges that Los Angeles may need to revise its CCW policy to include all good causes for a CCW license. Doing so would increase the transparency of how Los Angeles makes CCW licensing decisions. As our report concludes on page 22, without such a policy, Los Angeles is unable to fully support its practice of determining that some applicants have good cause simply because of their occupations while denying licenses to other individuals who submit otherwise similar applications.

Los Angeles incorrectly asserts that it has issued CCW licenses in accordance with its policies. Figure 1, on page 17, summarizes the exceptions to Los Angeles's policies and standards that we found in the 25 issued licenses we reviewed. On page 23, we describe how the department could not demonstrate that it followed its policy related to residency for any of the 25 licenses we reviewed. In Comment 3, beginning on page 61, we note the areas of our report that explain Los Angeles's failure to follow its good cause policy in 24 of the 25 licenses we reviewed. Further, we describe on page 24 that five of the files we reviewed did not contain proof of completed training and that for three files we reviewed the department could not demonstrate that it had followed its practices related to good moral character.

We include on page 47 perspective obtained during our audit from Los Angeles's chief legal advisor that the department would stop charging additional fees. However, when we followed up in October 2017 to determine if the department had stopped charging these fees, it was unable to demonstrate that it had. Therefore, we look forward to reviewing documentation to verify that Los Angeles has stopped charging unallowable fees when we review its next response to this recommendation, which is scheduled to be submitted to us 60 days after the issuance of our report.

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SACRAMENTO COUNTY



SHERIFF'S DEPARTMENT

Scott R. Jones
Sheriff

December 5, 2017

Elaine M. Howle, CPA*
State Auditor
California State Auditor's Office

Re: Audit of Sacramento County Sheriff's Department's CCW permit process

Dear Ms. Howle,

The following serves as my response to the preliminary draft of the audit:

Preliminary Comments

It is worthwhile to chronicle how this audit came to be, to provide both context and illustration to the process and its findings. In the 2016 legislative session, Assemblymember Kevin McCarty, who is a former Sacramento City Councilmember, introduced two bills to modify existing CCW permit laws. Both of the bills would have made it more difficult and burdensome statewide to obtain a CCW permit. The Assemblyman is fundamentally and philosophically opposed to CCW permits. Both bills failed by October 2016, and in one of the bills' veto message Governor Brown correctly pointed out, "This bill was spurred by a local dispute in one county. I am unaware of a larger problem that merits a statewide change at this point."

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Undeterred, Assemblymember McCarty threatened on social media on December 21st, 2016, to use the legislative audit function to intervene in my and others' CCW permit processes because of his legislative failures. This audit is a consummation of that threat.

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Despite the questionable circumstances under which this audit was conceived, our team was accessible, assistive, and fully cooperative with the audit team, and I would be remiss if I didn't express how proud I am of my personnel for their facilitation of this audit.

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Audit Findings

This audit chronicled a number of criticisms, which I will address below, but it is also salient to note what the auditors did NOT find. **They could not find that any permit was issued improperly or contrary to law.** In fact, the auditors stated, "[W]e found no evidence that it did not comply with state law."

* California State Auditor's comments begin on page 69.

- Further, **they could not find that any permit was revoked improperly, or that the revocation itself was evidence that the permit should not have previously been issued.** They state specifically, “[W]e cannot conclude that the prohibiting event is evidence that the individual was incorrectly granted a CCW license at the time of application.” To the number of revocations in the Sheriff’s Department, they correctly identified closer and more effective monitoring as the rationale. “Accordingly, we conclude that the number of revoked licenses could actually be higher because a licensing authority was more active in monitoring its license holders and revoking licenses even when such a revocation was not strictly required by law.”
- ②
- ③ Finally, **the audit concluded the subsidy required to fulfill our legal obligations in processing CCW permits, “has a negligible impact on the county budget,” the Sheriff’s Department has never asked the County for additional funds to cover the deficit, and in fact the Sheriff’s Department has given more money back to the county each year, by coming in under budget, than the CCW program deficit.**

In all, the audit in my estimation confirmed both the propriety and integrity of the Sheriff’s Department’s CCW process.

The audit was critical of various facets of the process, however. Although the audit team was provided with over 11,000 CCW records, most of their critical findings come from a “random” selection of 25 files. I will address each of these concerns in turn.

Audit Criticisms and Recommendations

1. The Sheriff’s Department has inadequate written policies in place to ensure consistency and compliance in the CCW application process.

- ④ The audit team seemed frustrated by inadequate documentation in some application files relative to residency and background checks. While I can certainly appreciate that it would be much easier for an outside group completely unfamiliar with the process to view files which are identical and nicely indexed, it by no means indicates that the residency and backgrounds weren’t adequately established in every single case. Policies, whether verbal or written, are meant to be guidelines and certainly cannot apply in every circumstance. Fundamental to the provision of governmental services of any kind is for employees to go out of their way to be assistive. While it is important to establish on our website what forms of residency we accept, to try and establish a baseline expectation, it is equally critical that we be flexible enough to use the considerable resources at our disposal to assist in that endeavor if and when necessary. This may result in a lack of a particular document for the file, but in no way indicates that the applicants’ residence was not adequately and properly verified. The same is true of differing documentation relative to background checks. That documentation does in fact exist in every case, but often not neatly packaged in the CCW file. Our processes are designed to be effective and efficient—as all governmental services should be—without regard to the speculative and potential ease of a future audit. Although the audit team would have liked to see more of these policies reduced to written form, the fact remains that we DO have policies covering almost every facet of the CCW permit process.

That being said, we are currently examining the feasibility of the following:

- a. Establishing a file “checklist” to both ensure and document that each requisite of an application has been met,
- b. Examining which additional, if any, policies should be reduced to writing from their current non-written form, and
- c. Examining a potential different staffing model that allows for more consistency and longevity in the CCW unit.

2. The Sheriff’s Department does not notify DOJ in every case when it revokes a CCW.

This was a requirement that was historically inconsistently applied, but has been remedied when brought to our attention by the audit team.

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3. The Sheriff’s Department’s reason for an applicant’s denial is sometimes inadequate.

There was much discussion during the pendency of the audit—and difference of opinion—on what information is required to be provided to an unsuccessful applicant as to the reason for the denial. While our denial reason is more general and the audit team wanted it to be more specific, we are in the process of conducting legal research and examining state-wide best practices relative to this issue.

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4. The Sheriff’s Department does not inform applicants that it can “opt out” of the \$4 online processing charge.

The Sheriff’s Department transitioned early this year to a more efficient, more cost effective online vendor for many of the CCW processes. The third-party vendor charges applicants \$4 to use this system. Although we can and would process applications in the old manner and not have the applicant suffer the \$4 charge, nobody has ever asked. In the overall financial and time burden to obtain a CCW permit, a \$4 charge seems trivial.

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Nonetheless, we have placed some clarifying language on the website on how applicants can opt out of the \$4 fee and submit their application in the traditional manner, if they so choose. We still have had no such requests.

5. The Sheriff’s Department does not charge the maximum allowed by statute for applications and renewals.

Putting aside for a moment the fact that a state auditor should neither care nor have any influence over what a County Sheriff’s Department charges for any of its services, there exists in the current law confusing statutes relative to what can be charged for these services. Although the audit team disagrees with my analysis of the statute and asserts that I could have raised the application fees each year, as a member of the California State Bar, my legal analysis is different.

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Penal Code section 26190 establishes the fees allowable for CCW application and renewal. Specifically, section 26190(b)(1) states in part, “the licensing authority may charge an additional fee in the amount equal to the actual costs for processing the application for a new license, ..., but in no case to exceed \$100... (emphasis added)” Other sections detail the fees allowable for renewals and modifications at \$25 and \$10 respectively. There is one important distinction, however, between ALL of the other fees and the fee for the application; in all of the other fees the

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- ⑨ language used is that the amount “shall not exceed” the listed amount. In the application fee, however, it mandates that “in no case” shall it exceed \$100. While the legislature could have made that particular section consistent with ALL the other sections, it did not. In the rules of statutory interpretation I am left to believe that particular language was intentionally chosen, and it must be given plain meaning. While the attorneys on the audit team clearly believe otherwise, I strongly believe that my interpretation of the statute is correct.

However, as indicated in their audit as a recommendation to the legislature, this issue could be easily remedied with some clarifying language added to the statute.

Conclusion

- ① Despite the questionable manner in which this audit was birthed, I think it important to note that the audit team itself was quite professional and non-political. Although we had a rough start relative to each of our expectations of the other, and differences of opinions throughout the process, they remained professional, accessible, and reasonable. Further, despite some of the differences of opinion that this product resulted in, I believe it is a reasonable product of their perspective and I appreciate the team’s efforts throughout this process.

Very Truly Yours,



SCOTT JONES, SHERIFF

Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE SACRAMENTO COUNTY SHERIFF'S DEPARTMENT

To provide clarity and perspective, we are commenting on Sacramento's response to the audit. The numbers below correspond to the numbers we have placed in the margin of its response.

The Sheriff offers his perspective on how this audit originated. It is important to note that the Joint Legislative Audit Committee, which is a bipartisan committee of the Legislature, reviewed and approved the request for this audit through its regular process for approving audits at a public hearing. This committee is composed of members from the Assembly and Senate and directed our office to audit the CCW licensing processes within three counties—not just Sacramento.

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Sacramento misrepresents our discussion of locally initiated revocations. On page 37, we discuss how the number of revoked licenses is not sufficient on its own to determine that the issuance criteria in state law need to be clarified. As support for our conclusion, we present on that page a discussion of locally initiated revocations as a possible explanation for why a licensing authority may have a higher number of revocations. Although we use Sacramento's revocation of license holders for DUI arrests as an example, we do not conclude, as Sacramento's response suggests, that Sacramento's revocation rate is higher due to what it states is its own closer and more effective monitoring.

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Sacramento's response implies that our audit includes several conclusions about its CCW program and overall departmental fiscal condition, not all of which we actually conclude in our report. We state on page 45 that Sacramento's CCW program likely has a negligible impact on the county budget. Our report does not state that the Sheriff's department has never asked the county for additional funds to cover its program deficit or that the department has given money back to the county every year. Finally, we explain on page 44 that Sacramento was under budget for its general fund expenditures in fiscal year 2016–17 by more than \$9 million, an amount that is larger than its CCW deficit. However, as we note on that same page, by using its resources on its CCW program, the department cannot use them for other purposes.

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Sacramento is dismissive of the value that procedures could have for its CCW staff. As we indicate on page 25, Sacramento does not have formal procedures for staff who process CCW applications to follow. Therefore, our review was based on a comparison

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of a selection of 25 CCW license files to the criteria found on the department's website, to internal guidance documents, and to the expectations verbally expressed by the assistant to the sheriff. As discussed on pages 26 and 27, our review identified eight instances in which the department did not document that it adhered to its standards for licensure in the area of residency proof and three instances in which the department did not document that it conducted local background checks to verify an applicant's good moral character. Further, on page 27 we report that in three other instances the department collected training documents that did not align with its expectations for training. These inconsistencies show that Sacramento could benefit from creating formal procedures for the staff who process CCW applications to follow, as we recommend on page 39. Despite the suggestion in Sacramento's response that a lack of procedures is merely frustrating to an outside auditor, it indicates on page 67 that it is considering changes such as a file checklist and formalizing its unwritten policies.

- ⑤ We look forward to reviewing whether Sacramento has improved its reporting of revocations of licenses to Justice when we review the documentation accompanying its next response, which we expect the department to submit to us 60 days after the issuance of our report.
- ⑥ Sacramento characterizes our finding related to its denial letters as being based on a preference, which is not true. On page 34, we describe changes Sacramento made during our audit to the level of information it provides denied applicants. We describe how Sacramento made those changes after realizing that the level of detail in the denial letters it had sent during our audit period did not provide the information required by state law. However, on the same page, we explain that most of the letters we reviewed that Sacramento sent to denied applicants after its change in practice still fell short of state law's requirement because they did not indicate which requirement the applicant failed to meet to obtain a CCW license, such as good cause. As we explain on page 35, the plain language of the law requires licensing authorities to provide the requirement that an applicant did not meet. Therefore, as we explain on that same page, although Sacramento has taken some steps toward resolving the deficiencies in its denial letters, it has not yet ensured that it always complies with state law.
- ⑦ Despite Sacramento's perspective that the \$4 convenience fee is a trivial amount when considering the overall financial and time burden to obtain a CCW license, state law prohibits licensing authorities from imposing any condition that requires applicants to pay any additional fees as a condition of the application for a license, as we explain on page 51. Beginning on that same page, we explain how, during our audit fieldwork, Sacramento had not

informed applicants that they could avoid the additional fee by applying through some means other than its online application system. As Sacramento acknowledges in its response and as we describe on page 52, the department now informs applicants on its website that they can apply at a department office, making both options for applying clear to applicants.

Sacramento appears to suggest that it was inappropriate for our audit to examine the fees it charges for CCW licenses. However, as we describe in Table 2 on page 9 under Audit Objective 5, the fees the department charges, as well as the related areas of program surpluses or deficits and the fiscal effect of the CCW program on the county budget, were all included in the scope of the audit that the Joint Legislative Audit Committee directed us to perform. Accordingly, we examined the fees Sacramento charges for CCW licenses and compared those fees to the criteria in state law, the analysis of which we describe beginning on page 47. In doing so, we determined that state law allows licensing authorities to charge more for CCW license activities, such as initial licenses and renewed licenses, than Sacramento was charging. We also found, as we show in Table 6 on page 44, that Sacramento's CCW program operated at a deficit in each year of our audit period. As we observe on that page, by using other county resources to cover its program deficits, Sacramento cannot use those resources for other purposes. Together, this information led us to recommend, beginning on page 52, that Sacramento should perform a cost study and upon completion of the study raise its fees to the maximum extent the law allows. Such a recommendation is well within the purview of our office.

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Sacramento explains that it disagrees with our conclusions about the allowable maximum fees, a disagreement that we already acknowledge on pages 49 and 50. However, we state on page 49 that licensing authorities vary in their interpretations of the state law that limits the maximum processing fee for initial and renewal applications and amendments to CCW licenses. Accordingly, we have recommended on page 52 that the Legislature amend the law to clarify that licensing authorities can increase fees for CCW applications, renewals, and amendments above the maximum amounts in state law, subject to the conditions the law outlines.

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San Diego County Sheriff's Department

Post Office Box 939062 • San Diego, California 92193-9062

William D. Gore, Sheriff



December 1, 2017

Ms. Elaine M. Howle*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, California 95814

State Auditor Howle:

This letter is in response to your draft audit report on Concealed Weapon Licenses. In March of this year, the Joint Legislative Audit Committee directed you to look at three California licensing agencies, and 1) identify the number of CCW licenses issued, modified, denied, and revoked by year, 2) identify fiscal information about concealed-carry programs across the three licensing agencies, 3) identify whether those agencies were consistently following existing laws and enforcing department processes, and 4) identify whether the statutory "good cause" requirement needs clarifying.

The draft report appears to make several statements that are not supported by citation to data collected by the auditor that would provide context for the reader of the report. For example, on page one of the report you state that "[w]e found that San Diego did not always comply with its policies and procedures when it issued ... some licenses." However, the text of your draft report fails to clearly identify what, if any, policies and procedures were violated when licenses were supposedly issued without following department policy. The draft report also fails to help the reader to understand how many licenses you are saying that you found to have been issued that failed to comply with department policy and procedure. ①

Another example of a lack of clarity in the statements contained within the draft report is the statement that "San Diego's renewal process has weaknesses that have led it to renew some licenses inappropriately." The term inappropriately does not inform the reader as to whether you are alleging that a department policy was not followed, or whether you are alleging that the renewal of a particular CCW license did not comply with California law. This is an important distinction, because a failure to comply with department policy doesn't necessarily mean that the renewal applicant didn't qualify for renewal under state law. As you are no doubt aware, California law simply says that a Sheriff may issue a license to a person upon proof of all of the following: that the person is of good moral character, that good cause exists for issuance of the license, that the applicant is a resident of the jurisdiction, and that the applicant has completed a course of training. California law fails, however, to provide guidance on what type of, and how much, proof is necessary to meet these requirements. As a result, issuing agencies all across the state have had to try and interpret the legislative intent behind California's requirements. ②

Keeping the Peace Since 1850

* California State Auditor's comments begin on page 79.

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1. Identification of the number of CCW licenses issued, modified, denied, and revoked by year.

③ The Department does not take issue with the number of licenses identified in Table 4, as being issued, denied, renewed, revoked, and suspended during the three-year period identified by the audit. However, the methodology portion of the draft report states that you were unable to determine the number of amended CCW licenses for the Department, “because the information was not tracked reliably in its database.” This statement may be interpreted by the reader to mean that the Department has failed to properly keep records, when in fact the Department maintains individual files that contain all of the records required to be maintained pursuant to Penal Code §26225(a), including the amendment of a license or the denial of an amendment to a license. Further, the Department complies with Penal Code §26225(b) by immediately filing the amendment of a license or denial of an amendment to a license with the Department of Justice. Finally, although the Licensing Database does not track all of the information sought by the auditors, some of the information sought is maintained in an Excel spreadsheet by the licensing bureau.

2. Identify fiscal information about the concealed-carry program.

④ As the draft report indicates, a cost study estimate completed in fiscal year 2011-12 concluded that the cost to process an initial application was \$2,700. The Department charges a fee of \$63 for an initial license application and about \$21 for an application to renew. The San Diego County Sheriff’s Department recognizes and agrees that its CCW licensing program does not operate as a full cost recovery program. There are legitimate reasons for keeping the fees for issuance of a CCW license low. The job of the Sheriff is to ensure the safety of the public. Those applicants who receive a CCW license have provided proof of good cause for needing to carry a concealed weapon. More specifically, they have set forth a set of circumstances which cause them to be placed in harm’s way, and that distinguishes them from other members of the general public. It would be counterintuitive, and not good policy, to place a high fee that would deter someone who otherwise qualifies from applying for a CCW license, especially when they have a genuine necessity to obtain one.

④ It should also be noted that the draft report once again makes a statement that is not supported by citation to data collected by the auditor when it states “[w]e assumed that increased fees would not affect the number of applicants who applied for an initial or renewal license...” There is no basis in fact or data cited in the draft report to support this assumption. On the contrary, common sense tells us that when costs go up some people can’t afford items that they need, or simply choose to forgo them. A rise in the cost of CCW licenses would, more likely than not, have this effect.

3. Identify whether the agency is consistently following existing laws and enforcing department processes.

a. State law

As it relates to the issuance of CCW licenses, the Department agrees with the draft report that its “policy is permissible under the broad discretion given by state law.”

As it relates to the revocation of CCW licenses when a person becomes a prohibited person, the draft report states that the department did not follow the law in all cases. Specifically, the draft report identified two cases where the Department of Justice notified the department of two prohibited persons. Those persons had already

Elaine M. Howle
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voluntarily surrendered their CCW licenses prior to the Department of Justice notification. According to the draft report, the auditor believes that California law requires a licensing agency to revoke a license and notify the Department of Justice, even though the license holder is no longer in possession of the license and has voluntarily surrendered it to the licensing agency. The issue revolves around whether or not state law requires a licensing authority to revoke a license, and make the necessary notifications, if a prohibited person has already surrendered his license prior to the Department of Justice notifying the licensing agency of his prohibited person status. State law addresses revocations, however, it is silent on the issue of surrendered licenses. As a result, the department has not revoked or reported surrendered or suspended licenses. The Department has gotten inconsistent responses from the Department of Justice as recently as November 8, 2017, as to whether or not it is obligated to revoke and report surrendered or suspended licenses. In preparation for this letter, the auditors informed the department that the director of the Bureau of Firearms would like to be notified of surrenders and suspensions of CCW licenses. The department has agreed to make those notifications, despite the fact that they are not specifically required in the Penal Code.

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b. Department processes

The draft report contains statements that don't accurately portray the department's policies when it discusses good moral character and good cause. The draft report indicates that the department does not issue CCW licenses to individuals "who have had numerous negative contacts with law enforcement." This is not accurate. While it is true that department policy states that "CCW licenses are not granted under good moral character for anyone under any form of probation," the policy does not state that numerous negative contacts with law enforcement, in and of itself, is disqualifying. Rather the policy lists several items that are considered in the determination of good moral character, including arrests, convictions, and citations, none of which are necessarily a de-facto preclusion to obtaining a CCW license.

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As it relates to good moral character, a review of the data for Figure 1, indicates that the auditors review of 25 CCW licenses found that the department adhered to its policy, procedures, and stated practices as it pertained to the good moral character requirement for the issuance of both initial licenses and renewed licenses.

The draft report also states that the department "does not consider an applicant's stated desire to obtain a license for self-defense sufficient cause." As stated above, California law requires proof that good cause exists for the issuance of a CCW license. The department does not believe that an applicant who simply states that they desire a CCW license for self-defense, without more, has provided the requisite proof that good cause exists to obtain a CCW license under California law. However, an applicant who needs a CCW for self-defense, and who provides the requisite proof that good cause exists, can obtain a CCW for self-defense.

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As it relates to California's residency requirement, the department requires an applicant to be a resident of the county or a city within the county, or the applicant's principal place of employment or business has to be in the county or a city within the county and the applicant must spend a substantial period of time in that place of employment or business. As with each of the CCW license requirements, proof must be provided. The department doesn't specify exactly what proof is required, as residency can be proven using a myriad of items, but it does require two documents to establish residency. In the department's documentation checklist, it

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states that “[d]ocuments must have the applicant’s name, such as monthly utility bills, receipts, etc. dated within 30 days of the 2nd interview.” However, the department’s CCW Policy and Procedure Outline, does not include the 30-day requirement for monthly bills and receipts, but rather simply provides examples that include “unpaid utility bills that lists applicant’s name and residence address, lease agreements, property tax statements.”

The draft report identified 11 files that were reviewed where at least one of the two proofs of residency was beyond the 30-day requirement set forth in the Department’s document checklist. According to the draft report, the documents were from two to 64 days past the 30-day limit. A review of the individual files indicated licensing clerks accepted monthly residency documentation if the bill due date was within the prescribed 30 day time period, as opposed to the cycle date of the actual bill. The goal of the documentation requirement for residency is to ensure that the applicant is a resident of the licensing agency’s jurisdiction. While the audit report does not indicate that any of the issued or renewed applications were incorrectly issued to applicants who did not qualify under state law, the department recognizes the differences in the CCW Policy and Procedure Outline and Documentation Checklist, as well as the need for clarity and training on the 30 day limit. As a result, the department will review both documents and make sure that they accomplish the department’s stated goal of ensuring compliance with the State’s residency requirements for the issuance of a CCW license. Once completed, further training will be provided to the licensing clerks.

8 As it relates to good cause, the draft report states that "San Diego could benefit from evaluating its current expectations for good cause documentation and setting standards for the type of documents that is sufficient to satisfy its requirement." However, the draft report fails to provide any examples of the types and amounts of documents that could be used as a standard. In a meeting with the auditors in preparation for the draft report, they were also unable to provide any specific standards that could be used given that the burden of proving good cause is on the applicant, and the determination of whether the requirement is met is made on an individualized case by case basis. That said, the department has recently updated its website to indicate the types of situations which, upon proof, might establish good cause. Licensing staff have already been trained on the department's goal of ensuring that those persons who present proof of good cause, and meet all other qualifications, be issued a CCW if they so request. It should be noted, however, that a review of the underlying data for Figure 1, indicates that the auditors review of 25 CCW licenses found that the department adhered to its policy, procedures, and stated practices as it pertained to the good cause requirement for the issuance of initial licenses, and only found one deviation from policy and procedure as it relates to a renewed license. While the renewal application should have contained a good cause statement, the applicant operated an established business for which he was issued a CCW license since 2009. The license was based on business purposes and was still in operation at the time of renewal in 2015. The department has provided additional training to the licensing clerk to ensure that the necessary information is completed on all renewals.

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10 As it relates to training, a review of the underlying data for Figure 1, indicates that the auditor's review of 25 CCW licenses found that the department adhered to its policy, procedures, and stated practices as it pertained to the training requirement for the issuance of all initial licenses except for a member of the Coast Guard. Penal Code §26165 provides that "the course of training may be any course acceptable to the licensing authority, and shall not exceed 16 hours, and shall include instruction on at least firearm safety and the law regarding the permissible use of a firearm." At the time of issuance, the department reviewed the Coast Guard member's

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military training, weapons qualification, and competency report, and made a determination that the Coast Guard members training not only met, but exceeded the departments training requirements for the issuance of a CCW license. The other file that was alleged to have been found to demonstrate that the department did not adhere to its policy and procedures related to training, indicated in Figure 1, was for the renewal of a CCW license on July 14, 2015. After review of the actual file the department located a training safety certificate issued on May 16, 2015 for the renewal applicant.

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4. Identify whether the statutory “good cause” requirement needs clarifying.

It is clear that the statutory good cause requirement sets forth a requirement without defining its parameters. The legislature's failure to define good cause has subjected licensing agencies up and down the state to litigation. From the public's perspective, the failure to define good cause has led to unequal and arbitrary treatment by those licensing agencies who are attempting to comply with the good cause requirement.

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The requirements for obtaining a CCW license are set forth by the state legislature, including that licenses and applications are required to be uniform throughout the state, and the Department of Justice is in integral part of the process for the issuance of a CCW license. While the state has clearly occupied the field of CCW licensing prescribing everything from the proof that is required to obtain a license, to the applications that must be completed, to the fees can be charged, the department appreciates the auditor's analysis of the varying standards used throughout the state. The department agrees with the auditors that local jurisdictions are in the best position to determine what is best for their communities when it comes to issuing CCW licenses.

Recommendations:

The draft report recommends that licensing staff establish a routine supervisory review of a selection of renewed licenses. The department agrees with this recommendation and will establish a policy requiring the routine supervisory review of random renewed licenses, effective immediately.

The draft report recommends that the department develop guidance and train its staff on what good cause documentation staff should request from applicants. The department agrees with this recommendation and has recently updated its website and training to reflect its goal of ensuring that those persons who present proof of good cause, and meet all other qualifications, be issued a CCW if they so request.

The draft report recommends that the department should train its staff regarding the expected documents for residency and training. The department agrees with this recommendation, and based on the results of the audit, will be clarifying the documents expected for residency and providing updated training to its staff.

The draft report recommends that the department immediately revoke CCW licenses and should then inform Justice that it has revoked licenses whenever license holders become prohibited persons, and should notify Justice when it suspends a license or a license is surrendered. The department agrees with this recommendation and has agreed to notify Justice when a license is suspended or surrendered.

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The draft report recommends that the department immediately pursue increasing its initial, renewal, and amendment fees to the maximum amount allowable under state law. The Department does not agree with this recommendation for the reasons stated above, and as such it will not be implemented.

Conclusion:

The department has reviewed the redacted report and looks forward to reading the entire un-redacted report. The audit process is important and can provide important information for forward looking departments like ours who are constantly looking to improve the quality of the services that we provide. While the department has already begun implementing the recommendations contained within the draft report, we also hope that this response, will help our office make any necessary clarifications in the final un-redacted report.

Sincerely,



William D. Gore, Sheriff

WDG:km

Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE SAN DIEGO COUNTY SHERIFF'S DEPARTMENT

To provide clarity and perspective, we are commenting on San Diego's response to the audit. The numbers below correspond to the numbers we have placed in the margin of its response.

San Diego incorrectly asserts that our report makes unsupported statements. The statement that San Diego highlights appears on page 2 which is within the Summary of our report. Our report clearly communicates on pages 13 through 16 the different policies or procedures that San Diego has established to implement its CCW program. The cases in which we found the department did not follow those policies or procedures are discussed on pages 29 through 32. Therefore, contrary to San Diego's assertion, there is ample context in our report describing the policies and procedures that the department failed to follow when issuing some of the licenses we reviewed. Additionally, Figure 1 on page 17 presents the number of exceptions to the department's policies we found across each of the four key criteria from state law.

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Our report makes clear that the conclusion San Diego inappropriately renewed some licenses is based on a comparison of license files we reviewed to the expectations described in San Diego's policies and procedures. For example, on page 16 we explain that San Diego requires at least two documents, such as a utility bill, lease agreement, or property tax statement, to demonstrate residence. However, as we indicate on page 29, we found the department repeatedly renewed one applicant's license without obtaining any documentation related to his residency. The full discussion of the results of our review of a selection of San Diego's issued licenses appears on pages 29 through 32 and clearly communicates that San Diego did not issue some licenses in accordance with its policies.

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Our report text for Objective 2 on page 8 makes it clear that San Diego did not reliably track license amendments in its database. We do not imply that it failed to keep adequate records of amendments in the individual license files it maintains.

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We report on page 49 San Diego's licensing manager's concern that raising the license fee too high could make obtaining a CCW license too expensive. However, San Diego's response misrepresents the assumption we make in our report regarding the number of applicants who would apply for a license. We also explain on page 49 that we applied the same assumptions about demand for

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licenses in calculating our estimates of additional revenue in both Sacramento and San Diego. We included the assumption about demand to be clear about our methods for calculating the estimated revenue that could be generated from an increased fee. We do not ever conclude that demand would be unaffected if San Diego were to increase its fees. Finally, it is worth noting that state law does not require licensing authorities, such as San Diego, to charge any processing fees.

- ⑤ San Diego largely restates perspective and discussion that we have already included in our report. On page 32, we provide San Diego's licensing manager's explanation that the department did not revoke two licenses that had already been surrendered by the license holders because the department considered those licenses no longer active. As we explain on that page, state law does not speak to whether a license is inactive simply because the license holder is no longer in possession of the license. However, state law does clearly state that licensing authorities must revoke licenses when license holders become prohibited persons. Therefore, we recommend on page 39 that San Diego revoke licenses whenever license holders become prohibited persons. We also recommend that San Diego notify Justice when it suspends a license or a license is surrendered. In its response, San Diego indicates that it agrees with our recommendation.
- ⑥ San Diego is not correct when it states that it has not revoked or reported surrendered or suspended licenses. During our audit, we found that San Diego reported several of the surrendered or suspended licenses we reviewed to Justice, although it did not always consistently report surrenders as we note on page 33.
- ⑦ San Diego inaccurately describes its policy related to good moral character. On page 14, we explain that the department's procedures state the department does not issue CCW licenses to individuals who are under any form of probation or who have had numerous negative contacts with law enforcement. The procedures we refer to are in the department's CCW policy and procedure outline which specifically states, "The long-standing policy of this department is to approve applications unless the applicant...has had numerous negative law enforcement contacts or is on probation of any sort." Further, San Diego indicates that it believes we have misstated its policy with regard to good cause. Specifically, our report explains on page 15 that San Diego does not consider an applicant's stated desire to obtain a license for self-defense sufficient cause. In its response, San Diego does not dispute this is its policy. Therefore, we are unsure what San Diego believes we have misstated about its approach to assessing good cause.

It is unclear to us why San Diego expects us to define for it what good cause documentation it should collect. On page 31, we include the licensing manager's perspective that certain business-related documents are more essential to an applicant proving good cause than others. On that same page, we describe how San Diego at times has requested documentation that it later determined was not necessary for the issuance of a license. Based on our review, we conclude on pages 31 and 32 that San Diego could benefit from evaluating its current expectations for good cause documentation and setting standards for the types of documents that are sufficient to satisfy its requirements. Later in its response, San Diego agrees with our recommendation and indicated it had included examples of good cause documentation on its website.

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San Diego asserts that the renewed license we discuss on page 29 was given for business purposes and that the related business was in operation at the time of the renewal in 2015. It is unclear to us how San Diego would have had this assurance at the time of the renewal in 2015. As we describe on page 29, San Diego renewed this applicant's license without collecting any documentation related to the applicant's good cause, which in this case was related to the applicant's business.

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We explain in detail on page 31 our reasons for concluding that San Diego issued a license to a member of the Coast Guard without verifying that the individual had satisfied San Diego's training requirements. At no point during our discussions with San Diego about this application did the department present us with an analysis that showed it had assessed the applicant's training as exceeding its training requirements, as San Diego indicates in its response. On the contrary, as we explain on page 31, the department argued that the applicant was exempt from the training requirements because of a departmental memo exempting active peace officers. However, as we state on that same page, the applicant does not fall under the exceptions outlined in the department's memo.

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We discuss the renewed license that San Diego refers to in its response on page 29 of our report. We reviewed the application file for the applicant's 2015 renewal and discussed our conclusion that the file lacked training documentation with the licensing manager months before sharing the draft audit report with San Diego for its comment. Despite this fact and again sharing our conclusions about this renewal with San Diego at our exit conference, it was not until its written response to our draft report that it indicated to us that it was in possession of training documents relevant to the 2015 renewal. After receiving San Diego's response, we contacted San Diego and it provided us a copy of the training documents. A supervisor in its licensing division informed us that the certificate

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was in a separate part of the license file and was not attached with the rest of the documentation for the 2015 renewal. Based on this new information, we have modified our report text and Figure 1 to no longer identify this license renewal as an example where San Diego did not follow its policies for firearms training.

- ⑫ The perspective on state law that San Diego provides in its response is markedly different than the perspective the sheriff provided to us during our audit. San Diego's response states that the Legislature has failed to define good cause and that this failure has subjected licensing authorities to litigation. When we spoke with the sheriff to obtain his perspective on the discretion that the law provides to local licensing authorities, he did not express concern about this level of discretion. In fact, as we state on page 36, the sheriff observed that the needs of local jurisdictions vary and agreed that the law provides those jurisdictions the ability to set their CCW policies accordingly. Further, San Diego's own response displays some ambivalence about the clarity of the good cause requirement. On page 77 San Diego simultaneously claims the Legislature has failed to define parameters for good cause and also states that it believes local jurisdictions are in the best position to determine what is best for their communities when it comes to issuing CCW licenses.
- ⑬ As we explain in Comment 4, we have already included in our report San Diego's perspective on why it has not raised CCW fees. Our analysis, described on page 43, concludes that San Diego's CCW program likely operates at a deficit, a conclusion that San Diego appears to agree with in its response on page 74. If implemented, our recommendation to raise fees would align San Diego's CCW revenue with the allowable maximums under state law. As we describe in multiple places in our report, the allowable maximum fees are already subject to restrictions in state law that prohibit them from being any higher than actual costs or growth in the CCPI.