



CALIFORNIA STATE AUDITOR

Elaine M. Howle, State Auditor

FACT SHEET

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Report: I2010-2

The California State Auditor released the following report today: **Investigations of Improper Activities by State Employees** *January 2010 Through June 2010*

BACKGROUND

Since July 1993 the State Auditor's Office has identified improper governmental activities totaling roughly \$30.3 million and other improper activities that have had unquantifiable effects in terms of dollars but have had negative social impacts. The California Whistleblower Protection Act (Whistleblower Act) empowers the State Auditor to perform investigations into complaints that state employees have engaged in improper conduct. The Whistleblower Act defines an "improper governmental activity" as any action by a state agency or employee during the performance of official duties that violates any state or federal law or regulation; that is economically wasteful; or that involves gross misconduct, incompetence, or inefficiency.

KEY FINDINGS

From January 1, 2010, through June 30, 2010, the State Auditor's Office:

- Received 2,444 calls or inquiries from the whistleblower hotline, mail, or Web site.
- Opened 420 new cases, reviewed and assigned 186 cases from previous periods, and continued to analyze or investigate 141 other cases.
- Substantiated or jointly substantiated with other state agencies, eight investigations and reported that state employees and agencies engaged in improper activities, including the following:
 - The Department of Corrections and Rehabilitation (Corrections) wasted at least \$366,656 in state funds when it took 35 months to investigate an allegation regarding the competency of a psychiatrist. During this time, the employee continued to receive his full salary, and in fact was granted two merit-based salary increases, and continued to accrue 226 hours (equivalent to \$29,149) of leave paid to him upon his termination.
 - The California Conservation Corps circumvented competitive bidding requirements when it purchased \$64,666 worth of clothing and boots by splitting the purchase into three orders rather than competitively bidding the purchase as required for purchases of goods over \$25,000.
 - Several departments improperly paid employees more than they were entitled to receive:
 - ✓ From June 2006 through August 2009, a supervisor at Kern Valley State Prison allowed an employee to take two-hour breaks. As a result, the State paid the employee \$23,937 for 1,160 hours during which he was not performing his job duties.
 - ✓ The Department of Transportation paid two employees \$2,080 in total for hours that they did not work because they repeatedly left work early to teach classes at a local community college—even though both employees had been previously reprimanded for similar actions.
 - ✓ Corrections compensated an employee \$446 in overtime pay she did not earn.

This report also summarizes corrective actions taken on previously reported cases—state departments must report to the State Auditor's Office any corrective action taken in response to an investigation no later than 60 days after we notify the agency or authority of the improper activity and monthly until corrective action is completed. Since 1993 agencies have taken over 550 corrective actions ranging from suspension without pay to convictions.

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To enable state employees and the public to report suspected improper governmental activities, the bureau maintains a toll-free Whistleblower Hotline: (800) 952-5665 or (866) 293-8729 (TTY). The bureau also accepts reports of improper governmental activities by mail and over the Internet at www.bsa.ca.gov.

