

## Follow-Up—Los Angeles Unified School District

It Has Improved Its Investigations and Reporting of Misconduct Allegations Against District Employees

Report 2015-510

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September 3, 2015

2015-510

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

Dear Governor and Legislative Leaders:

This report presents the results of a follow-up audit of the Los Angeles Unified School District (district) related to recommendations made in 2012 by the California State Auditor (state auditor). In November 2012 the state auditor issued an audit report titled *Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations*, Report 2012-103. The 2012 audit report included recommendations aimed at ensuring the district appropriately reported allegations of misconduct to the Commission on Teacher Credentialing (commission) and increased its oversight of open allegations so that misconduct investigations proceed in a timely manner. In May 2015 the state auditor initiated a follow-up audit to evaluate the status of the three recommendations made to the district in the 2012 audit.

This report concludes that the district has implemented our recommendation to notify the commission of certificated employees accused of misconduct in accordance with state law. Our 2012 audit found that the district often did not properly notify the commission when employees resigned, retired, were dismissed, or otherwise terminated while an allegation of employee misconduct was pending. The results of our follow-up audit found that the district failed to send required notifications to the commission within the time frames outlined in state law, in only three of 92 instances (3 percent) we reviewed. In contrast, our 2012 report found that, in at least 144 out of 429 cases (34 percent), the district failed to notify the commission in a timely manner.

The district is now resolving allegations of misconduct by its employees in a more timely manner. Our previous audit report found that the district did not promptly investigate some allegations in a timely manner and we recommended that the district increase its oversight of open allegations. In response, the district created the Student Safety Investigation Team (investigation team) in its central office to handle all allegations of sexual misconduct. Our review of the district's new policies and procedures and 12 allegations investigated by the investigative unit showed that the district has made improvements in the time it takes to investigate an allegation. The district is now completing its investigations within an average of five months, or 50 percent faster than what we observed during the 2012 audit. We also found that the investigation team complied with the district's policy of completing investigations within 120 working days for the 12 cases we reviewed.

Respectfully submitted,



ELAINE M. HOWLE, CPA  
State Auditor

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## Summary

### Results in Brief

Our follow-up audit found that the Los Angeles Unified School District (district) has fully implemented our previous recommendations related to the reporting, investigation, and settlement of allegations of misconduct by district employees. In November 2012 we issued a report titled *Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations*, Report 2012-103 (2012 audit), in which we reported that the district often failed to properly notify the Commission on Teacher Credentialing (commission) when required to do so, such as in instances when employees resigned or entered into settlement agreements while allegations of misconduct were pending. We recommended that the district adhere to state requirements for reporting cases to the commission. Our follow-up audit found that the district failed to send notifications to the commission when necessary—and within the time frames outlined in state law—in only three of the 92 instances we reviewed. In contrast, our prior report showed that in at least 144 of 429 cases, the district failed to notify the commission in a timely manner. In making this improvement, the district has fully implemented our recommendation to report to the commission, as required.

Our 2012 audit also found that the district did not promptly investigate some allegations in a timely manner, and we recommended that the district increase its oversight of open allegations. In response, the district created the Student Safety Investigation Team (investigation team) in its central office to investigate all allegations of abuse and sexual misconduct and to assist administrators with conducting other types of investigations thoroughly and in a timely manner. Our 2015 review of the district's new policies and procedures and of 12 allegations handled by the investigation team showed that the district has made improvements in the time it takes to investigate an allegation. The district is now completing its investigations within an average of five months, or 50 percent faster than the amount of time that the district took for investigations that we analyzed during the 2012 audit. For the 12 cases we reviewed in 2015, the investigation team complied with the district's policy of completing investigations within 120 working days, or approximately six months.

Finally, the district has designated one division to track settlements entered into with employees, in accordance with our 2012 audit recommendation. Although we initially identified some deficiencies in its settlement-tracking mechanism, however, the district revised its procedures and repaired the flawed data in its system during the course of our fieldwork. Upon further review, the settlement

### Audit Highlights . . .

*Our follow-up audit of the Los Angeles Unified School District (district) revealed that the district implemented our previous recommendations related to the reporting, investigation, and settlement of allegations of misconduct by district employees.*

- » *It properly notified the Commission on Teacher Credentialing when necessary and within the time frames outlined in state law in 89 of the 92 instances we reviewed.*
- » *It made dramatic improvements in the time it takes to investigate an allegation and is now completing its investigations within an average of five months, or 50 percent faster than the amount of time that the district took for investigations that we analyzed during the 2012 audit.*
- » *It revised its procedures and repaired the flawed data in its settlement-tracking mechanism system that we identified during the course of our fieldwork.*

data were reasonably accurate, given their intended purpose, and we believe that the revised procedures should help the district ensure that the data will remain reliable in the future. In general, by fully implementing our recommendations, the district has improved its ability to investigate and report employees alleged to have committed misconduct, and it has also better tracked and monitored settlements with some of those same employees.

### **Agency Comments**

We met with the district's management on July 22, 2015, to discuss our report's conclusions and provided a copy of the draft report on August 6, 2015. Since our report had no findings or recommendations, we did not ask that the district formally respond to the audit. The district did provide some verbal comments that were technical in nature and we considered those comments when preparing this public report.

# Introduction

## Background

The Los Angeles Unified School District (district) is among the largest school districts in the nation, and it is the largest in California, serving the city of Los Angeles and all or part of 31 smaller cities and unincorporated areas of Los Angeles County. As of July 2014 the district employed more than 59,000 people—roughly 27,000 of whom are teachers—to educate more than 600,000 students enrolled in kindergarten through 12<sup>th</sup> grade.

In November 2012 the California State Auditor (state auditor) issued a report titled *Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations*, Report 2012-103 (2012 audit). The 2012 audit noted that the district did not always report to the Commission on Teacher Credentialing (commission) in a timely manner when teachers engaged in reportable misconduct, including misconduct against students. As a result of these delays, the commission was not able to determine promptly whether it was appropriate to revoke teaching credentials and thus prevent individuals from working in other school districts. The 2012 audit made three recommendations to the district to improve the district's reporting to the commission. Our follow-up audit evaluated whether the district has implemented our recommendations and improved the timeliness of its reporting to the commission.

## State Law and District Policy Requirements for Investigating and Reporting Misconduct

District policies include detailed procedures for reporting on, investigating, notifying, and reassigning district staff accused of misconduct, including allegations of abuse involving students. When the district receives an allegation of child abuse against one of its employees, it must first notify local law enforcement and then wait until law enforcement gives it permission to proceed before it conducts an administrative investigation. District administrators, such as school principals, are generally responsible for conducting administrative investigations in cases in which the employees have not been reassigned from their work sites. However, for complex investigations involving allegations of sexual misconduct, district policy requires that a specific unit called the Student Safety Investigation Team (investigation team) conduct the investigations.<sup>1</sup> The investigation team began operating in

<sup>1</sup> In July 2015 the investigation team also began investigating all allegations of nonsexual misconduct in which employees are reassigned away from their school sites.

January 2014 and consists of investigative and administrative staff from the district's central office. The district created the investigation team in order to have a professionally trained team of investigators take the lead in investigating allegations of abuse and sexual misconduct and also assist administrators with conducting investigations thoroughly and in a timely manner. Depending on the results of an investigation, the district may impose some form of discipline on the employee, including initiating the dismissal process.

State law and regulations also require the district to report to the commission any certificated employee who is alleged to have committed misconduct involving a student or whose change of employment status is final through resignation, dismissal, or settlement with a school district as a result of an allegation of misconduct or while an allegation is pending. The term *misconduct* applies to a wide range of unprofessional activities and sex offenses. The commission uses these reports to review an employee's case and to suspend or revoke his or her teaching credential, as necessary. If the commission revokes an individual's credential, that individual cannot obtain a public teaching position in California.

### Scope and Methodology

California Government Code, Section 8546.1(d), authorizes the state auditor to conduct additional follow-up audit work on statutorily mandated or legislatively requested financial and performance audits. The 2012 audit was requested by the Joint Legislative Audit Committee. In May 2015 the state auditor initiated a follow-up audit to evaluate the status of the three recommendations made to the district in the 2012 audit. Table 1 lists the three objectives of our follow-up audit and our methods for addressing them.

**Table 1**  
**Audit Objectives and the Methods Used to Address Them**

AUDIT OBJECTIVE	METHOD
1 Determine whether the Los Angeles Unified School District (district) is appropriately reporting allegations of misconduct to the Commission on Teacher Credentialing (commission).	<ul style="list-style-type: none"> <li>• We identified 100 instances of potential employee misconduct between April 2013 and May 2015 and determined whether the district was required to send notifications to the commission regarding the alleged misconduct.</li> <li>• For each of the 100 items reviewed, we determined whether the district was required to notify the commission, given the circumstances of the allegations, and whether it provided timely notification to the commission in accordance with state law.</li> </ul>

AUDIT OBJECTIVE	METHOD
2 Determine whether the district has increased its oversight of open allegations of employee abuse against students, and, to the extent possible, assess whether the district's increased oversight has resulted in a more efficient disciplinary process.	We performed the following actions: <ul style="list-style-type: none"> <li>• Reviewed the district's revised policies and procedures for investigating allegations of abuse by employees.</li> <li>• Reviewed 12 closed investigations to determine whether the district demonstrated improvement with respect to how long it took to complete its investigations when compared to the time required for investigations reviewed in our November 2012 report titled <i>Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations</i>, Report 2012-103.</li> </ul>
3 Determine whether the district's new settlement-tracking mechanism is working as intended.	We identified 50 settlements between October 2013 and April 2015 and verified the accuracy of the district's settlement-tracking system. We also obtained the district's policies and procedures regarding the tracking system and interviewed management within the district's legal office regarding how the system is being used.

Sources: California State Auditor's determination of the audit objectives for this follow-up audit and information and documentation identified in the table column titled *Method*.

### Assessment of Data Reliability

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 is used to support our findings, conclusions, or recommendations. Because of the limited nature of this follow-up audit, we did not conduct a data reliability assessment on the district's commission notification database, the investigation team's tracking spreadsheet, or the settlement-tracking database maintained by the district's office of the general counsel. Nevertheless, we believe the evidence we obtained during the audit is sufficient and appropriate to support our conclusions.

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## Audit Results

### The Los Angeles Unified School District Now Generally Complies With the Reporting Requirements for Allegations of Teacher Misconduct

Our follow-up audit has found that the Los Angeles Unified School District (district) generally notified the Commission on Teacher Credentialing (commission) of certificated employees accused of misconduct, in accordance with state law. In our previous report titled *Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations*, Report 2012-103 (2012 audit), we reported that the district often did not properly notify the commission when an employee resigned, retired, entered into settlement agreements, or was otherwise terminated while an allegation of employee misconduct was pending. To ensure that the commission is made aware of certificated employees whom it needs to review to determine whether it should suspend or revoke their credentials, our 2012 audit recommended that the district adhere to state requirements for reporting cases to the commission. The district updated its protocols for notifying the commission, and our follow-up audit has confirmed that it has fully implemented our recommendation.

State law and regulations require school districts to report to the commission within 30 days any case of a certificated employee's change in employment status, such as a dismissal or other termination, as a result of an allegation of misconduct or while an allegation of misconduct is pending. State law also requires the district to notify the commission within 10 days when the district puts a certificated employee on a mandatory leave of absence because of criminal charges against him or her for certain sex offenses or crimes involving aiding or abetting the unlawful sale, use, or exchange of a controlled substance to minors. Finally, the district must also notify the commission when an allegation of sexual misconduct involving a minor has been made against a certificated employee.

In March 2013 the district revised its protocols for reporting allegations to the commission, and the results of our follow-up audit show that the district has significantly improved its reporting to the commission. As Table 2 on the following page indicates, we reviewed 92 instances in which the district was required to send notifications to the commission regarding potential employee misconduct from April 2013 to May 2015, and we found that the district generally sent notifications to the commission within the time frames outlined in state law. The district failed to do so in only three of the 92 instances (3 percent) we reviewed. In contrast, our prior report found that the district failed to notify the commission in a timely manner, as state law requires, in at least 144 of 429 cases (34 percent). According to the district's former director of employee relations, a number of systematic problems contributed to delays in the district's reporting

to the commission, including inconsistent internal office processes and a lack of written protocols. When the district failed to report to the commission as required, it precluded the commission from revoking the teaching credentials from employees allegedly involved in misconduct, and therefore it did not prevent those teachers from working in other school districts.

**Table 2**  
**Improvements in the Los Angeles Unified School District's Reporting to the Commission on Teacher Credentialing Since the 2012 Audit**

	RESULTS FROM THE 2012 AUDIT	RESULTS FROM THE 2015 AUDIT
Number of untimely reports submitted, as a percentage of all allegations reviewed, to the Commission on Teacher Credentialing (commission)	144 of 429 (34 percent)	3 of 92 (3 percent)*
Number of unnecessary reports submitted, as a percentage of reports filed, to the commission	110 of 600 (18 percent)	35 of 608 (6 percent)†

Source: California State Auditor's analysis of the investigation and reporting files of the Los Angeles Unified School District (district).

\* We reviewed a selection of 100 allegations of suspected abuse by employees of the district, of which only 92 were required to be reported to the commission. The district submitted two of these 92 reports roughly 3.5 months late while it could not provide evidence that it reported the third case.

† The district's records show that it reported 608 cases to the commission between April 2013 and May 2015, and 35 of these were identified as "precautionary" reports. These reports involved cases that did not meet the commission's reporting requirements because the action taken either was not final or was not fully adjudicated. The district has ceased its practice of submitting precautionary reports, submitting its last such report in late April 2014.

According to the district's coordinator of employee relations, the district has improved its reporting since the 2012 audit because of several factors, including the new procedures and controls it has put into place. The new protocols describe when the district must send a notification, and they lay out detailed steps on how to prepare and send the appropriate notification to the commission, helping to ensure that the district remains compliant with its reporting requirements. He further stated that the district has built additional accountability into the process and now has more team members involved in the entire process, including the tracking of all the documents received as well as the notifications to and from the commission. Our review found that district staff were tracking the notifications provided to the commission.

In addition, we found that the district has implemented our previous recommendation by eliminating its practice of sending unnecessary notices to the commission. We reported in our 2012 audit that about 110 of the 600 notifications the district sent to

the commission were classified as *precautionary*, meaning that the cases did not meet the commission's reporting requirements because the actions taken either were not final or were not fully adjudicated. District staff reviewed four years of case files from 2008 to 2012 to identify the 600 incidents, including cases of misconduct against students. Although the district was aware that it was not required to send these notifications, it submitted them anyway as a precautionary measure, creating an unnecessary burden for the commission. We recommended that the district avoid reporting cases that it is not yet required to report under current state law. Our analysis of the 608 notifications the district sent to the commission between April 2013 and early May 2015 identified only 35 notifications classified as precautionary, and the last of those was sent in April 2014. According to the district's coordinator of employee relations, the district ended its policy of sending these unnecessary notices during that time. By fully implementing our recommendation and revising its procedures, the district is now reporting to the commission as required. According to the manager of the commission's division of professional practices, since 2013 the district has greatly improved its reporting of notifications to the commission. The manager went on to state that although the district's caseload has increased, it has consistently provided more timely and accurate information as well as significantly improved its communication with the commission.

### **The District Has Improved Its Handling of Investigations of Misconduct Allegations**

The district is also now resolving allegations of misconduct by its employees in a more timely manner than it did before our 2012 audit. The report for that audit details instances in which significant delays occurred throughout the district's process for investigating allegations of suspected child abuse by its employees, and it notes several instances in which the district was unable to provide reasonable explanations as to why investigations would stall for months at a time. The district took an average of 10 months to fully investigate the eight cases we reviewed during our 2012 audit. In response to a recommendation from that audit, the district created the Student Safety Investigation Team (investigation team), as described in the Introduction, to investigate all allegations of abuse and sexual misconduct and to assist administrators with conducting other types of investigations thoroughly and in a timely manner.

The amount of time it takes to investigate misconduct allegations varies from case to case, and law enforcement's criminal investigation into a matter can take precedence over the district's own investigation. After law enforcement gives permission to the district to conduct an administrative investigation, the district

*By fully implementing our recommendation and revising its procedures, the district is now reporting to the commission as required.*

should initiate and conduct its own investigation with little or no delay to resolve misconduct allegations in a timely manner. Beginning its operations within the district's central office in January 2014, the investigation team consists of administrative and investigative staff—some of whom have years of experience working within law enforcement.

For our follow-up audit, we selected 12 closed investigations handled by the investigation team and found that the district took under five months, on average, to fully investigate each case. Further, we did not observe any unexplained delays in the administrative investigations performed by district personnel. We also reviewed the start and end dates for 56 cases that the investigation team closed between January 2014, when it began operating, and May 2015, and we found that the district took an average of six months to complete those investigations.

The increased speed of investigations can be attributed in part to the district's revised policy for handling allegations of employee misconduct. During the period we reviewed for our 2012 audit, district policy allowed local administrators to request assistance at their own discretion. However, in December 2013, the district revised its policies to require the district's five educational service centers to forward all investigations involving sexual misconduct allegations to the investigation team.<sup>2</sup> The district also created guidelines for the investigation team to complete its investigations within 120 working days (approximately six months). The district's revised policy effectively places investigations in the hands of experienced investigators, and this change likely helps to minimize delays in completing investigations. When we spoke to the director of the investigation team (director), he stated that the district has been able to complete its investigations in a more timely manner than before because the team is fully staffed with experienced investigators who have a working relationship with law enforcement and because it has unfettered access to students and employees for interviews. Several of the district's investigators have years of criminal investigation experience in law enforcement, and this experience, according to the director, has enabled the investigation team to develop a working relationship with the Los Angeles Police Department.

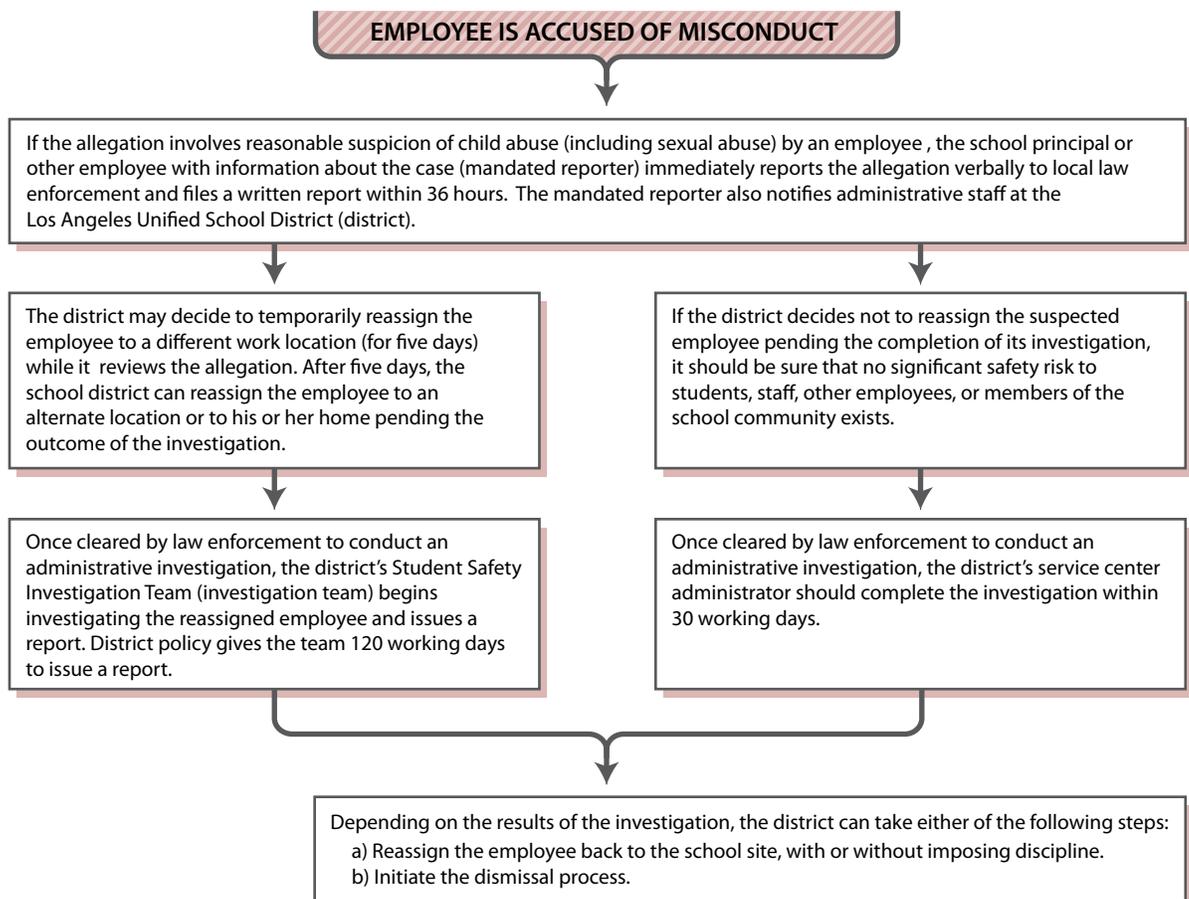
***Several of the district's investigators have years of criminal investigation experience in law enforcement, and this experience, according to the director, has enabled the investigation team to develop a working relationship with the Los Angeles Police Department.***

In March 2015 the district superintendent issued a memo that further ensures the protection of due process for employees under investigation while the district also pursues timely, thorough investigative reports. This memo expands the investigation

<sup>2</sup> In 2012 the district was reorganized into five educational service centers, each with an assigned territory within the district, and each responsible for providing schools with support in the areas of operations and parent and community engagement.

team’s role beginning in July 2015 to include investigations for all allegations of sexual and nonsexual misconduct against employees who have been reassigned from their work sites. According to the memo, the expanded responsibilities of the investigation team will also allow service centers to focus on school issues rather than on time-consuming personnel investigations.<sup>3</sup> The superintendent also noted that expanding the role of the investigation team will remove any perceived bias or appearance of conflict of interest by separating the investigation function from the service center, which may recommend disciplinary action and issue discipline following an investigation. The following figure illustrates the district’s new process for handling investigations of employee misconduct.

**Figure**  
**Los Angeles Unified School District’s Procedures for Receiving and Investigating Allegations of Employee Misconduct**



Sources: Director of the investigation team at the district and the California State Auditor’s analysis of district policies.

<sup>3</sup> As of July 1, 2015, the term *regional districts* will replace the term *educational service center*.

### **To Respond to Our Previous Recommendation, the District Has Designated One of Its Divisions to Track Settlements**

In response to a recommendation from our 2012 audit, the district appointed one division, its office of the general counsel (general counsel), to develop a settlement-tracking mechanism and to implement procedures to ensure that it could track information about payments related to settlements and the descriptions of misconduct. As we noted in the 2012 audit, the district sometimes enters into settlement agreements with employees to more quickly remove employees who have been accused of inappropriate conduct. A settlement may include a lump-sum payment, back pay, or continued salary payments for a set period through the effective date of the employee's resignation from the district. The district's having one division that maintains a tracking mechanism can help the district keep complete and readily accessible settlement information and aid it in identifying and analyzing patterns and trends associated with the cost of providing settlements.

Although our follow-up audit initially found that the district's settlement-tracking mechanism contained missing and inaccurate information, the district promptly corrected this problem during the course of our follow-up audit. We selected 30 cases in which the district settled with employees accused of misconduct, and we found that the district's settlement-tracking mechanism had missing or inaccurate information on settlement payments for 16 of the 30 settlements we reviewed, and it had incorrect summaries of the alleged misconduct in four settlements. The general counsel's chief of administrative law and litigation (chief litigation counsel) admitted that the information in the system was not always up to date. She stated that although the district has found the information in the settlement-tracking mechanism useful for keeping track of settlements and for providing a normal dollar range for settlements made, this information is only one of many factors considered when making settlement offers. The chief litigation counsel went on to state that other variables affecting the sizes of settlement amounts include the nature of the allegations and charges; evidentiary, procedural, and other legal issues; and standards set by the district's governing board.

*To address our concern about the accuracy and completeness of the settlement data, the general counsel's staff revised its procedures to require the chief litigations counsel to review settlement information weekly with the assigned attorney.*

To address our concern about the accuracy and completeness of the settlement data, the general counsel's staff revised its procedures to require the chief litigation counsel to review settlement information weekly with the assigned attorney. We selected and reviewed an additional 20 settlements subsequent to this policy change and found that the district's settlement-tracking mechanism reported correct information for 19 of the settlements, with one of the settlements reporting incorrect information on salary paid. We also reviewed the revised procedures and found that they should, if they

are followed, prevent inaccuracies entering the system in the future. This information should help the district identify patterns and trends associated with settlements, which could help it streamline the process and make it less expensive.

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: September 3, 2015

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