

Department of Mental Health

Waste of State Funds, Misuse of State Resources (Case I2009-0644)

REPORT NUMBER I2011-1, CHAPTER 1, ISSUED AUGUST 2011

The report found that an executive at the Department of Mental Health¹ (Mental Health) wasted at least \$51,244 in state funds in 2009, the one-year period that we examined, by employing a long-time senior official to perform activities that either were undertaken on behalf of a nonstate organization or did not serve a state purpose. In fall 2010 the executive directed the senior official to discontinue using state-compensated time for activities that we found did not benefit the State. Soon thereafter the executive retired from state service, and the senior official began using leave while he awaited new work assignments.

In the report, the California State Auditor (state auditor) made the following recommendations to Mental Health. The state auditor's determination regarding the current status of recommendations is based on Mental Health's response to the state auditor as of June 2011.

Recommendation 1.a—See pages 5—12 of the investigative report for information on the related finding.

To address the waste and misuse of state resources, Mental Health should evaluate the need for the senior official's position.

Mental Health's Action: Fully implemented.

Mental Health reported that in following our recommendations, it reevaluated the necessity of the senior official's position and concluded that the position was unnecessary. Mental Health stated that although a former administration created the position for desirable purposes, it determined that these functions were no longer essential and should not be maintained given current fiscal constraints. The senior official resigned from state service in May 2011 and Mental Health eliminated his position.

Recommendation 1.b—See pages 10 and 11 of the investigative report for information on the related finding.

If Mental Health determines that the senior official's position can provide a benefit to the State, clarify the job duties associated with the position and increase oversight of the position's activities to ensure that the State receives material benefits from the activities.

Mental Health's Action: Fully implemented.

Mental Health eliminated the senior official's position. Thus, it had no need to clarify the job duties and increase oversight for this position.

Recommendation 1.c—See pages 6—12 of the investigative report for information on the related finding.

Mental Health should evaluate the senior official's workdays during the past three years to determine whether the senior official should have charged leave on workdays that he claimed to have worked but actually devoted himself to nonstate activities.

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

Mental Health's Action: Fully implemented.

Mental Health reported that it was unable to evaluate fully the senior official's workdays during the past three years to determine whether the senior official should have charged more leave. Instead, Mental Health stated that it found scant evidence of how the senior official spent his workdays even though it tried to reconstruct his daily work activities. Mental Health thus concluded that compiling the necessary evidence would require extensive work by staff to evaluate daily activities that occurred "long ago." The official resigned from state service in May 2011.

Recommendation 1.d—See pages 7—9 of the investigative report for information on the related finding.

Mental Health should require the senior official to use leave for workdays on which he did not actually perform work for the State or to repay the State the amount of salary he received for those days.

Mental Health's Action: Fully implemented.

Mental Health stated that it is unlikely to recover any portion of the senior official's salary. In addition to its inability to evaluate the senior official's workdays, Mental Health stated that even though it expected a 40-hour workweek from the senior official, more or less than eight hours on individual days was permissible. Further, it stated that it had no documented evidence that the senior official failed to perform many of his duties. Finally, Mental Health indicated that even if it were able to determine the salary amount the senior official earned on workdays he did not actually perform work for the State, it could not seek to recover those costs since he no longer is employed by the State.