

1996-1997
LOS ANGELES COUNTY

GRAND JURY



Final Report

1996-1997
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Final Report

PREFACE

Each of the 23 members of the 1996-97 Grand Jury has unselfishly dedicated a year to serving the unique and important role as “watchdog” for the citizens of Los Angeles County. It was not easy. Much of the jury time was taken up with indictment and investigative hearings. Committee meetings often were held after hours, during evenings or on weekends. Their accomplishments and results are the contents of this Final Report.

The goal of the Edit & Publication Committee was to have the Final Report ready for distribution by June 30—the end of the 1996-97 Grand Jury’s term.. An early deadline was set (unknown to the committee chairs) to allow time for the approval and sign-off stages. To each, our heartfelt thanks for the cooperation that made it happen.

Reports from three committees—Criminal Justice, Juvenile Services and Social Services—were released early during January, February and March due to the timely importance of the subjects. One, “Children in Group Homes Suffer from Lack of County Monitoring” (Juvenile Services), resulted in especially heavy media coverage and attention by the Board of Supervisors.

Reduction of publication costs were made possible by eliminating front cover photography and combining the Grand Jury and staff into a single picture. Desktop publishing allowed reproduction without typesetting and special artwork. Only the cover required the latter.

EDIT & PUBLICATIONS COMMITTEE
Forest W. Foster, Chair
Claire J. Chase
Donna M. Nason

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¹ Published as Early Release #2, February 1997

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² Published as Early Release #3, March 1997

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³ Published as Early Release #1, January 1997

⁴ Published as Early Report #2, February 1997

⁵ Published as Early Release #2, February 1997

**COUNTY OF LOS ANGELES
GRAND JURY
13-303 CRIMINAL COURTS BUILDING
LOS ANGELES, CA 90012
(213) 974-3993**

June 30, 1997

**To: Presiding Judge of the Superior Court
Los Angeles County Board of Supervisors
Residents of Los Angeles County**

This report of the 1996-97 Los Angeles County Grand Jury is the product of 23 citizens representing communities throughout the county. Our members comprise a diversification of financial, ethnic, age and educational backgrounds.

Those selected to serve on this Grand Jury have completed their task with a high degree of dedication and commitment. They have served the residents of Los Angeles County with professionalism and distinction. They contributed a year of their lives to assist Los Angeles County to help improve its management. These efforts, embodied in this report, speak for themselves.

Duties

The California Constitution and California Penal Code establish the structure and procedures under which the Grand Jury operates. Although it has some degree of independence, the Grand Jury is administered by the Superior Court.

The Los Angeles County Grand Jury meets every business day. It divides its time between criminal and civil functions.

In recent years, Los Angeles County Grand Juries have devoted 50 to 80 percent of their time to criminal matters. In performing this function, we listen to testimony during which witnesses are questioned by a deputy district attorney. After hearing the testimony, the Grand Jury determines whether there is strong suspicion to bring an indictment against the suggested targets. By the end of our term, we will have heard approximately 40 cases involving 85 targets. We will have heard approximately 400 witnesses and have generated 7,000 pages of testimony. Although we hear only a small fraction of the criminal cases in Los Angeles, typically the ones we are asked to consider are serious, complicated, and/or high profile matters.

This report primarily communicates the results of our performance of the civil function. To fulfill this responsibility, the Grand Jury divides itself into committees, and each committee undertakes one or more investigations into county, city, district or other local government within Los Angeles County. The investigations are selected by the committees themselves and approved by

the entire Grand Jury. We have been provided with a budget that permits us to engage outside experts. These consultants proved to be extremely useful in assisting us with our investigations.

Becoming a Grand Juror

To become a Grand Juror an applicant must: be a citizen of the United States; be at least 18 years of age; be a resident of Los Angeles County; be able to read and write English; and possess ordinary intelligence, sound judgment and good character. From those deemed to be qualified, the panel is selected by a random drawing. Grand Jurors serve from July 1 through June 30. An interested resident should request an application:

Jury Services Division
Hall of Records
320 West Temple Street, 15th Floor
Los Angeles, CA 90012
(213) 974-5333

Acknowledgments

The permanent staff of the Los Angeles County Grand Jury includes a legal advisor, secretary, bailiff and court reporter. Steve Licker, Velma Moore, Tim Fox and Richard Colby carried out their responsibilities in these respective positions with professionalism, dedication and good humor.

Additionally, we wish to recognize Supervising Judges James Bascue and John Reid who answered our questions, gave us guidance and did not keep us waiting. The latter is a luxury seldom enjoyed by people appearing in court.

Other county officials provided us with significant amounts of their time and assisted us considerably in performing our work. We particularly wish to thank and acknowledge Fred Bennett (Assistant County Counsel), Tyler McCaulley (Assistant Auditor-Controller), Bruce Staniforth (Executive Director, Economy and Efficiency Commission), and members of the Superior Court team: Juanita Blankenship (Administrator), Jerry Gee and Asem El-Sahragty.

The Harvey M. Rose Accountancy Corporation served as our outside consultants. The team, headed by Roger Mialocq, performed its job in an effective and professional manner. Their task was made difficult by having to operate under severe time constraints and under the supervision of many bosses. They delivered excellent work in accordance with their commitments.

Frustrations

A key to the effectiveness of the civil function performed by the Grand Jury is the ability to select meaningful projects early in the term. This is difficult because the newly installed jurors do not have the background to know what areas of government will most benefit from investigation. A great deal of time is spent exploring what previous Grand Jurors have considered, but no

information is available to learn what projects have been reviewed and rejected. The solution to this problem, in my opinion, is obvious.

The Presiding Judge should select one or two Grand Jurors as holdover jurors. This is permitted by the Penal Code, and judicious selection will mitigate the risk that holdover jurors will dominate the new body. Many other California counties have had great success with holdover jurors.

The need for confidentiality is obvious as it relates to criminal indictments. However, County Counsel's interpretation of the Penal Code prohibits the Grand Jury from disclosing any findings or recommendations relating to its civil function, except in a Final Report. Final Reports may not include any "raw evidentiary material" and must be reviewed by County Counsel and approved by the Supervising Judge before release. The implications of these restrictions include:

- Grand Jurors are not permitted to answer any questions relating to a Final Report. This restriction includes questions by the Board of Supervisors privately or in public hearings.
- Grand Jurors are not permitted to inform any citizen what action they have taken (or if they decided not to take any action) on citizen complaints submitted to the Grand Jury, except in the Final Report.
- A prior Grand Jury made recommendations that, as a result of their investigation and audit, tens of millions of dollars be recovered by a governmental agency. The Grand Jury was not permitted to publish or make available the details of the audit because it was deemed to be raw evidentiary material. As a result, the agency had to spend several thousand dollars and many months to replicate the results of the Grand Jury audit to collect the money due.
- In response to a recommendation made by this Grand Jury in an early release Final Report, the Economy and Efficiency Commission proposed language to the Board of Supervisors to change the method of selecting the commissioner filling the "Grand Jury seat." However, their proposed wording did not effect the change recommended in our report, and their transmittal did not disclose the difference. Under current procedures, we cannot point out this variance to the Board, except in a Final Report.

Specific legislation to ease these restrictions are recommended in this Final Report.

Concluding Observations

The Grand Jury initiated a presence on the Internet. Through this, the public will have access to information about the function of the Grand Jury, how to become a Grand Juror and how to file a citizen's complaint.

Next year's Grand Jury should consider working with UCLA's Anderson School of Business. MBA candidates are required to undertake outside consulting projects. If approached early enough, a suitable project could be assigned under the direction of a committee of the Grand Jury. High quality consulting could be realized with very little cost.

We were impressed with the number of dedicated, efficient, articulate and effective leaders of the governmental units with which we dealt.

A mandate of the Grand Jury is to protect the individual against the tyranny of his government—to make a difference. We challenge the elected and appointed officials of Los Angeles to be responsive to this report and take action on our recommendations. We shall be watching and awaiting their implementation. The results of our efforts are important, we believe, to all the people of Los Angeles.

Respectfully submitted,

A handwritten signature in black ink, reading "BF Breslauer". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Benjamin F. Breslauer

Foreperson

1996-97 Los Angeles County Grand Jury



1996-97 Los Angeles County Grand Jury and Staff

Front Row (left to right): Timothy W. Fox (bailiff), Duane E. Bovett, Caroline Llewellyn, Donna M. Nason, Patricia Ann Kruse, Arline Pepp, Benjamin F. Breslaucr (foreperson), Valeria A. Alvarado, Claire J. Chase, Maxine B. Russell, Abigail G. Cohen, Stephen Licker (legal advisor), Richard Colby (court reporter)

Back Row (left to right): Russell E. Hawkes, Mike P. Jaramillo, William M. Waters III, Jack W. Hiltz, Gunter G. Altman, Bill H. Simmons, Forest W. Foster, Preston Perkins, Henry G. Cox, Richard T. Tormey, Jerry S. Berk, Robert B. Burns

Not pictured: Lair Franklin, Velma Moore (secretary)

1996-97 LOS ANGELES COUNTY GRAND JURY

Officers

Benjamin F. Breslauer, Foreperson
 Jack W. Hilts, Foreperson Pro Tem
 Claire J. Chase, Secretary
 Abigail G. Cohen, Treasurer
 Mike P. Jaramillo, Sergeant at Arms
 Preston Perkins, Sergeant at Arms Pro Tem
 Valeria A. Alvarado, Parliamentarian
 Henry G. Cox, Safety Officer

<u>Name</u>	<u>Committees</u>	<u>Community</u>
Gunter G. Altman	Citizens Complaints, Criminal Justice, Jails, Speakers & Field Trips	Van Nuys
Valeria A. Alvarado	Audit, Citizens Complaints, Facilities, New Grand Jury Orientation, Social	Pomona
Jerry S. Berk	Government Operations, GJ Improvement, Ombudsman**	Sherman Oaks
Duane E. Bovett	Audit*, Government Operations, New Grand Jury Orientation	Claremont
Benjamin F. Breslauer	Foreperson	Studio City
Robert B. Burns	Government Operations, New Grand Jury Orientation*, Social*, Special Projects	Glendale
Claire J. Chase	Edit & Publication, Facilities*, Grand Jury Improvement, Jails	Santa Monica
Abigail G. Cohen	Audit, Citizens Complaints*, Government Operations, Social Services, Special Projects	West Los Angeles
Henry G. Cox	Criminal Justice, Government Operations*, Grand Jury Improvement, Juvenile Services	Monrovia
Forest W. Foster	Edit & Publication*, Health Services, Jails	San Marino

<u>Name</u>	<u>Committees</u>	<u>Community</u>
Lair Franklin	Health Services, Jails, New Grand Jury Orientation, Speakers & Field Trips,	Los Angeles
Russell E. Hawkes	Criminal Justice, Grand Jury Improvement*, Health Services, Ombudsman	Los Angeles
Jack W. Hilts	Audit, Government Operations, Special Projects**	Glendale
Mike P. Jaramillo	Citizen Complaints, Jails, Social Services	Torrance
Patricia Ann Kruse	Juvenile Services, Social Services*, Speakers & Field Trips*.	Los Angeles
Carolyn Llewellyn	Citizen Complaints, Government Operations, Grand Jury Improvement , Social Services	Northridge
Donna M. Nason	Edit & Publication, Criminal Justice, Juvenile Services, New Grand Jury Orientation, Social	San Gabriel
Arline Pepp	Criminal Justice*, Juvenile Services, Social, Speakers & Field Trips	Beverly Hills
Preston Perkins	Audit, Jails, Juvenile Services	Inglewood
Maxine B. Russell	Juvenile Services*, Speakers & Field Trips	Sherman Village
Bill H. Simmons	Audit, Facilities, Health Services*, Grand Jury Improvement, Social Services	Monterey Park
Richard T. Tormey	Government Operations, Jails	South Pasadena
William M. Waters III	Criminal Justice, Jails*	Inglewood

*Committee Chair

** Ad Hoc Committee Chair

Audit Committee

MEMBERS

Duane E. Bovett, Chair
Valeria A. Alvarado
Abigail G. Cohen
Jack W. Hilts
Preston Perkins
Bill H. Simmons

Investigative Powers of Grand Jury Empowered by California Penal Code

INTRODUCTION AND SUMMARY

Under the California Penal Code the Los Angeles County Grand Jury is empowered to investigate the fiscal and performance activities of the county and city departments and special districts. It has the authority to engage outside consultants and audit firms to assist in these civil investigations. It is important that an audit firm be selected early in the term of the Grand Jury.

The six-member Audit Committee of the 1996-97 Grand Jury was formed and its first task was to select and interview four prospective audit firms. The selected firm would be required to have the expertise and depth to perform a number of financial, performance and management audits over the entire spectrum of county agencies.

PROCEDURE

The process of finding an audit firm began early in July with the intent to be under contract by mid-September 1996. The committee decided that invitations to bid would be limited to no more than eight firms. Proposals received were evaluated, and four firms were invited to make presentations to the Committee.

Following the presentations, the Committee selected Harvey M. Rose Accountancy Corp.

and obtained confirmation from the entire Grand Jury. With the assistance of the legal advisor, the Committee drew up a contract integrating the firm's proposal with the Grand Jury requirements. The contract was signed September 24, 1996.

FINDINGS

The Audit Committee's task was to review topics received from all committees, rate and present them to the auditor for a more technical scope and cost. The entire Grand Jury approved or rejected the project.

Eleven topics were reviewed and four were assigned to the auditor to assist other committees. Final reports from the auditing firm were received and given to the requesting committees.

RECOMMENDATIONS

The Audit Committee recommends that the 1997-98 Grand Jury:

- Retain an auditing firm as early as possible in the term.
- If possible, use an auditing firm that has a presence in the Los Angeles area.

Citizen Complaints Committee

MEMBERS

Abigail G. Cohen, Chair
Valeria A. Alvarado
Gunter G. Altman
Robert B. Burns
Mike P. Jaramillo
Carolyn Llewellyn

Citizen Complaints

The 1996-97 Grand Jury received more than 70 complaints and requests for assistance. The requests were so varied that it was impossible to categorize them. The complaints involving institutions or other entities over which the Grand Jury has no jurisdiction were referred to appropriate agencies or departments.

Each request for assistance was acknowledged within two days by the Grand Jury legal advisor. After reviewing the complaint the legal advisor prepared a summary and recommendation and forwarded them to the foreperson for review. The foreperson, after review, forwarded the file to the Citizen Complaints Committee. Working in pairs, the committee studied the file and recommended what action should be taken, i.e., send to another Grand Jury committee for study, refer to the specific county department, forward to another jurisdiction, or close the file with no action taken. All recommendations were presented to the entire Grand Jury for disposition.

The committee developed new methods of handling complaints. The acknowledgment letter from the legal advisor was revised to give more information to the complainant and provide the file number assigned to that complaint. A citizen's complaint form was developed to be given to each person requesting information. The form provides precise information regarding the legal limitations of the Grand Jury and helps each citizen present the complaint more clearly. The control form also

was modified in order that the movement of a file can be followed more easily. Copies of each of these forms appear at the end of the Citizen Complaints report.

Due to statutory requirements of secrecy binding upon all Grand Jurors, the resolution of a complaint can be found only in the Grand Jury's Final Report. Listed below are the complaints received by the 1996-97 Grand Jury. Unless otherwise noted, no action was taken by the Grand Jury.

- 96-63 Complainant questions the authority of a city council and redevelopment agency to issue bonds for construction of a mall.
- 96-88 Complainant alleges a conspiracy by officials not to prosecute.
- 96-89 Complainant alleges he was billed by two counties for child support. (Referred to the District Attorney's Bureau of Family Support Operations)
- 96-90 Complainant alleges the forgery of documents resulted in the loss of his property.
- 96-91 Complainant alleges he was illegally fired and benefits withheld.
- 96-95 Complainant alleges school officials' and board members' expenditure of funds was unwarranted. (Investigated by the District Attorney's Office)

- 97-01 Complainant alleges a conspiracy by a planning commission and private developer to construct excessive parking spaces.
- 97-02 Complainant alleges bonds purchased by a city have gone into default resulting in a loss to bond holders.
- 97-03 Complainant alleges perjury by his ex-wife during divorce and child support proceedings.
- 97-04 Complainants allege school board members are engaged in misappropriation of funds, fraud, and illegal use of property.
- 97-05 Complainant alleges horrible conditions in a retirement home.
- 97-06 Complainant alleges law enforcement conspired with judgment debtor, preventing serving legal documents.
- 97-07 Complainant wants to know when action will be taken regarding the court testimony of a witness.
- 97-08 Complainant alleges improper care of elderly people and theft of their assets.
- 97-09 Complainant alleges racial discrimination in state prison. (Referred to California Department of Corrections (CDC))
- 97-10 Complainant alleges his rights were violated in state prison. (Referred to CDC)
- 97-11 Void
- 97-12 Complainant alleges misappropriation of funds for the study of AIDS autopsies.
- 97-13 Complainant alleges that after his life was threatened, he called a city official and was hospitalized for observation.
- 97-14 Complainant alleges state prison guards ordered an inmate to stab him. (Referred to CDC)
- 97-15 Complainant alleges a city department balances its books by ordering equipment for one facility then moving it to another.
- 97-16 Complainant alleges prosecutor used perjured testimony to convict him.
- 97-17 Complainant alleges state prison officials violated the prison appeals system. (Referred to CDC)
- 97-18 Complainant alleges a city council is giving redevelopment funds for purchase of land to a company that plans to sublease the land, with no benefits to the city.
- 97-19 Complainant alleges school board members are guilty of malfeasance. (Investigated by the District Attorney's Office)
- 97-20 Complainant alleges that because of misinformation furnished by a county department and a clinic, a judge made an incorrect decision regarding the custody of his son.
- 97-21 Complainant alleges the court improperly handled his civil suit.
- 97-22 Complainant alleges he was not permitted to file a complaint at a police department. (Police department notified)
- 97-23 Complainant alleges there were errors in his conviction in court.
- 97-24 Complainant alleges a default judgment was incorrect. (Referred to the District Attorney's Bureau of Family Support Operations)
- 97-25 Complainant alleges a redevelopment agency is offering a loan to a department store that will result in loss to the taxpayers.
- 97-26 Complainant alleges he lost his property as a result of a police officer's testimony during trial.

- 97-27 Complainant alleges her home was illegally seized as a result of civil judgments.
- 97-28 Complainant alleges a pattern of illegal or unethical behavior by municipal officials and law enforcement. (Investigated by law enforcement's internal affairs section)
- 97-29 Complainant alleges a defense attorney illegally obtained a copy of a police report during a deposition.
- 97-30 Complainant alleges that large campaign contributions may have affected the filing of petty criminal cases.
- 97-31 Complainant alleges that compared to the price of food services at other airports, the prices at two local major airports are excessive.
- 97-32 Complainant alleges his rights were violated in state prison. (Referred to CDC)
- 97-33 Complainant alleges he was unable to recover money from an out of court settlement and that he was improperly represented by counsel.
- 97-34 Complainant requests the Grand Jury's help in overturning an adverse ruling in a custody case.
- 97-35 Complainant alleges that a city had illegally taken his property.
- 97-36 Complainant alleges racial discrimination by law enforcement. (Investigated by law enforcement's internal affairs section)
- 97-37 Complainant alleges law enforcement is "setting him up" in criminal activities and keeping him under surveillance. (Investigated by law enforcement's internal affairs section)
- 97-38 Complainant alleges his trial has been postponed numerous times.
- 97-39 Complainant alleges state prison guards fired on inmates, killing one. (Referred to CDC)
- 97-40 Complainant alleges perjured testimony by a police officer led to his conviction.
- 97-41 Complainant alleges a police officer committed perjury at his trial.
- 97-42 Complainants allege mistreatment of their son in probation facilities. (Referred to Probation Department)
- 97-43 Complainant alleges he was mistreated in state prison. (Referred to CDC)
- 97-44 Complainants allege a school board acted illegally. (Referred to Government Operations Committee; following review, no action taken)
- 97-45 Complainant alleges a tax assessor mishandled reassessment of properties damaged in earthquake. (Referred to Government Operations Committee; following review, no action taken)
- 97-46 Complainant alleges attempts were made to intimidate defendant in court.
- 97-47 Complainant alleges a city council will not investigate improper hiring practices.
- 97-48 Complainant requests the Grand Jury's assistance in appealing his conviction.
- 97-49 Complainant requests the Grand Jury review his murder conviction.
- 97-50 Complainant alleges his rights were violated in state prison. (Referred to CDC)
- 97-51 Complainant alleges ongoing threats of stalking and physical harm.
- 97-52 File under seal.
- 97-53 Complainant alleges law enforcement has kept her under surveillance, conspired to kidnap and murder her, and subjected her to laser treatments.

- 97-54 Unintelligible
- 97-55 Complainants request the Grand Jury to prosecute individuals responsible for the foreclosure of their property.
- 97-56 Complainant alleges that because of the wrongdoing of a community redevelopment agency, property owners were forced to give up their property.
- 97-57 Complainant requests the Grand Jury monitor a city election.
- 97-58 Complainant alleges harassment by state prison guard. (Referred to CDC)
- 97-59 Complainant requests the Grand Jury investigate law enforcements' and other agencies' handling of child abuse cases. (See 97-63)
- 97-60 Complainant requests the Grand Jury determine if criminal charges should be filed against a construction company for overcharges and billing irregularities.
- 97-61 Complainant requests Grand Jury investigate college's payroll practices and possible conflict of interest involving board members.
- 97-62 Complainant requests the Grand Jury investigate personnel practices of the postal system.
- 97-63 Complainant requests the Grand Jury investigate law enforcements' and other agencies' handling of child abuse cases. (See 97-59)
- 97-64 Complainant alleges state prison officials have embezzled money from her. (Referred to CDC)
- 97-65 Complainant alleges that after state prison guards conducted an illegal cell search, personal property was missing. (Referred to CDC)
- 97-66 Complainant requests the Grand Jury intercede in a matter before children's court.
- 97-67 Complainant alleges racial discrimination in state prison. (Referred to CDC)
- 97-68 Complainant alleges murder charges were not filed against son's alleged killer.
- 97-69 Complainant alleges law enforcement entrapped him.
- 97-70 Void
- 97-71 Complainant requests the Grand Jury investigate whether perjury charges should be filed against a witness.
- 97-72 Complainant requests the Grand Jury investigate whether perjury charges should be filed against a witness as a result of testimony in a civil matter.

**COUNTY OF LOS ANGELES
GRAND JURY
13-303 Criminal Courts Building
210 West Temple Street
Los Angeles, CA 90012
(213) 974-3993**

(date)

Control No. _____

(addressee)

(salutation)

The Grand Jury has received your correspondence dated _____
The Grand Jury welcomes communications from the public because citizens can provide valuable information to the Grand Jury regarding matters for investigation.

The information you have provided will be carefully reviewed to assist the Grand Jury in deciding what further action, if any, to take. If the matter is determined not to be within the Grand Jury's authority to investigate (e.g., a matter involving federal or state agencies or institutions, the courts, or a private dispute), there will be no further contact by the Grand Jury. If the matter is within the legally permissible scope of the Grand Jury's investigative powers and would warrant further inquiry, the Grand Jury will confidentially contact those individuals or entities who may be able to provide information.

By law, the Grand Jury is precluded from communicating the results of its investigation, except in one of its formal public reports. All communications are considered, but may not result in any action or report by the Grand Jury.

Sincerely,

Grand Jury Advisor

Citizen Complaint Form

Los Angeles County Grand Jury

13-303 Criminal Courts Building
210 West Temple Street
Los Angeles, California 90012

(Please read reverse side before completion)

Name: _____

Address: _____

City, State, Zip Code: _____

Telephone: (____) _____ Ext.: _____

SUBJECT OF COMPLAINT (Department, Agency, Official. Use additional sheets if necessary)

Name: _____

Address: _____

City, State, Zip Code: _____

Telephone: (____) _____ Ext.: _____

DESCRIPTION OF COMPLAINT (Briefly state what action by the department, agency, or official that you believe was illegal or improper. Use additional sheets if necessary)

NAMES OF OTHER DEPARTMENTS, AGENCIES OR OFFICIALS YOU HAVE CONTACTED ABOUT THIS COMPLAINT (Include names, addresses, dates and types of contact, i.e., phone, letter, personal. Use additional sheets if necessary)

PERTINENT DOCUMENTS AND CORRESPONDENCE (List names and dates here and attach)

Signature

Date

FUNCTIONS OF THE GRAND JURY

Communications from the public can provide valuable information to the Grand Jury. If the Grand Jury determines that a matter drawn to its attention is within the legally permissible scope of its investigative powers and would warrant further inquiry, the Grand Jury may request additional information. If a matter does not fall within the Grand Jury's investigative authority, or the Grand Jury determines not to further investigate a complaint, no action will be taken and there will be no further contact by the Grand Jury.

The findings of any investigation conducted by the Grand Jury can be communicated only in a formal final report, which is normally published at the conclusion of the Grand Jury's term of impanelment (June 30).

The Grand Jury has no jurisdiction or authority to investigate federal agencies, state agencies, or the courts. The jurisdiction of the Grand Jury is limited by statute and includes the following:

- Inquiry into all public offenses committed or triable within the county and presenting them to the court by indictment.
- Consideration of evidence of misconduct against public officials to determine whether to present formal accusations requesting their removal from office.
- The inquiry into the condition and management of the public prisons within the county.
- The investigation and report on the operations, accounts, and records of the officers, departments, or functions of the county including those operations, accounts, and records of any special legislative district or other district in the county created pursuant to state law for which the officers of the county are serving in their ex officio capacity as officers of the districts. In addition, the Grand Jury may investigate the books and records of any incorporated city or joint powers agency located in the county.

CITIZEN COMPLAINT CONTROL NO.: _____

Date

I. Recommendation of Legal Advisor: _____

II. Received by Foreperson: _____

III. Received by Citizen Complaints Committee: _____

A. _____ Recommendation: _____
(Committee Member)

B. _____ Recommendation: _____
(Committee Member)

**IV. Citizen Complaints Committee/Foreperson
Review and Recommendation:** _____

V. Disposition:

A. To Committee: _____

B. Returned by Committee to Foreperson: _____

C. Report to Grand Jury: _____

D. Other Action: _____

E. Closure: _____

VI. To secretary for filing: _____

Criminal Justice Committee

MEMBERS

Arline Pepp, Chair
Gunter G. Altman
Henry G. Cox
Russell E. Hawkes
Donna M. Nason
William M. Waters

Re-staffing Jails with Civilians Will Save the Sheriff and Los Angeles County Significant Money

The word SHERIFF comes from old England. Each SHIRE, or county, had a headman known as a REEVE. The title SHIRE REEVE gradually came to be run together in the single word, "SHERIFF." Today, the Los Angeles County Sheriff's Department with a \$1.1 billion budget, encompassing a 4,038 square mile area and a population of about 9 million, has come a long way from this original description.

The Criminal Justice Committee undertook an investigation to determine whether significant savings could be realized by the Sheriff's Department's use of civilian custodial officers rather than deputy sheriffs in the county's jail facilities. As part of that investigation, the Grand Jury selected an independent auditor to conduct an audit and provide analyses and recommendations for more efficient methods of operation, while at the same time ensuring the safety of personnel connected with jails. The Harvey M. Rose Accountancy Corporation was selected by the 1996-1997 Los Angeles County Grand Jury. The analysis and information provided to the Criminal Justice Committee by the Rose firm is the basis of the report which follows.

It can be concluded that two plans of action should be taken. First, by using a modified

staffing plan¹ for Men's Central Jail which utilizes civilian² staffing in certain positions, it was agreed upon by the Los Angeles County Grand Jury, the Rose Corporation and the Sheriff's Department management that an approximate annual savings of \$1.8 million per year could be realized immediately. This is achieved by replacing 100 deputy sheriff positions with custody assistants. Second, when conversion of Men's Central Jail to a custodial officer staffing model will be implemented, which will take about six years, an additional estimated savings of \$3.7 million per year will be realized by the county. An additional 424 positions, staffed by deputy sheriffs, could be converted to a new classification of custodial officer. The safety of all personnel connected with Men's Central Jail is of the utmost importance. This major area of concern has been thoroughly addressed.

Background

The Sheriff's Department is responsible for providing law enforcement services within the unincorporated area of the county and in certain municipalities with which the County of Los Angeles contracts to provide such services. In addition, the Sheriff's Department is required by state law to provide custody services for all jurisdictions within the county, and

¹ All staffing computations included in this proposal, and proposal 2, are based on a relief factor of 5.35 positions for every 24-hour/7-day fixed post. This relief factor equates to a per position productivity level of approximately 73 percent after adjusting paid hours for vacation, sick and other leave, and for training.

² Civilian refers to non sworn law enforcement personnel.

for certain state prisoners. By contract, the county also provides custody services to various agencies of the state and federal governments, including the California Department of Corrections, the United States Marshal and the Immigration and Naturalization Services.

Organization of the Custody Division

All jail services are provided by the Custody Division, which is one of eight major divisions of the Department. The Custody Division is broken into the North and South regions. An organization chart of the Custody Division is shown in Exhibit 1 on Page 8.

Men's Central Jail Operation

The Men's Central Jail facility consists of two adjoining buildings constructed in the 1960s and early 1970s. The old section houses the Inmate Reception Center, which is organizationally separate from the Men's Central Jail. The new section houses the Men's Central Jail, and consists of two three-story structures which can house between 6,000 and 7,500 pre-trial and sentenced prisoners in both dormitory and block style housing. Currently, the facility houses an estimated 6,800 prisoners in accordance with local rating decisions made by the Sheriff to comply with federal district court orders (Dennis Rutherford, et al., vs. Sherman Block, et al.). Prisoners housed in the Men's Central Jail facility generally require higher security and/or protective custody, which would otherwise not be available in the county's other jail facilities.

In FY 1995-96, the County of Los Angeles budgeted approximately \$245.62 million to pay personnel assigned to the Custody Division. The Men's Central Jail was budgeted approximately \$46.20 million, or 18.8 percent of this amount.

Budgeted staffing and salary costs for the Men's Central Jail is illustrated on Page 7 (excluding the cost of mandatory employee benefits, such as the county's cost for employee retirement benefits and health insurance premiums):

The county also budgeted \$11,771,592 as a net cost for mandatory fringe benefits less salary savings (the estimate of salary and benefit savings which will normally occur from vacancies), for the total budgeted cost of \$46,200,416, discussed above. However, this total does not include a cost for overtime, which is budgeted centrally in the South Custody Division Administrative Headquarters budget. Including overtime, the actual FY 1995-96 expenditures for the Men's Central Jail was approximately \$49.2 million—or approximately \$3.0 million more than directly budgeted for the facility. This \$3.0 million is approximately equal to the \$2,982,100 in overtime costs spent at the Men's Central Jail in that year, but budgeted centrally in South Division Administration. Based on records obtained from the Auditor-Controller, \$2,202,642 of this amount was expended for deputy sheriff overtime.

Deputies who work at the Men's Central Jail are ordinarily assigned to one of three shifts:

- (1) On the *Early Morning Shift*, 10:00 P.M. to 6:00 A.M., the sergeant in charge of scheduling reports 75 deputies are needed on weekends and 84 deputies are needed on weekdays.
- (2) On the *Day Shift*, 6:00 A.M. to 2:00 P.M., the sergeant in charge of scheduling reports 109 deputies are needed on weekends and 148 deputies are needed on weekdays.
- (3) On the *P.M. Shift*, 2:00 P.M. to 10:00 P.M., the sergeant in charge of scheduling

Table 1
Los Angeles Sheriff's Department
Budgeted Staff and Salaries for the Men's Central Jail

Fiscal Year 1995-96

Position Classification	Number	Salaries
Captain	1	\$ 95,650
Lieutenant	11	846,924
Sergeant ^(a)	24	1,554,938
Deputy Sheriff ^(a)	587	30,159,872
Custody Support Assistant	38	1,449,665
Other Civilian Personnel	<u>11</u>	<u>321,775</u>
Total Budgeted Personnel	672	\$34,428,824

^(a)In FY 1996-97, the Sheriff's Department added three sergeant positions and deleted three deputy positions, so that the Men's Central Jail is currently allocated 27 sergeant positions and 584 deputy sheriff positions instead of the numbers reported for FY 1995-96.

reports 120 deputies are needed on weekends and 142 deputies are needed on weekdays.

Staff requirements differ by time of day and day of week because of variable levels of inmate activity in the facility. During the Day and PM shifts, large numbers of inmates are being moved into and out of the facility to attend court and receive medical services, and are being booked into the Men's Central Jail after being ordered into custody by the court. On the weekends, when court does not operate, inmate movement and bookings decline dramatically, reducing the need to schedule as many staff. Our analysis of the staffing plan

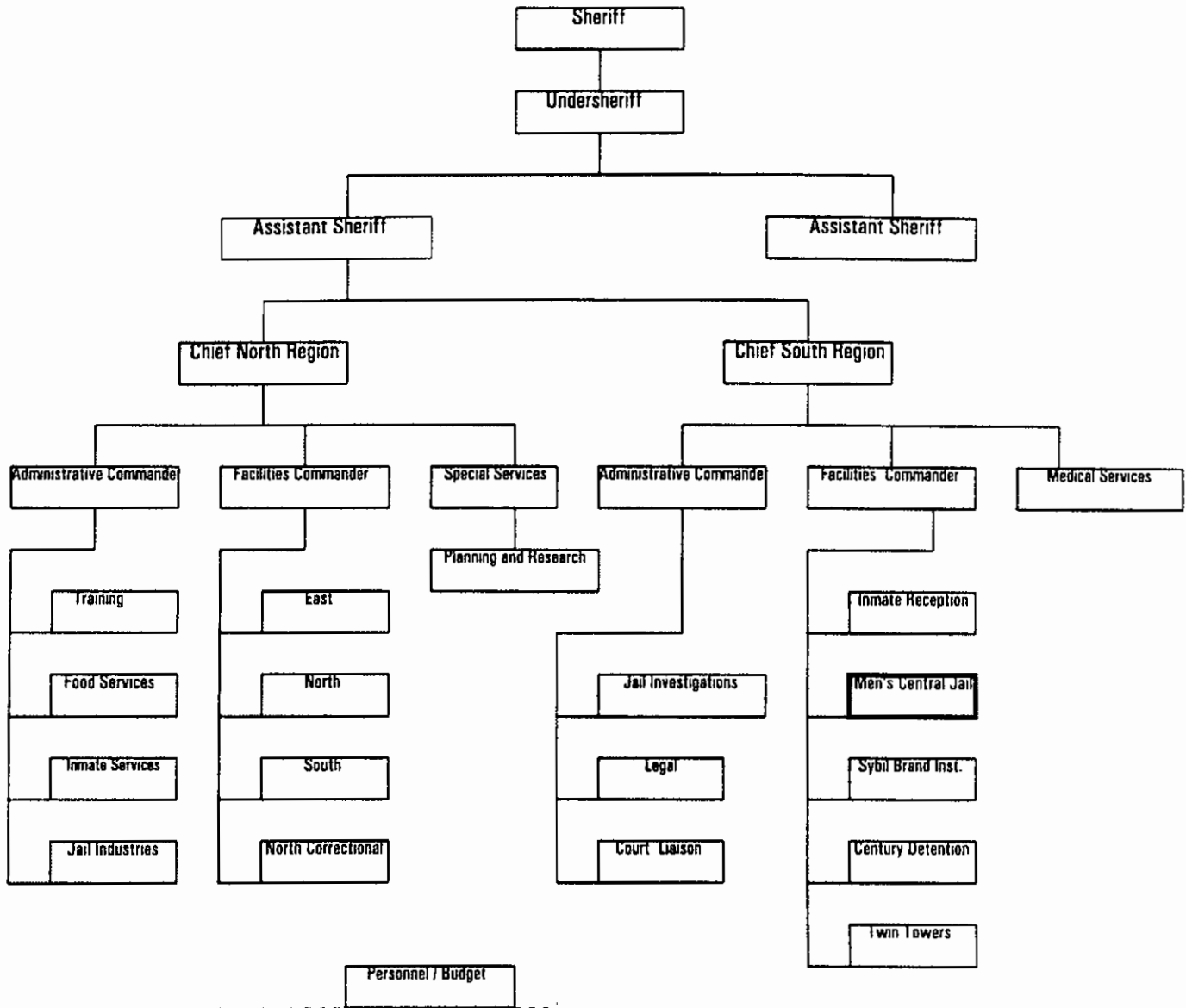
and post assignment sheets used by the Sheriff's Department generally confirms the staffing configuration reported by the scheduling sergeant and his staff.

The Sheriff attempts to schedule an average of 76 deputies on the Early Morning shift, 153 deputies on the Day Shift, and 159 deputies on the PM Shift. This average of 388 deputies per day equates to a need for 626.8 total deputies which are necessary to provide staffing for the designated hours on each shift, and to relieve deputies who may be absent for mandatory training, holidays, vacations, sick leave or for other reasons.

Exhibit 1

Los Angeles Sheriff's Department

Custody Division Organization - 1996



As shown in Exhibit 1, the Men's Central Jail (MCJ) is one of eight custody facilities operated by the LASD, excluding the Inmate Reception Center, which processes inmates into and out of the Sheriff's detention system. In addition, when the Twin Towers Facility becomes fully operational in Fiscal Year (FY) 1996-97, the Sybil Brand Institute will be closed to provide construction workers with physical access required to upgrade, remodel and retrofit the facility for seismic and earth slippage dangers.

The authorized budget and actual use of overtime at the facility provides for only 580.2 full-time equivalent positions (after making adjustments for budgeted salary savings), which is 46.6 positions fewer than the number of deputies which the Sheriff believes are necessary to operate the facility. The Sheriff reportedly compensates for this shortfall in deputy sheriff staffing by: (1) filling some deputy sheriff posts with civilian custody assistants, when available; and/or, (2) not staffing all of the positions included in the facility's staffing plan on all shifts. Accordingly, the staffing plan developed by the Sheriff's Department provides the Men's Central Jail with a higher deputy sheriff staffing requirement than has been budgeted or is typically available.

Actual utilization of available staff on each shift is left up to the supervising sergeants, who have broad responsibilities on each floor of the facility. Although records are not maintained on the posts which are not staffed when an insufficient number of deputy sheriffs report to work, the auditors were verbally advised that the Scheduling Unit has been instructed by the Men's Central Jail command staff not to utilize unscheduled overtime until more than five to six deputies call in absent for a shift. This policy reduces the annual staff requirement by between 26.75 and 32.10 positions (for relief), which is generally consistent with our assessment of staffing need to available personnel, since several positions which are currently required did not exist in FY 1995-96 (e.g., positions required to house serious juvenile offenders at the Men's Central Jail).

Non-Sworn Employees in the County's Jails

The California State Auditor has also analyzed the county's budget. This included an

assessment of the feasibility of replacing sworn deputy sheriffs with non-sworn (civilian) personnel in Sheriff's Department operations.

The State Auditor identified 141 deputy sheriff positions in administration, support, and law enforcement sections of the Sheriff's Department which could be filled by civilians. None of these positions are assigned to the Custody Division.

The study also proposed the Sheriff consider replacing all of the deputy sheriffs assigned to the Custody Division with civilian corrections officers. According to the State Auditor, the county could save between \$25.4 million and \$33.6 million annually if all custody deputies are replaced with civilians.

Scope of Reporting

The California State Auditor's Report should serve as a first step toward the county's completion of a detailed analysis of the potential for civilianization within the Custody Division. Consequently, included are the Grand Jury's two findings related to civilianization at the Men's Central Jail, which follows:

1. The Sheriff's Department could replace as many as 74 deputy sheriff post positions at the Men's Central Jail with civilian positions (equating to 115 full-time equivalent staff), at an annual savings of \$2,045,728. However, to provide sufficient flexibility for the assignment of light duty deputy sheriff staff, we have recommended the conversion of only 100 deputy sheriff positions for an estimated annual savings of nearly \$1.8 million.
2. The Sheriff's Department could replace 424 deputy sheriffs and bonus deputy sheriffs with civilian custodial officers at

the Men's Central Jail for an annual savings of nearly \$3.7 million.

As indicated previously, using the State formula, the county would save between \$25.4 million and \$33.6 million annually by converting to a correction officer classification throughout the Custody Division, largely because the state estimates that this classification would earn between 15 percent and 20 percent less than a deputy sheriff. The State's analysis assumes all deputy sheriffs within the Custody Division would be converted.

The Grand Jury believes fewer deputy sheriff positions should be converted than has been estimated by the state, and the county salary and benefit savings from this conversion would be a more conservative 12.5 percent rather than the 15 percent to 20 percent used by the State.

Feasibility

The Grand Jury reviewed the current Memorandum of Understanding (MOU)

between the County and the Association for Los Angeles Deputy Sheriffs to determine whether there are any provisions contained in the MOU which would prohibit the county from implementing the recommendations contained in this report. We also discussed the MOU with representatives from the Sheriff's Employee Relations office.

Based on our review, there appears to be no legal or contractual limitations on the county's ability to implement our recommendations. Although the county could be requested by the Association for Los Angeles Deputy Sheriffs to meet and confer on the impacts on bargaining unit membership and claims of diminished safety for Association members, implementation of the recommendations contained in this report could be accomplished if the county exercises sufficient management and political will to do so.

Details of our two proposals are presented on the following pages.

PROPOSAL 1 — Expanded Use of Civilian Staff

Deputy sheriffs assigned to the Men's Central Jail are assigned to a variety of functions, which can generally be categorized as managing inmates and providing for the security of the facility, supervising trustee work crews, and performing administrative and support duties. Each of the categories of assignment are described below and summarized in Table 1.1 on the next page..

Managing Inmates and Providing Security

Inmates booked into the Men's Central Jail from the Inmate Reception Center (IRC) receive housing assignments from the Classification Unit at IRC, and are moved into a Men's Central Jail housing unit based upon an IRC determination of the inmates' security risk and needs. Once physically transferred into the Men's Central Jail housing units, the safety of the inmates and security of the facility become the major responsibility of the Men's Central Jail Facility Commander and his staff. Typical duties performed by deputy sheriffs assigned to inmate safety and facility security functions include:

- Monitoring inmate activity in dormitory and block style housing units, and in exercise areas within the jail;
- Identifying and moving inmates with court or medical appointments into and out of the IRC for processing and transportation;
- Moving inmates into exercise areas, or into specialty housing units when necessary (e.g., medical or psychiatric housing areas);

- Monitoring inmates during visiting hours, when meeting with attorneys, or when conducting legal research; and,
- Providing perimeter security of the jail facility.

Also, deputy sheriffs are assigned to reception functions in the lobby of the facility, and to the control of passes for persons entering the secure area of the jail.

Managing Inmate Work Crews

Inmates who are considered to be the lowest security risk within the facility are generally classified as "trustees." These trustees are assigned to various work details within the Men's Central Jail and on the grounds of the facility under the supervision of a deputy sheriff. Inmate work crews perform a variety of services, including general housekeeping, floor care, painting, laundering and distribution of clothing, food preparation, and the movement of freight throughout the facility.

Administration and Support

Some deputy sheriffs are assigned full-time to various administrative and support functions within the Men's Central Jail facility. Such duties include employee work scheduling, acting as liaison with the county Department of Health Services for inmates requiring medical care, coordinating and supervising facility maintenance performed by county staff and contractors, and other functions.

Table 1.1
Summary of Deputy Sheriff Work Assignments
Los Angeles County Men's Central Jail - November 1996

<u>Assignment Grouping</u>	<u>Average Daily Shifts</u>	<u>Required Staffing</u>
Inmate Management/Security	363	599.4
Inmate Work Crew Supervision*	12	12.0
Administration and Support	<u>13</u>	<u>15.4</u>
Total	<u>388</u>	<u>626.8</u>

*Excludes six post positions staffed by deputy sheriffs who supervise inmate work crews outside of the secure perimeter of the Men's Central Jail facility, or in areas requiring high levels of security. These six post positions are in the Inmate Management/Security count of 363 daily shifts.

This table segregates deputy sheriff assignments by broad category of responsibility showing the average daily shift requirement and the total required staffing after providing relief.

Increased Use of Civilian Custody Assistants

Within each of these broad categories, there are assignments which could be performed by civilian *custody assistants* rather than sworn deputy sheriffs. The Los Angeles County job description for the position of custody assistant states, "Incumbents may be assigned to assist sworn supervisory staff in a main or dormitory control booth by monitoring inmate movement and controlling entry and exit to the facility." Duties, as stated in the county's published job description, include assisting sworn personnel with:

- Supervising the conduct of inmates in sleeping quarters, during meals and bathing, at recreation, and on work assignments.
- Overseeing the work of and instructing a group of inmates assigned to various

operational, maintenance, or other rehabilitative activities.

- The operation of main or dormitory control booths.
- Control of access to attorney rooms and visiting areas.
- Issuing visitor passes and facility employee identification cards.

The Men's Central Jail is budgeted and receives funding for 38 custody assistant positions. These employees currently perform many activities within the jail facility which require contact with prisoners. They are used regularly to fill some control booth and dorm posts, and often fill certain other control booth positions when deputy sheriffs are unavailable due to vacation, sick leave, or other absences. The present utilization of these employees in the jail is appropriate. However, the number

of custody assistants utilized in the Men's Central Jail could be increased substantially given the county's job description for this position, the terms of the MOU between the county and the Association for Los Angeles Deputy Sheriffs, and current assignment opportunities within the facility.

Among the total 388 average daily deputy sheriff shift assignments, there are several functions which could be assigned to civilian custody assistants instead of deputy sheriffs. A brief description of each function and the number of deputy sheriffs presently assigned to each is provided below:

The Sheriff's Department presently allows 10 fixed post positions to be staffed with custody assistants when deputy sheriffs are not available due to absences and training (equating to 30 shifts per day). These positions include control booth posts on each of four housing floors, and prisoner housing module posts on the remaining two floors. Custody assistants assigned to these locations assist deputies with monitoring inmates in the housing units. In order to staff these 10 fixed posts on a seven day per week basis, with relief, the Sheriff's Department requires a total of 53.5 positions.

An additional six fixed post control booth positions could be staffed by custody assistants rather than deputy sheriffs, based on our review of jail operations and discussions with scheduling staff. In order to staff these six fixed posts, as currently scheduled with relief, the Sheriff's Department requires a total of 28 positions.

The Men's Central Jail also uses deputy sheriffs to perform pass control and security dispatch functions. Neither of the two posts has physical control over jail entrances. Doors are operated by deputy sheriffs from control

booths located within the secure area of the facility. Other jurisdictions use civilian personnel at these locations instead of custody staff, and such use of civilian personnel in Los Angeles would also be appropriate. In order to staff these two posts during current hours, with relief, the Sheriff's Department requires a total of 7.1 positions.

The Sheriff's Department assigns deputy sheriffs to supervise inmate work crew activities within the secure perimeter of the jail on an average of 12 shifts each day. These work crews are comprised of inmates who are classified as trustees. They perform a variety of services, including general housekeeping, floor care, painting, laundering and distribution of clothing, food preparation, and the movement of freight throughout the facility. These services are often performed within areas of the jail where there may be several deputy sheriffs managing inmate activity. The 12 positions which are included in this discussion perform general housekeeping, floor care, laundering and distribution of clothing, and mess hall clean-up (cleaning stoves and ovens to reduce fire danger). The supervision of inmate work crews falls within the responsibilities that may be assigned to civilian custody assistants. Presently, there are 12 deputy sheriffs assigned to these functions since relief is not required.

There are 14.4 deputy sheriff positions assigned to administrative and support posts within the jail who should be replaced with custody assistants or some other county civilian classification. Chief among these are deputy sheriffs assigned to:

- Scheduling (3 positions): Presently, there are three deputy sheriffs assigned to deputy sheriff scheduling. A sworn sergeant should continue as the supervisor of the unit; scheduling functions presently

performed by the deputy sheriffs should instead be performed by civilian personnel.

- **Legal** (2 positions): Presently, there are three deputy sheriffs who coordinate the implementation of court orders, and process paperwork for subpoenas and other documents. Because these deputies may be called to testify in court proceedings, one deputy sheriff position should be retained in this unit. The responsibilities of the remaining two positions could be performed by civilian custody assistants.
- **Medical Liaison** (2 positions): Presently, there are two deputy sheriffs who are responsible for coordinating medical services to be received by inmates, with the nursing and physician staff in the jail medical unit and at the LAC+USC Medical Center. The purpose of this function is to ensure that an appropriate level of medical treatment is received by the inmate while preserving inmate security, ensure that the Sheriff's Department adheres to court orders regarding inmate medical treatment, and to monitor and coordinate the transfer of inmates to the LAC+USC prisoner medical ward. These functions could be performed by a custody assistant or some other civilian classification.

- **Computerized Record Maintenance** (5.2 positions): Presently, there are 5.2 deputy sheriff positions which are responsible for maintaining the integrity of the computer record of inmate location and status in the Men's Central Jail facility. This function could be performed by custody assistants or some other civilian classification.
- **Operations** (1 position): Presently, there is one deputy sheriff who is assigned to the Operations Lieutenant to perform a variety of personnel functions. According to the Operations Lieutenant, this individual manages and maintains personnel paperwork and records, tracks the status of personnel injured on duty (IOD), and monitors when these individuals can return to work, and prepares monthly management reports for Sheriff's Department command staff. This function could be performed by a custody assistant or some other civilian classification.

The salary and benefit differential for the classifications of deputy sheriff and custody assistant is approximately 25.75 percent. Accordingly, if these 115 deputy sheriff positions were replaced by custody assistant positions, the county could save an estimated \$2,045,728 per year, while maintaining the safety and security of the Men's Central Jail facility. A summary of the results of our analysis is presented in Table 1.2 on the following page.

Table 1.2
Estimated Savings from Staffing Specified Posts
With Custody Assistants Rather than Deputy Sheriffs
Los Angeles County Men's Central Jail

<u>Function</u>	<u>Maximum Daily Shifts</u>	<u>Required Staff</u>	<u>Cost at Deputy Rate</u>	<u>Cost at C/A Rate</u>	<u>Savings</u>
Control Booths (a)	46.0	81.5	\$5,631,339	\$4,181,206	\$1,450,132
Reception/Pass Control (b)	4.0	7.1	492,742	365,856	126,887
Work Crew Supervision (c)	12.0	12.0	828,912	615,458	213,454
Admin./Support (d)	<u>12.0</u>	<u>14.4</u>	<u>991,241</u>	<u>735,985</u>	<u>255,255</u>
Total	74.0	115.0	\$7,952,993	\$5,898,505	\$2,045,728

- (a) Fifteen 24-hour posts staffed seven days per week, and one PM shift staffed five days per week, all with relief.
- (b) Two 16-hour posts staffed seven days per week, with relief.
- (c) Twelve shifts staffed five days per week, no relief.
- (d) Nine shifts staffed five days per week, no relief; one 24-hour post staffed seven days per week, with relief.

Impact on Light Duty Work Force

Some of the functions included in Table 1.2 are presently performed by deputy sheriffs who are unable to perform full law enforcement or custody activities due to physical injury. These deputies are termed "light duty."

According to the sergeant in charge of scheduling, there are typically between 10 and 15 light duty deputy sheriffs for whom accommodations are made in scheduling. These individuals will typically be assigned to office duty, or some other activity which does not require significant physical exertion or the possibility of additional injury.

By fully implementing the conversions shown in Table 1.2, the flexibility of the Sheriff's Department to assign deputy sheriffs to light duty would be significantly hindered. Therefore, we believe the Sheriff's Department should retain deputy sheriff staffing and

funding for approximately 15 of the positions listed in Table 1.2, for a net conversion in deputy sheriff personnel of 100 positions.

With proper management of the light duty work force and periodic utilization of custody assistants in the 15 positions which are not being recommended for conversion from deputy sheriff to custody assistant, the Sheriff's Department can implement our recommendations without jeopardizing the ability of the Men's Central Jail scheduling staff to find suitable assignments for light duty personnel. Retention of these 15 positions as deputy sheriffs would reduce the estimated \$2,045,728 savings by \$266,817, for a net savings of \$1,778,911 per year.

FINDINGS

Deputy sheriffs who work at the Men's Central Jail are assigned to a variety of functions which generally can be categorized as

managing inmates and providing for the security of the facility, supervising trustee work crews, and performing administrative and support duties.

Some of these assignments could be staffed using civilian instead of sworn deputy sheriffs. This alternative would be consistent with State law and existing Los Angeles County civilian employee job specifications.

By replacing 100 deputy sheriff positions with custody assistant positions, the Sheriff could continue to operate the Men's Central Jail in a safe and secure manner, at an annual savings of nearly \$1.8 million.

There would be no cost to implement the following recommendations.

RECOMMENDATIONS FOR PROPOSAL 1

The Sheriff should:

- Implement a modified staffing plan for the Men's Central Jail, as described in this report.

The Board of Supervisors should:

- Modify the annual salary ordinance and budget, reducing the number of deputy sheriff positions by 100 and increasing custody assistant positions by 100. The timing of implementation will depend upon recruitment and training considerations which are necessary to allow for smooth transition.
- Modify the Sheriff's Department annual appropriation to reflect the funding requirements and implementation timing of the above recommendation.

PROPOSAL 2 — Converting to a Custodial Staffing Model

The State of California permits counties to establish a classification of *custodial officer* “who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility. . . .”³ However, the State places certain limitations on the authority of a custodial officer:

1. A custodial officer is a public officer, not a peace officer;
2. A custodial officer shall have no right to carry or possess firearms in the performance of his or her duties;
3. A custodial officer does not have any authority except while on duty;
4. At any time there are 20 or more custodial officers on duty, there shall be at least one peace officer on duty at the same time to supervise the performance of the custodial officers; and,
5. A custodial officer cannot make arrests for misdemeanors or felonies without a warrant.⁴

Within these limitations, custodial officers can be used extensively within a custody setting. Specifically, by Penal Code § 831 (f), custodial officers are granted the authority to “use reasonable force in establishing and maintaining custody of persons delivered to him or her by a law enforcement officer; may make arrests for misdemeanors and felonies

within the local detention facility pursuant to a duly issued warrant; may release without further criminal process persons arrested for intoxication; and may release misdemeanants on citation to appear in lieu of or after booking.”

The State of California also sets standards for the selection and training of custodial officers hired by counties. Counties which use a custodial officer staffing model to operate their jails use stringent selection criteria, and require background checks on all applicants for employment. Training mandated by the State includes (1) an introductory course of training prescribed by the Commission on Peace Officer Standards and Training (POST) to be completed within 90 days of employment⁵; and, (2) ongoing training as established by the Board of Corrections.⁶ Continuing training for custody staff subject to POST regulations is to receive 24 hours of training every two years.

In the county of Los Angeles, deputy sheriffs reportedly are assigned to the Custody Division for an average of six years before rotating to patrol or other law enforcement units within the Sheriff’s Department. However, before working in the jails, deputy sheriffs complete the full 23 weeks of academy training, which qualifies them as peace officers. Deputy sheriffs also receive two additional weeks of “Corrections Core Course” training, which is provided by the Sheriff’s Department.

³ California Penal Code § 831.

⁴ Penal Code § 831.5 permits custodial officers in the counties of San Diego, Fresno, Stanislaus, and counties with a population of 425,000 or less to make warrantless misdemeanor arrests while on duty.

⁵ California Penal Code § 831, § 832, and Title 15, Article 3 & 1020.

⁶ California Penal Code § 6035. POST has established a requirement that peace officers and custodial officers complete a minimum of 24 hours of refresher training every two years.

In the county of Santa Clara, where custodial officers are used to operate the jails, training consists of approximately five weeks of academy training and six weeks of "on-the-job" training (a combination of observation and class work, during which time a cadet cannot work in the jails unless accompanied by a training officer), for a total of eleven weeks of training. Santa Clara's training program exceeds the State minimum for a custodial officer, but is only approximately 50 percent of the training received by Los Angeles deputy sheriffs. This is because Los Angeles deputy sheriffs are classified as full peace officers, receiving additional training for law enforcement duties which extends beyond that which is necessary to work in the jails.

Results of Recent State Auditor Study

On November 21, 1996, the Board of Supervisors received copies of a study prepared by the California State Auditor on the continuing budget issues in the County of Los Angeles. This analysis focuses on the operations of the Los Angeles Sheriff's Department.

The State Auditor reviewed a wide range of issues regarding Sheriff's Department operations. Two issues addressed the potential for civilianization in the department including opportunities for converting some administrative, support, and law enforcement deputy sheriff positions to existing county civilian classifications. Proposal 1 of this report discusses the potential for a similar conversion within the Men's Central Jail, which was not reviewed by the State Auditor.

The State Auditor also prepared broad projections of savings which could be achieved by the county if it converted all of the deputy sheriff positions in the Custody Division to "correction officers" class (which would more appropriately be termed custodial officers, in

order to be consistent with State law). This projection was based on the following broad assumptions:

- A total of approximately 2,400 deputy sheriff positions within the Custody Division could potentially be converted to the proposed correction officer class;
- The county could establish salary and benefit rates for the correction officer class at an estimated 15 percent to 20 percent less than the current compensation for deputy sheriff; and,
- Deputy sheriffs presently receive compensation established at the top step of the county's salary schedule, or \$70,670 per year.

The total estimated savings, using the State Auditor's assumptions, would be between \$25.4 million and \$33.6 million per year when fully implemented. However, by using these assumptions, we believe the State Auditor has provided the county with an optimistic estimate of savings which could be achieved with the conversion, as follows.

- We could not reconcile the State's count of deputy sheriffs assigned to the Custody Division, based on documentation on budgeted staffing received from the Sheriff's Department. The total staffing used by the State Auditor was 2,442 in FY 1995-96, which includes 150 positions for the Twin Towers facility. We count 2,211 positions for the Custody Division, including the Twin Towers facility.
- The State Auditor assumes 42 deputy sheriff positions would not be converted to correction officers positions on a system-wide basis, but provides no detailed explanation of this assumption. We believe the number of deputy sheriff

positions who would not be converted to correction officer positions could be greater since certain functions within the jails may be more appropriately performed by deputy sheriffs.

- The State Auditor assumes the county could achieve between 15 percent and 20 percent in salary and benefit savings if the position of correction officer is used to staff the jails instead of deputy sheriff, based on the reported experience in other small to large counties throughout California. We believe this differential may be overstated and that the savings would more likely fall within a 10 percent to 15 percent range, which more closely corresponds with the experience in larger counties.
- The State Auditor's savings assumption is based on a compensation rate for current deputy sheriffs at the top step salary and benefit rates, or \$70,670 per year. On a budget basis, this estimate is overstated by approximately \$1,594 per year, per position. By using a general assumption of top step compensation, rather than actual cost based on the county's budgeting system, the State Auditor's estimate is overstated by \$3,825,600 per year (or 11 percent to 15 percent based on the State Auditor's range of savings).

Despite our reservations about the assumptions used by the State Auditor, it is clear that system-wide savings from converting to a custodial officer staffing model would be substantial in the County of Los Angeles. However, for this report, we have estimated savings for only the Men's Central Jail.

Savings to Be Achieved from Converting to a Custodial Officer Staffing Model at the Men's Central Jail

Based on our auditor's review of California statutes and the MOU with the Association of Los Angeles Deputy Sheriffs, the county has the authority and ability to convert the Custody Division to a custodial officer staffing model. Based on our auditor's familiarity with custodial officer staffing models in other jurisdictions, the benefits to be achieved from converting to such a model would be substantial.

- The county would realize substantial savings in salaries and benefit costs per employee, most likely in the range of from 10 percent to 15 percent per year.
- The county would be able to attract applicants who are interested in a career in custody operations, rather than the full range of law enforcement services. This would likely result in more stability and higher morale in the work force, and an ability to attract a broader profile of workers.

The counties of Santa Clara and San Diego utilize custodial officers extensively in jail operations. Although neither jurisdiction operates jail systems as large as the Los Angeles County system, both are considered large urban counties which operate multiple jails housing a full range of prisoners (e.g., minimum security sentenced inmates to maximum security presentence inmates). In both counties, the custodial officer system works well.

This system would work equally as well in the County of Los Angeles. Significant savings can be achieved at the Men's Central Jail if

the county is to convert the operation to a custodial officer staffing model. Our analysis is based on these assumptions:

- All managers and supervisors would continue to be fully sworn peace officers (i.e., deputy sheriffs) in order to comply with State statutes requiring that, "At any time there are 20 or more custodial officers on duty, there shall be at least one peace officer on duty at the same time to supervise the performance of the custodial officers." Under the current staffing configuration, the ratio of sergeants to line deputies fully meets this requirement. This requirement would also be assured with the retention of the Watch Deputies and Training Deputies in the facility, as described below.
- The Men's Central Jail currently employs a full time equivalent deputy sheriff work force of approximately 580 positions. We have recommended in Proposal 1 of this report that 100 of these positions be converted to other civilian classifications (e.g., custody assistants). If the recommendations in Proposal 1 are implemented, a maximum of 480 positions could be converted to custodial officers.
- However, there are certain functions within the jail which would need to continue to be provided by deputy sheriffs. Based on our review of the operations, these positions would include:

Perimeter Security	2.5 positions
Requires armed officer	
Hospital Transport (4 per shift)	21.4 positions
Requires armed officer	
Watch Deputy ⁷ Act in lead role	3.8 positions
Training Deputies Act in lead role	<u>28.2</u> positions
Total Deputies	<u>55.9</u> positions

⁷ At the time of this report, the Sheriff's Department was staffing Watch Deputies five days per week on a 24-hour basis. The Sheriff's Department currently is evaluating whether Watch Deputies should be staffed on a seven day per week/24-hour basis, which would result in the need for approximately 1.55 additional deputy sheriff positions at the MCJ.

Accordingly, the Sheriff's Department should retain 56 deputy sheriff positions within the Men's Central Jail, reducing the number of positions to be converted to 424 positions.

- The county would probably save between 10 percent and 15 percent on the salaries and benefits for these 424 positions by converting to a custodial officer staffing model. For purposes of this analysis, we have therefore estimated a savings of approximately 12.5 percent from the current per position annual budgeted cost of \$69,076, or \$8,634.50 per position.

The estimated total annual savings for the Men's Central Jail when the conversion is fully implemented would be approximately \$3,661,028 per year, or 7.5 percent of the total operating cost of the facility. A summary of this savings calculation is presented below:

Total MCJ Full-time Equivalent Deputy Sheriff Staff:	580
Less: Proposal 1 Positions Recommended for Conversion to Civilians	(100)
Less: Positions to Remain as a Deputy Sheriff Classification	<u>(56)</u>
Net Positions Appropriate for Conversion	<u>424</u>
Total Budgeted Salaries and Benefits @ \$69,076 Per Position	\$29,288,224
Estimated Savings @ 12.5 Percent of Total Budgeted Cost	\$3,661,028

In addition, savings in training costs for recruits would occur with the use of custodial officers rather than full peace officers. In the county of Santa Clara, training hours for custodial officers are approximately 50 percent of that received by deputy sheriff staff in the

County of Los Angeles. By reducing the training requirement by 467 hours (which would be equivalent to the level provided in Santa Clara), the salary and benefit differential in the County of Los Angeles would equate to approximately \$15,140 per trainee. Additional costs could be saved with reductions in the number of academy instructors which would occur as a result of the reduced training period for recruits.

We did not analyze the number of years which would be required to fully convert to a custodial officer staffing model at the Men's Central Jail or throughout the entire Los Angeles Sheriff's Department Custody Division. This analysis would be based on the deputy sheriff attrition rate being experienced by the Sheriff's Department, and would require some assessment of law enforcement staffing needs in the department. However, experience in the county of Santa Clara suggests that this conversion could occur within five to seven years.

FINDINGS

State law permits counties to establish a classification of custodial officer who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility. Although custodial officers are not considered peace officers and cannot carry firearms, state law requires that persons appointed to custodial officer classifications meet minimum selection and training standards prescribed by the California Board of Corrections and Commission on Peace Officer Standards and Training.

Two other large counties in California have successfully implemented custody programs which rely heavily on the use of custodial officers. Although the County of Los Angeles is

much larger than either of these jurisdictions, the basic scope of services and method of operations are similar in all three counties making the use of custodial officers in Los Angeles a practical alternative to current deputy sheriff staffing.

Although there are certain functions within the county's jails which should continue to be staffed by sworn deputy sheriff personnel, significant opportunities exist to convert to a custodial officer staffing model over a period of perhaps six years.

Once fully implemented, the county would achieve significant savings. For example, by converting the Men's Central Jail to a custodial officer staffing model, the county could save nearly \$3.7 million per year and this is only at Men's Central Jail.

In addition, savings in training costs for recruits would occur with the use of custodial officers rather than full peace officers. In the county of Santa Clara, training hours for custodial officers are approximately 50 percent of that received by deputy sheriffs in the county of Los Angeles. By reducing the training requirement to 467 hours (which is equivalent to the level provided in Santa Clara), the salary and benefit differential in the county of Los Angeles would equate to approximately \$15,140 per trainee. Additional costs could be saved with reductions in the number of academy instructors which would occur as a result of the reduced training period for recruits.

The Grand Jury endorses these findings as necessary and feasible. The management of the Sheriff's Department from the Undersheriff to the staffing sergeant have been very cooperative and helpful in supplying needed data and personal input to make these models viable. They acknowledge our recommendations were with merit.

These findings can become reality. However, it is essential the management of the Sheriff's Department continue to have the attitude that this is a positive change with tremendous cost savings benefit. These plans will be activated through attrition, thus, morale should remain high. This is especially a positive change for deputy sheriffs who presently are spending approximately six years working in the jails before they are able to go out on patrol or to other units. It would be more beneficial for the people of Los Angeles County to have more sheriff deputies out on patrol as soon as possible.

There would be no cost to implement the following recommendations.

RECOMMENDATIONS FOR PROPOSAL 2

The Sheriff should:

- Develop a custodial officer staffing plan for the Men's Central Jail, consistent with this finding;
- Submit a request for the Los Angeles County Human Resources Department to work with the Sheriff's Department to develop proposed job specifications and salaries and benefits for the proposed classification of "Custodial Officer," as described in this report⁸; and
- Develop a budget modification request which would implement the custodial officer staffing plan.
- It is clearly shown major cost savings can be realized with the use of civilian personnel at Men's Central Jail. This concept can equally be applied to other

custody facilities, thereby *greatly* increasing the savings for Los Angeles County.

Recapitulation of Recommendation from Proposal 1

The Sheriff should:

- Implement a modified staffing plan for the Men's Central Jail, as described in this report.

The Board of Supervisors should:

- Modify the annual salary ordinance and budget, reducing the number of deputy sheriff positions by 100 and increasing custody assistant positions by 100. The timing of implementation will depend upon recruitment and training considerations which are necessary to allow for smooth transition.
- Modify the Sheriff's Department annual appropriation to reflect the funding requirements and implementation timing of the above recommendation.

Additional Recommendations for the Sheriff's Department Custody Division

The Sheriff should:

- Immediately determine the appropriate number and type of civilian personnel necessary to staff the five additional jail facilities operated by the Sheriff: Century Detention Facility, East Facility, North Facility, South Facility and North County Correctional Facility. Sybil Brand because of pending closure and Twin Towers because it already has a significant

⁸ The Sheriff's Department reports that the process for implementing this recommendation has already begun, in response to the State Auditor report submitted in November 1996.

civilian work force are not included in this recommendation. First staff as many positions as possible with custody assistants, then convert to a custodial officer staffing model.

- Determine the appropriate number and type of personnel to staff the Inmate Reception Center related to inmate movement, processing and security and inmate transportation.
- Evaluate sheriff vacancies and attrition rate of deputy sheriff personnel to determine the implementation time frame for recommendations related to the conversion of deputy sheriff positions to civilian positions throughout the Custody Division.
- Estimate one-time and ongoing savings in training costs which would result from recommendations to convert deputy sheriff positions to civilian positions.

The Board of Supervisors should:

- Endorse the expanded use of civilian staff and conversion to a correction officer staffing model plans for the Sheriff's Department Custody Division.
- Request the Sheriff submit a blueprint for changing deputy sheriffs to civilian personnel in the five additional jail facilities within three months. The blueprint should project estimates of potential cost savings.
- Require a progress report from the Sheriff's Department every six months on how the program is being implemented. The report should include the number of converted positions, cost savings, and other relevant data.

Sheriff's Department Management

After realizing that significant savings could be obtained by the Sheriff's Department's use of civilian custodial officers rather than deputy sheriffs at Men's Central Jail and all other custody facilities, the Criminal Justice Committee felt it necessary to look more closely into the general management of the Sheriff's Department.

PROFESSIONAL MANAGEMENT IN SUPPORT STAFF

The Sheriff's Department is in need of more professional management in support fields. This is a large department! The Sheriff's Department's annual budget is \$1.1 billion. The emphasis in the department is promotion through the ranks which is very important for morale and effective for public safety. Hands-on experience is vital in understanding department personnel and the citizens of Los Angeles County.

The Sheriff's chain of command is not challenged. The Sheriff's line organization is composed of professional law enforcement personnel. However, the supporting organization to the structure could be vastly improved with the insertion of professional management personnel in the supporting functions. Furthermore, a professional person with management expertise who has the ability to run a large corporation is what is needed to run the

administrative portion of the Sheriff's Department.

A Chief Administrative Officer (CAO) is needed to run the large and complex administrative and non safety services more efficiently. This person should have a business management education and have direct experience in running a large enterprise. This position would report to the Undersheriff. The Sheriff, who is accountable to the people, should be concerned mainly with the very important tasks of day-to-day operations, public safety issues, and running the overall department, leaving the business management to the CAO. The savings realized from efficient management will more than offset the salary of the CAO.

In addition to the CAO, there should be professional support to take over the concerns of administrative control of the office. Presently, the Sheriff's Department has approximately 84 people in upper management which is defined as a position of Captain or above, but only five are civilian personnel. Support personnel with business experience is vital!

In an article in a recent professional journal that research by another police agency has suggested that police executives should consider the use of civilians in the upper ranks of the law enforcement agency as an opportunity to foster community rapport. This theory was

further investigated by the Grand Jury. From our study, we found that the insertion of civilian division commanders into law enforcement organization is a good idea, which is timely considering all of the budget cuts. Hand-picked qualified civilian administrators bring new ideas to an often closed group. The notion of community-oriented policing is enhanced through the introduction of civilians into the organization. Nowhere is there mentioned in the list of basic managerial functions the need to make an arrezst. Typically, candidates are evaluated on the basis of their leadership and management skills. Managers are leaders and not technicians. Successful managers today should have at least a baccalaureate degree from an accredited college and a minimum of five years of experience in a management position before assuming a command position in a law enforcement agency.

While the idea of a civilian division commander is not new in law enforcement, it is unique and beneficial. Beneficial because, unlike police officers who rise through the ranks, a civilian employee is typically a lateral entry, selected because of special qualifications. Simple economics justifies the widespread use of civilians. A sworn division commander has a significantly different cost for civilian retirement plans versus those for sworn personnel which is more costly. This is particularly true under the California Public Safety Retirement System (PSRS). Civilians are often in charge of "support services" and some very suitable assignments headed by a civilian commander could be the following:

Budget Administration
Accounts Payable/Receivable
Payroll Supervisor
Contracts Administrator
Internal Ombudsman
Cultural Awareness Director
Affirmative Action Administrator

Outreach Program Development Audits and Inspections Program ...

The civilian division commander should be treated equitably. All civilian paraprofessionals should be equal to their sworn counterpart and not be subordinate at any level.

We need the experience of deputies who rise through the ranks for public safety, but we also need the polish of professional business managers in administration who will save money and improve the department. These positions should be changed through attrition and reassignment without necessitating an increase in staff.

It is important to remember a line function without staff is inefficient, but a staff function without line is pointless. We need a good mix. **The Grand Jury recommends strongly that civilian support staff be an integral part of the Sheriff's Department.**

AUDITS OF THE SHERIFF'S DEPARTMENT

There are constantly reactions to problems in the Sheriff's Department, and an immediate "fix" is implemented. Presently, the Auditor-Controller is examining the purchasing function, operational improvements, performance measures, organizational structure, information technology, and an analysis of the administrative control environment of this department. This is the FIRST time that this department has been audited by the county.

Additionally, the Board of Supervisors has appropriated approximately \$150,000 for a private auditor to conduct a management audit of the Sheriff's Department to evaluate the purpose, operations, and policies of the department with the intent to save money,

increase efficiency, eliminate waste, and to improve service to the residents of the county. The scope of this study includes specific analyses of the administration services, food services, laundry services, overall management structure, and analyses of the state auditor's report. **The Grand Jury applauds this responsible behavior.**

Unfortunately, the Auditor-Controller has been restrained from conducting more audits because of a lack of funding. Even with the above mentioned audits in progress, the patrol and full custody division has yet to be audited. Other areas of the Sheriff's Department should be audited, with additional funds being allotted to this department for the coming year by the Board of Supervisors.

The partial audit of the Sheriff's Department will soon be complete. Where and how will the follow-up be established? There needs to be some type of oversight established to ensure that valid suggestions are implemented in a timely fashion.

The Kolts Commission was established when Los Angeles County Supervisors appointed James G. Kolts to investigate use of excessive force by sheriff deputies, to cut soaring litigation costs, handling of citizens' complaints and training and discipline of deputies. Compliance with this 359 page document is monitored by Merrick J. Bobb, General Counsel to the Kolts group and special counsel to the county, which reports to the Board of Supervisors every six months.

ACCOUNTABILITY

The Grand Jury strongly recommends that a special counsel to the county should oversee the findings of these two audit reports and report every six months to the Board of Supervisors on the progress being made to

implement the approved suggestions in the audit report. There must be more accountability in government! Many major cities in the United States have oversight committees of law enforcement departments, who conduct investigations and are permanent entities. The City of Pittsburgh agreed to have an auditor similar to Merrick Bobb and this is an on-going process.

The City of Los Angeles recently formulated the position of Inspector General to monitor complaints against and within the police department. San Jose and Seattle also have an Inspector General.

It is important and feasible to have a special counsel with the support and expertise from certified public accountants and/or consulting firms to look into the management of the Sheriff's Department until there is compliance with the auditor's report, and a professional business manager is hired to run the administrative side of the department.

The Sheriff's Department was most cooperative in discussing and agreeing to the findings of our previous report which was issued in February 1997. They want to be proud of their department and do the best they can do. Some additional assistance may be needed.

FINDINGS

1. The Sheriff's Department is in need of more specialized, professional staff management.
2. Use of qualified civilians in staff positions is feasible and essential.
3. Responses to auditor's findings need to be monitored.

RECOMMENDATIONS

SHERIFF'S DEPARTMENT

1. Should hire a Chief Administrative Officer with a business management education and background with previous experience in large corporate management.
2. Should employ civilians with specialized skills in support staff positions in upper management.

BOARD OF SUPERVISORS

1. Should appoint a special counsel to monitor compliance of the Auditor-Controller and private auditor recommendations. It is highly recommended that this special counsel has the aid of certified public accountants. A report should be made semi-annually to the Board of Supervisors.
2. Should support the use of more qualified civilian staff including a CAO in the Sheriff's Department, and monitor their progress.

Government Operations Committee

MEMBERS

Henry G. Cox, Chair
Jerry S. Berk
Duane E. Bovett
Robert B. Burns
Abigail G. Cohen
Jack W. Hilts
Carolyn Llewellyn
Richard T. Tormey

Introduction

The committee considered a range of topics. The County of Los Angeles contains many government entities, so numerous subjects came to mind, were discussed, and were usually discarded. Using the counsel of (1) previous Grand Jury reports, (2) recommendations from other Grand Jurors or outside speakers who addressed the Grand Jury, and (3) our own life experiences and interests, the committee compiled a list of subjects for investigation. We then reluctantly censored our list of subjects to exclude those which were not sufficiently important or whose scope was too large for our time and personnel resources. We selected from among our topics those which a majority supported and one individual agreed to lead. Thus, three remained for the report:

1. The creation of a strong county executive officer to replace the administrative functions of the Board of Supervisors.
2. The efficiency and effectiveness of the District Attorney in collecting delinquent child support payments.
3. The efficiency and effectiveness of the Los Angeles City Tax Collector in properly assessing and collecting business taxes and licenses.

During our investigations, we became convinced that our inquiry into business taxes

would neither result in meaningful reports nor inform the citizenry. The Los Angeles business tax climate has drawn intense criticism from local firms. It has been alleged that prospective employers, whose work force would also contribute to the tax base, decline to operate here and that disproportionate taxation, compared with competing cities, is a significant factor—perhaps the determining one. A preliminary report of an ongoing study by Landmark Partners and Arthur Andersen found that Los Angeles taxes made it more expensive to do business here than in 16 other West Coast cities, including San Francisco and Seattle. The study also concluded that over 40 percent of all businesses failed to pay their taxes. However, the City Clerk estimates that 85 percent of businesses now pay business tax, and that about \$14,000,000 in tax revenue is lost, compared with \$283,000,000 collected (FY 1995-96) from non-compliant businesses, which are mostly small and short-lived firms. We believed that our limited ability to cut to the core of this serious issue could not significantly contribute to reasonable solutions, but could cloud the true situation. The final Landmark/Andersen study, scheduled for completion shortly after this report, should reveal viable alternatives. We recommend that our successor Grand Jury study the situation during its term.

After listening to and questioning county officials who were invited speakers before the

Grand Jury, we decided to undertake two additional topics:

1. The possibility of merging the two Los Angeles scientific forensic crime laboratories to create a more effective and respected criminal justice instrument.
2. The possibility of assisting the Coroner in obtaining timely notification from investigating personnel of the various criminal justice agencies in the county.

Accordingly, the Government Operations Committee final report includes these topics:

1. How Many Crime Labs Does Los Angeles Need?
2. Child Support Collection System Needs Independent Review
3. An Executive Officer for Los Angeles County
4. Better Communication Between Coroner and Law Enforcement Would Serve Both

How Many Crime Labs Does Los Angeles Need?

INTRODUCTION

The Governmental Operations Committee of the Grand Jury investigated the advantages and disadvantages of consolidating the scientific forensic crime laboratories of the City and County of Los Angeles. These two laboratories, operated by the Scientific Investigation Division (SID) of the Los Angeles Police Department (LAPD) for the city, and the Scientific Services Bureau (SSB) of the Los Angeles County Sheriff's Department (LASD) for the county, are two of the four largest crime labs in the United States. Their expertise and the expert testimony of their personnel provide vital support to criminal law enforcement detectives and prosecutors in the various courts within Los Angeles County. To be effective, the conduct of their investigations must be above reproach, their practices rigorous and well documented, their findings defensible, and their testimony unimpeachable. Present laboratory credibility, both locally and nationally, is constantly under attack. Would a union of our two already large but overcrowded and expensive but underfunded laboratories produce a better, more effective facility?

We believed that Los Angeles deserves the best, or two best, crime laboratories available.

METHODOLOGY

The Government Operations Committee determined to study this question. We therefore conducted an investigation to study the benefits and disadvantages of a consolidation. While conducting our investigation, we:

- Held preliminary conversations with personnel in the LASD SID and the LAPD SSB;
- Held entrance conferences with administrative staff of both the LAPD and the LASD. The LAPD entrance conference included the Commanding Officer of LAPD's Support Services Bureau and the Commanding Officer of the Scientific Investigation Division. The Sheriff's Department entrance conference included the Undersheriff, the Chief of Detectives, the Area I Commander, the Operations Captain of the Scientific Services Bureau, and the Crime Lab Director. The purpose of both entrance conferences was to explain the scope of the study and to obtain a general understanding of the two crime laboratories' operations;
- Collected and reviewed documentation on the staffing, budget, and operations of both crime laboratories, to identify potential advantages and disadvantages of partial or total consolidation of their operations;

- Interviewed key personnel in both crime laboratories, including both main and branch locations, to further clarify aspects of each facility's operations, and to obtain perspectives on potential advantages and disadvantages of partially or totally consolidating their operations;
- Interviewed sworn detective personnel in the LAPD and the LASD, and Deputy District Attorneys in the Los Angeles County District Attorney's Office regarding services of the current crime labs and various alternative proposals for the consolidation of the crime labs;
- Interviewed personnel in other crime laboratories across the United States, including jurisdictions which operated regional laboratories serving multiple law enforcement agencies, and jurisdictions in California, such as Contra Costa County and Santa Clara County, which provide crime laboratory services on a fee basis to local law enforcement agencies; and,
- Evaluated a proposed project to build a new county crime laboratory at California State University, Los Angeles (CSULA) in conjunction with the current forensic studies program at the university.

Based on this field work, we analyzed the potential advantages and disadvantages of partially or totally consolidating operations of the city and county crime laboratories. We also developed and analyzed a consolidated cost/staffing model. This led to our determination as to whether to recommend any change

in the current structure of crime laboratories between LAPD and the LASD.

Current Organization of the Two Crime Laboratories

LAPD Crime Lab

Forensic and scientific services are provided by the Scientific Investigation Division of the Los Angeles Police Department, which is one of four divisions within the Support Services Bureau, which in turn is one of four bureaus under the Office of Administrative Services. The Office of Administrative Services reports directly to the Chief of Police.

LASD Crime Lab

The Scientific Services Bureau is one of eight bureaus reporting through two Area Commanders to the Chief of the Detective Division, who in turn reports to the Assistant Sheriff, the Undersheriff, and Sheriff.

Organizational charts showing the control and reporting paths for the Scientific Investigation Division of the LAPD and the Scientific Services Bureau of the LASD are presented in Figures 1 and 2 on the following pages.

Section 1 and Section 2 of this report discuss the organizational structures of the Los Angeles Police Department and Los Angeles County Sheriff's Department, respectively, and the positioning of their crime laboratories, the Scientific Investigation Division and Scientific Services Bureau, within these organizations.

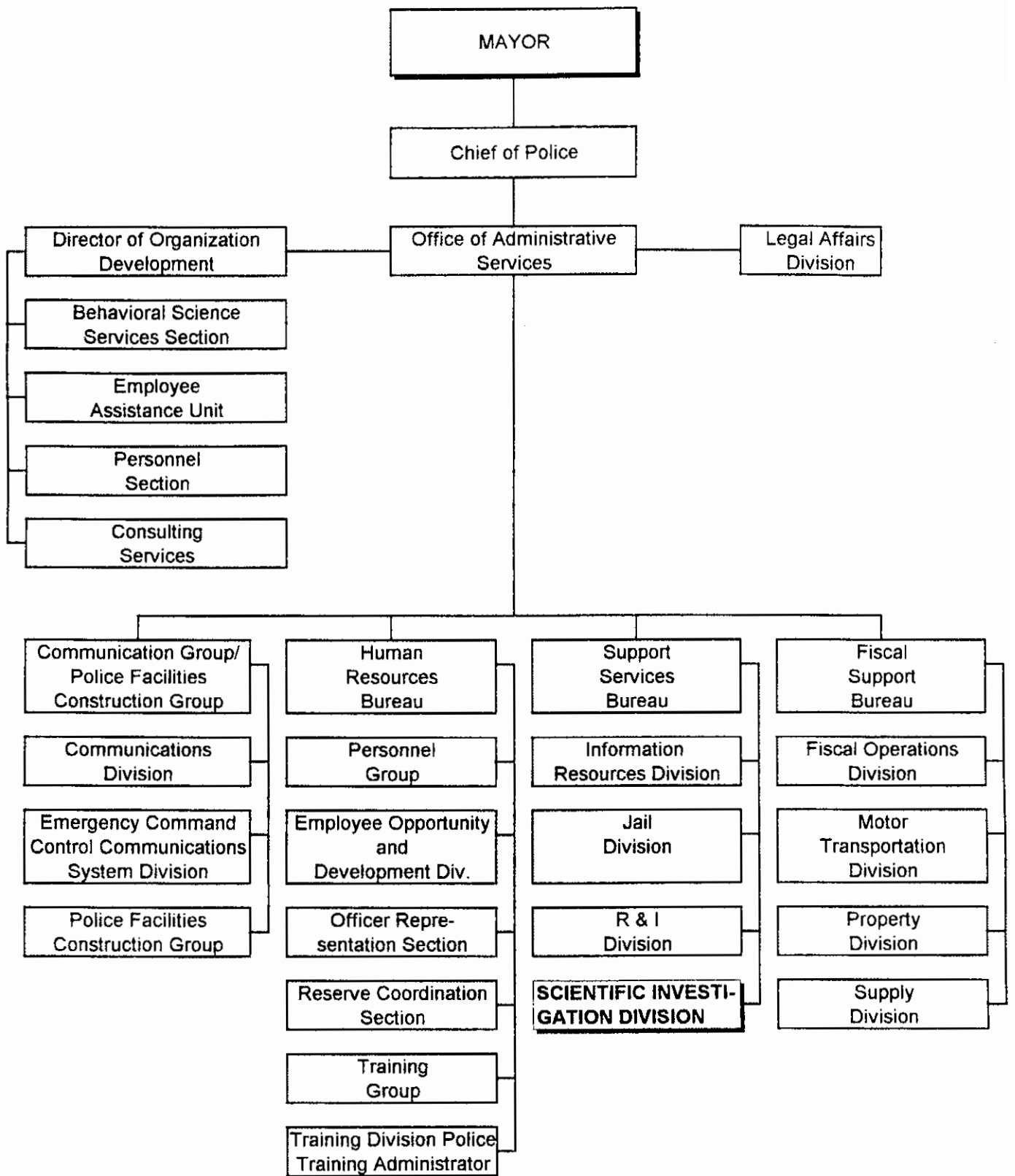


Figure 1. The Crime Lab in the Los Angeles Police Department Organization

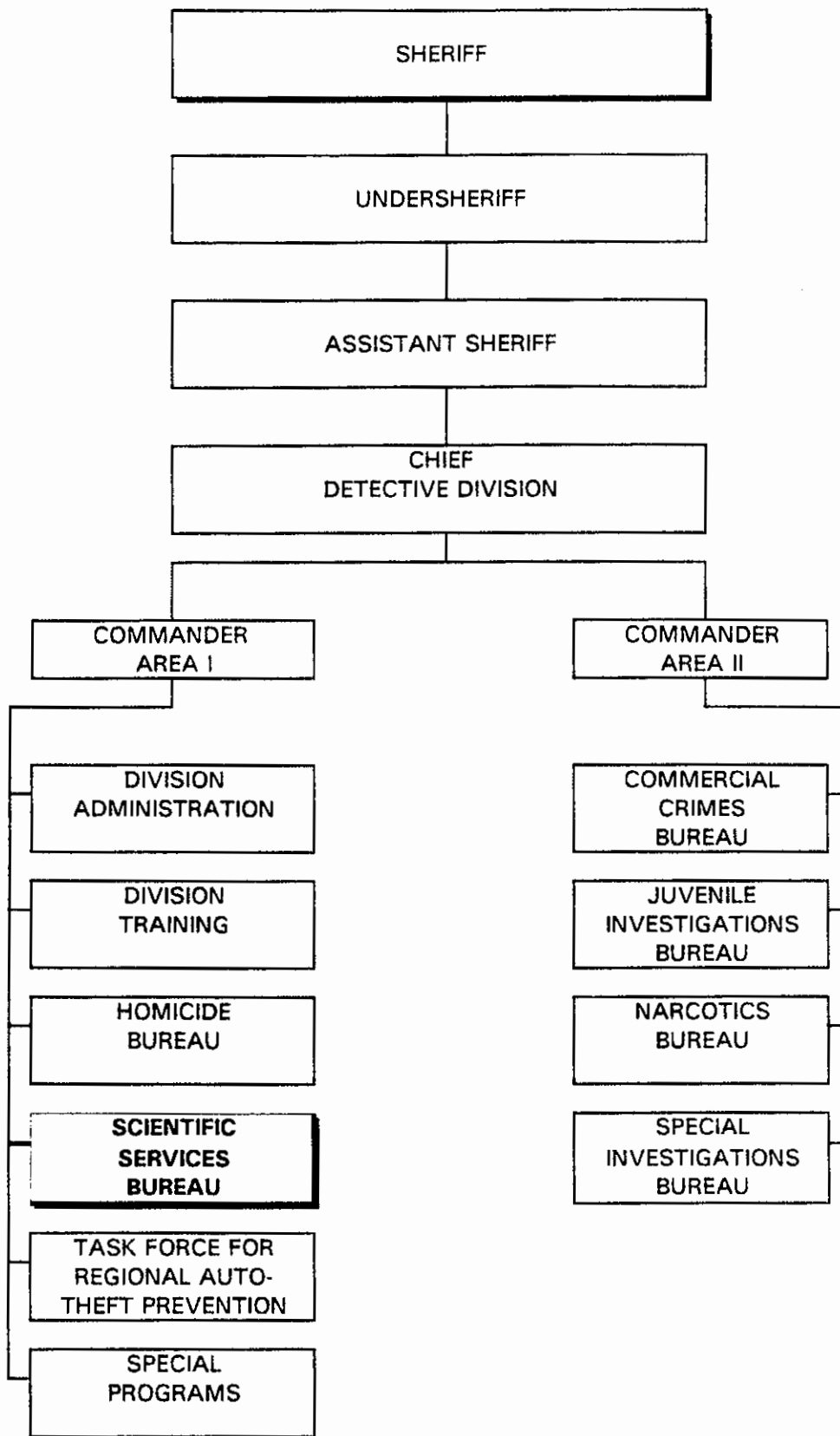


Figure 2. The Crime Lab in the Los Angeles Sheriff's Department Organization

Prior Los Angeles City and County Crime Laboratories Consolidation Proposals

A consolidation of the Los Angeles City Police and County Sheriff's crime laboratories was initially studied and recommended in 1980 by the Los Angeles City-County Consolidation Commission, which concluded that both labs perform essentially the same services and provide a basic support function for law enforcement. The commission concluded that the long-term goal should be total consolidation of crime lab services. Furthermore, the commission determined that, as a short-term goal, a partial merger of crime lab services provided the most opportunity for immediate savings, while limiting the procedural problems involved with an orderly transition.

The commission noted that, at that time, taxpayers in the City of Los Angeles and the City of Long Beach financed individual crime labs, while other cities in the county receive crime lab services from the sheriff without cost. The other cities claimed that their property taxes were used to support the LASD Crime Lab, but Los Angeles and Long Beach pay this same county tax as well as city taxes. In effect, having separate crime labs forced taxpayers in Los Angeles and Long Beach to pay twice for crime lab services.

Between 1980 and 1993, there have been several proposals to consolidate the crime labs, although none was ever carried out. The implementation of crime lab consolidation was generally viewed as an incorporation of LAPD crime lab functions into the LASD crime laboratory operations. In 1993, the city's Chief of Police recommended rejecting the proposal to combine the functions, facilities, and personnel of the two crime labs.

¹ LAPD Intradepartmental Correspondence from Chief of Police to the Honorable Board of Police Commissioners, Needs Assessment - Supplemental Report, April 19, 1996, p. 6.

The LAPD continues to oppose complete consolidation, due to the perceived loss of all administrative and operational control. This is based on the historical assumption that under consolidation, the city would become merely another client of the LASD laboratory, and that the LAPD would lose its identity and ability to prioritize requests to review evidence. In April 1996 the Chief of Police softened the LAPD opposition to crime laboratory consolidation, by proposing partial consolidation. In its latest written examination of crime laboratory consolidation, the LAPD has suggested that several variations of consolidation be explored, including facilities consolidation and/or sharing equipment.¹ This would include constructing a consolidated facility that would share expensive equipment and training, with each command structure retaining operational control of its own resources.

The LAPD conclusion is based on current informal discussions with the LASD. The LAPD reports that the sheriff is "hesitant" about absorbing LAPD workload because of LAPD's existing crime laboratory staff, the costs involved, the fact that the sheriff would have to institute charges to other agencies which currently receive free forensic services, and because the additional workload would compromise the ability of the LASD crime lab to provide services to the jurisdictions with which it currently contracts.

Thus, the LAPD is currently looking at "less expensive alternatives" to consolidation that could significantly enhance the effectiveness of the city's crime laboratory. These alternatives include moving separate but inadequate outlying Firearms and Serology Units, including DNA laboratories, into a proposed new

facility, thus increasing space at the main laboratory at the Piper Tech facility.

Section 3 of this report discusses the advantages and disadvantages of consolidating the LAPD Scientific Investigation Division with the LASD Scientific Services Bureau.

The LASD's latest position on consolidation favors one "large, single forensic science laboratory operated under the sheriff's command as the most efficient organizational structure to provide forensic science services to all police agencies within Los Angeles (County)."² However, if the LAPD decides that it wants to consolidate and turn over its crime lab operations to the LASD, then the county would probably be required to take on the city's crime laboratory operations at no charge to the city. This is because the sheriff currently offers free forensic science laboratory services to all of its client police agencies within the County of Los Angeles.

At the present time, crime laboratory services are considered "basic law enforcement services" offered by the sheriff on a county-wide basis, and laboratory costs are not included as part of the LASD contract cities costing model. LAPD could demand that the sheriff provide these additional services as basic law enforcement services, provided at no charge to any police agency within Los Angeles County. However, if these services were transferred to the LASD, the County of Los Angeles could take a portion of the city's property tax assessment to offset any additional costs incurred by the county. This property tax reallocation is authorized by Article 12B in the California State Constitution. If that were to occur, the city would realize no cost benefit from the consolidation of their

police crime laboratory into the LASD crime laboratory, assuming that there were no resultant cost savings from the consolidation.

Formation of a Consolidated Crime Laboratory under a City and County Joint Powers Agency

As discussed above, there have been several studies regarding the consolidation of the two crime laboratories, and, as a result, there has been a major reluctance for either the Los Angeles Police Department (LAPD) or the Sheriff's Department (LASD) to take the lead in championing a consolidation proposal. In general, the LAPD did not want to lose operational control of its crime laboratory and the LASD did not want to assume the costs of the additional crime laboratory work of the city without comparable compensation. If the LASD sought such compensation from the City of Los Angeles, then it would probably be necessary to charge other Los Angeles municipal jurisdictions for such services, which is contrary to the sheriff's long standing policy to provide such services free of charge.

In Section 4 of this report, we examine alternative organizational approaches, including the formation of a City and County Joint Powers Agency (JPA) that would create an independent and consolidated crime laboratory for all Los Angeles municipal jurisdictions. The JPA would allow both the LAPD and LASD to participate equally in crime lab management and operations, and would allow the JPA to develop an appropriate fee mechanism in which all jurisdictions would participate where crime laboratory services were requested.

² Sheriff's Department, Office Correspondence between Captain, LASSB and Chief, Detective Division, dated June 11, 1996 as provided by the Undersheriff.

A Proposed Crime Laboratory Facility Involving the County of Los Angeles and California State University at Los Angeles

Currently, the Los Angeles Sheriff's Department (LASD) and California State University at Los Angeles (CSULA) are negotiating the proposed construction of a Los Angeles Forensic Science Institute which would combine a new LASD Crime Lab Building with the California State Forensic Science Education Program. Because crime laboratory space is a critical issue for the LASD crime lab that needs immediate attention, the proposed crime laboratory partnership with CSULA should move forward expeditiously as a long-term solution for a future crime laboratory facility.

In Section 5 of this report we recommend that the proposed crime laboratory consolidation be considered as part of the tentative partnership between LASD and CSULA. This follows the current long-term solution for appropriate space for a future crime laboratory facility. Because this proposal would take from five to seven years to complete, the proposed consolidated crime laboratory should look for interim space opportunities that would be both efficient and economical to improving the current operations of the existing LAPD and LASD crime laboratories.

SECTION 1 EXISTING CITY OF LOS ANGELES CRIME LABORATORY ORGANIZATION

The Scientific Investigation Division (SID) of the Los Angeles Police Department (LAPD) is one of four divisions within the Support Services Bureau, which in turn is one of four

bureaus within the Office of Administrative Services.³ The Office of Administrative Services, along with the Office of Operations, are under the direct command of the Chief of Police. In addition, budgetary and funding decisions involving the LAPD are reviewed by the Mayor's Office and the City's Chief Administrative Officer, which may further influence the direct operation of the SID.

Although the Scientific Investigations Division is assigned to the LAPD Support Services Bureau, its crime lab activities provide direct support and assistance to the Detective Services Group under the LAPD Office of Operations. Further, as specific work assignments and cases progress, SID criminalists provide assistance to other criminal justice agencies, such as the City Attorney and the county District Attorney's Office. Under these circumstances, the LAPD Detective Services Group and the District Attorney's Office have specific levels of expectation of the LAPD crime lab services, although they have no direct authority or influence over budgetary needs of the SID's crime lab operations within the LAPD and city hierarchy. For example:

- The Questioned Documents Unit is assigned few cases by the Detective Services Group because it requires a quicker response time than is usually available. In addition, the unit does not have the appropriate equipment to do the more complex case analysis in a timely manner. When complex cases are given a high priority, the crime lab staff use the facilities and equipment of the LASD crime lab, if it is available, but the sheriff's cases take precedence. Under these circumstances, if the staff was increased and the equipment

³ A chart of the Los Angeles Police Department organization is presented in the Introduction to this report.

enhanced, more cases would be assigned by the Detectives.

- In the past, the Firearms Examination Unit lacked experienced examiners and good equipment to meet the detectives' needs and to reduce a large backlog of work. Several measures, including the hiring of contract firearms examiners, were implemented to reduce mistakes, to reduce the backlog of cases, and to raise the unit's level of expertise. Although these objectives were initially accomplished, the detectives subsequently increased the number of cases submitted, thus returning the case backlogs to their original high levels.
- The District Attorney has expressed concern over the ability of crime laboratory personnel to testify effectively in court and to interact with prosecuting attorneys. On the other hand, SID criminalists believe that the District Attorney's Office has little knowledge of the functions and capabilities of each unit in the crime lab. Although cross-training needs have been recognized in both the District Attorney's Office and the LAPD, no formal steps have been taken to schedule training between the departments.

These crime lab service levels have not been met because, for several years, SID operations have been underfunded in the areas of space, equipment, training, and staffing. This conclusion was reported by the SID in two prior Needs Assessment reports. Interviews of SID staff and the examination of relevant documents and departmental memos, reveal that the SID has not received the level of budgetary priority necessary to adequately fund its equipment, staffing, and other needs. Although the SID has repeatedly documented its needs, the city and the LAPD have not

adequately funded SID operations over several years, which has impeded the division's ability to carry out its mission to provide adequate forensic and scientific support services. For example:

- Current SID facilities are inadequate, fragmented, poorly configured, and not well maintained. The Piper Tech Facility Central Crime Lab does not provide adequate laboratory work space for its various criminalistic procedures. The Firearms Analysis Unit is in substandard space located several miles from the city's main crime lab at the Piper Tech Facility. Storage space is inadequate. The process of deoxyribonucleic acid (DNA) analysis is divided between two locations (Parker Center and Piper Tech Facility). These space problems hamper the efficiency of the overall work of the crime lab and will make accreditation, scheduled for the end of 1997, more difficult to achieve.
- The SID needs to replace and modernize much of its current forensic and scientific (technical) equipment. Between 1991 and 1996, the SID requested over 300 pieces of new and replacement equipment estimated to cost \$3.8 million. During these five years, only one piece of replacement equipment was actually approved for purchase at a cost \$108,000. This represents less than three percent of the total dollars needed for equipment. Under these circumstances, between \$600,000 and \$750,000 should be budgeted annually for new and replacement equipment. Subsequently, \$1,761,400 has been budgeted in the current fiscal year to fund a portion of the needed equipment, but that allotment of funds is contingent upon the receipt of federal matching funds. New and replacement equipment should be part of ongoing budgetary commitment and not left

to the uncertainty of federal funds availability.

- In addition, the LAPD does not have a capital equipment depreciation schedule or any similar vehicle to plan or project for the replacement or addition of equipment items. Without such a schedule, the SID does not know the total value of its own equipment. Much of the existing equipment has become antiquated to the point that service and replacement parts are either difficult to obtain or not obtainable at all. Some vendors have rebuilt parts to allow existing equipment to be retained. A depreciation schedule should be maintained to document when equipment needs to be replaced and to assist in budgetary planning.
- The FY 1996-97 budget for SID training needs totals only \$11,510 for four specific types of classes, including \$2,600 for forensic and scientific subjects and \$8,910 for technical categories. There are no formalized training programs, scheduled time frames, or training modules for the crime lab. In order to meet appropriate laboratory accreditation standards, an estimated \$80,000 to \$90,000 should be budgeted annually for training. An additional \$200,000 has been budgeted in the current fiscal year based on the pending receipt of federal funds. Although these funds would fulfill current needs, a recurring appropriation of this size is not assured for subsequent years.
- An additional 22 positions have been approved in the FY 1996-97 budget, but are unlikely to be filled until at least next year. The SID advises that although these positions can be accommodated within existing facilities, in some units the additional staff will create serious

overcrowding. The overcrowding is further exacerbated because the city approved different position classifications from the original SID request. As an example, the SID requested four positions (three Property Officers and one Senior Property Officer) to establish a second shift in the Evidence Control Unit in order to overcome a backlog of evidence submissions, rather than adding additional day shift personnel into an existing space that is overcrowded. However, the final budget approved four Property Officer positions and disapproved the Senior Property Officer position, which rules out adding the proposed second shift and further overcrowds the Evidence Control Unit during the day, because a supervisor or a designated lead property officer for the proposed swing shift was not provided.

The SID has also been adversely affected during the last 18 years because its top leadership position has either been vacant or has been filled by a Division Commander for only a short period of time. This reflects LAPD's ongoing practice of moving captains through the crime lab as a developmental assignment typically lasting only a year at most. This general practice inhibits consistency and impairs the competency of management of the SID organization. This situation has precluded the development of a strategic plan which would have a lasting positive effect on the crime lab operations and assist the SID to recover from a general poor perception of its overall performance.

Currently, the LAPD has assigned a captain with a scientific background who can provide a measure of authority and influence in the current LAPD organizational structure. However, there are no assurances that the current SID Commander will be assigned to the SID

long enough to fully implement any significant changes.

SECTION 2 EXISTING LOS ANGELES COUNTY SHERIFF'S CRIME LABORATORY OR- GANIZATION

The Los Angeles Sheriff's Department Scientific Services Bureau (SSB) is one of eight bureaus housed in the Detective Division of the Sheriff's Department.⁴ The Detective Division is one of seven divisions under the command of a Division Chief, who reports to an Assistant Sheriff who reports to the Undersheriff. The Undersheriff reports to the Sheriff.⁵ This results in several organizational levels between the SSB's Operations Captain and the Sheriff (SSB Captain, Detective Division Commander Area 1, Detective Division Chief, Assistant Sheriff, Undersheriff and Sheriff). Multi-level command structures make timely management of the SSB extremely difficult, particularly since the SSB must address rapidly changing forensic and scientific requirements. However, the SSB's Operations Captain often meets directly with the Undersheriff on budget and organizational matters, which has proved beneficial to the operations of the crime lab.

Based on our interviews with the SSB management staff and a review of budgetary and related documents, the SSB has had little success in obtaining the necessary annual funding to modernize and update operations, procedures, and techniques for improved forensic analyses and evidence identification. The

SSB's Commander has formulated an eight-year projection for space, equipment, staffing and training that reflects \$122.5 million in new spending, of which \$92.4 million would be slated for a new criminalistics laboratory. Discussions are currently underway with California State University, Los Angeles (CSULA) for a Partnership Forensic Science Lab on a CSULA site.

The SSB finds itself at a crossroads with an energetic blueprint to keep pace with the forensic and scientific needs of the LASD and the approximately 115 criminal justice and public safety entities that have requested SSB evidence examination services. The SSB has defined its funding priorities in its FY 1996-97 and FY 1997-98 budgets. For FY 1996-97, the SSB reorganized its \$14.9 million administrative budget into 39 prioritized program budgets. This reorganization identified Firearms Comparisons as the SSB's top priority and the Public Relations work of the Photo Laboratory as the SSB's lowest priority.⁶ However, the sheriff and the county, as in previous years, have continued to make reductions in the SSB budget. For example, whereas \$1.8 million was sought for new and replacement equipment in FY 1996-97, only \$308,695, 17 percent of total needs, was provided in the final budget. Training fared better with \$50,000, 61 percent of total needs, budgeted out of a request of \$82,500.

For FY 1997-98, the SSB has again prioritized its budget request, including the following examples:

⁴ The other seven bureaus are Homicide, Task Force for Regional Auto Theft Prevention, Special Programs, Commercial Crimes Bureau, Juvenile Investigations Bureau, Narcotics Bureau, and Special Investigations Bureau. Also included in the Detective Division are Training and Administrative Units.

⁵ A chart of the Los Angeles Sheriff's Department organization is presented in the Introduction to this report.

⁶ LASSB estimated that \$109,100 would be saved if backup services to the Sheriff's photographer in covering public relations events and processing prints taken by the Sheriff's photographer and other executive staff were deleted.

- The SSB has a serious overcrowding problem, similar to the LAPD's Scientific Investigations Division. The SSB has requested that immediate steps be taken to provide a partial and immediate solution related to inadequate facilities for DNA research. The current DNA space problem can be solved on an interim basis by leasing 20,000 square feet adjacent to the current main laboratory on Beverly Boulevard. The proposed facility would meet the needs of a new DNA lab and address other overcrowding problems at the current main laboratory until a more permanent facility is completed via a proposed partnership with CSULA.
- The SSB needs to replace 20 vehicles (8 minivans, 9 trucks, one sedan, an all-terrain vehicle and one crime scene response van) which have been removed from service but were not automatically replaced. The LASD routinely retires vehicles after 100,000 miles because additional service and repairs are considered more costly than the purchase of new vehicles. Because several vehicles have not been replaced during the last two years, the cumulative effect of the diminished vehicle fleet has become a critical operational problem. In some cases, crime scene investigators are delayed in arriving at crime scenes due to lack of transportation.
- Equipment has been prioritized because it is the SSB's expectation that out of a total multi-year request of approximately \$3 million, about \$1.5 million, or 50 percent, will be funded. Similar to the LAPD, the LASD does not maintain a capital equipment depreciation schedule for its Scientific Services Bureau's equipment.
- Training will continue to be funded at \$50,000 annually, although the SSB advises that \$90,000 is needed. The SSB staff is not certain how the reductions in the training budget might affect future scheduling for the renewal of accreditation.

SECTION 3 ADVANTAGES AND DISADVANTAGES OF CRIME LAB CONSOLIDATION

As noted in the Introduction of this report, the proposed consolidation of the Los Angeles City and County Crime Laboratories was initially studied and recommended in 1980 by the Los Angeles City-County Consolidation Commission on the basis that such labs perform essentially the same services and are a basic support function for law enforcement. Although a consolidation was never implemented as recommended by the commission, the proposal has been reexamined periodically since the 1980 report was issued. This report is to perform an independent examination of the advantages and disadvantages of such a consolidation.

Advantages of Crime Laboratory Consolidation

We examined several issues associated with the consolidation of the two crime laboratories, including current personnel deployment, sworn versus civilian staffing, crime scene investigations, space needs, automated systems, equipment, and accreditation.⁷

Personnel Deployment

Currently, the LAPD Scientific Investigation Division (SID) has 208 filled positions—which

⁷ The issue of the transport and storage of evidence is discussed in Section 4 of this report.

is 74 positions or 55.2 percent greater than the 134 positions identified 17 years ago in FY 1979-80. The LASD's Scientific Services Bureau (SSB) has 159 filled positions which is 53 positions or 50 percent greater than the 106 positions also identified 17 years ago in FY 1979-80. This growth in personnel is illustrated in Table 1.

There is general agreement that the city's SID would retain certain technical functions which would not be included in a proposed consolidation of the two crime laboratories. These include 26 positions, 15 positions in the Explosives Unit, six positions in the Electronics Unit, (two of which are located at the Van Nuys Valley Unit), four positions in the Polygraph Unit and the Police Composite Artist in the Special Services Unit. The LASD's SSB has three positions in its Polygraph Section which would not be included in a proposed consolidation. Furthermore, because between 20 and 30 percent of time spent in both organizations' photography units is utilized for general activities of the respective departments, an additional five positions in the SID and three positions in the SSB are also not in-

cluded in a proposed new consolidated crime laboratory. It is estimated that approximately \$2,475,000 in personnel costs for these 37 positions would not be included in a consolidated crime lab.

Table 2 illustrates total existing filled positions that would be available and appropriate for consolidation after excluding the 37 positions previously discussed.

For the net 330 positions remaining for potential consolidation, we have examined these positions and the potential savings that would result from consolidation of the SID and the SSB. ⁸In this regard, we have developed side-by-side matrices of unit (SID) and section (SSB) staffing patterns (see Appendix 1). By analyzing the combining of the two crime laboratories, we have found potential savings in personnel costs totaling an estimated \$1,317,700 by combining SID and SSB organizational sub-units and administrative overhead. The savings are identified in Table 3.

**Table 1
City and County of Los Angeles
Growth in Crime Laboratory Personnel**

<u>Crime Laboratory</u>	<u>Number of Personnel</u>			<u>Percent Change</u>
	<u>FY 1979-80</u>	<u>FY 1996-97</u>	<u>Change</u>	
LAPD, Scientific Investigation Division	134	208	74	55.2
LASD, Scientific Services Bureau	<u>106</u>	<u>159</u>	<u>53</u>	50.0
Totals	<u>240</u>	<u>367</u>	<u>127</u>	52.9

⁸ Units involved with crime scene investigations, latent prints, and photography are discussed separately later in this Section.

Table 2
Existing Filled SID and SSB Positions
That Are Available and Appropriate for Consolidation

<u>Category</u>	<u>Number of Filled Positions</u>		
	<u>LAPD SID</u>	<u>LASD SSB</u>	<u>Consolidation</u>
Existing Filled Positions:			
Sworn	35	32	67
Civilian	<u>173</u>	<u>127</u>	<u>300</u>
Total	208	159	367
Less Positions Not Slated for Consolidation:			
Sworn	16	3	19
Civilian	<u>15</u>	<u>3</u>	<u>18</u>
Total	<u>31</u>	<u>6</u>	<u>37</u>
Net Positions to be Consolidated	<u>177</u>	<u>153</u>	<u>330</u>

The above staff savings could be achieved with the deletion of positions as follows:

- Ten positions in administration and operations due to duplication of duties and responsibilities.
- Five supervisory positions related to lower ratios of supervisors to technical personnel. For the above analysis of selected crime lab units we have used a ratio of 10 or fewer technical personnel to one supervisor.
- Five technical and support positions related to better utilization of staff time and uniformity and consistency of procedures.

These savings would not be related to the current backlog of evidence submissions which would generally remain the same either under the operations of the two existing crime labs or under a new consolidated crime lab unless additional resources or the staff savings were utilized to address these backlog issues.

Sworn Versus Civilian Staffing

Based on positions currently filled, the LAPD Scientific Investigation Division (SID) has 35 sworn officers and 173 civilians. Of the total 35 SID sworn officers, 15 are identified in the Explosive and one in the Polygraph Units. They would remain with the LAPD. The remaining 19 would be subject to consolidation. For comparison purposes, the LASD Scientific Services Bureau (SSB) has 32 sworn officers and 127 civilians. Of the total 32 SSB sworn officers, three are identified in the Polygraph Section and would remain with the LASD. The remaining 29 positions would be subject to consolidation. In total, 48 sworn SID and SSB positions would be included in a consolidated organization. We have examined the duties and responsibilities of these positions, and believe that all 48 positions should be civilianized. It is the intent of the LAPD and the LASD to civilianize most of these positions over the next few years. If all of these positions were civilianized as part of a proposed crime lab consolidation, we estimate an

Table 3
Crime Laboratory Consolidation
Combining Selected Departmental Units
Potential Savings in Personnel Costs

<u>Selected Crime Lab Units</u>	Current Combined Staffing	Potential Consolidated Staffing	Potential Savings Positions Number	Potential Savings Annual Cost
Administration and Operations	33	23	10	\$ 601,465
Blood Alcohol	15	13	2	129,456
Evidence Control	29	23	6	170,796
Questioned Documents	7	6	1	59,136
Toxicology	<u>13</u>	<u>12</u>	1	<u>66,240</u>
Subtotal	97	77	20	\$1,027,093
 <u>Recapitulation</u>				
Administration and Operations	33	23	10	\$ 601,465
Supervisory Positions	22	17	5	267,960
Technical Positions	<u>42</u>	<u>37</u>	5	<u>157,668</u>
Subtotal	97	77	20	\$1,027,093
Fringe Benefits				290,607

annual savings in personnel costs (salaries and employee benefits) totaling approximately \$1,258,400, as shown in Table 4, on the following page. It should be noted that civilianization is not dependent on consolidation, but is accounted for in this analysis which compares the current cost of separate crime labs to that of a consolidated lab.

It should be noted that the Fiscal Year 1996-97 LAPD Scientific Investigation Division (SID) budget reflected plans to reduce the number of sworn officers by 34, from 35 to one. The Los Angeles Police Department plans to implement this civilianization plan over the next several months. This would leave only one sworn position of Captain to direct this Division. However, as of this writ-

ing, none of the sworn positions proposed to be reduced had yet been eliminated.

The LASD also plans to civilianize its crime lab staffing, by civilianizing 28 positions. This civilianization was originally proposed by the California State Auditor in a November 21, 1996 report. Therefore, the current trend of both crime labs is to civilianize their entire operational staffs. Under these circumstances the estimated annual savings of \$1,258,400 would be incrementally achieved over the next several years as civilianization is implemented. However, in a consolidated crime lab, the civilianization could probably be achieved more rapidly with sworn personnel being re-assigned on a priority basis from the crime lab to other sworn vacancies as they occur.

Table 4
Civilianization of Existing Sworn Positions
Appropriate for a Consolidated Crime Laboratory

<u>Organization</u>	<u>Number</u>	<u>Sworn Cost</u>	<u>Civilian Cost</u>	<u>Potential Cost Savings</u>
LAPD: Scientific Investigation Division				
Salaries	19	\$1,086,940	\$ 815,592	\$ 271,348
Employee Benefits		<u>822,412</u>	<u>246,091</u>	<u>576,321</u>
Subtotal	19	\$1,909,352	\$1,061,683	\$ 847,669
LASD: Scientific Services Bureau				
Salaries	29	\$1,679,592	\$1,574,700	\$ 104,892
Employee Benefits		<u>755,480</u>	<u>449,593</u>	<u>305,887</u>
Subtotal	29	\$2,435,072	\$2,024,293	\$ 410,779
Totals	<u>48</u>	<u>\$4,344,424</u>	<u>\$3,085,976</u>	<u>\$1,258,448</u>

Crime Scene Investigations

Another advantage of a combined crime lab would be the opportunity for staff to adopt the most efficient policies and procedures of both organizations. One such policy is the use of a single job classification to perform photography, latent fingerprint processing, and other criminalist functions and crime scene investigations.

As previously recommended in a separate review of the LAPD Scientific Investigation Division (SID),⁹ the practice of separately dispatching Latent Print Processors, Photographers, and Criminalists should be replaced by combining these duties into a single job description as is practiced by the LASD Scientific Services Bureau (SSB) and other similar agencies. The SSB Forensic Identification Specialists currently perform these combined

services. The dispatching of a single crime scene Identification Specialist would eliminate the current SID practice of sending three separate technicians, saving considerable manpower, reducing costs, and speeding response as only one call would need to be coordinated. Time would also be saved during the actual crime scene work, as the time needed to coordinate different personnel would be eliminated. When necessary, a Criminalist could be called by a Forensic Identification Specialist to respond to crime scenes requiring more expertise.

In implementing the proposed consolidation of the two crime laboratories, some of the current SID Forensic Prints Specialists and Photographers should be retrained with the expanded duties and salary to include photography and evidence processing so that the work performed would parallel that of the

⁹ Review of the Support Services of the Los Angeles Police Department Scientific Investigation Division, by Blue Marble Partners & Decision Management Associates, pages 13-14.

SSB Forensic Identification Specialists. At the present time, the annual salary increase for the proposed upgrade of Forensic Prints Specialists would amount to \$11,748 annually from \$41,964 to \$53,712. Those SID Forensic Print Specialists who were not upgraded could be trained in the comparison of latent prints as is the current normal progression.

The impact on the SID Photographers could be minimized as some of the current personnel could be trained to process latent prints and collect evidence. That upgrade would be \$16,728 annually from \$36,984 to \$53,712. *For each upgrading to a Forensic Identification Specialist, there would be either the elimination or reassignment of a Photographer or a Forensic Print Specialist.* As a result of this retraining proposal, there would be an estimated annual savings of \$32,847 (\$25,236 in salaries and \$7,611 in fringe benefits) per employee. With the upgrading of 12 employees there would be an estimated annual savings of \$394,164. Therefore, a consolidated crime lab would reduce the staffing requirement for crime scene investigation as shown on the following page in Table 5.

Crime Laboratory Space

Lack of adequate space is a critical problem for both the LAPD SID and the LASD SSB. For example, the SID's main laboratory at the Piper Tech Facility has approximately 13,360 square feet to accommodate 54 employees (32 criminalists and 22 administrative and support staff) or an average of 243 square feet per employee.¹⁰ The American Society of Crime Laboratory Directors space standards for accredited crime labs are between 600 and 1,000 square feet for criminalists, depending upon single or multiple disciplines, and between 200 and 400 square feet for administrative and

support staff. Based on these standards, the SID central facility should have an additional 18,840 square feet, which would increase the current space from 13,360 to 32,200 square feet (approximately 596 square feet per SID employee at the Piper Tech Facility).

However, an average space allocation of 596 square feet per employee still falls short of the space provided in the recently completed Orange County Sheriff's/Coroner's Laboratory, which is one of the more modern and up-to-date crime laboratories in Southern California. The new Orange County facility provides approximately 90,000 square feet of space for 120 employees, or an average of 750 square feet per employee. To match the Orange County crime laboratory space provision, the SID Piper Tech space requirement would need to more than triple its current size (750 square feet x 54 employees = 40,500 square feet).

The LASD SSB is also undersized, with 32,500 square feet for 135 employees, or an average of about 241 square feet per employee. Based on an average of 596 square feet per employee, the LASD crime lab would require approximately 80,460 square feet, nearly 2.5 times its present size. If 750 square feet per employee were provided, then 101,250 square feet would be needed, which is 3.1 times the size of the current SSB crime lab.

The LASD already recognizes that its current central crime laboratory is inadequate, outdated and worn out. The LASD has been engaged in discussions with California State University, Los Angeles to explore the possibility of building a teaching/working laboratory on the Los Angeles campus. However, these discussions remain in their initial stages

¹⁰ SID centralized laboratory facilities are fragmented between Piper Tech, Parker Center (latent prints, photography, DNA partial and questioned documents), and Northeast Facility (firearms analysis) in Glendale.

Table 5
Reclassification of Latent Print Specialists and Photographers
to Crime Scene Investigators

<u>Classification</u>	<u>Annual Salary</u>	<u>Number of Positions</u>	<u>Total Cost</u>
Crime Scene Investigator	\$53,712		\$ 644,544
Forensic Prints Specialist II	41,964	6	251,784
Photographer II	36,984	<u>6</u>	<u>221,904</u>
Subtotal		12	473,688
Less: Cost of Upgrade			<u>(170,856)</u>
Total Salary Savings			302,832
Fringe Benefits			<u>91,332</u>
 Total Personnel Savings		 <u>12</u>	 <u>\$394,164</u>

although the need for a new laboratory was recognized more than six years ago.

Consequently, the opportunity to resolve mutual space needs could more easily be addressed with more alternative solutions if approached on a consolidated basis. The current timing for this potential consolidation would permit the LAPD to join in the discussions between the LASD and CSULA. A large facility that combines the three entities, LAPD, LASD, and CSULA, would cost each participant less than three separate facilities, because the laboratories would be integrated and, therefore, there would be no need for separate programs, libraries, conference rooms, cafeterias, and other common facilities.

Furthermore, a consolidated laboratory could make more efficient use of its facilities and equipment by using existing staff and supervisors to operate a swing shift. This efficiency would reduce the space requirements and

capital cost which would be necessary for separate laboratories.

Finally, a consolidated laboratory could be organized as a totally separate agency through a Joint Powers Agency between the city and the county. Such an arrangement could provide capital financing opportunities not otherwise available to either laboratory as separate entities, such as the current negotiations between the sheriff and CSULA to build a facility on land provided by the university.

Automated Systems

The LAPD SID has two computer systems currently in use. The Scientific Evidence Tracking System (SETS) is used exclusively by the SID to track evidence. However, due to the lack of evidence storage space, the LAPD crime lab periodically removes evidence from its custody and transfers such evidence to the LAPD Property Division for custody. The LAPD Property Division uses a computer

system called the Automated Property Information Management System (APIMS), which is used to account for all property received by the entire LAPD. These two systems are not compatible, and therefore are not capable of automatic interface. As a result, evidence transferred to the Property Division may be difficult to locate in a timely manner and may be lost.

Although standard with many other crime laboratories, the SID has yet to develop and implement a Laboratory Information Management System (LIMS). Such a system has been a SID priority since 1988, but has only now reached the Request for Proposal stage. Meanwhile, despite the almost universal use of personal computers throughout business and government, most analytical reports generated by the SID are still handwritten and manually filed. Without a LIMS in place, SID criminalists and technicians waste time with laborious manual record creation and retention processes. Thus, analytical reports are mostly handwritten, giving the appearance of sloppy work and attesting to the LAPD crime lab's lack of modern equipment.

The overall goal for the LAPD LIMS project, estimated to cost \$3 million, is to provide a fully integrated and comprehensive laboratory information system, designed to support the LAPD's forensic and scientific laboratory operations. In addition to facilitating improved computerized report preparation and other management information capabilities, the LIMS would replace the existing SETS and perform that function as well. Currently, SID reports that approximately \$800,000 is needed to purchase the software and additional hardware necessary to implement a LIMS within the crime lab. A source for this funding has yet to be identified.

The primary automated systems problem facing the LASD SSB is upgrading of the current evidence tracking analytical information systems, which are comprised of the Bureau Evidence Tracking System (BETS), Case Tracking System (CTS), and other closely associated applications. Because these current programs are old and antiquated, they must be re-engineered into a contemporary environment so that evidence can continue to be effectively tracked throughout the county. The county has budgeted \$354,000 during the current fiscal year to upgrade BETS.

Both the city and the county currently have inadequate crime laboratory automated systems and are moving independently to place modern systems into their individual operations. A consolidation of these separate laboratories could result in a significant reduction in the current capital and operation costs of the laboratory information management function within each laboratory. However, until a detailed consolidation plan is prepared, the amount of potential savings from a consolidated automated system is unknown.

Equipment

Our discussions with various city and county crime laboratory managers indicate that between 10 and 30 percent of equipment usage could be shared by criminalists and other technicians in a combined crime laboratory. Funds requested annually for needed equipment and actually received have varied widely over the past several years for both the LAPD and the LASD criminal laboratories. Approved funding has been dependent in part on revenues appropriated from the Narcotics Forfeiture Fund; this revenue has been allocated to other uses in some years. It is estimated that equipment needs, including the replacement of vehicles, would be approximately \$875,000 annually for each crime laboratory.

Based on an annual equipment requirement of \$1,750,000, at least \$350,000, or 20 percent, would be saved from consolidating operations. This does not account for any savings resulting from the additional efficiencies made possible by implementing a swing shift.

Accreditation

Although it is voluntary, the Crime Laboratory Accreditation Program, established by the American Society of Crime Laboratory Directors (ASCLD), provides an increasingly important measurement that demonstrates that a crime laboratory meets an acceptable level of standards in its management, operations, personnel, procedures, instruments, physical site, security and personnel safety provisions. With the advent of DNA analyses, the need for accreditation has become imperative. Though accreditation is not required, nor a guarantee that an accredited laboratory is performing better than an unaccredited one, it does show that the laboratory has completed the process of self-evaluation and has met a number of strict minimum requirements. As more and more crime laboratories achieve accreditation, it will become more difficult for unaccredited laboratories to be perceived as a competent performer.

Currently, the LASD's SSB is accredited by ASCLD; the LAPD's SID is not currently accredited, but is preparing for an accreditation review within several months. Consolidation would have a positive effect on LAPD's current effort to attain accreditation. Because the LASD crime lab has already completed the accreditation process, the SSB has offered its assistance to the SID for the upcoming accreditation review.

Standardized Policies and Procedures

A further advantage of consolidating the two crime labs would lead to a single standard for crime analysis throughout Los Angeles County. This would assist the District Attorney's Office and the Municipal and Superior Courts to rely on one set of benchmarks in the analysis and presentation of forensic and scientific evidence.

Recapitulation of Potential Savings

Based on the above discussions, approximately 32 positions and \$3.3 million could be saved annually from a proposed consolidation as identified in Table 6.

Disadvantages of Crime Laboratory Consolidation

The disadvantages of crime laboratory consolidation, if under a separate administrative organization, include different policies and procedures that might impede the operations of a consolidated agency, loss of operational control by the LAPD and LASD, increased cost to other cities which currently receive crime lab services from the LASD without cost, and the availability of certain support services that would no longer be available under separate command structures of the LAPD and LASD.

Policies and Procedures

In regard to policies and procedures, the LAPD SID has indicated that some of the forensic and scientific procedures followed by its units are different from those procedures observed by the LASD SSB. The LAPD is concerned that under a consolidated operation, its procedures will not receive the same priority. For example, the provisions of the Youngblood Consent Decree require that the

Table 6
Summary of Savings Related to Consolidation
of LAPD and LASD Crime Laboratories

<u>Description</u>	<u>Number of Positions</u>	<u>Amount</u>
Personnel Savings from Consolidation	20	\$1,317,700
Civilianization of Sworn Positions		1,258,400
Reclassification of Crime Scene Personnel	<u>12</u>	394,200
Equipment		<u>350,000</u>
Total	<u>32</u>	<u>\$3,320,300</u>

LAPD provide narcotics analysis within 48 hours of the time of arrest, and its crime lab complies. Currently, the Youngblood Consent Decree does not apply to the LASD. However, based on our discussions with the LASD SSB, there would be no reluctance on its part to fulfill these provisions.

There are other variations in unit procedures that relate to Firearms Analysis, Trace or Physical Evidence, Serology including DNA technology, Blood Alcohol, Toxicology, and Courier and Evidence Control. These differences can be resolved by writing procedures to satisfy the requirements of both crime labs. In Section 2 of this report, we discuss the formation of a Joint Powers Agency in which the LAPD and the LASD would participate as equal partners in a consolidated laboratory. Under these circumstances, both agencies should feel confident that there would be equal control of the management and operations of a consolidated crime laboratory, since both would have representation on a governing board of directors.

Differing personnel policies and operational procedures were discussed with management staff from the Illinois State Police, because that agency recently incorporated the City of Chicago's Police Criminal Laboratory into the State's regional system of crime laboratories.¹¹ We noted that many of the policy and procedural issues associated with the City/State consolidation were similar to the issues raised during this analysis, and the Illinois State Police advised us that these issues are currently being resolved without much difficulty.

Loss of Operational Control

Loss of operational control would also be considered a disadvantage because of the uncertainty that current procedures followed through the respective LAPD and LASD command structures could be adhered to as readily with an independent and consolidated crime lab organization. Both the LAPD and LASD believe that they could not maintain control over case prioritization, accountability, organizational identity, and contacts. The LAPD

¹¹ Per conversations with Mr. Bruce Vanderkolk, Commander of the Forensic Sciences Command, Illinois State Police and Lt. Jack Huels, Chicago Police Department.

advises that under consolidation, the management and control of essential laboratory services would not rest with the organization responsible for achieving the desired end result.

Increased Costs to Other Cities

In Section 4 of this report, we discuss a separate crime lab organization that would be independent from either the LAPD or the LASD. That independent organization would charge fees to all jurisdictions which requested their crime lab services. These fees would be charged to the City and to the County of Los Angeles and to all other jurisdictions within the county. At the present time, both the LAPD and LASD pay for such services as part of their overall budgeted obligations, so in effect these entities would continue to pay for crime lab services. The difference would be that the county would pay less because their current budgeted expenditures include the cost of crime lab services for those other jurisdictions which currently receive crime lab services free at the expense of the LASD. We estimate that approximately \$7.3 million annually will be reduced from the LASD's budget and redistributed to approximately 115 other jurisdictions that currently receive such services without cost from the LASD.

Availability of Support Services

An independent crime lab organization would lose many of the support services that are currently provided by both the LAPD and LASD. These include budget, fiscal operations, personnel, legal, property, and transportation. These services are provided by other divisions and bureaus within the LAPD and LASD. To the extent that these services would have to be provided by the new consolidated crime lab, additional assignments to existing or

additional administrative personnel would be needed to provide such management support services to the consolidated crime lab. We estimate that seven additional staff would be needed at an annual cost of \$365,600 to provide for these support services. This would reduce total savings in Table 6 from \$3,320,300 to \$2,954,700 and the reduction in personnel from 32 to 25.

Although the loss of support services should be seen as a disadvantage to a new organization which previously was part of a much larger department, our discussions with staff indicate that other circumstances come into play which tend to offset the loss of these services as a disadvantage. These discussions indicate that a substantial amount of administrative time is spent on internal memos and documents supporting the needs of the respective crime labs. For the most part, these have not been implemented to the benefit of the crime labs, as documented in this report.

SECTION 4 OPTIONS FOR CONSOLIDATION OF THE LOS ANGELES POLICE DEPARTMENT AND LOS ANGELES COUNTY SHERIFF'S DEPARTMENT CRIME LABS

There are at least four approaches that may be taken to provide crime lab services for the cities and the County of Los Angeles. These include retaining separate crime labs operated by the Los Angeles Police Department and the Los Angeles County Sheriff's Department, partially consolidating the two crime labs by merging only selected functions, fully consolidating the LAPD and LASD crime labs under one of the two existing organizations, and fully consolidating their crime labs into a new organization through a Joint Powers Agency.

Retaining Separate Crime Labs Operated by the LAPD and the LASD

In Sections 1 and 2 of this report, we discussed the difficulty experienced by each of the crime labs functioning within their current organizational structures under the LAPD and LASD. Based on our findings, we concluded that it is very difficult for the individual crime labs to function effectively and efficiently given their positions within the respective organizations. Although the crime labs represent a critical element in the process of conducting a criminal investigation, their ability to function in an optimal manner is visibly curtailed because they must compete with many other visible and prominent units within their respective organizations.

A variation of continuing the operation of two crime labs has been explored by both agencies. This variation consists of constructing a consolidated facility that would share expensive equipment, training, libraries, conference rooms, and certain programs such as DNA analysis, while retaining separate identities and the ability to best serve the respective organizations' needs. Subsequently, the LASD concluded that the cost savings from this idea would not be substantial in comparison to the cost savings if the crime labs were truly merged under one command.

In Section 3 of this report, we discussed advantages and disadvantages of crime lab consolidation. We concluded that consolidation afforded the public the advantage of more comprehensive and independent forensic and scientific services to support on-going crime investigations. In addition, consolidation would provide greater efficiency through cost savings from fewer managers and supervisors, from implementing a full plan of civilianization, from reclassifying certain positions to streamline operations, from sharing related

experience, and cost savings for facilities, overhead, automation, equipment, and accreditation.

Based on the discussions in these earlier sections, we have concluded that consolidation of the crime lab would be more advantageous than the existing retention of the separate crime labs within the LAPD and the LASD.

Fully Consolidating the LAPD and LASD Crime Labs Under One of the Two Existing Organizations

Although this proposal would have some of the advantages of consolidation described in Section 3 of this report, it would also retain some of the problems noted in Sections 1 and 2. The problems have been noted as disadvantages of a unit functioning within a much larger organization. A consolidated crime lab that remains either a part of the LAPD or the LASD would most likely continue to compete with other units within a much larger department.

As previously noted in this report, we believe that the crime lab would continue to be neglected due to its organizational position. It is only the occasional notoriety within the overall scope of police investigations that brings the importance of the crime lab to the public's attention. That notoriety appears to fuel the expectation that immediate changes and/or improvements, including the provision to consolidate, will be implemented to cure the immediate problems and perceived failures. However, we have seen over the past several years that the consolidation issue has arisen under this context, but without resolution due to the reluctance of both law enforcement agencies to move the merger forward.

Furthermore, the LAPD believes that under consolidation, the city would become merely

another client of the LASD crime laboratory, and the LAPD would lose its identify as a crime lab and its ability to prioritize its cases. Under these circumstances, it is doubtful the county would make a unilateral decision to take over a city function without the city's consent.

Fully Consolidating the LAPD and the LASD Crime Labs Into a New Organization Through a Joint Powers Agency

The consolidation of the LAPD Scientific Investigation Division and the LASD Scientific Services Bureau could be accomplished with an incorporation into a Joint Powers Agency (JPA). Enabling provisions for the establishment of Joint Powers Agreement can be found in the State of California Government Code, Sections 6500 to 6510. Joint Powers Agreements may involve an agreement between a city and a county, among other jurisdictions, in the sharing of duties and responsibilities if authorized by their respective legislative or other governing bodies. In addition, it is necessary that any power common to the contracting entities be exercisable by each entity with respect to the geographical area in which such power is to be jointly exercised.

The Los Angeles Scientific and Forensic Laboratory Agency (LASFLA) JPA should have a seven member Board of Directors representing the Los Angeles Police Department, Los Angeles County Sheriff's Department, Los Angeles County District Attorney's Office, Los Angeles County Superior Court, Los Angeles County Police Chief's Association, Los Angeles City Council and Los Angeles County Board of Supervisors. The Board of Directors would be responsible for defining its duties and responsibilities, establishing fees as necessary to fully fund the LASFLA operations, and authorizing its working relationships with other city and county

departments and agencies and with other related jurisdictions.

The proposed JPA could receive its revenues for the LASFLA by charging fees for services to those agencies which request them. In this regard, we have examined the collection process for two other crime laboratories in the State of California. These laboratories are in the Contra Costa County Sheriff's Department and Santa Clara County District Attorney's Office. The Contra Costa County Sheriff's Crime Laboratory bills for each evidence submission request individually submitted by the sheriff and by each participating jurisdiction in Contra Costa County seeking the assistance of the County's Crime Laboratory. This process requires extra accounting staff to prepare billings and maintain records for work performed on each individual submission of evidence. In contrast to the itemized billing approach used by Contra Costa County, the Santa Clara County District Attorney's Crime Laboratory bases its fees on prior year activities and thus avoids a complicated billing structure associated with current requests. Because of its simplicity, we would recommend the implementation of the Santa Clara County method of assessing fees for services, because the accounting and bookkeeping requirements would be significantly reduced.

The LAPD and the LASD would be major users of the services provided by the proposed JPA LASFLA. Accordingly, both the LAPD and LASD would be major contributors toward the funding of the new crime laboratory agency. Those contributions should reflect the current funding commitments of the LAPD and LASD for their current crime laboratories, excluding those positions that would not be included in a consolidated crime laboratory, and excluding the cost of services provided for other agencies. The current fiscal year

funding as currently revised by the respective departments for FY 1996-97, including estimated annual capital costs, is identified in Table 7.

A current estimated annual funding commitment of \$27.7 million would be an initial resource for the new consolidated crime laboratory. The Los Angeles Police Department's contribution would be \$14.4 million while the Los Angeles Sheriff's Department's contribution would be \$13.3 million. These amounts would be paid to the new consolidated crime laboratory facility based on the cost of services received. Because the LAPD and LASD would each be paying such fees for crime laboratory services to a new consolidated crime laboratory facility, it could be expected that other agencies that currently receive these services from the LASD SSB, without cost, would pay service fees as well.

A review of the level of services currently provided by the SSB finds that during 1996 a total of 72,140 evidence submissions were received by the SSB. Of this total, approximately 32,460, or 45 percent, were submitted by sheriff personnel for crime lab services related to the investigation of activities in the unincorporated area of the county, or in cities which contract with the LASD for law enforcement services. The remaining 39,680, or 55 percent, were submitted by approximately 115 other law enforcement and other agencies in the County of Los Angeles that currently receive free crime laboratory services from the sheriff. As noted in Table 7, above, this would, in effect, split the current annual funding of the SSB, totaling \$13.3 million, between the sheriff and the approximately 115 other law enforcement agencies in the county. Under these circumstances, the LASD crime lab costs would be reduced to approximately \$6 million, and the remaining \$7.3 million

would be the responsibility of approximately 115 other law enforcement agencies. Regarding the annual amount paid by the LASD, the reduction of \$7.3 million should be phased over a three year period in order to allow the restructuring of revenues from direct LAPD and LASD budgeting to the use of a fee schedule to be paid by user jurisdictions.

The LAPD SID has a similar workload of evidence submissions. The SID has an estimated total of 75,174 evidence submissions for calendar year 1996.¹² This is only 4 percent greater than the total number of evidence submissions from the LASD, including the 115 non-county law enforcement agencies which use its crime lab services. The cost per submission for the LAPD was \$191.87 which was only \$6.91 greater than the \$184.96 cost per submission for the sheriff's crime lab. The additional \$6.91 cost per case for the LAPD is only 3.7 percent greater than the cost per case for the LASD.

The new consolidated crime laboratory should have sufficient funding if budgeted initially at a level of \$27.6 million annually, given that approximately \$2.9 million in savings has been estimated with the proposed consolidation of the two crime laboratories (as discussed in Section 3 of this report). In any case, one of the objectives of the Joint Powers Agency is to establish the necessary distribution of fees that reflect actual usage by existing law enforcement agencies. Fees should be adjusted by the JPA as necessary to account for changes in the operations of the new LAS-FLA.

If the Joint Powers Agency consolidation option is selected, the JPA should consider implementing a civilian courier service to provide convenient pickup and transport of

¹² Based on cumulative totals for October 1996 projected through the end of Calendar Year 1996.

evidence submissions. This would relieve the need of sworn personnel from the various law enforcement agencies from individually transporting the evidence to a centrally located facility. A civilian courier service would save time and money for the respective law enforcement agencies and would be less expensive overall than using sworn personnel to transfer evidence from several designated locations throughout Los Angeles County to a central laboratory facility. The JPA would thus be able to implement an efficiency that would save police officer time in the 115 law enforcement agencies currently served by the sheriff's crime lab.

Based on our discussion of staffing in Section 3 of this report, there would be 23 personnel (two supervisors and 21 evidence control employees and couriers) assigned to the new JPA Courier and Evidence Control Unit. The Courier and Evidence Control Unit should be expanded by approximately 48 percent, in order to relieve sworn personnel from the 115 various police departments throughout the county of the task of transporting most evidence to a centralized crime laboratory. The additional cost in civilian personnel would be \$468,630, but the estimated value of time saved by sworn personnel would be approximately \$494,040, as shown in Table 8.

Table 7
FY 1996-97 SID and SSB Amended Funding

<u>Category</u>	<u>LAPD</u> <u>SID</u>	<u>LASD</u> <u>SSB</u>	<u>Total</u>
Operating Expenses:			
Salaries	\$ 8,936,964	\$ 8,421,937	\$17,358,901
Fringe Benefits	\$ 2,695,388	\$ 2,404,547	\$ 5,099,935
Training	200,000	50,000	250,000
Supplies and Services	<u>829,620</u>	<u>1,176,362</u>	<u>2,005,982</u>
Operating Expenses Subtotal	\$12,661,972	\$12,052,846	\$24,714,818
Capital Costs:			
Equipment	\$ 1,761,400	\$ 576,000	\$ 2,337,400
Space	<u>0</u>	<u>714,000</u>	<u>714,000</u>
Capital Costs Subtotal	\$ <u>1,761,400</u>	\$ <u>1,290,000</u>	\$ <u>3,051,400</u>
Subtotal 1996-97 Costs	\$14,423,372	\$13,342,846	\$27,766,218
Less: Costs Chargeable to Other Agencies	<u>0</u>	(7,338,565)	(7,338,565)
Total	<u>\$14,423,372</u>	<u>\$ 6,004,281</u>	<u>\$20,427,653</u>

Finally, an intangible benefit to a consolidation of the two crime laboratories would be to raise the public's confidence that the work of the forensic and scientific component of the criminal justice system is independent from the investigative activities directly performed by the law enforcement agencies. Independent and effective forensic and scientific services would help to bring criminal cases to a more rapid conclusion because the findings would

Both the LAPD and the LASD have discussed partial consolidation as a way to meet some of their common needs for expanded facilities and equipment. Savings could be realized on the purchase of expensive non-standard analytical equipment, the implementation of new technologies such as DNA (Deoxyribonucleic Acid), and the sharing of training and professional support. Cost savings could also be realized on probable construction costs. These

Table 8
Costs and Savings Related to Expanded Courier and Evidence Control Services, Sworn Vs Civilian Personnel Costs

<u>Description</u>	<u>Number</u>	<u>Annual Cost</u>
<u>Costs</u>		
<u>Sworn Personnel (equivalency)</u>		
Sergeant	1	\$ 65,748
Police Officer	10	535,920
Fringe Benefits (estimate)		<u>361,002</u>
Subtotal	11	\$962,670
 <u>Civilian Personnel</u>		
Evidence Custodian Supervisor	1	\$ 34,788
Evidence Custodian	10	329,760
Fringe Benefits		<u>104,082</u>
Subtotal	11	\$468,630
 Estimated Value of Sworn Officer Time Saved		 <u>\$494,040</u>

be less likely challenged. Ultimately, more and more of the outcomes determined by an independent crime laboratory agency will receive greater acceptance and credence throughout the criminal justice process. A practical result of this greater acceptance would be that criminalists would need to spend less time in criminal court cases testifying in defense of the results of their forensic and scientific findings. Partially Consolidating the Two Crime Labs by Merging Only Selected Functions

measures are seen as a shared approach in which each agency maintains control over case prioritization and its organizational identity and contacts.

The consolidation of DNA analysis functions and research would be a logical partial step to combine existing operations of the two crime labs. LAPD is currently using Polymerase Chain Reaction (PCR) testing in case work, while the LASD is currently using Restriction Fragment Length Polymorphism (RFLP)

testing in some of its case work. Both units are operating out of substandard facilities. These two complementary technologies could be effectively combined into a joint DNA analysis laboratory to take advantage of the rapidly emerging changes and opportunities in this new scientific approach to forensic analysis.

Depending on the extent of partial consolidation of crime lab functions, this alternative would represent an interim step to the other options for consolidation of the two crime labs. In Section 5 of this report, we discuss integrating the individual DNA operations as an initial step for the consolidation of the LAPD and the LASD crime labs.

SECTION 5 A NEW CRIME LABORATORY FACILITY

Although personnel have increased substantially over the last several years in both the city and county crime laboratories, adequate space has not been provided to alleviate increasingly crowded conditions and allow the two crime laboratories to perform at an optimal standard. Additional space is needed for the criminalists to examine and store evidence and for the crime lab property custodians to store evidence that is not being used by the criminalists. In addition, the LAPD Scientific Investigations Division needs to centralize firearms, questioned documents, latent prints and photography units which are now located in satellite facilities.

Furthermore, parts of units in both the LAPD SID and the LASD SSB, such as DNA analysis, are scattered at different locations, so that evidence must be moved between buildings while analysis moves forward through the process of investigation. As described in

Section 3 of this report, the SID's central laboratory facility at Piper Tech averages 243 square feet per employee, while the SSB's central laboratory on Beverly Boulevard averages 241 square feet per employee. As noted earlier, the Orange County Sheriff's/Coroner's Laboratory averages 750 square feet per employee, approximately three times the amount of space per employee.

The SSB is requesting a new facility, not only because of the lack of existing space, but because its facility is outdated and worn out, providing inadequate ventilation and telephone systems, storage space, and building security. Negotiations are currently under way with California State University, Los Angeles to construct an approximately 250,000 square-foot teaching/working laboratory on the Los Angeles campus that is estimated to cost between \$70 million and \$90 million. The new laboratory would provide 200,000 square feet for LASD's crime laboratory and 50,000 square feet for the University's Criminal Justice Department. The 200,000 square feet for the LASD's crime laboratory is based on the American Society of Crime Laboratory Directors standard of 1,000 square feet per crime lab employee. Our discussion with the CSULA's Provost concluded that adding the LAPD's crime lab to the proposed consolidation would not adversely affect the current negotiations between CSULA and the LASD. However, a decision regarding the consolidation of the two crime labs should be completed soon so that current plans with the LASD could proceed without unnecessary delay. In the event that there is an agreement with CSULA to construct and operate a joint facility, it would be appropriate to add two members to the Joint Powers Agency Board of Directors, one of whom would be a representative of CSULA.

Although associations between crime laboratories and universities are not widespread, affiliations with universities are becoming more and more an important resource for many forensic science applications. Universities can provide a ready supply of new employees and provide technical expertise in areas that are lacking in the working laboratory. Academic institutions may be willing to provide customized courses to meet laboratory demands and also be a source of funding through collaboration on grants.

As described in Section 3 of this report, 330 current employees would be affected by a proposed consolidation of the two crime laboratories, with 20 positions being deleted as a result of the proposed consolidation, 12 being deleted as a result of reclassifying Latent Print Examiner and Photography positions to Crime Scene Investigator positions and seven positions added for administrative support services. As discussed in Section 4 of this report, the Courier and Evidence Control Unit should be expanded by 11 positions. These additions and deletions would revise total staffing to 316. Of these 316 positions, 30 are currently out-stationed at regional labs, leaving 286 positions to staff a new centralized consolidated facility. These changes are summarized in Table 9.

Based on the current documented backlog of evidence submissions and projected growth in workload, it is reasonable to expect that a consolidated crime lab will necessitate an increase in personnel in the various operational units, both to service the existing backlog of case requests and to accomplish projected workload increases. Increases in total staff over the next 10 to 15 years, either at a central crime lab facility or at one of the existing satellite crime lab facilities should increase total crime lab employment to well over 300 employees. The additional employees would be

needed to reduce the backlog of evidence submissions that would be transferred from the existing crime labs to the new consolidated crime lab. An increase of 30 employees is estimated to cost between \$1.8 and \$2 million annually, which could be distributed among the client agencies on a pro-rated basis. A portion of these costs could be off-set by charging blood and other test fees to those who have been convicted by the courts.

This increase in staff needs could be offset by implementing a second shift for those crime lab units that are either currently large in size or will be expanded significantly due to case backlogs and workload growth. Such crime lab units would include photography, toxicology, evidence control, narcotics, and blood alcohol analysis. For example, with the proposed expansion of the Courier and Evidence Control Unit, it would be appropriate to add a swing shift to that unit in order to shorten the time necessary for evidence to be received by the consolidated crime lab. This would reduce the total number of positions that would require a separate space for operations by 11, from 286 to 275.

Given the offsetting factors of added positions due to future workload increases, versus the opportunity to implement second shifts to review case evidence more efficiently, it is difficult to project how much space will be needed 25 years from now when a new crime lab facility will have been in full operation for an estimated 15 to 20 years. Approximately 300 positions are projected which would allow a net increase of 34 positions even without swing shifts or other space efficiencies. Based on a review of ASCLD's current space requirements for technical and administrative space needs,¹³ future space needs for a new crime lab are estimated to be 207,225 square feet, as shown in Table 10.¹⁴

Table 9
Number of Positions to be Added or Deleted
Associated with the Establishment of a Consolidated Crime Lab

	<u>Category</u>	<u>Number of Positions</u>
Positions to be Consolidated		330
Positions to be Deleted		
Consolidation	(20)	
Position Reclassification	<u>(12)</u>	
Subtotal		(32)
Positions to be Added		
Courier and Evidence Control Unit	11	
Administrative Support Services	<u>7</u>	
Subtotal		18
Positions Out-stationed in Regional Crime Labs		<u>(30)</u>
Total Number of Positions		286

Initially, the LASD has requested \$250,000 to conduct a needs assessment and to estimate costs for a project to provide 200,000 square feet for a new crime laboratory. This space allocation is close to the estimate identified in Table 10.

The LASD estimates that a new independent crime laboratory incorporating the existing LAPD and LASD crime laboratories will require five to seven years of planning, design and construction before the new consolidated crime lab can move into its new quarters. In the meantime, a new consolidated crime lab organization should make interim plans to find alternative space to combine some existing functions that are currently separate units in each of the two crime labs. Of these

functions, the most important to be consolidated are the DNA Units in each of the currently separate crime labs.

DNA analysis is an important new technology that will eventually replace more elementary procedures currently being performed in separate serology units of the LAPD and LASD crime labs. A single DNA analysis has been shown to reduce a detective's investigative hours by convincing a guilty suspect to plead guilty, and allowing investigative efforts to be directed away from suspects who have been excluded by DNA analysis. Currently, the LAPD is implementing its DNA research practices using the PCR method while the LASD is utilizing the RFLP method for its DNA analysis. Managers of both crime labs

¹³ American Society of Crime Laboratory Directors (ASCLD) "Guidelines for Forensic Laboratory Management Practices".

¹⁴ Gross Space Factor takes into consideration the circulation and structural space requirements.

Table 10
Estimated Space Needs for
New Consolidated Crime Laboratory

<u>Category</u>	<u>Square Foot Per Position</u>	<u>Number of Positions</u>	<u>Square Foot Total</u>
Criminalists	800	127	101,600
Managers, Technicians Support and Clerical Staff	300	173	<u>51,900</u>
Net Space Needs			153,500
Gross Space Factor			<u>x 1.35</u>
 Positions/Gross Space Needs	 300		 207,225

advise that within the next year both of these methodologies will be replaced by a more advanced system entitled Short Tandem Repeats (STR), which is a derivative of PCR typing. Because both labs are only in the initial stages of training their own Serology Criminalists in DNA techniques, much of the existing DNA testing must be outsourced to private laboratories. The estimated cost to the two crime labs is \$250,000 in the current fiscal year.

The LASD is currently looking at two buildings with approximately 19,000 square feet to alleviate overcrowded conditions at its main laboratory. Because that effort is only in its initial phase, these buildings should be considered for a consolidated DNA crime lab facility. The space should instead accommodate the 23 criminalists, supervisors, and support staff currently assigned to Serology/DNA in the LAPD and LASD labs. Moving these units out of their current locations would free up approximately 1,500 square feet at LAPD's main crime lab at Piper Tech, 750

square feet at Parker Center, and 2,400 square feet at the LASD's main crime lab. The 3,900 square feet at the two main labs and the 750 square feet at Parker Center could then be used to fulfill other crime lab space needs.

SECTION 6

FINDINGS AND RECOMMENDATIONS

Findings

Based on our interviews with numerous staff in both the LAPD and the LASD, the review and analysis of financial, operational, and other records and documents, and interviews with officials in other large crime labs in other jurisdictions, we have concluded that a consolidated agency could operate more efficiently, effectively, and economically. Currently, as separate agencies, the LAPD Scientific Investigation Division and LASD Scientific Services Bureau must report through several layers of organizational

command structure. These organizational requirements create a burdensome process which limits the ability of individual crime laboratories to accomplish their specific missions within the LAPD and LASD. The crime laboratory missions, however, are increasingly important to the overall operational objectives of their respective departments.

In addition, these law enforcement commands have for several years been unsuccessful in obtaining sufficient funding for their individual crime laboratories, even though their operations are increasingly dependent upon modern, full-service forensic, scientific and technical examinations and research to support an increasing number of complex criminal investigations. Consolidating the crime laboratories would provide a much-needed focus on improving resources for staffing, space, equipment, and training. Under the current organizations, the need to provide adequate crime laboratory operations and services has been significantly ignored for many years.

A consolidated crime laboratory would be more efficient. Greater effectiveness would be achieved by cost savings from fewer managers and supervisors, from implementing a full plan of civilianization, from reclassifying certain positions to streamline operations, and from sharing related expertise and costs for space, overhead, automation, equipment, and accreditation. We estimate that initially at least \$2.9 million would be saved annually from consolidation. The disadvantages of a crime laboratory consolidation are small and relate primarily to different emphases in procedures and personnel policies and the loss of support services currently provided by the parent law enforcement agencies. In addition, the LAPD and LASD would have shared rather than total operational control of their respective crime laboratories.

The consolidation of the two crime laboratories would heighten public awareness that the work of the forensic and scientific component of the criminal justice system is independent from the investigative activities directly performed by the law enforcement agencies. Fewer findings would be challenged, allowing swifter, successful conclusions to criminal investigations. Ultimately, more of the outcomes determined by an independent crime laboratory agency will receive greater acceptance and credence throughout the criminal justice process. A practical result of this greater acceptance would be that criminalists would need to spend less time in criminal court cases testifying in defense of the results of their scientific findings.

Recommendations

Based on the findings and conclusions cited above, it is recommended that:

1. The Los Angeles City Council and Los Angeles County Board of Supervisors approve the formation of a Joint Powers Agency that would consolidate the operations of the Los Angeles Police Department's Scientific Investigations Division and the Los Angeles County Sheriff's Department's Scientific Services Bureau into a separate and independent agency, called the Los Angeles Scientific and Forensic Laboratory Agency (LASFLA). This consolidation could be accomplished under the provisions of a Joint Powers Agreement as permitted under Sections 6500-6510 of the California Government Code. The new LASFLA should provide crime laboratory services to the Los Angeles Police Department, the Los Angeles County Sheriff's Department, and each of the local jurisdictions that are currently provided crime laboratory services by the LASD.

2. The Joint Powers Agency should have the following features, and take the following steps to improve the efficiency, effectiveness and economy of crime lab services:
 - a. The Joint Powers Agency should have a Board of Directors, comprised of seven members representing the Los Angeles Police Department, Los Angeles Sheriff's Department, Los Angeles County District Attorney's Office, Los Angeles County Superior Court, Los Angeles County Police Chief's Association, Los Angeles City Council and Los Angeles County Board of Supervisors. The Board of Directors would be responsible for defining the agency's duties and responsibilities, establishing fees as necessary to fully fund its operations, and authorizing its working relations with other city and county departments and agencies, and with other jurisdictions.
 - b. Crime laboratory services should be provided on a fee basis, contingent upon the level of service provided. Under this option the LASFLA would receive revenues from the LAPD and LASD for the services provided to these agencies. In addition, a proportional amount from fees would be received from approximately 115 other law enforcement agencies in the county which currently receive services without charge from the LASD's crime lab. We have estimated that approximately \$27.7 million in fees would be collected annually, \$14.4 million from the LAPD, \$6 million from the LASD and \$7.3 million from other law enforcement agencies. For the LASD, there would be a \$7.3 million annual reduction in fees which would be transferred to the other law enforcement agencies in Los Angeles County. During the initial three years of the new consolidated crime lab, the \$7.3 million annual reduction for the LASD should be incremental so as to allow for the restructuring of revenues from direct budgeting to the implementation of a fee schedule to be paid by user agencies.
 - c. The new consolidated crime lab should implement personnel changes that would consolidate the LAPD civilian classifications for photographer and latent fingerprint processing positions into a single job classification to perform crime scene investigations, similar to the Forensic Identification Specialist classification in the LASD.
 - d. All positions in the new consolidated crime lab should be civilianized, which is currently partly under way in the LAPD and LASD.
 - e. Wherever possible, the new consolidated lab should implement swing shifts for individual crime lab units in order to make more efficient use of its facilities and equipment. These units would include photography, toxicology, evidence control, narcotics, and blood alcohol.
 - f. Crime lab managers should develop a capital equipment depreciation schedule that would accurately reflect the service and replacement needs for crime lab equipment.
 - g. The new consolidated crime lab agency should replace the LASD in the negotiations with California State University, Los Angeles for the development of a joint teaching/working

laboratory facility on the Los Angeles campus.

- h. The new consolidated crime lab should make interim plans to find

alternative space that would combine existing LAPD and LASD DNA Units.

Appendix 1
Staff Comparisons: Potential Savings in Personnel Costs

	SID	SSB	Total	New	Change	Position Dropped	Annual Cost
Administration							
Manager	2	2	4	2	2	SID Director Equivalent	\$93,120
						SSB Director Equivalent	80,892
Supervisor	2	3	5	3	2	SID Chief For Chemist I	82,357
						SSB Crime Lab Asst. Director	69,996
Lead	1	2	3	2	1	SID Senior Manage Analyst II	78,900
Technical	3	6	9	7	2	SID Criminalist III	69,804
						SSB Sergeant Equivalent	39,468
Clerical	4	8	12	9	3	SID Clerk Typist	28,476
						SSB Interim Typist Clerk	23,916
						SSB Secretary V	34,536
Subtotal	12	21	33	23	10	Subtotal	\$601,465
Blood Alcohol							
Supervisor	1	1	2	1	1	SSB Supervising Criminalist	66,240
Lead	1		1	1	0		
Technical	4	7	11	10	1	SSB Senior Criminalist	63,216
Assistant	0	1	1	1	0		
Subtotal	6	9	15	13	2	Subtotal	\$129,456
Evidence Control							
Supervisor	2	1	3	1	2	SID Senior Property Officer	76,344
						SID Senior Property Officer	
Lead	0	0	0	1	-1	SID Evidence & Prop Cus Supv	-38,172
Technical	19	7	26	21	5	SID Property Officer	132,624
Subtotal	21	8	29	23	6	Subtotal	\$170,796
Firearms							
Supervisor	1	1	2	2	0		
Technical	18	8	26	26	0		
Assistant	1	0	1	1	0		
Subtotal	20	9	29	29	0		0
Narcotics							
Supervisor	1	1	2	2	0		
Technical	6	9	15	15	0		
Subtotal	7	10	17	17	0		0
Trace & Special Testing/Physical							
Supervisor	0	1	1	1	0		
Lead	1	0	1	1	0		
Technical	5	8	13	13	0		
Assistant	1	1	2	2	0		
Subtotal	7	10	17	17	0		0

Appendix 1 (Continued)
Staff Comparisons: Potential Savings in Personnel Costs

	SID	SSB	Total	New	Change	Position Dropped	Annual Cost
Questioned Documents							
Supervisor							
Lead	1	1	2	1	1	Sr Exam of Questioned Docs	<u>59,136</u>
Technical	3	2	5	5	0		
Subtotal	4	3	7	6	1	Subtotal	\$59,136
Serology/DNA							
Supervisor	1	1	2	2	0		
Technical	7	13	20	20	0		
Assistant	1		1	1	0		
Subtotal	9	14	23	23	0		0
Toxicology							
Supervisor	1	1	2	1	1	Supervising Criminalist	<u>66,240</u>
Technical	4	3	7	7	0		
Assistant	2	2	4	4	0		
Subtotal	7	6	13	12	1	Subtotal	\$66,240
Regional Laboratories							
Supervisor		4	4	4	0		
Lead	1		1	1	0		
Technical	9	13	22	22	0		
Assistant	1	4	5	5	0		
Subtotal	11	21	32	32	0		0
Other	<u>73</u>	<u>42</u>	<u>115</u>	<u>115</u>	<u>0</u>		
Total Salaries	177	153	330	310	20		\$1,027,093
Fringe Benefits							<u>290,667</u>
Totals							\$1,317,760

Child Support Collection System Needs Independent Review

The Government Operations Committee's examination of the county's child support program consisted of two parts: Part 1 dealt with child support collections in general, while Part 2 dealt with the child support automated tracking system.

PART 1 CHILD SUPPORT COLLECTIONS

Introduction

Early in its term, the Grand Jury received a request to investigate the county's child support program to see how it could be improved. The Grand Jury also received a report, *Past Due: Child Support Collection in California*, along with a Data Supplement issued in May 1996 by a coalition of groups including the National Center for Youth Law, the Child Support Reform Initiative and Children Now. This report concluded that Los Angeles County's child support program was performing below average. The rankings of counties both large and small were based on child support collection performances primarily for the period 1994-95, while one chart compared performance in the two previous one-year periods with the 1994-95 period. (The report also indicated that California's child support collection program continued to be one of the poorest in the country.)

Purpose

The purpose of this study was to evaluate the effectiveness of child support enforcement in Los Angeles County and to make recommendations that would help ensure that children and families who are entitled to child support actually receive support payments in a timely manner.

Study Approach

In conducting this study, members of the Government Operations Committee interviewed staff from the National Center for Youth Law, Harriett Buhai Center for Family Law, California Franchise Tax Board Child Support Collection Program, Audit Division of the Auditor-Controller's Office, the Bureau of Family Support Operations (BFSO), and Los Angeles County District Attorney's Office. Members made several visits to BFSO headquarters in Commerce where they had discussions with both administrative and line staff.

Background

Children are legally entitled to support from both parents. By federal mandate, California operates a program to collect support for children, run by the California Department of Social Services (DSS), which contracts day-to-day operations to the 58 county district

attorneys. In Los Angeles County, as in all counties in California, the District Attorney's Office is charged with the child support enforcement program. Its Bureau of Family Support Operations was established in 1975. Headquartered in the City of Commerce, the bureau has 1,248 employees including 100 sworn deputy district attorneys and 450 family support representatives. The remainder perform administrative and support functions. Other BFSO offices are located in West Covina, El Segundo, Torrance, Palmdale, and Encino.

The role of BFSO is to:

- **Establish paternity**

This entitles a child born out of wedlock to the same legal rights and privileges of a child born within a marriage. If an alleged father disputes paternity, blood tests are ordered and the case may be decided by a court. Under the Parents Opportunity Program, unmarried parents may legally acknowledge paternity (by signing a paternity declaration) even before their new-born child leaves the hospital.

- **Locate the Non-Custodial Parent**

Usually the non-custodial parent must be located before paternity can be established, child support determined, and payment enforced. In early 1995, BFSO implemented a replacement for their old Automated Child Support Enforcement System (ACSES), called ACSES Replacement System (ARS). The new system links BFSO to a large number of state data bases such as Employment Development Department (EDD), state Franchise Tax Board (FTB), Department of Motor Vehicles, utility user data bases, and professional licensing files. BFSO also

participated in a pilot program with the Social Security Administration which assisted in identifying non-custodial parents and their assets.

- **Establish, Modify, and Enforce Court Orders to Pay Child Support**

If a support order has not been established for a child, BFSO will take legal steps to secure a court order. Cases are heard in Superior Court. California's support guide-lines are used to determine the appropriate amount of support to be paid. Non-paying recalcitrant parents are subject to criminal prosecution, and can be sentenced to one year in county jail for willful failure to provide. (The Child Support Recovery Act of 1992 makes it a crime for a parent in one state to avoid payment of support for a child in another state.)

- **Collect Court Ordered Child and Spousal Support Payments**

In child support cases handled by BFSO, payments are made to the Court Trustee who processes payments, maintains the accounts, and supervises the payments of child support monies to the custodial parent. BFSO does not charge for any child support enforcement services or services of the Court Trustee. When BFSO obtains a court order for support, it records an abstract of judgment with the county recorder. This prevents a parent who owes child support from selling or refinancing real property until child support is paid. Personal property may also be seized, sold, and proceeds applied toward unpaid support.

Some of the same agencies used to locate non-custodial parents are also utilized in

facilitating collection of child support payments. The driver's license of a parent delinquent in child support payments can be suspended until arrangements are made to bring the payments current. If a parent is at least three months behind in child support payments, BFSO can intercept the parent's state or federal income tax refund or state lottery winnings and apply them to unpaid child support. Through the State Licensing Match System, BFSO can prevent the issuance or renewal of a license required by the state in order to do business (i.e., lawyer, doctor, contractor, beautician) until the parent makes arrangements to pay the back child support obligation.

FTB, through its joint venture with BFSO (and agencies in other participating counties), uses its automated systems and collection powers as a state taxing authority to collect child support arrearages. Only those cases where payments are delinquent for 30 days or more are referred. FTB's automated system locates an individual's assets including wage information on all California employees, interest and dividend information on all California accounts, and all other reportable income on California residents, such as commissions, rents and royalties. Once assets are located, levies are issued by a Local Area Network-based system and can include an Order to Withhold on bank accounts such as checking, savings, IRA, and Keogh; an Earnings Withholding Order to an employer; or a Continuous Order to Withhold to a miscellaneous payor for commissions, rents, and royalties. FTB also has the authority to seize both real and personal property. Counties compensate FTB for collection costs by sharing up to 50 percent of their base rate incentive for

the amounts collected which amounts to three percent of the total amount collected. Incentive payments are determined by compliance, performance measures, and the base rate, which is currently six percent.

- **Establish and Enforce Medical Insurance Coverage**

Medical insurance coverage must be included in any child support order if coverage is available at little or no cost. The non-custodial parent is required to include the child under his or her medical insurance policy if it is available at no charge or at a reasonable cost. Dental and vision care are included.

Areas Investigated

Compared to other California counties, Los Angeles County's extremely low ranking in its child support program, based on information presented in the *Past Due: Child Support Collection in California* Data Supplement, was of great concern. For example, in FY 1994-95, Los Angeles County was ranked 50th or below in the following categories: families with support orders, collections per family per year, paternities established, support orders established, cost-effectiveness, Aid to Families with Dependent Children (AFDC) recoupment rate, and net (gain) loss to the county.

Administrators from BFSO met with the committee to respond to the concerns raised by the report. The committee was informed that some of the statistics in the report were based on preliminary data collected by the state from the counties. (The data used in preparing the report came from information submitted by all county district attorneys to DSS.) Counties use inconsistent data gathering and

reporting methodologies as a result of vague and complex direction, according to BFSO.

We were informed that in the report, performance categories (families with support orders, paternities established, and support orders established), were measured in relation to a county's production in these categories compared to its overall caseload. As a result, counties with a significantly higher number of welfare cases rank poorly. For example, as of June 1996, of the 420,323 welfare cases without support orders, 51,000 contained no information concerning the identity of the non-custodial parent. The lack of cooperation by a welfare custodial parent effectively stymies all recovery efforts. Non-welfare cases, however, contained more comprehensive data.

As to the county's rankings in the collections per family performance category, BFSO reported that the implementation of ARS, which came on-line in February 1995, enabled BFSO to submit a much larger number of cases to FTB and the IRS intercept program, which has resulted in a substantial increase in collections.

The cost-effectiveness performance category ranking is based on the amount of support collected for each dollar of administrative expenditure. BFSO reported that it incurred major automation development costs with the implementation of ARS during that period. BFSO projects the cost of running the child support enforcement program during the current fiscal year will be half that reported for FY 1994-95 (approximately \$11 million) and almost zero cost the next year.

FINDINGS

In response to the concerns raised in the report, BFSO provided reasonable explanations for the 1994-95 rankings and also indicated

specific areas in which there has been considerable improvement. Those include parents located, paternity established, summons and complaint filings, court orders established, and child support collections via FTB and IRS intercept programs. Ironically, during the 1994-95 report period, Los Angeles County attained compliance (for the first time) with federal and state performance requirements. Compliance raises the incentive rate on each dollar collected, thus increasing the amount of revenue to the county. Recently, the state declared the county to be in compliance with performance requirements.

During most of the 1994-95 report period, BFSO was saddled with the implementation of ARS. Major costs for design and implementation are ultimately offset through state and federal subsidies, although they were included in the 1994-95 administrative costs.

Welfare referrals from DPSS—currently 80 percent of all cases received by BFSO—continue to be troublesome. An AFDC applicant (the custodial parent) is required to complete a questionnaire designed to collect information regarding the non-custodial parent and the children. Approximately 24 percent of the referrals from DPSS present virtually impossible locate problems at the outset.

In July 1995, the Board of Supervisors, in response to complaints from constituents, conducted a public hearing to solicit comments on the child support enforcement program. Later the board requested the District Attorney, the Chief Administrative Office and the Los Angeles County Family Support Advisory Board to review and respond to specific recommendations. This culminated in a management audit which began earlier this year and is scheduled for completion no later than July 1997. The purpose of the audit, which is being conducted by a private firm, is to look

at the overall organizational and management effectiveness of BFSO and to make recommendations for improvement.

RECOMMENDATIONS

The committee believes that the management audit, considering its broad scope, will address all pertinent issues pertaining to the operation and management of BFSO, and that constructive recommendations will ensue.

The committee recommends that the District Attorney:

1. After consultation with the Chief Administrative Office and the Los Angeles County Family Support Advisory Board, implement those recommendations that will increase the efficiency and improve overall performance of the child support enforcement program in Los Angeles County.

2. Conduct intensive training of DPSS staff.

The committee also recommends that DPSS:

1. Assisted by BFSO staff, conduct intensive training of their staff in the obtaining of more complete information (on AFDC applicants' questionnaire) regarding the non-custodial parent and the children.

PART 2 CHILD SUPPORT AUTOMATED TRACKING SYSTEM

Introduction

Each state is required to have a statewide automated child support enforcement program. Los Angeles County received approval to develop its unique system, ARS, which

came on line in February 1995. ARS was developed through a joint venture between BFSO and Lockheed-Martin Information Management Systems (IMS), which also is involved in the development of California's Statewide Automated Child Support System (SACSS). The agreement with Lockheed-Martin IMS calls for a Post Implementation Evaluation Report (PIER) to begin six months following BFSO's sign off on the system.

Purpose

Given the relative newness and uniqueness of ARS, the committee sought to gain some understanding of how the system was utilized in BFSO's child support enforcement program. The committee also wanted to see how well the system handled a small sampling of cases.

Study Approach

The committee randomly selected 15 cases that were recently referred to BFSO, but which had not previously been entered in ARS. Ten of the cases were from AFDC applicants (referred by DPSS) and five were from non-welfare custodial parents.

The cases, identified by case number and name, were entered in ARS during the last ten days of October 1996. Over the next several months, committee members checked the progress of the cases by visiting BFSO headquarters. BFSO staff were not only patient but extremely helpful in explaining the status of each case.

FINDINGS

Of the ten welfare cases that were entered into the automated system in late October, five Dependency Court-ordered summons and complaint documents were sent to the process server in November or later. Four of the five

were returned between January and March 1997, unserved.

Post office verifications (of addresses) were sent out on two of the cases in February or March 1997.

In one case, a court order (for support) was already established and the non-custodial parent's drivers license was revoked.

In another case, a court order was obtained in February 1997.

There was no action in a case involving a custodial parent (born in another country), and a non-custodial parent (also born in another country) who had several aliases.

In another case, a petition worksheet was sent in January 1997 to the custodial parent to obtain information on the out-of-state parent. *Information was received in March 1997 indicating both parents, although residing in different states, were receiving aid for the same child.*

After four months from the time the ten welfare cases were received and information entered into the system, summons and complaint documents had not been served on six of the cases. Efforts continue in the search for the non-custodial parents. Two of the cases had court orders. There was no information on the non-custodial parent in one case. In another case, information received will result in a referral for possible fraud.

In all but one of the five non-welfare cases, summons and complaint documents were served between December 1996 and February 1997. In the fifth case, activity to locate the non-custodial parent took place between January and March 1997, resulting in a summons

and complaint to be served at the parent's place of employment.

Assessment

The results of this small sampling underlines the absolute necessity of having—at the outset—a bona fide name, address, social security number, or name of employer of the non-custodial parent. It is apparent that the success of any action against the non-custodial parent depends on the accuracy of the information provided. Delays are frequently caused by bad addresses. Process servers, who are paid only when they actually serve a summons and complaint, may retain a summons and complaint up to 60 days while attempting to complete the service. Other delays result when cases have to be referred to the California, and then to the Federal Parent Location System.

This sampling was not intended to be a comprehensive test of ARS, but simply to reveal some of the timelines in processing a case.

In October 1996, the Auditor-Controller's Office, on recommendation of the Chief Administrator's Office, sought to conduct an EDP audit of ARS in order to test and evaluate whether the system controls were functioning as intended and to determine if there were any problems with the conversion from the old system to ARS. The audit was to include testing input, output, and processing controls, as well as security and access controls. The estimated cost was \$75,000 of which \$50,000 would have been recouped from the federal government.

BFSO indicated that the PIER evaluation by Lockheed-Martin IMS, in all likelihood, would address the concerns mentioned above. The Auditor-Controller's Office stated an EDP audit would test and evaluate input controls, output controls, processing controls,

backup and recovery controls, security controls, and business practices associated with the system. The PIER review, it maintained, would establish performance measurements; assess user performance, software performance, hardware/network performance; perform operations survey; and perform cost analysis. However, the EDP audit did not take place.

Although ARS has passed federal and state reviews on important issues pertaining to performance regulations, the committee believes that an EDP audit would be more comprehensive than the PIER review inasmuch as it would be conducted by an outside entity. The PIER review is being conducted by Lockheed-Martin IMS which, along with BFSO, developed the system.

RECOMMENDATIONS

The committee recommends that the Auditor-Controller:

1. Assess the adequacy of the PIER results and if the concerns listed in the proposed EDP audit are not fully addressed, conduct the EDP audit as soon as possible.

The committee recommends that the District Attorney:

1. Provide funds for the EDP audit should the Auditor-Controller deem the audit is warranted.

ACRONYMS

ACSES	Automated Child Support Enforcement System
AFDC	Aid to Families with Dependent Children
ARS	Automated Replacement System
BFSO	Bureau of Family Support Operations
DPSS	Los Angeles County Department of Public Social Services
DSS	California Department of Social Services
EDD	Employment Development Department
EDP	Electronic Data Processing
FTB	Franchise Tax Board
IMS	Lockheed-Martin Management Information Systems
PIER	Post Implementation Evaluation Report
SACSS	Statewide Automated Child Support System

An Executive Officer For Los Angeles County

Introduction

As new Grand Jurors, we confronted the problem of analyzing the administration of the government of this Los Angeles County. The Government Operations Committee quickly learned that the present system, established more than 70 years ago when resident cows outnumbered humans, is flawed. It is not responsive to the needs of its citizens and lacks the checks and balances provided by the form of government used in all states and in the federal government. Where executive and legislative authority are split, each acts to balance the other.

FINDINGS

Our investigations indicated that a Board of Supervisors, wielding both executive and legislative powers, cannot effectively supervise the operations of the 28 county departments by committee. A strong County Executive is required to manage county administration, permitting the Board of Supervisors to make studies, enact county ordinances and provide oversight.

The committee consulted a former supervisor of this county, personnel of Los Angeles County Citizens' Economy and Efficiency Commission, and others. Most of the high-ranking county officers consulted were supportive of our conclusions.

Additionally, other organizations have studied this problem. A list of some of the organizations, which studied and reported on this matter, whose findings are supportive of this committee's findings, follows:

- 1973 Los Angeles County Grand Jury final report.
- 1974 Haynes Commission report to the Los Angeles County Bar Association (endorsed by the County Bar).
- 1989 League of Women Voters, County Government Reform Steering Committee.
- 1990 Report of Los Angeles County Economy and Efficiency Committee.
- 1995 Article, Los Angeles Times, "An Outmoded Government" by Xandra Kayden, Political Scientist, UCLA.
- 1996 State of California, Constitution Revision Commission, Section IV, Local Government.

The committee realizes that voluntarily surrendering power is anathema to elected government servants who worked hard and overcame many hardships to reach their present status. But the committee believes that a desire to: (1) improve our county government,

(2) make it more functional, (3) separate powers and duties, and (4) make it more responsive to its citizens and their needs, will override inertia and self-interest. Although such a proposition previously failed, we believe its time has now come.

RECOMMENDATION

We recommend that the Board of Supervisors place an initiative providing for a strong County Executive Officer on the next county-wide ballot.

Better Communications Between Law Enforcement and Coroner Personnel Will Serve Both

Upon discovering the Los Angeles County Department of the Coroner (Coroner) was experiencing difficulties receiving prompt notification from crime scenes, the Government Operations Committee decided to find out why, and determine what practical changes might help.

Background

The Coroner is mandated by law to inquire into and determine the circumstances, manner, and cause of all violent, sudden, or unusual deaths occurring within the county. This includes all homicides, suicides, accidental deaths, and natural deaths where the decedent had not been seen by a private physician within 20 days prior to death—about one out of every four deaths. The Coroner is committed to the Board of Supervisors and the Chief Administrative Officer to achieve a 48- to 72-hour turnaround on all Coroner's cases. The Coroner's Forensic Science Laboratory carries out the required investigations and analyses, and staff of the Chief of Forensic Medicine perform the autopsies. The laboratory's criminalistic field program provides crime scene response for physical evidence identification, collection, and preservation; it is responsible for ensuring the integrity and maintaining the chain of custody for all Coroner's evidence.

Deaths are usually reported to the Coroner by doctors, hospitals, family members, and law enforcement personnel. However, the first law enforcement presence at a crime scene, usually a patrol officer, has many high-priority tasks: identify the victim, arrest the perpetrator (if known and present), detain and interrogate witnesses, identify and protect all evidence, notify the next of kin, notify headquarters (and sometimes detectives and criminalists), secure the crime scene, and notify the Coroner.

Further, law enforcement personnel do not want Coroner personnel to inadvertently compromise their evidence at the crime scene; the law enforcement focus is on identifying the perpetrator. Another impediment to cooperation is that, after Coroner personnel arrive, they may have to wait for other evidence collection to be completed before they can perform Coroner tasks. From the Coroner's viewpoint, his personnel cannot begin preparations until they get a wake-up call (some are on standby call-up status). There are also some investigative actions—or inactions—by law enforcement personnel which could jeopardize the integrity of the medical examination into cause of death.

Investigation

Coroner personnel reported that delayed notification delays their response time, widens the

estimated time of death window, impairs efficient personnel scheduling, and has the potential to jeopardize the turnaround time commitment and the accuracy of other scientific determinations. Of all the homicide cases referred to the Coroner each year, about 40 percent are referred by the Los Angeles Sheriff's Department (LASD), about 40 percent by the Los Angeles Police Department (LAPD), and the rest by other police departments in the county. In turn, the District Attorney prosecutes in over 90 percent of the criminal court cases, the Los Angeles City Attorney prosecutes less than 5 percent, and other city attorneys prosecute about 5 percent.

The Coroner's reporting desk is staffed by clerical personnel 20 hours per day. They are responsible for screening calls, determining jurisdiction, and assigning case numbers. Coroner's Investigators, who also augment the reporting desk staff, (and Forensic Attendants, who transport decedents) are on duty 24 hours per day, seven days per week. Photographers are on-call; Criminalists, dispatched only upon a request from the law enforcement agency or Coroner's Investigator at the crime scene, are also on-call. Response to the scene is usually within one hour after notification, depending on driving time from Los Angeles.

We questioned Coroner personnel about the history of this particular problem. They reported that delayed notification was now less of a problem than in previous years. They also reported that the patrolmen, supervisors, and detectives from one division of the LAPD had received a six-hour training course on Coroner operations. Since that time, their relationship with that division has improved markedly. Unfortunately, the LAPD has sent only a few personnel from one other division for the orientation.

We questioned Homicide Bureau personnel of the Detective Division of the LASD about Coroner notification. They reported that written procedures to provide the Coroner with expeditious notification of the need for his presence at a crime scene were in place and were enforced. The LASD procedures require deputies responding to crime scenes to immediately notify the Homicide Bureau (as well as their own Watch Commanders) of any death requiring a Coroner's inquiry, furnishing all available information. The Bureau Desk, located in Commerce, will *dispatch detective personnel* (either on-duty or on-call) to the crime scene *and immediately notify the Coroner* that a death has occurred and the location of the body. If the LASD believes that an immediate Coroner's response is not necessary, the situation will be explained during this notification. At the crime scene, the responding detective will coordinate the activities of LASD and Coroner personnel to ensure that the objectives of each organization are met. The same procedure is followed where the original call to the Homicide Bureau was from any of the over 80 municipal police departments which use LASD detective services.

We questioned the Robbery-Homicide Bureau of the Detective Headquarters Division of the LAPD about Coroner notification. Their written procedures require that patrol officers at a crime scene notify the LAPD Homicide Bureau and their Watch Commanders of any death requiring Coroner notification. The Homicide Bureau will dispatch a detective to the scene. The investigating officer at the scene will immediately advise the Coroner of an approximate time when Coroner's personnel can respond. If no time can be estimated, a second notification will be made when response is appropriate.

We questioned detective personnel of 10 (out of over 100) large and small municipal police departments. Generally, instructions and practices for Coroner notification are not in the form of detailed, written, step-by-step procedures. (The Baldwin Park Police Department, however, provides excellent crime scene instructions, in the form of Training Bulletins, to its patrol officers.) Rather, responsibilities are noted, but how personnel discharge them is not prescribed in detail. This permits a wide range of responses to the many possible conditions in the field. For instance, an officer who is called to a scene and discovers a corpse makes a preliminary determination about the circumstances surrounding the death. If all appears normal, and with the permission of the family at a residence, the officer calls the Coroner personally, at once. If this is not appropriate, the officer notifies the station dispatcher, who calls the Coroner. Should there be some indication that an investigation is warranted, procedures for requesting detectives are followed, and the responsibility is transferred to them. The officer also assembles the known data into a report, sometimes known as a "Dead Body Worksheet," to pass on. The responding detective then calls the Coroner as soon as possible. The experience of these police departments is that, since the Coroner's personnel ask so many questions, it is best that the individual with the most knowledge talk with them.

Detective personnel also mentioned conflicts between law enforcement and Coroner responsibilities, desires, and authority. The Coroner has jurisdiction over the body and personal effects of the victim, but law enforcement controls the crime scene. **It's your corpus, but it's my corpus delicti!** Consequently the Coroner is often not called until the investigators are finished with the crime scene, so that Coroner personnel do not

appear, claim that they are pressed for time, and remove, disturb, or contaminate evidence. Superiors rarely criticize their personnel, nor should they, for giving precedence to their own responsibilities at the expense of others.

In most homicide investigations and prosecutions, the exact hour of death is not an issue. Where it becomes important, other evidence—such as the victim's known actions and contacts with witnesses—frequently establishes the temporal window of death much closer than what the best autopsy can provide. However, early in a homicide investigation, it is rarely known what factor will be the time determinant and how time of death will affect later investigation and prosecution. Delays in gathering the forensic medical data can never help.

Findings

1. The Coroner has not made all of his needs, preferences, constraints, and capabilities known, nor successfully promoted orientation designed to heighten awareness of these issues, to all law enforcement agencies in the county.
2. The LASD procedure for notifying the Coroner is superior to any prescribed by the county police departments studied in that the Coroner is notified *at the same time* detectives are dispatched, providing up to one hour earlier notification. This finding assumes that all agencies are making a best-effort attempt to scrupulously follow the established procedures—an assumption not verified in our study.
3. Most smaller law enforcement agencies have not considered Coroner requirements and constraints in developing their procedures and practices.

4. The county law enforcement community has not cooperated in sharing, and consequently upgrading, Coroner notification procedures.
5. The county law enforcement community has not cooperated in treating Coroner personnel as equal partners at crime scenes.

Recommendations

1. All Los Angeles County law enforcement agencies should include verification of compliance with internal Coroner notification directives in their overall organizational and personnel performance evaluation systems.
2. The LASD should make their Coroner notification procedures available for use by all municipal police departments in Los Angeles County.
3. All municipal police departments should review the LASD Coroner notification procedures for incorporation into department procedures. Feedback on suggested improvements should be returned to LASD.
4. The Coroner should publish a short, inexpensive brochure explaining department operations, requirements, capabilities, practices, constraints, and obligations. It should be supplied to all county law enforcement agencies. Instructions for completing a Coroner's Fact Sheet for each case should be included in the brochure, and a supply of blank fact sheets provided.
5. The Coroner should provide a one-day Coroner Orientation Course suitable for all county law enforcement personnel permitted to attend.
6. All Los Angeles County law enforcement agencies should cycle their detective personnel through the Coroner Orientation Course as soon as practicable, with a goal of obtaining complete attendance within one year. Detective personnel returning from their agency's first class should disseminate information applicable to their agency's patrol officers, dispatchers, and supervisors.
7. The District Attorney should direct the Prosecution Support and Training Division to assist the Coroner in obtaining prompt notification and crime scene cooperation from all law enforcement agencies in the county.
8. The District Attorney, Coroner, LAPD, LASD, and the Los Angeles County Police Chiefs' Association should establish a cooperative, effective partnership which schedules and conducts quarterly meetings to promote their common objective—**identifying and convicting killers.**

Health Services Committee

MEMBERS

Bill H. Simmons, Chair
Forest W. Foster
Lair Franklin
Russell E. Hawkes

Health Care: Who Gets? Who Pays? Who Decides?

INTRODUCTION

The delivery of medical services to Los Angeles County residents by the County General Hospital is complex. Law requires that every emergency patient be treated.¹ Because of this requirement, the payment process diverts responsibility away from the patient toward public programs. The primary liability should be assigned to the patient. This point has been accepted but not followed.

The delivery system is further complicated by the dual-profession situation. Obviously, medical care is under the jurisdiction of the medical profession and has historically been under no cost restraint. *Life is more valuable than money.* The profession does that which is necessary to sustain life. The business/accounting requirement (payment) is left to the administration. *Expenses must be met or the enterprise fails.* The interests of the two professions are not parallel; they work together from necessity. Economic restraints require that priorities be determined even in patient care, because all needs cannot be met by society, and that some responsibility must remain with the individual. The priorities are determined by the administration, but must be recognized by the medical profession.

The Health Services Committee was faced with examining one of the largest and most

complex departments in Los Angeles County. No interest was expressed in an over-all analysis of the department, and the ability and time constraints of the group would not allow any such enterprise. Three items were chosen: (1) The LAC+USC Medical Center Administrative Department; (2) The ability of the county to cope with infectious diseases; and (3) Examination of the collection-efficiency of the unit assigned to collect payment for medical treatment from self-pay/indigent patients treated at the general hospital. Some technical staff support was anticipated.

Early in our tenure the Director of the Los Angeles County Public Health Department, Mr. Mark Finucane, addressed the Grand Jury. The health department expected to do a major fiscal audit of the hospital administrative function. The committee eliminated this (Item 1) from our agenda, as it had no desire to duplicate any effort being taken by the department. The investigation of a major public infection episode (Item 2) is considered later in this report. The committee decided to concentrate on the income or potential income from those people treated at the county hospital who had the ability to pay or had a limited ability to pay (Item 3). The plan was to determine if a system to identify the self-pay/indigent exists and what are its procedural steps in collection for medical charges, then evaluate the operational specifics.

¹ Section 7000, Welfare and Institution Code.

Our study looked at the screening, billing and collection process, selected financial data, and a comparison with some other counties with certain findings and recommendations. After essentially completing the inquiry, we added some general observations and recommendations.

SECTION 1 THE BILLING AND COLLECTION PROCESS

The Los Angeles County Department of Health Services and the Los Angeles County Treasurer-Tax Collector Collections Division follow a multi-step collection process. For each patient, a determination is made of the patient's ability to pay for medical services provided at LAC+USC Medical Center. Patients with ability to pay are then billed for these services and collections are made. This section describes this process for inpatient and outpatient care, based on review of procedure manuals and interviews and observations of staff. Following is the way the system is designed to work.

Patient Financial Services Division

The Patient Financial Services Division (PFS) collects basic demographic and financial information on all LAC+USC patients, determines for patients without identifiable third-party payment sources, each patient's likely source of payment for health services, and provides patients information on options to pay for services.

Information is provided to and obtained from patients through interviews. Normally, a patient will meet at least twice with a Patient Financial Services Division representative, once to provide basic demographic information and be advised of available payment alternatives,

and a second time to provide more detailed financial information, based on the payment option chosen.

The first interview focuses on determining if patients have third-party sources to pay for medical care, such as private health insurance or the state Medi-Cal system. Division representatives will ask about availability of private insurance or Medi-Cal, and staff at the LAC+USC emergency room are able to verify a patient's Medi-Cal status via a computer terminal in the emergency room. Patients who appear to have characteristics which would make them eligible for Medi-Cal status, such as pregnancy, under age 21, disability or being the parent of a child under age 21, are encouraged to apply for Medi-Cal. Medical Center inpatients fill out applications in the Medical Center, while most outpatients are referred to the Department of Public Social Services to complete an application after treatment.

Patients who have no health insurance and do not appear eligible for Medi-Cal or other third-party payment options utilize three primary options to pay for care: pay a reduced fee for care under the county's Pre-Payment Plan, have some or all of their charges forgiven under the county's Ability-To-Pay Program, or pay the full cost of care themselves as a self-pay medical patient. Both the Pre-Payment Plan and Ability-To-Pay Plan are offered by the county under the terms of a 1987 legal settlement, and are available at all county health facilities. Both options are explained to the patient during the initial interview with Patient Financial Services Division staff.

Pre-Payment Plan

Under this plan, outpatients at the LAC+USC emergency room or outpatient clinics pay a

flat fee of \$60 for emergency room care or \$40 for outpatient clinic care, excluding cosmetic services and day surgeries. This option is explained during the initial meeting with Patient Financial Services, and patients who agree are given an envelope they use to send back their payment within seven days. Patients who do so have the remainder of their charges forgiven, and they do not have to provide any additional information.

Ability-To-Pay Plan

Inpatients and outpatients who are neither Medi-Cal eligible nor have private insurance or other third party payment options, and choose not to use the Pre-Payment Plan, may apply for the Ability-To-Pay Plan (ATP). This plan may allow some or all of a patient's charges to be forgiven based on an assessment of the patient's ability to pay. This includes co-payments otherwise required under Medi-Cal, private insurance or other third-party payment options. The ATP program is described during the initial interview between a patient and Patient Financial Services, and the second Patient Financial Services interview typically determines ATP eligibility. Patients may not apply for ATP until they apply for Medi-Cal. The inpatient ATP interview may occur in the emergency room, if the patient is able, on the inpatient ward, in the hospital's discharge unit prior to discharge, or at a later time. Outpatients applying for ATP must participate in an interview with the Patient Financial Services Division Billing Inquiry Unit following treatment.

The ATP interview reviews the patient's income and assets to estimate monthly income using a pre-printed form, then compares estimated income to charts which determine a patient's share of cost based on monthly income and family size. Qualifying inpatients receive an ATP evaluation at every admission, and

every 30 days while in the hospital. Outpatients' ATP status is reviewed every six months.

However, the ATP process, as established through guidelines approved as part of the legal settlement, makes no attempt to independently verify or locate a patient's resources, according to Patient Financial Services staff. If a patient states they have a job, pay stubs are requested. If they report property, mortgage receipts or other documents are sought. But there is no attempt to identify resources a patient does not disclose.

Patients determined able to pay only a share of their charges are billed only for that portion. Those determined unable to pay anything are never billed. During all contacts, patients are advised by Patient Financial Services that unless they apply and are found eligible for a state or county program, they will be billed and expected to pay for full charges for all care.

Consolidated Business Office

The Consolidated Business Office (CBO) handles billing of patients at LAC+USC and several other county health facilities. CBO learns of new inpatient accounts via a computerized notification that occurs when a patient is admitted, and causes CBO to create a billing file for the patient. CBO subsequently receives a paper form from Patient Financial Services reflecting how that patient's care will be paid. Using these documents and information in its computer system, CBO verifies the charges and creates a claim for payment. Outpatient accounts are reviewed on the CBO computer system, without need for additional paper documentation.

CBO then takes several steps to identify possible sources of payment from self-pay

classified medical accounts. All inpatient accounts are forwarded to a private hospital billing consulting firm, who reviews them to identify those where Medi-Cal eligibility might still be pursued. Often cases are identified where patients are Medi-Cal eligible, but refused or failed to apply, or did not complete the application process. These patients must be contacted and encouraged to apply. The consulting firm has 10 days to decide whether to pursue any account further. If the consulting firm chooses to pursue an account, they may take as long as necessary to seek eligibility, although state regulations require retroactive claims for Medi-Cal eligibility be filed within one year of the month when care was received. The consulting firm receives a 21 percent commission on any charges recovered from patients through Medi-Cal. Remaining inpatient accounts are transferred to the Treasurer-Tax Collector Collections Division.

Outpatient accounts transferred to CBO receive a bill 15 days following the month of service, then a second letter requesting payment about 30 days later. Patients are directed to the PFS Billing Inquiry Unit to make payments. At this point, CBO staff reports, a number of patients ask to make the flat payments for outpatient care allowed under the Pre-Payment Plan. They are allowed to do so, even though plan guidelines clearly state that payment must be made within seven days of service. Other patients at this point request an Ability-To-Pay review.

Accounts of debtors who fail to respond to CBO's bill and letter are referred to a private collection letter service. For a charge of \$2.00 per account, the vendor sends each account up to three additional dunning letters under its own letterhead. These billing notices are sent 75, 90 and 105 days after the initial billing. According to CBO management, this private billing agency is used because internal studies

have shown that its letters get a better response than those sent by the county, even when the wording is identical. The billing agency's letters warn the debtor that failure to pay will result in the account being sent to a private collection agency.

Accounts of debtors who fail to respond to any of the dunning letters are forwarded separately on computer tape to another private firm. This consultant matches each account name against a database of persons eligible for Medi-Cal during the past 10 years. The firm has 60 days to identify any Medi-Cal eligible debtors using this method, and gets a 7.3 percent commission on any amounts collected.

Following this final Medi-Cal screening, remaining uncollected accounts are forwarded to a collection agency, which has 180 days to pursue collection. This private collection agency receives a 15 percent commission on amounts collected. Accounts still uncollected after the 180 days are referred to the Treasurer-Tax Collector to be written off with approval from the Board of Supervisors. Patients would no longer be eligible for Medi-Cal under the one-year rule.

Treasurer-Tax Collector Collections Division

The Treasurer-Tax Collector Collections Division receives inpatient accounts from CBO as paper billing files for each account. These uncollected inpatient accounts are key-punched by a private vendor onto computer tapes, which the county's Internal Services Department then loads into the Collections Division's computer system. For each account loaded, a bill is generated and sent to the patient's last known address. According to the Division's written procedures, accounts lacking a full payer name or address or other key

information may be returned to CBO or any other client for whom the Division handles collections. The bill demands full payment of all amounts owed. At the same time, each account is assigned to one of 12 collection agents. If payment is not received within 10 days, the assigned agent begins pursuing payment.

According to Collections Division management, each agent typically averages 3,500 to 4,000 active accounts at any time, 700 to 800 of them resulting from LAC+USC inpatient charges.

Each collector receives, via computer terminal, a daily prioritized list of accounts scheduled for action. The priority is based on previous actions the collector has taken which generated a tickler on the account, or system-imposed deadlines that require review within a certain period. The priority system also takes into consideration the value of an account, and the availability of information on the debtor.

Collectors' actions to track down a debtor, identify potential payment sources and seek payment include the following:

- All accounts receive a series of letters demanding payment, starting with a letter requesting that the debtor contact the collection agent. Subsequent letters warn what actions may result from a debtor's failure to pay. Depending on the size of the account, such actions may include referral of the account to a collection agency or initiation of legal action against the debtor.
- Contacting the debtor by telephone to demand payment, obtain additional financial information, verify employment or request an interview.

- Request a credit report on selected debtors to determine their credit status and verify address, telephone and other information.
- Request employment status information from the California Employment Development Department.
- Send a letter to a debtor's employer, if known, to verify employment.
- Use telephone directories, property tax records, the welfare computer system and other information to track down missing debtors and uncover potential payment resources.

Collections management estimates that employment verification checks, for which the county must pay, are conducted on about 40 to 50 percent of accounts primarily based on value. No such checks are conducted on accounts worth less than \$200. Skip-tracing, the use of tax roll records and other resources to locate debtors, is not done very often, the managers said.

Where continuing employment or other assets can be located, legal action will be pursued in small claims or Municipal Court to get payment. Once a legal judgment is received, an abstract can be recorded and an order sought to garnishee the debtor's wages. The abstract can also be sent to the Franchise Tax Board requesting that a debtor's state income tax refunds be intercepted to repay the county debt. Liens can also be recorded against any real property the debtor owns to recover the debt when the property is sold.

Where contact is made with a debtor, collectors may, with supervisory approval, reduce the amount due, and/or arrange monthly payment plans.

**SECTION 2
FINANCIAL DATA**

While collectors are supposed to make a final decision on the disposition of an account within 90 days of receiving it, this deadline can be suspended by the collector, with supervisory approval, based on a change in a debtor's financial status or for other reasons. The collector can also recommend that a debt should be written off, based on evidence of a debtor's inability to pay, administrative errors or determination that further collection efforts would not be cost effective.

Once Collections Division collection efforts are exhausted, an inpatient account is then referred to a private collection agency under contract to the Treasurer-Tax Collector. The private collection agency receives a 40 percent commission on any amounts collected. The collection agency is given 180 days to collect the debt, barring new contacts with the debtor or other extenuating circumstances that merit extending the deadline. Inpatient accounts still uncollected are referred to the Board of Supervisors with a recommendation that they be written off.

We sought information to verify the total charges, billings and collections for LAC+USC self-pay patients for the period from July 1, 1995 to June 30, 1996. Our starting point was a document provided to the Grand Jury by the Department of Health Services (Table 2.1) which purported to show the total charges, billings and collection for self-pay/indigent patients for FY 1995-96. However, our review has concluded that this document does not adequately reflect total actual charges, billings and collections for self-pay/indigent patients, as the following sections describe.

Charges

Table 2.1 shows LAC+USC total patient charges for FY 1995-96 taken from the Final Revenue Performance Report prepared by the LAC+USC Financial Management/Expenditure Division. This report was verified to the statements of revenue and expense and general ledger year-end supporting documents also maintained by this division.

Table 2.1

**Summary of LAC+USC
FY 1995-96 Charges**

<u>Financial Classification</u>	<u>Amount</u>
Medi-Cal	\$647,643,444
Medicare	306,026,209
Other Third Party	7,826,149
Self-Pay/Indigent	<u>535,888,967</u>
Total Charges	\$1,280,700,185

As the table shows, the total charges of \$1,280,700,185 were reported by four financial classification categories reflecting the anticipated source of payment for these charges, including \$535,888,967 in a category identified as self-pay indigent. The total charges of \$1,280,700,185 are accurate, and are based on hospital and related staff services rates developed during the 1995-96 budget process and approved by the Board of Supervisors.

However, Patient Financial Services Division staff reports that the distribution of the total charges among the various payment classifications represent only the best estimate at the time services were rendered of the payment sources for these charges. Some changes occur in the payment sources at the time these charges are accounted for as hospital billings. This financial process will be described shortly. According to the Patient Financial Services Division, a patient's care can be accounted for under one payment classification in accounting for charges, and changed to a different one in accounting for billings, because some patients are treated without knowing the ultimate source of payment. Even when the source of payment is not known, a charge for services must be generated for accounting purposes. Where patients are not immediately identified as having Medicare, Medi-Cal or other third party sources of payment, they are classified as Self-Pay-Indigent. However, such patients may be changed to a different classification during the billing process. These subsequent changes are not reflected in the data reported in Table 2.1 because information on the payment classification of patients is not needed for financial reporting of the medical charges.

In addition, it should be noted that these charges do not solely reflect the cost of providing care to LAC+USC patients. According

to Financial Management/Expenditure Division staff, the rates on which these charges were based, as approved by the Board of Supervisors, are set at a level designed to maximize reimbursements for federal and state funding programs. Total actual costs for providing the services accounted for by these charges was \$904,609,493, or 70.6 percent of the \$1,280,700,185 in charges, as presented in Table 2.2.

Furthermore, the total amount of \$535,888,967 classified as self-pay/indigent in Table 2.1 includes several categories in which opportunities to recover charges from patients may be limited. These are charges that represent medical services provided to Sheriff's Department inmates, County Psychiatric Program, California Youth Authority wards and the Genetically Handicapped Persons Program. LAC+USC is reimbursed by these agencies for these charges, but classifies them as charges to self-pay/indigent patients for purposes of year-end reporting to the Auditor-Controller. While means may exist for these agencies to recover these charges from individual patients, review of this issue was determined to be outside the scope of our inquiry. We were primarily concerned with truly self-pay patients. The net figure for this classification was very difficult to ascertain.

Billings

Once total charges are determined at the LAC+USC Medical Center, a billing process is performed by the Consolidated Business Office on behalf of the LAC+USC Medical Center, as described in the first section of this report. Based on interviews with the Consolidated Business Office staff and analysis of the FY 1994-95, FY 1995-96 and FY 1996-97 Billing Productivity reports, the total charges of \$1,280,700,185 do not result in a

corresponding amount of billings or reimbursements in each of the four financial classification program categories in Table 2.1. For example, in FY 1995-96, \$26,699,364 in charges was accounted for through the Pre-Payment Plan, described in Section 1, which allows outpatients to make a flat payment for care. This amount is not reflected in billing reports prepared by the Consolidated Business Office, because these charges are never billed. Of these charges, \$2,607,790 was recovered through the flat payments, while the rest of the costs were paid by a transfer from the county General Fund to the Hospital Enterprise Fund.

As discussed in the charge section and in more detail in the inpatient and outpatient process sections above, the review by the Patient Financial Services Division and the Consolidated Business Office of a patient's potential sources of payment often means that charges occurring in one fiscal year may not be billed until one, two or even three fiscal years later. The Department of Health Services reports this is primarily due to delays in verification of patients' eligibility for third-party payment programs.

Table 2.2 shows the LAC+USC total self-pay patient billings for FY 1995-96 patient services billed through February 1997, verified to Billing Productivity Reports prepared by the Consolidated Business Office. The classifications shown reflect not only billings to patients paying 100 percent of their care, but billings to patients paying only a share of costs, with the remainder paid from other sources. Billings were \$262,102,541 in FY 1995-96 and \$93,529,837 thus far in FY 1996-97, for a total of \$355,632,378. This figure compares to billings for 1995-96 services of \$383,122,717 as of June 1996, provided by LAC+USC management and shown in Table

2.1. The difference represents amounts that in our view are not directly related to self-pay indigent patients, as described in the previous discussion of charges. Again, our interest was in the first line, and perhaps the last line, ability-to-pay.

Collections

Total FY 1995-96 LAC+USC collections of \$7,758,061 for Self-Pay/Indigent Patients, shown in Table 2.3, have been obtained from the Final CAPS Revenue Summary Report compiled by the Office of the Auditor-Controller. This total represents the amount received during FY 1995-96, and does not correspond to the fiscal year of service. Therefore, the amount shown could represent many fiscal years of service. Here we made the assumption for statistical purposes: in-and-out items would be near enough equal to permit us to use the amounts in the table. Neither the Treasurer-Tax Collector nor LAC+USC Medical Center keeps collections based on fiscal year of service, and there is no financial requirement for them to do this. The reported amount is based on collections received from patients and outside collection agencies and deposited to the Treasurer-Tax Collector's bank accounts. These actual collections are documented on forms called deposit permits, which are sent to the Auditor-Controller to post to the accounting system. These amounts, which are included in all revenue recorded by the County Auditor-Controller, have been audited and certified by the county's outside auditors.

Table 2.4 shows the collections by the LAC+USC Medical Center and the Treasurer-Tax Collector as a percentage of billings for FY 1995-96 from FY 1993-94, FY 1994-95 and FY 1995-96 charges. These amounts include what the LAC+USC Medical Center

Table 2.2

**Summary of FY 1995-96
Self-Pay/Indigent Patient Charges
Billed During FY 1995-96 and FY 1996-97**

<u>Financial Classification*</u>	<u>Billed in FY 1995-96</u>	<u>Billed in FY 1996-97</u>	<u>Total Billed</u>
Self-Pay	\$98,726,798	\$28,253,104	\$126,979,902
Medicare S/D	241,950	74,849	316,799
Medicare SOC	4,316	1,452	5,768
Medicare Exhausted Benefits	23,708	18,966	42,674
Medi-Cal SOC	531,352	294,580	826,112
ATP with Liability	679,514	362,555	1,042,069
Insurance	159,254	19,186	178,440
Psychiatric	54,128	97,582	151,710
ATP without Liability	<u>161,181,341</u>	<u>64,407,563</u>	<u>226,088,905</u>
Total Billings	\$262,102,541	\$93,529,837	\$355,632,378

*Notes

1. Self-Pay — Patient Financial Services has determined the patient has the ability to pay.
2. Medicare S/D — Share of cost or co-payment by the patient is responsible for Medicare psychiatric services.
3. Medicare SOC — Share of cost or co-payment by the patient under Medicare.
4. Medicare Exhausted Benefits — Patient's Medicare benefits have been exhausted and the patient has to pay for this service.
5. Medi-Cal SOC — Share of cost or co-payment for Medi-Cal.
6. ATP with liability — Patient Financial Services has determined that patient should have a co-payment under the Ability-To-Pay Program.

has determined to be self-pay patient services eligible for collection. This total also includes \$26,699,364 of Pre-Payment Plan charges for which \$2,607,790 has been collected as shown in Table 2.3. The charges for the Pre-Payment Plan have been included to provide a proper comparison with the amounts collected under that plan which are included in total collections. The actual collection of what is labeled Pre-Payment Plan was \$2,607,790. This item is confusing if one assumes that pre-payment means cash-before-delivery (CBD), as in business. If these two items are

removed (the \$26,699,364 charges and the \$2,607,790 collections) the percentage is decreased to 4.22 percent, which in our opinion is a more meaningful comparison.

Table 2.5 shows the percentage of collections by the LAC+USC Medical Center and the Treasurer-Tax Collector based on billings for FY 1995-96 from FY 1993-94, FY 1994-95 and FY 1995-96 charges, including all categories of charges that were potentially collectible from individual patient-debtors. We have included these categories based on our view that programs described in Section 1 of this

report, such as the Pre-Payment Plan and the Ability-To-Pay Plan, essentially represent policy decisions that limit the pool of potentially collectible accounts. Based on this view, we believe it is appropriate to include those amounts here, to more accurately reflect the impact of these policy decisions on the county's collection performance.

Management indicated to the Grand Jury that net collections were \$43,755,334. Table 2.6 is presented to show the components of this

for indigent patients. This cost is thus funded by general taxpayers. These subsidies are discussed below.

**Collection Costs
for Treasurer-Tax Collector**

Table 2.7 shows the cost of collections for the Treasurer-Tax Collector based on collections during FY 1995-96. In-house costs of \$961,758 are charged to LAC+USC. The costs for outside collection agencies hired by

Table 2.3

**Summary of FY 1995-96 Collections
For LAC+USC Medical Center Self-Pay Patients**

**Financial
Classification**

Collections By LAC+USC:

Pre-Payment Plan	\$2,607,790
Ability-To-Pay Plan	76,657
Pre-Paid Scheduled Admission	27,450
Other Self-Pay	415,918
Outside Collection Agency	<u>158,589</u>
Subtotal	\$3,286,404

Collections By Treasurer/Tax Collector:

In-house collections	\$4,151,986
Outside Collection agencies	<u>319,671</u>
Subtotal	\$4,471,657

Total Collections **\$7,758,061**

revenue. As can be seen only two of the components amounting to \$4,471,657 and \$3,286,404 taken from Table 2.3 are related to self-pay/indigent patients. The primary share of the collections were State funds provided to the county to help offset the cost of caring

the Treasurer-Tax Collector, shown below, are deducted from the collections resulting in net collection deposits of \$319,671 of \$4,151,986 placed for collection.

Table 2.4

**Analysis of Self-Pay Patient Potential Collections
Excluding Patients Determined to Have No Ability-To-Pay
LAC+USC Medical Center for FY 1995-96**

<u>Patient Classification</u>	
Inpatient	\$ 65,983,892
Outpatient	55,843,016
Pre-Payment Plan Charges	<u>26,699,364</u>
Total Eligible	\$148,526,272
Total Collections	\$7,758,061
Percent Collected	5.22%

Table 2.5

**Analysis of Self-Pay Patient Collections
Including Patients Determined to Have No Ability-To-Pay
LAC+USC Medical Center FY 1995-96**

<u>Inpatient</u>	<u>Amount</u>
Self-Pay	\$ 65,983,892
Self-Pay Psychiatric	72,764
Ability-To-Pay without Liability	<u>137,520,297</u>
Total Inpatient	\$203,576,953
<u>Outpatient</u>	
Self-Pay	\$ 55,843,016
Ability-To-Pay without Liability	<u>59,219,186</u>
Total Outpatient	\$115,062,202
Pre-Payment Plan	<u>\$ 26,699,364</u>
Total Billings FY 1995-96	\$345,338,519
Total Collections	\$7,758,061

**Collection Costs
LAC+USC Medical Center**

The cost of in-house collections is not kept by the LAC+USC Medical Center and, if computed, it would be based on various components within the Medical Center, including costs from Patient Financial Services, Consolidated Business Office and Cashier staff at the hospital. The total costs for collections by outside collection agencies hired by

counties selected were the largest ones which had either their own county-run hospitals, except for Sacramento County, which only runs its own outpatient clinics. This excluded Orange and San Diego counties, for example, where county health care is contracted through private facilities, and those facilities, we were told, are responsible to collect from self-pay patients. One of the counties targeted in the survey, Riverside County, declined to respond despite numerous attempts. Also, San

Table 2.6

**Summary of FY 1995-96 Collections
Reported by LAC+USC Management**

Description	Amount
CHIP-Hospital *	\$35,908,655
Treasurer/Tax Collector	4,471,657
LAC+USC Collections	3,286,404
Pharmacy Sales	<u>88,618</u>
Total Collections	\$43,755,334

* California Health Care for Indigent Patients contribution.

LAC+USC Medical Center is not known, due to reconciliation problems explained in the Collection Fees area below.

Bernardino County was able to provide complete information only for the 1993-94 fiscal year.

**SECTION 3
LOS ANGELES COUNTY
VERSUS OTHER COUNTIES**

To help evaluate Los Angeles County's success in collecting from self-pay classified medical patients, the information presented in the previous section on collection rates was compared with similar FY 1995-96 information gathered through interviews with officials in other selected California counties. The

Information was collected via telephone interviews with collection and health department staffs in the surveyed counties, supplemented in some cases by written information provided by those officials. Where possible, information was gathered on collections by both health agencies and collection staffs and total amounts of self-pay accounts. While we attempted through the interview process to ensure that only cash collections from self-pay patients were included in the collection figures reported, and to include all amounts of

Table 2.7

Summary of FY 1995-96
Costs of Collections

Treasurer-Tax Collector

In-House Collections*	\$4,151,986
Cost of Collections	<u>961,758</u>
Net Collections	\$3,190,229
Outside Collections	\$521,132
Cost of Outside Collections	<u>201,461</u>
Net Outside Collections	\$319,671

*Not included in this amount is an estimated \$1.65 million of referrals returned to the Department of Health Services identified as collectible from a third party payer. See Section 4.3 Timeliness of Collection Process, and Section 4.5 Contracting Out Inpatient Self-Pay Medical Account Collections for further discussion.

self-pay accounts in the base against which collections are measured, we did not review in detail any of the data on which the survey responses by counties were based. Nor did the survey report differences in the self-pay patient population between counties that may contribute to differences in collection rates.

It should be noted that because all these counties account for collections on a cash basis by when funds were received, without regard to when the accounts were initially created, the yearly amounts collected are not strictly related to the yearly amount of self-pay accounts needing collection. However, several counties surveyed said they calculate this percentage to indicate collection performance. This discrepancy was noted above.

Results of this comparison are shown in Table 3.1. Los Angeles County's 5.22 percent collection percentage, based on 1995-96 collections as a percentage of 1995-96 self-pay accounts, *is much lower* than the other

counties for whom this information was available. As noted above, this collection percentage should be adjusted to compensate for the distortion in the Pre-Payment Plan. Those four counties averaged a collection rate of 25.97 percent. In fact, the total collections from LAC+USC Medical Center of approximately \$7.8 million are similar to or less than in several smaller counties. Based on the \$148,526,272 in LAC+USC Medical Center self-pay accounts, which were available for collection if the county were able to raise its collection rate to a level commensurate with the other counties surveyed, county revenues could be increased from the current \$7.8 million collected to approximately \$38.6 million. However, the Department of Health Services reports that each dollar of additional collections from self-pay patients would be offset by roughly a 40 cent reduction in federal funding. This proposition will be addressed later.

As a result of this comparison, we conducted interviews and reviewed financial and

procedural documents for all aspects of LAC+USC Medical Center's billing and collection process, in an attempt to identify problem areas that could account for the County's low percentage of collections on self-pay accounts when compared with other counties. Findings and recommendations as a result of that review are contained in the following section of this report.

SECTION 4 FINDINGS AND RECOMMENDATIONS

Based on our review of collection rates for Los Angeles County, which appear to be below those for other counties reviewed, we attempted to identify specific issues that could explain the low rate of collections in Los Angeles County, and to make recommendations to alleviate those problems. These findings and recommendations are included in this section.

4.1 Internal Controls

During the course of this review, we have attempted to perform various reconciliation's among financial data reported for charges, billings and collections reported by the LAC+USC Financial Management/Expenditure Division the Consolidated Business Office, the Treasurer-Tax Collector Collections Division, and outside collection agencies. Only the revenue data that is contained in the Auditor-Controller's Final CAPS Revenue Summary is independently audited on an annual basis by the County's outside financial auditor. Our review identified various areas where information provided by the Consolidated Business Office, the Treasurer-Tax Collector Collections Division and private collection agencies were insufficient to permit reconciliation of charges for medical services to billing for those services, and to collections of amounts billed from self-pay medical patients. The following areas were identified:

Table 3.1

Comparison of Medical Charges, Write-Offs and Collections for LAC+USC Medical Center and Four Other Counties, 1995-96

	LAC+USC Medical Center	Santa Clara Valley Medical Center	Sacramento County*	San Bernardino County Medical Center**	Alameda County Medical Center	TOTALS, EXCLUDING LAC + USC
Self-Pay/Share of Cost Accounts	\$148,526,272	\$39,656,161	\$935,278	\$31,338,131	\$16,540,923	\$88,470,493
Collections by Health Agency	\$3,282,404	\$1,879,448	\$138,800	\$ 766,000	\$1,038,000	\$ 3,822,248
Collections by Collection Unit	<u>4,471,657</u>	<u>1,874,457</u>	<u>59,854</u>	<u>10,039,316</u>	<u>3,177,660</u>	<u>19,151,287</u>
Total Collections	\$7,758,061	\$7,753,905	\$198,654	\$10,805,316	\$4,215,660	\$22,973,535
Collection % of Self-pay Accounts	5.22%	19.55%	21.24%	34.48%	25.49%	25.97%

Notes:

*Sacramento County contracts for hospital care. Amounts reported include accounts from county outpatient clinics and limited share-of-cost accounts for inpatient care. Self-pay accounts at hospitals are collected by those facilities.

**San Bernardino County amounts are for Fiscal Year 1993-94, the most recent year the county was able to provide Self-Pay/Share of Cost

- Collections of \$158,589 shown in Table 2.3 for outside collection agency collections from outpatient accounts are based on amounts collected from self-pay delinquent outpatient accounts, less a fee for collections and a fee for self-pay accounts the collection agency was able to qualify for Medi-Cal reimbursement. During our reconciliation of this amount, it was determined that amounts reported to the Consolidated Business Office from the outside collection agencies do not reconcile with the amounts that are deposited by the outside collection agency credited to the Treasurer-Tax Collector's bank account. The Consolidated Business Office and the outside collection agency have determined the reason for this discrepancy and have verified the above amount as correct.

Under the current reconciliation procedure, the collection agency sends a monthly collection recap to the Consolidated Business Office showing the various financial classification categories and the amount of collections and the fees for those collections. The outside collection agency deposits collections weekly to the Treasurer-Tax Collector's bank account and forwards a copy of the deposit receipt to the Treasurer-Tax Collector, who verifies the amount of the deposit and prepares the deposit permits that are sent to the Auditor-Controller. Therefore, there is no verification between the collection agency's report to the Consolidated Business Office and the amounts deposited to the Treasurer-Tax Collector's bank account to determine if the monthly recap and the amounts deposited reconcile. This raises the possibility that the collection agency could collect money on these accounts, but fail to deposit the county's proper share of collections. The Consolidated Business Office should develop procedures to reconcile the monthly recap received from the

outside collection agency to the amount deposited to the Treasurer-Tax Collector's bank account. We have been informed by the Department of Health Services that a procedure addressing this reconciliation has now been implemented.

- As stated in Section 2, total billings and adjustments for a fiscal year of service should be equal to the amount of charges for that same fiscal year of service. For example, if charges amounting to \$1 billion worth of medical services were incurred by patients in one fiscal year, reports in that year and subsequent years, showing what amount of those charges were billed or determined to be unbillable, should ultimately add up to that same \$1 billion total. We requested the Consolidated Business Office to provide a reconciliation of charges and collections for FY 1993-94 and FY 1994-95. The reconciliation provided shows FY 1993-94 billings exceeding charges by approximately \$7.2 million, and FY 1994-95 billings exceeding charges by \$138,000. The Consolidated Business Office staff reports that some of the components included in total billings are based on manual calculations, and errors in those calculations could explain these discrepancies. The Department of Health Services reports that under its computerized accounts receivable it would be difficult to have billings in excess of charges. However, since this system does not provide a reconciliation between charges and billings, this raises the possibility that not all charges would be billed. Although currently only a manual reconciliation can be performed, we believe procedures should be developed to reconcile charges and billings for each fiscal year of service.

- As explained in Section 1, inpatient accounts except for those that a hospital billing consultant reviews for Medi-Cal qualification are sent from the Consolidated Business Office to the Treasurer-Tax Collector Collections Division. The Consolidated Business Office reports that an estimated \$67.4 million of inpatient accounts were sent to the Treasurer-Tax Collector. The Treasurer-Tax Collector reports they received approximately \$59.9 million of inpatient accounts from the Consolidated Business Office. Although both departments are using the same database, there is a reported difference of \$7.5 million in the amounts each reports.

Written procedures received from the Treasurer-Tax Collector Collections Division show that documents itemizing accounts to be collected are received in batches from the Consolidated Business Office. These batches are verified against the transmittal amount and as reported by the Treasurer-Tax Collector Collections Division, any differences are noted at the bottom and a signed copy is returned to the Consolidated Business Office. Additionally, as stated by the Treasurer-Tax Collector Collections Division, a monthly collection report is prepared and forwarded to Department of Health Services personnel, including the Consolidated Business Office. However, the Department of Health Services reports that these reports are not received from the Collections Division in a timely manner. As of May 1977, the Department reports, the most recent monthly report received was for November of 1996.

Although the scope of our inquiry did not include visually confirming that the procedures outlined above are followed, the Consolidated Business Office has confirmed that it performs no verification between what is sent to

the Treasurer-Tax Collector Collections Division and the batch verification or monthly collection reports provided by the Collections Division. We believe the batch verifications and the monthly collection reports should be forwarded by the Treasurer-Tax Collector Collections Division to the Consolidated Business Office in a timely manner, and the Consolidated Business Office should address any discrepancies in a timely manner and resolve any differences. It is additionally noted that due to time constraints we have not determined whether the Treasurer-Tax Collector Collections Division received \$59.9 million in inpatient accounts or \$67.4 million, as claimed by the Consolidated Business Office.

- As indicated in the previous paragraph, the Treasurer-Tax Collector Collections Division claims to have received an estimated \$59.9 million during FY 1995-96 in LAC+USC Medical Center inpatient accounts from the Consolidated Business Office to process for collection. As shown in Table 2.7, approximately \$4.1 million of the \$59.9 million was collected by Collection Division staff.

Additionally, an estimated \$1.65 million of referrals was returned to the Department of Health Services and identified as collectible from a third party payer. These accounts include Medi-Cal, Medicare and other third party payers. However, the Department of Health Services reports that the actual cash value of such accounts would be less than \$1 million, even if all were collectible. Due to the time that had elapsed since the date of service, the Department of Health Services reported that in many cases, Medi-Cal and the other payers will not pay such claims.

Therefore, there is an estimated \$54.2 million that should be accounted for as transferred to

an outside collection agency, written-off as uncollectible or as active accounts for which payments continue to be received by the Treasurer-Tax Collector Collections Division. When questioned about how much of the \$54.2 million had been sent to the outside collection agency, the Collections Division stated its records could not document this amount because its records show only how much is sent to the collection agency on behalf of all county departments. Procedures should be developed to produce internal reports showing, by dollar value, how all accounts transferred from the Consolidated Business Office to the Treasurer-Tax Collector were ultimately disposed of. Those reports should include a breakdown of all amounts transferred to private collection agencies, and how those amounts were disposed of by the agencies.

4.2 Recommendations

It is recommended that the Department of Health Services:

- Develop procedures to reconcile the monthly recap received from outside collection agencies to the amount deposited to the Treasurer-Tax Collector's bank account. The Department reports that it has developed these procedures as a result of this review, and was able to provide documentation reconciling these amounts for the 1995-96 fiscal year. The Department should continue to reconcile these amounts on a monthly basis.
- Develop procedures to annually reconcile amounts reported in its Billing Productivity Reports, which provide the value of accounts based on the source of payment, with the annual Final Revenue Performance Reports prepared by the LAC+USC Medical Center Financial Management/

Expenditure Division. The Final Revenue Performance Reports provide total annual patient service revenue, which represents total LAC+USC Medical Center charges for medical services in each fiscal year. The goal of these procedures should be to make sure all charges for service in each fiscal year are billed, or are accounted for as part of a non-billable payment category.

- Develop procedures to reconcile the amount of self-pay inpatient accounts transferred to the Treasurer-Tax Collector with batch verifications and the monthly collection reports that are sent by the Treasurer-Tax Collector Collections Division to the Consolidated Business Office. The Consolidated Business Office should resolve any discrepancies between its monthly amounts and those reported by the Collections Division on a timely basis.

It is recommended that the Treasurer-Tax Collector Collections Division:

- Send batch verifications and monthly collection reports to the Consolidated Business Office on a timely basis, and resolve any differences with the Consolidated Business Office's reports on a timely basis.
- Develop internal annual reports showing, by dollar value, the final disposition of all accounts received from the Consolidated Business Office. Those reports should include a breakdown of all amounts transferred to private collection agencies, and how those amounts were disposed of by the agencies.

4.3 Pre-Payment Plan Fees and Eligibility Process

As previously described, the Pre-Payment Plan, established under a 1987 legal settlement, permits LAC+USC outpatients to pay a flat fee of \$40 for care at clinics and \$60 for emergency room care, excluding cosmetic surgery and day surgery. Any costs of care beyond the flat fee are forgiven and are paid from general hospital revenues and County revenues. No additional information is required of program participants.

The flat fee was established in 1989 by LAC+USC Medical Center with approval by the Board of Supervisors. None of the staff interviewed could provide any information on the basis for the \$40 and \$60 charges. The Consolidated Business Office manager suggested they may have been based on what were once the hospital's minimum full fee charges for outpatient care.

Collection records provided by the Financial Management/Expenditure Division show that the \$2,607,790 collected from this program in FY 1995-96 represented collections from 55,647 patient visits, which generated charges of \$26,699,364, of which \$24,091,574 were written off. This represents collection of 9.8 percent of these charges.

Furthermore, the flat fees established by the county do not take into account wide variations in the costs of various types of outpatient treatment. Whether the treatment is minor amounts to stitch a wound or treat the flu, or a \$3,000 chemotherapy treatment, the flat charge remains the same.

The Department of Health Services and the Board of Supervisors should review the amount of the current flat fee, and should

continue to review it at least once every three years. The legal settlement under which the Pre-Payment Plan and Ability-To-Pay Plan were established states that the county may change these fees "at any time," without review of the new fees by the plaintiffs or the court. At a minimum, an increase should be considered to bring the fees more in line with the general increase in prices since the fee was last increased. For comparison, the Consumer Price Index (CPI) for the Los Angeles metropolitan area increased 22.4 percent for the period from October 1989 through January 1997, and, as has been widely reported, the cost of medical care has exceeded the CPI. A commensurate increase in Pre-Payment Plan fees would result in a \$49 fee for outpatient clinic care, and a \$73 fee for emergency room outpatient care. Even a modest increase of \$10 in the average fee, based on the 55,647 visits using the program in FY 1995-96, would generate an additional \$556,470 in revenue for the Medical Center.

The Department has reported a concern by financial officers at County medical facilities that increasing the fee will reduce overall collections, as fewer patients opt to use this program. The Department could address this concern by conducting a pilot project of increased fees for a limited period of time in one facility, and analyzing the impact of the increase on facility Pre-Payment Plan collections.

The fee review or pilot program should also address whether it is appropriate to charge the same flat fee for outpatient treatments that vary widely in cost. In an interview, the Director of Admission and Patient Financial Services suggested that perhaps a sliding fee system should be adopted under the Pre-Payment Plan, where the flat fee available to

patients would be related to the charge for treatment.

4.4 Recommendations

It is recommended that the Department of Health Services and the Board of Supervisors:

- Review and increase current flat fees for the Pre-Payment Plan, either at all facilities, or as a pilot project at one facility. If a pilot project is conducted, results of the fee increase on facility Pre-Payment Plan collections should be analyzed.
- Review the Pre-Payment Plan fees at least once every three years.
- Consider a sliding scale for Pre-Payment Plan fees, requiring a higher fee for more costly care.

4.5 Timeliness of Collection Processes

As described in Section 1 of this report, the Patient Financial Services Division conducts interviews with all patients to determine if they have private insurance or other third-party payment sources, are Medi-Cal eligible, are eligible for the Ability-To-Pay Plan, or are a self-pay patient responsible for full payment of all charges.

Early in our review of the billing and collection process, we were told a patient's payment status is verified and accounts are transferred from the Consolidated Business Office to the Treasurer-Tax Collector Collections Division for collection within 100 days of service, on average. We checked this description against a limited, non-scientific sample of 60 account records, provided by the Treasurer-Tax Collector Collections Division, of accounts that had been transferred from the Consolidated

Business Office Collections Division. From our limited sample, it appeared the 100-day time limit was rarely met.

When the Consolidated Business Office manager was asked about the discrepancy, he subsequently reported that the 100-day time limit was now about 150 days. Two explanations have been offered for the additional delays. First, the CBO manager and Patient Financial Services management reported that the Patient Financial Services Division's process of contacting patients, interviewing them for needed financial information, and determining their payment status was taking longer than in the past due to staffing reductions in that division. Patient Financial Services Division management also reported that it had determined that holding on to accounts longer and putting more effort into qualifying patients for Medi-Cal provided greater benefits than forwarding accounts to the Collections Division at an earlier date, based on the historically low collection rates that have been achieved in subsequent collection efforts on self-pay inpatient accounts.

However, managers for the Treasurer-Tax Collector Collections Division, and inquiry to representatives of collection departments in other counties, said a key factor in self-pay patient collections is *how quickly accounts enter the collection process*. Essentially, the earlier collection efforts are pursued, the greater the chance of successful collection. This belief is supported by practices in other counties that are more successful in collecting than Los Angeles County. For example, in Santa Clara County, where the 1995-96 collection of amounts versus those referred in that year was 19.55 percent, accounts are transferred from its hospital to the department within 120 days. In San Bernardino County, where the Central Collections Office's

1993-94 collection rate was 34.48 percent, accounts are transferred from the county hospital to Central Collections approximately 90 days after service.

Furthermore, this issue significantly impacts evaluation of the Collections Division's or any collection agency's success in collecting patient revenues. During the exit conference for this report, the Collections Division stated that the \$4.1 million in Division collections reported in the Auditor-Controller's Final CAPS Revenue Summary does not include an additional \$1.65 million the Division believes can be collected. The Collections Division stated these accounts were identified as eligible for Medi-Cal or other third-party payment programs, and were referred back to the Department of Health Services for collection.

The Department of Health Services claimed that only a small amount of these referrals were in fact collectible. For example, the Department claimed that only 40 to 50 percent of Medi-Cal eligible accounts, which represent \$989,956 of the \$1.65 million, could be collected, principally because many accounts were received after the one year State statute of limitations on retroactive applications for Medi-Cal eligibility. Furthermore, Medi-Cal only reimburses on a daily contract rate which would amount to a portion of the billed charges. Similarly, Medicare and insurance companies only reimburse a portion of charges. The Department was not able to document this claim, but said it could do so by doing an account-by-account review, discussed further in Section 4.6 of this report. However, this issue indicates one area where delays in referrals from the Department of Health Services to the Collections Division may impact County revenues.

Additional analysis that is beyond the scope of this review is needed to determine whether the current time spans between providing medical services to patients and transferring self-pay accounts to the Treasurer-Tax Collector Collections Division are appropriate. This analysis should include reviewing case samples or other materials to document the benefit in terms of additional Medi-Cal eligible accounts produced by increasing the time those accounts are held by the Patient Financial Services Division. It should also include analysis of Collections Division case records or other information to determine to what extent early referral of self-pay accounts to the Treasurer-Tax Collector Collections Division improve the prospects for collection.

4.6 Recommendations

It is recommended that the Department of Health Services and the Treasurer-Tax Collector Collections Division:

- Conduct additional cost-benefit analysis to determine the optimal length of time accounts should be held by the Patient Financial Services Division for attempts at Medi-Cal qualification, before being transferred to the Treasurer-Tax Collector for collection as a self-pay account.
- Adjust the time span accordingly based on the additional analysis.

4.7 Adequacy of the Ability-To-Pay Review and Use of Reimbursement Agreements

As described in Section 1 of this report, the Ability-To-Pay review consists of an interview in which a Patient Financial Services Division representative determines the patient's monthly income based on income and any

liquid assets. The patient's estimated monthly income and family size are then plotted on charts which indicate, at any particular level of income and family size, what share of medical costs the patient must pay. Any charges excused under this program become the responsibility of the county's General Fund, which pays for them from local and state funding sources. Under guidelines established as part of the legal settlement which created the current program, no attempt is made as part of this review to independently verify the patient's income or assets. If a patient reports income from a job, pay stubs are requested to verify income. If a patient reports owning a home, mortgage receipts or other documents are requested to verify this fact. However, there is no attempt during the Ability-To-Pay process to independently identify assets that a patient may be concealing. In FY 1995-96, approximately \$161.7 million in patient accounts was written off through this process.

Furthermore, procedural manuals for the Ability-To-Pay program state that the home in which a patient or responsible relative lives, even if they own it, is exempt from evaluation in determining the patient's ability to pay. Patient Financial Services management also states that a car owned by a patient is also exempt from review. Patient Financial Services managers reported, and we confirmed, that this county policy, required under the legal settlement, follows state Medi-Cal regulations, which also exempt an applicant's primary residence and a single car in determining allowable income and assets for Medi-Cal eligibility.²

² Several plans have been devised for rewarding vendors. In situations similar to this one, the department gave a bonus for lowering the average number of days required to process claims. Another awarded a management contract with the principle paying all expenses and rewarding the contractor a percentage of collections. These are technical points better left to the contracting parties.

Our concern about the adequacy of the Ability-To-Pay review process stems not just from common sense concerns about lack of verification, or the sheer amount of charges that are being excused through this process, but also from the preliminary results of a pilot project conducted by one of the collection agencies that assists the county in collecting medical accounts.

At the request of Department of Health Services, this outside collection agency is conducting a research project to determine if patients are honestly providing information on their ability to pay for medical charges. This determination was conducted principally by running credit checks on these patient accounts to determine the debtors' financial status.

The outside collection agency began this pilot program in approximately the middle of March 1997, and is reviewing 400 patient accounts. During an interview with collection agency executives on April 15, 1997, we were advised verbally that as of that date 70 accounts had been reviewed, and 30 percent of those accounts were determined by the collection agency to have the ability to pay for medical charges. In a second interview on April 23, 1997, an agency official advised that a 25 percent to 30 percent rate has continued. This study is due to be completed by April 30, 1997. The Grand Jury shall request a copy of this study, but may not have it in time to be included in the final Grand Jury report.

Table 2.2, provided earlier in this report, identifies approximately \$226 million of inpatient and outpatient accounts for FY 1995-96 services, reported by the Consolidated Billing

Office through February 1997, where patients have been determined to be unable to pay for medical care. If 20 percent of those accounts, or an estimated \$45 million, were redefined as self-pay patients having an ability to pay, a percentage which appears reasonable based on the preliminary results of this research project, an additional \$2.35 million in revenue could be collected, based on the county's current 5.22 percent collection rate on self-pay accounts. If the county's collection rate were to rise to the average 25.97 percent rate achieved by comparison counties as shown in Section 2, an additional \$11.7 million could be collected.

We believe the best way to address our concern regarding the Ability-To-Pay program, given the legal constraints required for that program, would be to make more extensive use of liens, otherwise known as reimbursement agreements, as part of the medical billing and collection process.

These liens are authorized by Section 17109 of the California Welfare and Institutions Code, which states that as a condition of providing aid to the indigent, the county Board of Supervisors may require "that the applicant transfer or grant to it such property or interest in property as the applicant has, or such portion thereof or estate therein or lien thereon as the board specifies." Furthermore, Section 17403 of the code allows the county to make a similar claim for repayment of aid against the property of an individual, even when this property was acquired after the aid was provided.

The Treasurer-Tax Collector reports that this type of agreement is already requested from debtors in cases where assets have been identified. Once a debtor signs the lien form, the form is recorded with the Recorder's office. If

the debtor owns a home, for example, the lien will show up in a title search if the home is ever sold, requiring that the debt be paid before the sale is completed.

We recommend that the use of reimbursement agreements or a simple note receivable be expanded, and that patients be requested to sign them at or near the time of treatment, as part of the interview process conducted by the Patient Financial Services Division. Two other counties already follow this practice. Sacramento County routinely requests patients at county outpatient clinics to sign reimbursement agreements. Not all agreements signed are recorded. That decision is made by the county's medical billing department based on a review of the patient's cost of treatment. Similarly, Alameda County requests reimbursement agreements be signed anytime medical charges are anticipated to exceed \$500. Los Angeles County should follow the lead of these counties by requesting that all patients sign reimbursement agreements, but develop internal policies as to the circumstances when such a lien will actually be recorded for enforcement.

From our review of the 1987 legal settlement regarding the Ability-To-Pay Plan, and discussions with Department of Health Services management, we believe it is unclear whether the 1987 settlement precludes the County from requesting patients who are found eligible for the Ability-To-Pay Plan, but own a home, to sign a reimbursement agreement for that home, which would allow the County to seek repayment of medical charges when the home is sold or refinancing occurs. We discussed this issue with a representative of the County Counsel's Office, who was also uncertain about this issue. The Department of Health Services and County Counsel should conduct additional review of this issue to

determine if there is merit in seeking a clarification of the 1987 settlement to allow reimbursement agreements to be sought from Ability-To-Pay Plan participants.

4.8 Recommendations

It is recommended that the Department of Health Services:

- Expand use of reimbursement agreements, by requesting patients to sign these agreements as part of the Patient Financial Services review process. If the department does not have lien authority, it should be requested from the Board of Supervisors. The Medical Center should also develop policies to determine when such agreements will actually be recorded with the County Recorder's office for enforcement.
- Conduct additional review, along with County Counsel, to determine whether the 1987 legal settlement establishing the current Ability-To-Pay Plan precludes asking plan participants who own a home to sign a reimbursement agreement. If it is determined that requesting a reimbursement agreement from Ability-To-Pay Plan participants may be permissible, the County should pursue clarification of the settlement regarding this issue in the courts.

4.9 Contracting Out Inpatient Self-Pay Medical Account Collections

Private collection agencies contracted by the County are currently responsible for all collection of delinquent outpatient self-pay medical accounts generated by LAC+USC Medical Center. They are also responsible for collection of inpatient accounts the Treasurer Tax Collector Collections Division is unable to collect.

The same collection agency performs all the outpatient and a majority of the inpatient collection efforts, and receives a substantially higher commission for services provided on behalf of the Treasurer-Tax Collector versus those provided for the Department of Health Services.

Under a letter of agreement between the County of Los Angeles and the outside collection agency for LAC+USC, arranged by the Department of Health Services, the commissions the Medical Center pays for collection of outpatient accounts have been reduced. Prior to May 1, 1996, LAC+USC paid a fee of 32.3 percent as specified in the written contract. From May 1, 1996 to December 31, 1996 a fee of 20 percent was negotiated and as of January 1, 1997, the negotiated rate is 15 percent..

The Treasurer-Tax Collector, as part of its responsibility to collect LAC+USC inpatient accounts, has been paying this same outside collection agency collection fees based on performance incentives. This has resulted in a fee structure beginning at 32.5 percent and progressing to the highest performance level of 40 percent. Based on our calculations, the outside collection agency has received an average 37.3 percent commission on accounts collected over the past three fiscal years.

Based on the difference in commissions paid, and assuming average estimated collections of \$500,000 a year, the Treasurer/Tax Collector would pay \$125,000 more in commissions than the Department of Health Services would pay for the same services.

We have been informed that a preliminary agreement has been reached between the Department of Health Services and a private collection agency that would result in the private

collection agency assuming the responsibility to collect all inpatient accounts as well as outpatient accounts. In effect, this would provide the collection agency with access to these accounts 90 days earlier than occurs presently. This proposal was included as part of the Department of Health Services 1997-98 budget presentation to the Board of Supervisors. The proposal would result in a blended commission rate of approximately 15 percent on all LAC+USC self-pay accounts collected by the outside agency.

If LAC+USC and the collection agency assume this responsibility, that could result in the elimination of some Treasurer-Tax Collector staff now performing this inpatient collection function.

In making this proposal, the Department of Health Services asserts that not only would commission rates fall under its proposal, but collection performance would improve. While the Department of Health Services favors this proposal, the Treasurer-Tax Collector Collections Division states that insufficient information is available to determine its costs and benefits. The two sides have made the following arguments in support of their respective positions.

Harbor-UCLA Study

The Department of Health Services states it is recommending private contracting of this function based on: 1) a four-year study comparing collection rates by the private collection agency and the Treasurer-Tax Collector Collections Division for accounts at Harbor-UCLA Medical Center; and 2) based on the actual collection performance of both the Treasurer-Tax Collector Collections Division and private collection agencies on all medical

accounts each pursued for all facilities during the past five fiscal years.

According to the DHS, the Harbor-UCLA study was supposed to provide equal distribution of accounts to the two entities, and compare their respective rates of collection. However, a spreadsheet provided by the Department indicates the collection agency was assigned \$20.2 million of accounts, while the Treasurer-Tax Collector Collections Division was assigned \$139.7 million. The Department states that the Collections Division assigned the accounts.

The spreadsheet indicates that the Collection Division's collection rate on Harbor-UCLA accounts was 2.4 percent, while the private collection agency's percentage was 19.3 percent. On accounts for all facilities, the Collection Division's collection rate was 3.4 percent, while the collection agency's percentage was 13.5 percent.

However, we did not review any supporting data on which the spreadsheet was based to determine its validity. For example, some portion of the accounts in this study, and accounts in general, represent situations where a debtor's address, Social Security number and other key identifying information may be lacking for a debtor, making collection more difficult. To the extent that the proportion of such accounts in the referrals to the Treasurer-Tax Collector and private agencies is not the same, that could affect the percentages reported. On the other hand, our calculations show that to fully account for the difference in collection rates, accounts submitted to the Treasurer-Tax Collector without proper billing information would have to account for \$122.4 million of the \$139.7 million of Treasurer-Tax Collector Collections Division accounts assessed in the Harbor-UCLA study,

and \$656.5 million of the \$875.8 million in medical accounts referred to the Collections Division from all facilities over the past five fiscal years. This would equate to 88 percent and 75 percent of all accounts submitted from those two groups, respectively. We believe this is unlikely and would indicate a total inability of the original patient interview to have gotten the necessary information for later collection.

Based on this study, the Department of Health Services said it has conservatively estimated that transferring inpatient collection responsibilities from the Treasurer-Tax Collector Collection Division to a private collection agency will increase collection rates to 9.65 percent, half the collection rate (19.3 percent) found in the Harbor-UCLA study, for all county medical facilities. Based on this rate, the Department projects that an additional \$10.9 million annually will be collected from inpatient accounts countywide, \$5.4 million of that from LAC+USC patients. Even allowing for reductions in federal funding that will occur if collections from self-pay patients increase, the Department estimates a net countywide benefit of approximately \$6.3 million annually if this proposal is adopted. Note that these observations are considerably beyond our original intent — to determine if a better plan could be devised for patient account collection.

The Treasurer-Tax Collector Collections Division states they have not received the Department of Health Services' preliminary analysis on the spreadsheet, and cannot comment on the proposed transfer of collection responsibility until they do so. However, Collections Division management states they do not believe it is possible that the \$10.9 million of additional collections can be achieved.

We believe an independent third party, such as an independent accounting firm, the Auditor-Controller or the County Administrative Office, should review the data generated to date from the study, determine what data is missing, and convene a face-to-face meeting with both the Collections Division and Department of Health Services to resolve their differences regarding the study so a final report may be prepared, and the most cost-effective collection approach implemented by the county as expeditiously as possible.

Collections Division Versus Outside Collection Agency Costs

As reported earlier in this section, the Department of Health Services reports that its preliminary agreement with a private collection agency to provide inpatient collection services for county medical facilities provides a blended commission rate of approximately 15 percent for the private agency on all amounts collected.

The Treasurer-Tax Collector Collection Division states its cost of collections is less than what the outside collection agency will charge. The Collection Division bases this claim on reporting direct costs of \$811,139, versus collections of \$5,804,329, an effective commission rate of approximately 14 percent.

However, the \$5,804,329 includes \$1,652,343 of accounts identified for collection from third-party payers by the Collections Division, and returned to the Department of Health Services for collection. As described in Section 4.4, the Department claims actual collections from these referred accounts probably amounted to less than \$200,000. The Department also states it could demonstrate this using an account-by-account review of these referrals. Excluding this \$1.65 million, the

effective commission rate for the Collections Division would be approximately 19.5 percent. Depending on how much of this \$1.65 million is actually collected, the Collections Division's effective commission is thus somewhere between 14 and 19.5 percent.

We recommend that the Department of Health Services conduct this review of the referred third party payer accounts, and that this issue be resolved as part of the meet-and-confer process between the Department of Health Services and Collection Division described earlier in this section.

Based on our survey of collection rates in other counties, described in Section 3 of this report, and based on the preliminary results of the Harbor-UCLA study, it appears there may be opportunities, which should be further assessed, for the county to collect additional revenue by transferring inpatient medical collections from the Treasurer-Tax Collector Collections Division to an outside collection agency. Based on the outcome of the Harbor-UCLA study, and the calculation of the projected net revenue that the county would receive if the collections are performed by the Treasurer-Tax Collector or a private collection agency, the county should select and implement the approach which offers the greatest net benefit.

4.10 Recommendations

It is recommended that the Board of Supervisors and the Chief Administrative Officer:

- Identify and assign an independent accounting firm, the Auditor-Controller or the County Administrative Office, to review the data generated to date from the Harbor-UCLA study, determine what data is missing, and convene a face-to-face

meeting with both the Collections Division and Department of Health Services to resolve their differences regarding the study so a final report may be prepared. A turf war should not be permitted to lower the collection rate.

- Based on the final results of the Harbor-UCLA study, and based on a determination of which collection approach would result in the greatest net benefit to the county, the Board of Supervisors should select and implement the most advantageous approach.

SECTION 5 GENERAL OBSERVATIONS AFTER THE STUDY

After the committee completed its evaluation of the patient collections system at the LAC+USC Medical Center, there was no sense of accomplishment. *We had prescribed a Band-Aid for multiple fractures.* Rather than attempt incremental system improvement, we desired to plainly state, "The King Has On No Pants," and deal with the problem.

It was found that 93 percent of the self-pay patients are supported by society plus many other categories such as Medi-Cal, Medicare, Mental Health, etc. The significant exceptions are Workman Compensation and other medical insurance.

Contributing to this bias is the built-in policy to place patients on Medi-Cal if they can be made eligible in some manner. The decision was made by the committee to "tell it like it is," or at least how we think it is. We reached the opinion that the system had essentially socialized medical care except for those having insurance. With this in mind, we decided to

prescribe strong medicine for a sick patient, pun intended.

An agency is needed to establish screening processes and control screening personnel to assure that patients who require public medical support get such care, and those who do not qualify pay for their care. Such a consolidation would include all collection stations (except cash and non-discount payments for emergency treatment), the Consolidated Billing Office, the County Treasurer's division assigned to the collection of medical center accounts, and the various contractors currently collecting for the Treasurer's office and the Medical Center. One super contractor could replace all of these. With a total volume of \$1.2 billion for collection or assigning to third-party payers such an agency could afford the best collection personnel available. The agency could shift patient accounts within the system, but would always have any category total available and know what rules apply to said category. The third-party contract supervision officer in this agency could begin to work with the state Medi-Cal Department, among others, to monitor compliance and add common sense. Some experts have estimated that Medi-Cal abuse is 30 percent of the present costs of the system. The Medi-Cal system spent \$4,204,297,824 during 1995-96 for medical services to residents of Los Angeles County.

Taxpayers are not concerned about which programs assess the money, whether it is the county through property taxes and fees, state taxes through Form 540 and sales taxes, or through federal Form 1040 and other taxes. The system needs monitoring to assure that the needy are served at public expense, without cost to them and that those who can afford to pay do pay for their care. The current shifting is not acceptable. (One collection office person stated that greater effort should be

made to shift to an indicated program because the Federal Government paid 40 percent of whatever was shifted.) That kind of action would be a relief for the county budget but not for the county citizen. There are many details to be addressed, but we think the approach outlined here is sound and timely due to the county financial restraints, changes in public policy regarding welfare, and the willingness of Congress to consider such issues in working for a balanced budget. The system needs fixing and the county should seek the cooperation of the other government agencies to establish a rational system.

5.1 Recommendations

The Board of Supervisors in consultation with the Department of Health Services should:

1. Retain the billing process within the treatment complex and issue a bill for services as close to the point of treatment as is practicable. This is now, and will be, predicated on the use of Diagnostic Related Groups (DRG) so that billing can be automated to a major extent.
2. Retain Patient Financial Services (PFS) screening personnel, but emphasize that the stated policy is that *patients are financially responsible for their own medical care*. At the time of the interview, data would be obtained which might be used later for collections. This is a new and different approach, and it should be recognized that some screening personnel may not be capable of making the transition.
3. Privatize all collections, isolating all current vested interests. This change should be designed by an experienced accounting firm.

4. Enter into an agreement with a single private collections contractor, which would be audited annually.³ Create a division within the agency to contract with third-party payers, i.e., Medi-Cal, Medicare,

health insurance companies and the like, which would not have an in-house component to encourage expansion of tax-supported programs.

³ Examples of such contracts are contracts calling for a cost plus fixed fee which would be subject to audit. Another would be a fixed fee with a bonus for the reduction of age of claims after a based establishment of time required for processing, which may not need to be audited.

Can Los Angeles County Cope With Outbreaks of Infectious Diseases?

Public Health in Los Angeles has fallen into very bad shape. While great publicity has been focused on the impending collapse of the public hospitals and clinics serving the poor and uninsured, very little has been said about the disease surveillance, immunization, sanitation and toxics programs that serve all, rich and poor, and which make it possible for 9.6 million people to live in close proximity without rampant disease.

The Grand Jury found that many of the public health professionals in Los Angeles County, and indeed the United States, face a rising tide of epidemic diseases that will take the lives of many people and impair the productivity and happiness of many others. Between 1980 and 1992 the death rate in the U.S. due to infectious diseases increased by 58 percent.

The past 20 years have seen a startling and troubling decline in the confidence of the medical profession in its ability to control epidemics of infectious diseases. Our investigation found that public health scientists in the United States and Los Angeles County are experiencing a rapid increase in cases of lethal and debilitating diseases many of which were once thought to be on the road to eradication. Much of this loss of confidence can be attributed to the rapid proliferation of disease microbes which are resistant to antibiotic medicines — for many years the most powerful weapon in the physician's arsenal. Now,

some medical writers say, we are entering the post-antibiotic era.

Pessimism in the field of public health is a new thing. Not long ago it was believed — even by experts — that, with the advent of antibiotic drugs, infectious disease was all but conquered and had ceased to be a major problem in modern societies.

Due to this optimism and the high cost of government regulation, pharmaceutical companies stopped developing new antibiotics late in the 1980s. Since it takes several years to develop a new medication, it is likely that no new antibiotics will appear before the year 2000.

Infectious diseases have become the third most frequent cause of death in the U.S., ranking just behind heart disease and cancer and ahead of strokes and traffic accidents. That is up from fifth place in 1980.

Our investigation has revealed that the increase has hit young adults particularly hard in the age group between 25 and 44 years old. The increase in death by infectious disease has hit both sexes but it has hit males harder than females. The difference between sexes is visible in every age bracket but is most striking in the 25 to 44 bracket in which the infectious disease death rate among men was found to be five times that among women.

There is also a disturbing infectious disease trend among African Americans. In 1980, the infectious disease death rate among blacks was 46 per 100,000, only 13 percent higher than for the total population. By 1992, that death rate had risen to 88 per 100,000 which is 36 percent higher than in the general population. As a matter of local self-interest, global and national statistics must be monitored in Los Angeles. We speculate that an outbreak of a horrific disease like *Ebola* hemorrhagic fever (so heavily publicized in movies and television) anywhere in the world cannot be more than 36 hours away from Los Angeles by jetliner. Nearly all of the 309 cases of measles reported in the U.S. since 1993 have been traced to people who caught it abroad. Epidemics of infectious disease neither begin nor end at the county line, nor do the economics and politics of disease control.

Tuberculosis was once considered well under control in this country, but now there is a resurgence of the disease in Southern California which has been attributed partly to the tremendous influx of immigrants from third world countries where the disease is still endemic. At the beginning of the current epidemic the domestic TB rate in the U.S. was 10 cases per 100,000 population. Among Asians it was 40 per 100,000. The imported strains of TB are often virulent and drug-resistant.

Drug resistant microbes have been bred by natural selection throughout the world by undisciplined use of antibiotics. If a sick patient only takes antibiotics until his symptoms vanish and then discontinues them a small percentage of the disease microbes will survive and these will be the most drug resistant of the breed. If this population then thrives and the patient gets sick again the drug will not be as effective against the improved microbe. After several episodes of sickness and incomplete cures the patient will have bred an

indestructible strain. Since TB is spread by airborne particles, the new more potent bacterium can be spread rapidly by anyone who comes in close contact with the patient.

A second factor contributing to the resurgence of TB in Southern California is that the disease is one of the opportunistic infections that strike so many AIDS patients. Their lives can be prolonged by heavy medication but their impaired immune systems make their bodies hot houses for viruses and fungi.

The erosion of traditional social systems has contributed at least as much to current epidemic threats as air travel. The breakdown of the family, tolerance of sexual promiscuity and the growth of impoverished homeless populations have all helped to make fertile ground for infectious diseases.

The diseases feed upon each other. Less newsworthy, sexually transmitted diseases like gonorrhea and herpes prepare the body to receive AIDS by creating open sores on the genitalia that are portals of entry for the Human Immunodeficiency Virus.

Statistics on infectious diseases show that to meet the urgent need we must improve the public health infrastructure at the local, state and federal levels. Yet, while public health physicians and scientists express an imperative need to expand and improve their resources for early detection and effective control of infectious disease epidemics, the trend in disease control capability seems headed in the opposite direction. There appears to be a continuing decline in the adequacy of public health infrastructure.

In October 1995, Los Angeles County closed 30 of 41 public health clinics. The 11 that remain are inadequate in numbers, often

inaccessible and in some cases architecturally unsuitable. Waiting room *ventilation*, for example, would permit transmission of tuberculosis to children waiting for immunizations, or to persons being treated for sexually transmitted diseases. The closure of the 30 public health clinics has resulted in a 70 percent *decline* in tuberculosis and sexually transmitted disease clinic visits since October. The reporting rate for tuberculosis has dropped by 44 percent. *This is the result not of declining disease but declining diagnosis and treatment.*

All signs point to more virulent diseases, new infectious agents and increasing antibiotic resistance. We now have multiple-drug resistant tuberculosis in Los Angeles and we have seen locally acquired cholera. There is an attitude among some youth that increasingly disdains the advice that would prevent the spread of HIV and other sexually transmitted diseases. We found that public health officials have expressed anxiety about our ability as a community to cope with epidemics. Qualified physicians and scientists are fearful that catastrophic epidemics in Los Angeles County are great and suggest that our public health system is in disarray.

Some of the present inadequacies of the Los Angeles County public health system stem from the hasty downsizing and budget cutting faced by county government programs since the fiscal crisis of 1995 when the State of California deprived the County of Los Angeles of a large fraction of its tax base. However, many of the problems are the result of mistakes by county government.

A 1994 Department of Health Services reorganization and the 1995 county fiscal shortfall adjustments have jeopardized the Department's capacity to fulfill its mission in disease control.

Public Health Service is commonly confused with Public Health Care. Both are paid for by the taxpayer and both (sometimes) care for the indigent sick. In fact, when private or county physicians and nurses treat or vaccinate a patient they may simultaneously be delivering personal health care and performing the disease surveillance and control functions of public health.

It is a question of focus. Health care concentrates on treating the patient; Public Health Service concentrates on finding and fighting the disease. The Public Health Service is a public safety agency like the fire department and a regulatory agency like the Beaches and Harbors Department. Its primary purpose is not healing individuals, but halting the spread of disease. If it succeeds *all* individuals benefit. It is sometimes hard to keep this important difference in focus in mind because in daily operation there is much overlap. The private physician who sees and treats a patient with a communicable disease is delivering health care. But he is also checking the spread of disease, and when he reports the case to County Health Services he is serving as part of the Department's disease surveillance system. When a county-employed physician or Public Health Nurse diagnoses a victim of an epidemic and seeks to halt its spread by administering medication he is delivering health care just as surely as the physician in private practice.

To meet the urgent need, we must improve the public health infrastructure at the local, state and federal levels. Public health physicians and scientists feel an imperative need to expand and improve their resources for early detection and effective control of infectious disease epidemics.

Since the Department of Public Health was merged with the Department of Hospitals in

1970, there have been five major re-organizations and a number of other restructurings within the Department of Health Services. After each, increased emphasis has been placed on the provision of ambulatory care services at sites which were once designated to be the focus of Public Health activities.

Both resources and staff once assigned to traditional Public Health activities have been re-assigned to ambulatory care services with increasing frequency. In addition, administrative decision-making has moved further away from professionals within Public Health.

Our findings indicate that the County Board of Supervisors has taken the steps it has without benefit of medical opinion. They have shut clinics and reduced public health staff without ever hearing from a physician. No one has spelled out to them the medical consequences of their fiscal and policy decisions.

Public health scientists acknowledge the need to accomplish their vital function, with declining funds in a time when the county has teetered on the brink of bankruptcy. However, it is important that infectious disease surveillance and control not suffer disproportionately from the intractable problem of vanishing tax revenues.

Compared to other disease categories, like heart disease and cancer, infectious disease trends can shift rapidly, leaving public health policy-makers ill prepared to fight the last war. It appears that AIDS has become a "career track" in the health care professions giving some a vested interest in keeping present programs unchanged. This may limit the ability of the Department of Health Services to redeploy its resources to meet changing disease patterns.

The public has become generally aware of the threat of new diseases through horror movies and frightening television reports about *Ebola* hemorrhagic fever which appeared in Central Africa a few years ago and threatened to escape into the outside world. However, the threat is greater from familiar diseases once thought to be on the road to eradication than from the exotic ones. Statistical tables show measles kills about one million children per year but *Ebola* only killed 245 in the worst outbreak. Tuberculosis kills three times the number of people killed by AIDS each year.

The idea of public responsibility for community health is ancient — at least as old as cities. When people began living close together it quickly became apparent that they were exposed to each other's wastes and diseases and must be protected from each other. The great epidemics like the bubonic plague of the 15th Century which depopulated Europe by a third, were demonstrations of what happens to communities that fail their public health responsibilities.

On the American frontier, one of the first things a new town did was to create public health services to insure standards of sanitation in public places, administer vaccinations and disease quarantines and make sure of the safety of the community water supply.

There have been public health agencies in Los Angeles County since early in the 19th Century. Today, in the Los Angeles area, nearly all cities have relinquished the public health responsibility to the county. Only Pasadena and Long Beach still maintain city public health agencies.

The public health service must watch over *all* citizens, including those who may *not* at any given moment exhibit disease symptoms, it is a function which can be performed *only* by

government. Today, there are public health agencies operating at federal, state and local levels with varying degrees of cooperation and interference, and errors made on one level may impinge on another.

Infectious disease outbreaks are sometimes discussed in two categories, emergent and re-surgent. AIDS is an example of an emergent disease. It appears never to have been seen before the middle '70s, though in one form or another, it may have been endemic in Central Africa for decades. It has since appeared in a form resistant to most antibiotic medications.

Finding

The threat of epidemic diseases is real and Los Angeles County has damaged the ability of its Department of Health Services to protect the public.

The county is obligated to demand efficiency in all of its agencies. However, the Disease Control Programs of the County Health Services Department are a public safety function like fighting fires and jailing criminals. When diligence and human ingenuity have done all they can to bring efficiency to the programs, the taxpayer must pay the costs that remain.

Recommendation

The Board of Supervisors and the Director of County Health Services should weigh carefully whether or not the downsizing of disease control programs has gone too far. Prevention of disease is more cost effective than treating it.

Finding

Our investigation indicates that the County Health Services Department has been unable

to prevent disease control funds from leaking away into health care for indigents. This is understandable and hard to control. When a sick person appears on the county's doorstep health care professionals are naturally inclined to seize any resources within reach to relieve suffering. However, depletion of the county's disease control resources means more sick people will soon be arriving on the doorstep. Disease control is an aggressive attack on infectious diseases wherever they appear and before they can spread. The best defense against epidemics is a good offense.

Recommendation

The Board of Supervisors should determine the public need for health infrastructure and assure the necessary budget.

Finding

The committee feels that the County Health Services Department appears to be emerging from a long period during which public health scientists and physicians felt frustrated and cut off from decision-making in their field by top level uncredentialed administrators. They believe that during the county's recent fiscal crisis some bad decisions resulted from the lack of expert participation. The present era of good feeling dates from the arrival of a new director. Whether it is more than a brief honeymoon remains to be seen.

Recommendation

The Board of Supervisors, to make sure that political power is never again separated from expert knowledge in public health, should immediately institute regular quarterly meetings at which scientists and physicians will make detailed presentations to the Board on public health problems and programs focused on the work rather than on the costs.

Finding

There is a tendency for the five-member Board of Supervisors to divide federal and state program funds equally among their five districts rather than spending the money where it is most needed. This has led to the operation of AIDS clinics in family neighborhoods where the disease is virtually unknown while clinics in high risk homosexual communities and neighborhoods where intravenous drug use is common have been underfunded and understaffed.

Recommendation

The Board of Supervisors should take measures to make sure that parochial interests do not outweigh actual need.

Finding

One of the two main transmission routes for AIDS is through the shared use of hypodermic needles by intravenous drug users.

Recommendation

The Board of Supervisors should empower the Health Department to provide the free distribution of sterile needles on request, unless it can be shown that restricting the availability of sterile needles deters IV drug use.

Committee to Improve the Grand Jury

MEMBERS

Russell E. Hawkes, Chair
Jerry S. Berk
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Grand Jury Needs More Free Speech and Independence

California Grand Juries have two jobs: One, common to Grand Juries everywhere, is to judge whether or not prosecutors have enough evidence against an accused person to justify trial in a criminal court; the other is to study and report on the operations of government in their counties.¹

As it considers a criminal indictment, the Grand Jury is hedged about with secrecy rules designed to protect the rights of the accused and the security of witnesses, and to assure compliance with the rules of evidence and the Statutes of the State of California. Within these tight restrictions and under the guidance of officers of the court, any good citizens selected as Grand Jurors should be able to judge whether the county has probable cause to believe a person guilty of the crime of which he is accused.

In its other job, as a “watchdog” set over government, the Grand Jury gathers information and publishes it. The work is more akin to journalism or scholarship than to that of lawyers and judges. In this work the restrictive rules of criminal procedure are inappropriate and crippling.

FINDING

The Grand Jury has characteristics that should make it an exceedingly useful watchdog. It is

selected more or less at random from the community and serves only for a year, which makes it infertile ground for partisanship and careerism. Its members can be expected to reflect accurately the values and moods of the public. Random selection and brief tenure also make the jurors about as safe against corruption as a public institution can be. These characteristics are assets that ought to be preserved and utilized.

As things now stand, the Grand Jury acting in its civil capacity does not and cannot live up to its potential. Critics and defenders alike have observed that county departments seldom act on Grand Jury recommendations criticisms. This can be attributed only in part to the fact that a Grand Jury serves for a year while the bureaucracy lasts forever.

Grand Juries are not allowed to publish or cite expert testimony supporting their findings and recommendations even when such testimony is in open literature to be found at any public library. Such supporting information is categorized as “raw evidentiary matter” and Grand Juries are specifically forbidden by case law to release it.² Nor are Grand Juries allowed to explain, defend or discuss their reports after they have been issued.

Such reports, therefore, constructed of unsupported and undefended assertions, are easily

¹ California Penal Code Section 925

² McClatchey Newspapers v. Superior Court (1988) 44 Cal.3d 1162

ignored or refuted by the officials who should be responding to them. Grand Jurors are bound by law to remain forever mute in the face of untrue attacks on their work.

Requiring secrecy where it doesn't belong can also produce absurdities: One of the tasks of the Grand Jury is to review citizen complaints against county government when the citizens cannot find administrative relief in normal channels. However, the jury is forbidden to tell the citizen the outcome of his complaint. He cannot even be told if it is rejected. There may be a cryptic one or two line reference in the Grand Jury's Final Report which the complainant will be unable to recognize. This is bad government and bad manners.

The Los Angeles County Board of Supervisors and the Superior Court of Los Angeles should support new legislation setting a sharp dividing line between the criminal Grand Jury function and the civil Grand Jury function. To do its job as civil watchdog, the Grand Jury needs the liberties of scholarly publishing and journalism.

Grand Jury investigating committees need the same right to protect the identity of an informant that is accorded to journalists. However, they should not be subject to a blanket prohibition against citing support for their conclusions among expert or well-placed individuals who are willing to be identified.

This is routine and mandatory in scholarly publishing. It helps readers verify the basis and the reasoning behind conclusions. The decision to identify or not identify a source of information should be between the informant and the investigating jurors.

After publication of a Grand Jury Final Report, its authors should be free to discuss its contents with the officials affected, though the

target of an investigation should never be allowed to "grill" or seek to intimidate the jurors.

Los Angeles County Counsel has proposed to the Board of Supervisors the following new legislation:

Proposed Amendments to be Added to the Penal Code Relating to Grand Juries

1. Section 924.7 is added to the Penal Code to read:

Section 924.7. Appearance before Board of Supervisors.

When requested to do so by the Board of Supervisors of the county in which they sit, the Grand Jury may appear before the Board of Supervisors and answer questions concerning recommendations contained in any final report concerning county operations, accounts, and records, provided that the names of witnesses and evidentiary material may not be provided unless specifically authorized by the presiding judge of the superior court or the judge appointed by the presiding judge to supervise the Grand Jury.

2. Section 924.8 is added to the Penal Code to read:

Section 924.8. Release of evidentiary matter. With the approval of the presiding judge of the superior court or the judge appointed by the presiding judge to supervise the Grand Jury, a Grand Jury may make available to the public part or all of the evidentiary material relied upon in a final report concerning county, city, district, and housing authority affairs.

RECOMMENDATION

The 1996-97 Los Angeles County Grand Jury believes these amendments proposed by County Counsel go far to give the Grand Jury as an institution the freedom it needs to do its job. We would prefer that the amendments were prescriptive rather than permissive. However, on the principle that half a loaf is better than none, this Grand Jury urges the Board of Supervisors to support the proposed Penal Code Sections 924.7 and 924.8. If the amendments are adopted by the legislature, the Superior Court will have discretion to allow the Grand Jury the liberties it needs.

FINDING

As this report goes to print, there is before the California legislature a bill (AB 829)³ which purports to give California Grand Juries some of the freedom of action sought in the preceding recommendation. However, in spite of its title, it appears to have been designed by employees of California counties to inhibit and threaten Grand Juries.

The California State Association of Counties, an organization of county officials is campaigning for the bill; the California Grand Jurors Association is opposing it.

RECOMMENDATION

The Los Angeles County Board of Supervisors should oppose AB 829 as amended April 8, 1997. The bill would not achieve what its proponents claim and would produce negative consequences they do not admit. Grand Juries are not the natural enemies of county governments. On the contrary, Grand Juries should

be seen as early warning systems alerting boards of supervisors to real troubles.

FINDING

Jurists have declared the Grand Jury in its criminal indictment function to be "a bulwark between the citizen and the prosecutor" and have asserted that "The Grand Jury is not adjunct of the District Attorney."⁴ However, the Legal Advisor to the Grand Jury is always a Deputy District Attorney and prosecutor temporarily assigned to the Jury. Though the lawyers thus assigned assert their undivided loyalty to the Grand Jury, there is an apparent conflict between their temporary duties and their long term career interests.

In an indictment proceeding the Grand Jury Legal Advisor sits side-by-side with his colleague, the prosecuting attorney. It seems he can "run with the hare or hunt with the hounds." As the only knowledgeable professional in an institution which is supposed to be made up of citizen amateurs, he wields tremendous influence in all the Grand Jury's day-to-day activities.

Grand Jurors have asked these questions:

Is the District Attorney's office not treading upon the independence of the Grand Jury when it vetoes questions addressed to witnesses by the jurors?

If the Legal Advisor thinks asking a question of a witness would taint the record, wouldn't it be better to go off the record and explain this to the jury? Perhaps a juror's question could be rephrased to eliminate the objection yet elicit the desired information.

³ Assembly Bill 829, the *Civil Grand Jury Training, Communication, and Efficiency Act of 1997* sponsored by Assemblywoman Helen Thomson.

⁴ Chief Justice Burger in *Bransburg v. Hayes*, 408 U.S. 665 n. 23 (1972).

It has been written that the Grand Jury is supposed to be "a bulwark between the citizen and the prosecutor" and "is not (an) adjunct of the district Attorney." Is this possible when a Deputy District Attorney stands between the Grand Jury and the outside world in all the jury's activities?

In its function as "watchdog" over government in Los Angeles County, the Grand Jury is instructed to look upon Los Angeles County Counsel as its legal advisor. At the direction of the Supervising Judge of the Superior Court, County Counsel reviews, and in effect, approves or rejects, all Grand Jury reports. County Counsel is also the lawyer for all the departments of county government over which the Grand Jury has been set by statute as "watchdog."

In practice, Grand Jury reports and most letters cannot very well be issued over the objection of County Counsel, and County Counsel's "clients," the departments of government, cannot be expected to enjoy the attentions of an aggressive watchdog. The present Grand Jury sees this as an apparent conflict of interest.

In a review of a recent case, the Los Angeles County Counsel required that certain changes be made in a report proposed by the Los Angeles Grand Jury which was highly critical of a county agency. County Counsel also instructed the Los Angeles County Grand Jury to remain silent and not respond to objections by the agency, the Los Angeles County Board of Supervisors (also represented by the Los Angeles County Counsel) or the press regarding the details which support its findings. In addition, the Los Angeles County Counsel has stated that revelation of any such details would be a violation of the California Penal Code. It appears to the Grand Jury that there is some latitude in the application of these case law and statutory limitations and that County

Counsel usually chooses the most restrictive interpretation and the one most protective of the department investigated.

In a different case, Los Angeles County Counsel told the foreperson of the Grand Jury that the jury could not send a letter recommending reforms to the Supervising Judge of the Superior Court of Los Angeles County which is the parent body of the Grand Jury. To the jury, this seems unduly intrusive even though County Counsel reviews Grand Jury reports by direction of the Supervising Judge.

The 1996-97 Los Angeles County Grand Jury has concluded that it ought not rely on the independence of the legal advice now available to it.

RECOMMENDATION

The 1996-97 Los Angeles County Grand Jury urges the Superior Court of Los Angeles County to employ independent legal counsel for the Grand Jury.

FINDING

At present, The Grand Jury receives valuable administrative assistance apart from his legal services from the Legal Advisor appointed by the District Attorney. If the preceding recommendation were adopted this assistance would be sorely missed, but in any case, the work does not seem appropriate for a trained attorney. Secretaries assigned to the Grand Jury by Superior Court office services are not accountable to the Grand Jury but to an official in office services, nor are they sufficiently experienced to assist Grand Jurors in their relationships with County or Court officials.

RECOMMENDATION

The Grand Jury urges the Superior Court of Los Angeles County to create a permanent position for an experienced and knowledgeable executive secretary reporting directly to the Grand Jury for job performance and payroll matters. The executive secretary should be able to help jurors maintain relationships with county and court agencies and also perform the relatively few clerical tasks required by the Grand Jury.

FINDING

Civil Grand Jury committee investigations require much "legwork" and a thorough knowledge of county and city offices. Grand Jurors, often tied down by hearings and seldom knowing their way around official Los Angeles, are not able to do this as well as it should be done.

RECOMMENDATION

The Grand Jury recommends that the District Attorney reinstate the practice of assigning an investigator to the Grand Jury, or if budgetary or work load considerations make this too difficult, assign an investigator on a temporary basis as required.

Jails Committee

MEMBERS

William M. Waters III, Chair
Gunter G. Altman
Claire J. Chase
Forest W. Foster
Lair Franklin
Mike P. Jaramillo
Preston Perkins
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Grand Jury's Inspections of Jail Facilities Mandated by California Penal Code

HISTORY

The Los Angeles County jail system is the largest in the nation. It has a daily inmate population of over 20,000. There are also 88 municipalities that operate detention facilities. Approximately 60% of the daily population of these facilities are held for pretrial. The county also confines almost 4,000 juveniles.

Sections 919(a) and (b) of the California Penal Code mandate that Grand Juries shall inquire into the condition and management of jails within the county and, as necessary, into the cases of unindicted persons in custody on criminal charges.

For inspections, the 1996-97 Grand Jury Jails Committee found it best to separate into groups of two or three rather than to include the entire committee. We used an inspection form that was devised with suggestions from previous Grand Juries, the Los Angeles Police Department, the Los Angeles County Sheriff's Department, and the ACLU. This form focuses on jail management and control, security, safety, food, health and sanitation.

Minimum standards for jail facilities are covered under Title 15 of the California Administrative Code. Each facility maintains manuals and regulations for the operations of the unit. In addition to the Grand Jury inspections of the Los Angeles County jails, the other commissions and bodies concerned with

regulations and monitoring of the facilities include the Los Angeles County Institutional Commission, the State Fire Marshal and local fire agencies, and the Department of Health Services.

Holding facilities include those cells in the Superior, Municipal and Juvenile Court buildings. The City of Los Angeles Police Department and small incorporated cities hold arrestees until arraignment hearing, release or transfer to the custody of the sheriff. The Los Angeles County Sheriff's Department has the primary responsibility for the detention of inmates. Los Angeles County detention facilities may hold inmates up to 48 hours, house them for the duration of their sentences or hold them until they are transferred to a state prison.

Jails Inspection Procedure

The committee divided itself into two teams. Each team made unannounced visits to previously selected facilities. They would ask to see the Watch Commander or Officer in Charge and inform him that they would like to inspect the facility. The team then would inspect the facility using the Jails Committee Inspection Report shown on the following page.

JAILS COMMITTEE INSPECTION REPORT

Date _____ Time _____
 Facility Name _____
 Address _____
 Operated by (city/county) _____ Name(s) of Escort(s) _____
 Watch Commander _____ Year Constructed _____
 Rated Capacity _____ Population Today _____ Undocumented Aliens _____
 Visit by Grand Jurors (names) _____
 This report by _____

Ratings: 1-Very Poor 2-Poor 3-Acceptable 4-Good 5-Very Good	R A T I N G	Comments and Recommendations
NOISE LEVEL		For large groups. Excess noise-restlessness (Trouble - too quiet - something brewing) Rate "3" if OK, or "N/A"
SANITATION		Plumbing, food, blankets, vermin, etc.
FIRE SAFETY		Sprinklers, hose, breathing apparatus, signs, etc. Check local fire department report if there is a problem.
LOCKUP SECURITY		Overall lockup, including sally ports
PROTECTIVE CUSTODY		Separation of inmate problem groups
VISITATION (LEGAL/PERSONAL)		Facilities for personal or lawyer ("N/A" if short holding time)
TELEPHONES		Availability Do they work? Are phone rights and bail procedures posted in both English and Spanish?
FOOD		<input type="checkbox"/> Full kitchen <input type="checkbox"/> TV snacks <input type="checkbox"/> Brought in <input type="checkbox"/> None
MEDICAL ASSISTANCE		<input type="checkbox"/> Inside clinic <input type="checkbox"/> Paramedic Response: Distance? _____ Time? _____
EDUCATION/JOB TRAINING		For large institutions, or "N/A"
GENERAL APPEARANCE		Graffiti, paint, etc.
STAFF ETHNIC MIX		Including male and female. Are translators available?
P.O.S.T. (Police Officers Standard and Training in Jail Procedures)	Have all Jail Personnel received the minimum 40 hours P.O.S.T.? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Is one person with P.O.S.T. on duty each watch? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Have any officers received 80-hour P.O.S.T.? <input type="checkbox"/> Yes <input type="checkbox"/> No If so, list names:	
DETENTION OFFICERS (Civilian and Sworn)	Are civilians used? _____ How many? _____ Ratio to sworn officers? _____	
	Did the civilians receive STL (standard training for detention officers)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 24 hours? <input type="checkbox"/> 116 hours?	
	Do they have training for Suicide Prevention? _____ Fire Aid? _____ First Aid? _____	
DATE OF LAST DISTURBANCE REASON AND PREVENTIVE MEASURES	/ /	

The committee found management staff of detention facilities were well-trained, knowledgeable and cooperative. Records were provided upon request.

The following facilities were visited by the Jails Committee:

Los Angeles Sheriff's Department Stations and Custody Divisions

Agoura / Lost Hills	Men's Central Jail
Antelope Valley	North Correctional
Avalon	North Facility
Carson	Norwalk
Century Regional/ Lynwood	Peter Pitchess Facility
Crescenta Valley	Pico Rivera
East Los Angeles	Santa Clarita Valley
Industry	South Facility
Lakewood	Sybil Brand Institute
Lennox	Temple City
Lomita	Walnut
Malibu	West Hollywood

Los Angeles Police Department Jails

Central Area	Pacific Area
Devonshire Area	Parker Center/Jails
Foothill Area	Rampart Area
Harbor Area	Southeast Area
Hollywood Division	Southwest Area
LAX Substations	Van Nuys Division
Newton Area	West Valley/Reseda
Northeast Division	Wilshire Area
North Hollywood Area	

Municipal Police Department Jails

Alhambra	Long Beach
Arcadia	Manhattan Beach
Azusa	Maywood
Baldwin Park	Monrovia
Bell	Montebello
Bell Gardens	Monterey Park
Beverly Hills	Palos Verdes Estates
Burbank	Pasadena

Claremont	Pomona
Compton	Redondo Beach
Covina	San Fernando
Culver City	San Gabriel
Downey	San Marino
El Monte	Santa Monica
El Segundo	Sierra Madre
Gardena	Signal Hill
Glendale	South Gate
Glendora	South Pasadena
Hawthorne	Torrance
Hermosa Beach	Vernon
Huntington Park	West Covina
Inglewood	Whittier
La Verne	

Municipal Court Lockups

Bellflower	Malibu
Beverly Hills	Metropolitan (Traffic)
Central Arraignment	Monrovia
Compton	San Pedro
Culver City	South Gate
Downey	San Fernando
East Los Angeles	Valencia
El Monte	Van Nuys
Hollywood	West Covina
Huntington Park	West Los Angeles
Inglewood	Whittier
Los Angeles	

Municipal/Superior Court Lockups

Alhambra	Long Beach
Antelope Valley/ Lancaster	Pasadena
Burbank	Pomona
Glendale	Santa Monica
	Torrance/South Bay

Superior Court Lockups

Compton	Los Padrinos
County Courthouse	Juvenile Court
Criminal Court	Mental Health Dept.
Building	Northwest - Van Nuys
Eastlake	Juvenile Court
Inglewood	Norwalk
	Sylmar Juvenile Court

Juvenile Institutions

Camp Afflerbaugh	Camp Resnik
Camp Gonzalez	Camp Rocky
Camp Holton	Camp Routh
Camp Jarvis	Camp Scobee
Camp Kilpatrick	Camp Scott
Camp McNair	Camp Scudder
Camp Mendenhall	Camp Smith
Camp Miller	Central Juvenile Hall
Camp Munz	Los Padrinos
Camp Onizuke	Juvenile Hall
Camp Paige	San Fernando Hall

FINDINGS

Avalon (Catalina Island)

We found the jail facilities to be in excellent condition, and included a video surveillance system throughout all areas.

A major problem confronting the Sheriff's Department is the cost of transporting prisoners and custodians between the island and the mainland. This was necessary 49 times during 1996—nearly once per week. When using commercial vessels, the law requires the use of stateroom accommodations, at an additional cost of \$40. This does not include the \$18 fares. Limited ferry schedules usually require deputies to remain overnight, adding meals and lodging to the expense. Other channel crossings are required for attendance at various symposiums and classes held only on the mainland.

Camp Gonzales

Surrounding tree lines present two problems: besides preventing the instructors from monitoring the juveniles, the growth was found to be a safety hazard during recent brush fires.

Camp Miller

During their December visit, the matter of poor heating in the juveniles' barracks was brought to the attention of the Jails Committee. The camp director stated many requests to rectify the problem have been ignored. The barracks, located in the Malibu mountain area, get extremely cold in the winter.

Camp Munz

This Youth Boot Camp is well run. Economic conditions, however, have resulted in far too many cutbacks of their vocational training programs.

Compton Court Lockups

The 1995-96 Jails Committee reported the Compton Court lockups were inadequate. In July of 1996, the current Jails Committee visited the Compton Court lockups, and found that some of the previous problems, such as electrical and lighting, were being corrected. Officials stated some of the areas were going to be painted. During a follow-up visit in December, it was noted it had not been done. Also, the paint currently being used for graffiti protection is plain gray, not a graffiti-resistant product. Such vandalism continues to be a problem, especially when gang members are housed there.

Eastlake Juvenile Hall

The committee's inspection team noted that the complex needs communications improvements, such as two-way radios for employees overseeing the juveniles. Minor confrontations often occur among rival gang members.

Lancaster Court Lockup

Two public defenders informed the Jails Committee members of problems encountered during attorney-inmate conversations in the newly remodeled interview room. Poorly designed talk vents force the parties involved to virtually yell at one another, thus making it impossible to hold more than one conversation in the room at a time.

Youth Camps

The Jails Committee has visited all of the county's Juvenile Institutions. Not only are the youths getting discipline, they are learning to work together as a team, and to get along with rival gang members, since they are confined with one another.

Each year Juvenile Probation Camps are on the verge of closure due to budget constraints. The purpose of these camps is to guide the youths to be productive members of our community. Certain camps, such as Camp Routh, train youths in Fire Fighting and Fire Science. Strong structure, education, hard work and adequate food combine to build confidence and self-esteem. Overall, juvenile facilities are generally well run, neat and clean, despite an apparent lack of funding.

Committee members recognized that severe budget constraints and an increasing juvenile population have strained the capacity of the system for many years. The primary objective of the Jails Committee is to call the public's attention to the most urgent needs.

RECOMMENDATIONS

- **Avalon (Catalina Island)** - An answer to the transportation problem would be the assignment of a small vessel to the Avalon

Sheriff's Department. This could be done with no tax increases to the residents of the island. The boat would also be available for patrolling the entire island, which, except for the City of Avalon is under county jurisdiction. Today, an emergency at Twin Harbors requires up to an hour's driving on a winding, dirt road. A small patrol boat could reach that point in half the time. The Grand Jury Jails Committee strongly recommends one of the following options be supported:

- **Federal Grant** - A new craft with limited maintenance.
- **Navy Surplus** - A limited number of 35-foot boats are available from the U.S. Navy at no charge. Maintenance costs would be offset by the avoidance of commercial fares.
- **Camp Gonzales** - Thinning (or lacing out) the trees should be performed to increase security while maintaining the beauty of the surroundings.
- **Camp Miller** - Barracks heating problems should receive high priority.
- **Camp Munz** - Funding should be provided to assure continuance of educational programs.
- **Compton Court Lockups** - Local officials should be reminded of the graffiti problem.
- **Eastlake Juvenile Hall** - Funding should be provided to provide the needed two-way radios.
- **Lancaster Court Lockup** - Upgrading the interview room, replacing the sound

baffles with a wire mesh should be done as soon as possible.

- **Youth Camps** - The Jails Committee strongly recommends that all juvenile

camp receive funding in order to keep the youths from gangs, drugs and self-destruction.

Young Adults Against Crime (YAAC)

INTRODUCTION

Two members of the 1996-97 Grand Jury Jails Committee of the were invited to attend a symposium held in the Los Angeles Central Juvenile Hall. The program, sponsored by the County of Los Angeles, served to introduce us to the Herman G. Stark Youth Training School in Ontario. The youth training school houses youthful offenders too sophisticated to be positively impacted by programs of the county correctional schools for juveniles and too immature in criminal behavior for commitment to the California Department of Corrections. YAAC is a delinquency diversion program at this facility designed to impact our youth in the community from gang activity.

YAAC consists of Youth Authority wards who are escorted into the community to share their personal experience of the past negative behavior that led to their current incarceration. Presentations are made to community youths and school groups where wards share insights gained by experiencing the negative ramifications of drug abuse, gang involvement and incarceration. Presentations are scheduled for any group of youngsters, 9 to 13 years of age.

The YAAC program concentrates the vast majority of its presentations to elementary and junior high schools.

While the rehabilitation of ward participators has been highly successful, it is not to be considered as the main thrust of the program. YAAC is designed to curtail gang activity among youth in the age group that could be susceptible to a life of crime.

YAAC was introduced in 1991 and ran through 1994. It was discontinued due to lack of funds. A program to document the success rate through quarterly reports from schools to which the presentations were made was set in place. While the reports were highly impressive regarding reduction in truancy and crime plus an increase in graduation, the program was terminated before such data could be considered conclusive.

FINDINGS

Youths, in the past, have been very receptive to the information and advice presented by the participants. The wards involved in this program are accepted as peers in that they are similar in age to the audiences and often share similarities in negative or at-risk lifestyles. YAAC wards do not lecture on the evils of criminal behaviors, but instead use their lives as an example of what can happen with continued negative behavior.

The project will schedule presentations in the Los Angeles County target areas that could conceivably impact at least 50,000 youths

each quarter for a total of approximately 200,000 youths reached per year. Young Adults Against Crime presentations will be made available to the police crime prevention units, community and youth organizations, school PTA meetings and any other groups that may benefit from this positive service.

Young Adults Against Crime wards will receive individual and group counseling sessions with an emphasis on survival, social and employability skills. The Youth Counselor assigned to this project will maintain a minimum of 15 hours of counseling hours to accomplish the casework areas identified for the participants in the YAAC Program.

Numerous letters from middle and high school students attending the presentations were received by YAAC officials. All letters

expressed the highest praise and appreciation of the program.

Recommendations

The Grand Jury recommends that the Board of Supervisors implement this program through inter-agency contact with the California Department of the Youth Authority in cooperation with the Herman G. Stark Training School.

Assurance was given to the Grand Jury that any funds allocated by the County of Los Angeles and remitted to the State of California for the purpose of operating the YAAC program (estimated to be about \$59,000 annually) would be used only for presentations in Los Angeles County.

Juvenile Services Committee

MEMBERS

Maxine B. Russell, Chair
Henry G. Cox
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Children in Group Homes Suffer from Lack of County Monitoring

INTRODUCTION

Our Juvenile Services Committee investigated group homes and found some very disturbing facts. Among the most serious of the deficiencies we found is the Department of Children and Family Services (DCFS) and their Contract Auditing Section are not performing all of their functions. Group home owners and directors may make substantial profits (with little or no monitoring), while many children are lacking the bare essentials. They are going without adequate clothes, food, allowance, tutoring, psychological services, and communication with their school. In order to succeed, they need a loving and caring environment as well as responsible role models.

While some group homes provide a nurturing environment and live up to their contract provisions, our investigation revealed many do not provide basic care for the children. A budget of nearly one quarter of a billion dollars is expended annually on group home foster care services for approximately 5,000 children. This report culminates many months of research, inspections, and interviews in the field. A viable solution at this point would be to remove the contract monitoring function from the DCFS and turn it over to another body. The DCFS cannot do an adequate job of monitoring itself.

Another observation about DCFS is there has been no mechanism tracking children's expe-

riences during their years in group homes. How many children are emancipated? What percentage go on to college? How many avoid futures of abuse and neglect? What are the success stories in high school?

As our committee explored various issues relating to children, one topic kept reappearing. That issue was the treatment of children in group homes and the instruments used to monitor and motivate them. To analyze this area, one must understand the background of the county's DCFS.

BACKGROUND

The Department of Children and Family Services (DCFS) was formed in 1984. The current mission statement, in the Reference Manual for DCFS Group Home Providers is as follows:

- "Children are safe from abuse, neglect, and exploitation.
- "Families who can provide a safe environment for children are strengthened.
- "Children whose families are unable to provide a safe environment are provided temporary homes which support optimum growth and development.

- “Children in temporary homes receive safe, secure and nurturing permanent homes in a timely manner.
- “Youth who reach adulthood under our care are provided the opportunity to succeed.”

“The goal of DCFS is Family Reunification. Federal and state statutes require the dependency courts and the department to reunite the family within 18 months. However, if parental rights are terminated, there are four remaining options.

They include:

Permanent Plan
Adoption
Legal guardianship
Long-term foster care.”

When none of the others are feasible, the children are placed in group homes. A group home provides 24-hour non-medical care and supervision to children in a structured environment. At least, this is the stated goal. Group home operators are responsible for all aspects of the care and supervision for children in their care.

Group homes are licensed by the California Health and Welfare, Department of Social Services (DSS), Division of Community Care Licensing (CCL). CCL also monitors group homes by making unannounced visits.

Group homes have county contracts which are audited by the Contract Auditing Section of the DCFS. Ultimately, it is the state that licenses the home, and the county that does the placement of children.

County social service and probation departments place the greatest numbers of children

in group homes. County mental health and regional centers also place children there. Our investigation focused primarily on children placed in group homes by social workers.

Children placed in group homes are physically, sexually, or emotionally abused, or exploited. These children often have behavioral and/or emotional problems that may prevent them from being cared for in a family environment. They are generally dependents of the Juvenile Dependency Court and are placed by county social services. The children can be juvenile offenders, developmentally disabled, or seriously emotionally disturbed.

The children placed by county social services are generally eligible for Aid to Families with Dependent Children - Foster Care (AFDC-FC) funding. AFDC-FC is a combination of state/county or federal/state/county dollars.

Before AFDC-FC can be paid on behalf of a child placed in a group home, four conditions must be met:

1. The group home program must have the written support of the host county. The host county is the county in which the facility is, or will be, located.
2. The facility must be licensed by CCL.
3. The group home must be organized and operated on a nonprofit basis (verified by a federal IRS tax exemption letter or a copy of the articles of incorporation filed with the California Secretary of State).
4. The group home program must have an AFDC-FC rate established by DCFS, Foster Care Rates Bureau. A group home program is a unique combination of services to a specific population of children in

one or more licensed group home facilities.¹

“Community Care Licensing (CCL) is an outgrowth of an historical social need for the protection of individuals who are not able to care for themselves. The program was established by law and the authority and responsibility for administering it currently rests with the DSS. CCL of DSS is charged with carrying out this regulatory program. CCL is one of a number of agencies which has responsibilities related to community care. CCL’s primary objective is to ensure that all Community Care Facilities are in compliance with applicable laws and regulations.”²

Their mission statement is as follows: “To protect and promote the health, safety and quality of life of each person in community care through the administration of an effective regulatory enforcement system. There are three functions of a regulatory enforcement program.” They include:

Prevention — fingerprinting, fire clearances, health screening reports, financial plan of operation and pre-licensing visits.

Compliance — state inspection of facility, noting deficiencies, plan of correction, and providing assistance to stay in compliance.

Enforcement — corrective action.³

DSS, CCL has a Technical Support Program (TSP) to provide specialized consultative services. CCL staffed the program with a manager and four analysts in April 1992 and started assigning cases to it in June 1992.

The program is designed to improve compliance of referred facilities. The emphasis is on prevention, consultation, and improved communication between the providers and CCL. The services are free; participation is voluntary.

The TSP has been met with some skepticism. Rather than seeing TSP’s role as a consultant, many group home owners often look at it as a monitor or enforcer of agency policies.

The Children’s Court houses 17 dependency courtrooms that handle children’s cases. More than 46,000 children are under active court supervision. Most cases are two years, but many are three to four years, in duration. There are 500 full-time attorneys serving the courthouse. They were paid \$14 million in legal fees in 1995 to represent the minors. There are more than 30 to 40 cases per day held in each of the 17 courtrooms.

In Los Angeles County there are 476 group home sites under 205 corporations. The committee decided to investigate a random sample of these group homes, resulting in a list of 29 homes to visit. We made one exception: if the site chosen randomly was located a great distance away, the next name down on the list was selected. As we progressed with our investigations, the committee also decided to visit a few additional group homes about which confidential sources expressed serious concerns.

Using five existing assessments to guide us, we designed our own instruments for these visits.

One survey was used to interview the staff and record our own observations. It focused

¹ *Community Care Licensing Overview Reference Manual*, Group Home Providers, July, 1996.

² California State Department of Social Services, *Community Care Licensing: An Overview*, June, 1995, p.1.

³ *Ibid.*, p. 7.

on the physical plant, furniture, study areas, bathrooms, medications, record keeping (incident reporting, allowance logs, clothing and wardrobe inventories), client's rooms, and food services. There were also specific questions which we asked the staff. These encompassed knowledge about their client's needs and service plans, staff driver's licenses and fingerprint sheets, and specifics of their particular program statement.

The second questionnaire was specifically designed for interviewing the children. Interviews were to be confidential and the child being interviewed was to be in an area away from the staff. These questions focused on the overall environment, discipline policies, health issues, behavior modification, counseling/therapy schedules, school, emancipation, money issues and their own feelings.

A court order was obtained from the Children's Court to access children's records. These records proved invaluable, as they helped us focus on areas to discuss with the children during our interviews. As a rule, we chose two children per site to interview. Most sites had six children.

In addition to our inspections, we requested contract monitoring records from DCFS. We were given 32 audits.

We decided to focus on the following areas:

1. Nonprofit Status
2. Rate Classification Levels (RCL)
3. Needs and Services Assessment
4. Auditing/Monitoring of Group Homes
5. Individualized Educational Program (IEP)
6. Education and Cooperation With the Schools
7. Psychotropic Medications
8. Therapy/Counseling

9. Communication between Children's Social Workers (CSWs) and DCFS/Providers/ Clients
10. Discipline and Behavior Modification Policies
11. Foster Care
12. Dual Legal Representation

There was a wide range of success and failure at the group homes we visited. In one instance we saw a group home which was providing a loving environment, wonderful ties with the local schools, and the owner had even adopted some of the children. However, this was the exception. There was need for improvement and serious cause for concern about the entire system.

The state Program Classification Process assigns group home providers into one of 14 RCLs, based on the level and care of services provided. It uses a point system to measure either the level or intensity of the care and services given. Points are based on the number of hours per child per month of service provided. There are three program components:

1. Child Care and Supervision
2. Social Work Activities
3. Mental Health Treatment Services

The total number of points accumulated in these three categories determines the RCL, hence the payment for the group home.

1. NONPROFIT STATUS

CCL licenses and DCFS contracts with group homes operated only by nonprofit organizations. Our committee investigations uncovered enough circumstances to question the

appropriateness of this designation for some group homes.

Each group home is required by the state to have a Program Statement. This is a lengthy proposal detailing every aspect of their program, including a program description, admission/assessment/discharge policies and procedures, general policies, and staffing/administrative organization. Some group home owners pay outside consultants up to \$2,000 to prepare these program statements. Yet, some group home owners are not familiar with their own Program Statements. They often do not understand some terms - like "encopresis" (repeated passage of feces in inappropriate places - e.g., clothing or floor; most often involuntarily).

There is a lengthy Group Home Program Statement in the county agreement, which is taken from the State of California, Health and Welfare Agency, Department of Social Services Welfare and Institutions Code Section 11467(b). The Program Statement is required not only for county placement, but also for CCL and AFDC-FC rate setting.

Some costs of running a group home are funded by other sources:

1. Many children have a free breakfast and lunch program at their schools.
2. Free tutors are supplied by the neighborhood school districts, such as the Los Angeles Unified School System.
3. If a child has tested Severely Emotionally Disturbed (SED), he or she is often provided free placement at very expensive private schools. Tuition for these schools, which costs up to \$12,000 annually, is paid by the state.
4. Some of the group home owners have food donated by the federal government and various restaurants; others buy discounted bulk food from food banks. While some group homes furnish fresh vegetables and fruits, others have huge blocks of food with expired dates in freezers encrusted with four to five inches of ice.
5. The psychiatrists do not receive their funds from the group homes. They are paid directly by Medi-Cal.

There are some instances where costs are lower than would otherwise be expected. These include:

1. Since the point and level systems are so punitive, many children get only \$1.00 per week allowance - if anything at all.
2. The children are also supposed to receive a \$50 per month clothing allowance. One child was in a group home more than two years and had received only socks. One child who had received only one pair of shoes the entire time he was in the group home was listed as receiving 14 pairs of tennis shoes. The owner told us (when we saw many empty closets) that the clothes and shoes had to be stored in the garage because of thefts.
3. There are also huge disparities between the salaries of the administrators and the staff. Administrators' salaries range from \$24,000 to more than \$100,000. The child care workers, who are in direct contact with the children, often earn between \$5.50 and \$6.00 per hour, which contributes to the high rate of turnover.
4. At many sites there is no money being spent on furniture, the physical plant, or educational materials.

5. Because of a state enactment, some owners have house payments of \$300 per month but are able to lease the house to the group home for \$1,500 per month.

Findings

1. There is a strong suspicion that some group home owners are making lucrative profits on lease-back agreements.
2. Some children receive no new clothing allowance at all and very little weekly allowance.
3. About half of the group homes we investigated had no computers, reference books, educational toys or games.
4. About half of the sites we investigated had furniture that had missing drawers, stains on the carpets, no desks in the children's rooms, walls with holes and bathrooms without toilet paper.
5. One site did not give the children any toothpaste because the owner said they used it to fight with one another.
6. Some owners own five group homes (with six children in each one) and are receiving \$4,423 per person per month. This equals \$318,456 per year for 6 children: for 5 sites this is \$1,592,280 per year. Yet some of these children are not receiving the items they are entitled to, such as proper therapy, clothes, allowances, challenging activities, and educational supplies. This is not consistent with a nonprofit activity.
7. CCL does not demonstrate the capability to review the program statement against any established criteria.

Recommendations

1. The Board of Supervisors should urge CCL to establish specific criteria for capabilities and services and enforce the group home's adherence to the Program Statement. Licenses should be revoked for group homes which do not comply.
2. The Board of Supervisors should direct DCFS to negotiate contracts with specific service requirements and strictly enforce its provisions. Children should be withdrawn from homes which do not comply.
3. Since the group home should be a temporary solution for children, the Board of Supervisors should require DCFS and urge CCL to establish a definite time limit for returning the child to a more nurturing environment. DCFS should transfer some of the money offered to group home providers to parents or foster parents.
4. The Board of Supervisors should urge CCL, DCFS, and the communities to determine whether children are removed from their homes because of poverty or neglect.
5. DCFS should have the responsibility to assess the group home performance against the Program Statement and report their findings to CCL.
6. The Board of Supervisors should recommend that CCL enforce their policies of an audit before an RCL increase. They should also require DCFS to continually monitor group home performance against the Program Statement.

2. RATE CLASSIFICATION LEVELS (RCL)

On July 1, 1990, Senate Bill 370 (Chapter 1294, Statutes of 1989) changed the group home provider responsibilities. It was concerned with a county recommendation for new programs of new or existing group home providers, and for program changes which are more than one RCL greater than the original determination.

Each county welfare and probation department was requested to submit the name of someone who would be responsible as a liaison between group home providers and CCL staff. CCL cannot set a rate for a new or existing group home provider without an appropriate recommendation from DCFS.

The Manual of Policies and Procedures, Sections 11-406.121, .122, and .123, state the three elements the county must apply in recommending new programs or program changes. The county must first affirm that the program is needed in that county, that the provider is capable of effectively and efficiently operating the program, and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.⁴

It further states that the counties should establish their own review of group home programs for the above-mentioned elements and have the criteria in written form for the group home providers. The letter of recommendation can be positive or negative. It is strongly suggested that the letter be signed by the Di-

rector of the Welfare Department or the Chief Probation Officer of the Probation Department.

Findings

1. Group home applications to the Foster Care Rate Bureau in Sacramento must include letters of approval and endorsement by DCFS. CCL relies heavily on the county's verification and continued monitoring of services stated in a group home agency's application for a license.
2. Group home owners are giving performance stars to other group homes for their performance. Performance stars are a rating system used to evaluate group homes.
3. DCFS sent a letter of support to the state asking for an RCL increase for a group home which owed \$250,000 (because irregularities came up when audited).
4. Letters of recommendation are written by DCFS even though problems may be predictable. Another group home, recently closed, had a letter of recommendation from DCFS to raise the RCL from a level of 8 to a level of 12.
5. School transcripts are often not verified. One group home director holds a Ph.D. from an unaccredited university.
6. Some group home providers say they will take "difficult-to-place" children in their Program Statement and then refuse to admit them. They want the children who are less difficult.
7. More difficult-to-place children are shifted from one placement to another and of-

⁴ Group Homes, Division 6, Chapter 5, State of California, Department of Social Services, Community Care Licensing, p.2.

ten do not receive the attention they so critically need. One child we observed had already been to 13 different group homes in his short life.

8. Each group home provider enters into a contract with DCFS and the state. Each agrees to provide definite services in order to receive the RCL level of payment per month.
9. One of the major problems of poor oversight into RCLs is the dual role of the state and county. Now the state grants the license, and the county enters into the contract and places children in the group homes.

Recommendations

1. DCFS must not write a positive recommendation to the state regarding a group home unless it is certain that the group home is adhering to each requirement and there are no deficiencies in any area of operation. If there are deficiencies in any area, no positive recommendation should be given.
2. The Board of Supervisors should urge the state and direct DCFS to make a more diligent effort to review transcripts from universities and colleges of group home administrators and staff .
3. The Board of Supervisors should urge CCL and require DCFS to invoke penalties if a group home promises in its Program Statement to take difficult-to-place children and then later refuses. Since RCLs are being paid because of the staffing and services provided, RCLs should automatically be lowered to another level.

4. The Board of Supervisors should urge CCL to key group home license numbers to indicate how many facilities each provider operates.
5. DCFS should not allow other group home owners to evaluate group home owners for performance stars. This should be turned over to the Commission for Children and Families.
6. The Board of Supervisors should urge CCL and direct DCFS to comply with existing requirements to immediately refer all cases of fraudulent accounting practices in group homes to the Attorney General or District Attorney.
7. DCFS should require group home providers to have a standard accounting systems and pay all invoices by check.

3. NEEDS AND SERVICES ASSESSMENT

The "Foster Child's Needs and Case Plan Summary" is a time-limited, goal-oriented written plan, implemented by the licensee. It identifies the specific needs of an individual child, including those items specified in Section 84068.2, State Licensing Regulations, and delineates those services necessary in order to meet the child's identified needs.

Specific information relates to the areas of:

1. Emotional/Psychological
2. Behavioral/Social
3. Educational
4. Placement History

5. Ability of child to handle his/her own allowance
6. Visitation plan
7. Medical information (health care providers, allergies, immunizations, medical/psychological problems, and the child's special needs)

Findings

1. Of the 32 group homes audited by DCFS, 31, or 97 percent, had incomplete needs and services assessments.
2. Under DCFS's Foster Family Agency Agreement, it is provided: "County workers shall develop case plans/case plan updates to include, but not be limited to, Transitional Independent Living Plan, handling of child's earnings, treatment goals and objectives, visitation plan, transportation needs and who is responsible for what. The DCS worker shall document the case plan update."⁵ (DCFS was referred to as DCS before 1984.)
3. Repeatedly, group home providers told us that CSWs do not participate in preparing the needs and services plans for their clients.
4. In several group homes there were children who had been placed for between seven and twelve months, but had not received any clothing allowance.
5. Children need to develop insight into their own feelings and learn how to deal with life situations in a positive way. The children in many of the group homes we vis-

ited did not take part in the development of their own needs and service plans.

6. Some group home providers (about 10 percent) took their responsibility seriously and had the needs and service plans up-to-date. In other homes, the wording on some plans was identical for each child, although each had very different needs and circumstances.
7. Section 273A of the California Penal Code and state licensing requirements, Section 80054(d) have clear penalties for violations and deficiencies. The latter states, "When a facility is cited for a deficiency and repeats the same violation within a 12-month period, an immediate penalty assessment of \$150.00 and \$50.00 per day thereafter shall be assessed until the deficiency is corrected."⁶
8. State Licensing Code 84079 mandates specific requirements in regards to planned activities: "Children should be given the opportunity to participate in the planning, preparation, conduct, clean-up and critique of planned activities. These should include:
 - a. Activities that require group interaction
 - b. Physical activities
 - c. Leisure time
 - d. Educational activities
 - e. Activities which meet the training, money management, and personal care and grooming needs identified in the

⁵Foster Family Agency Agreement, Department of Children and Family Services Contract Management Services Section, Probation Department, January 1, 1996, p. A-26.

⁶July, 1993. General Licensing Requirements, Division 6, Chapter 1, State of California. Health and Welfare Agency, Department of Social Services, Community Care Licensing Division, p. 39.

children's needs and services plan."

9. There is a huge discrepancy between the RCL rates and those given to foster parents. The range of rates for group homes is from \$1,183 to \$5,013; for foster homes it is from \$345 to \$1,515.
10. There is a requirement for an audit prior to an RCL increase, but this does not always occur.

Recommendations

1. The Board of Supervisors should urge CCL to enforce the penalty assessments on group home providers when deficiencies and violations are not corrected.
2. DCFS should allow no time extensions to the Corrective Action Plan (CAP) for deficiency corrections.
3. The Board of Supervisors should urge that CCL recompute and lower the RCL until corrective action is taken, and that fines be imposed and deducted from CCL payments.
4. DCFS should ensure that CSWs are involved in the needs and service plans at the time of initial placement and continue to monitor the plan.
5. DCFS has a Foster Family Agency Agreement which establishes a requirement for the CSW to develop Needs and Service Assessments Plans; this requirement should be enforced.
6. DCFS should require that CSWs work with the group home providers and their clients in developing needs and service plans.

7. DCFS should reduce paperwork requirements on the CSWs so that they can perform the higher priority tasks more efficiently, thus providing a high quality service to the children.
8. DCFS should configure its information management to maximize compatibility with all state and county children's agencies, including the dependency courts.
9. DCFS should work closely with the county Chief Information Officer to improve its computer technology.
10. DCFS must require CSWs to assess the children's needs in the beginning with regard to the proper placement.

4. AUDITING / MONITORING OF GROUP HOMES

The Juvenile Services Committee visited group homes in the county to investigate the care and services, and protection being provided to children. In addition we wanted to:

- Independently assess if the DCFS Contract Auditing Section (CAS) is adequately monitoring group homes for compliance with the county contract/program statement and state regulations;
- Identify opportunities to improve the quality of services provided by group homes and increase group home accountability.

The CAS developed within the DCFS Bureau of Executive Services to audit various contracts, but primarily those with group homes. The CAS began in December 1994 with a pri-

mary purpose of reviewing group home and foster family agency contracts to ensure child safety through compliance with the contract/program statement and state regulations and to assess the quality of care and services provided by the group homes and foster family agencies. Group homes are audited for program quality to assure the adequate delivery of services and care to children in out-of-home placement and compliance with regulations and contractual agreements. Based on the results of the program audit, a fiscal audit may be initiated by DCFS.

As of December 1996, there were approximately 200 group homes serving more than 5,000 foster children of Los Angeles County. The CAS has completed and issued 41 program audit reports and four fiscal audit reports. Staffing of the CAS consists of a Section Chief, four program auditors and one fiscal auditor. Beginning in January 1997, the fiscal audit responsibility was assumed by the county Auditor-Controller.

Methodology

A management audit has been conducted according to standards included in United States General Accounting Office's (USGAO) *Government Auditing Standards, 1994 Revision*, prepared by the Comptroller General of the United States. While conducting this management audit, we

- Held an Entrance Conference with the DCFS Division Chiefs of the Quality Assurance Division, the Resource Development Division, the Section Head of the CAS, and other staff to obtain a general understanding of DCFS operations related to group homes;

- Collected and reviewed audit reports issued by DCFS and supporting documentation, Title 22 State of California Code of Regulations, Division 31 Regulations and county group home foster care agreements including program statements and related documents;
- Performed limited scope audits for five group homes; and ,
- Interviewed key DCFS personnel and the State of California Department of Social Services Community Care Licensing Division Regional Manager to further clarify aspects of the operations of group homes. In addition, we interviewed Auditor-Controller staff and Treasurer-Tax Collector staff as necessary.

Based on the review of documentation and interviews, we analyzed the current DCFS contract audit function to determine whether the department is appropriately accomplishing this function. We then developed findings and recommendations which we believe will improve group home operations and increase group home accountability, if implemented. Specific recommendations are focused on greater more timely enforcement of the county group home foster care agreement, compliance with federal and state regulations, and strengthening of management information and accounting systems in order to alleviate current weaknesses in internal controls.

In addition to our management audit, the Juvenile Services Committee visited group homes, as described in the Background portion of this report, for a first-hand view of group home conditions. We also consulted various government and civilian agencies in the child care field to obtain independent outlooks. The committee findings relative to

group home monitoring are discussed in Area 5 of this section.

Organization and Budget

For FY 1996-97, DCFS has a budget of approximately \$829.7 million and includes 5,012 authorized positions. Of this budget, nearly one-quarter of a billion dollars is expended annually on group home foster care services for approximately 5,000 children. In order to ensure that these monies are expended in a cost-effective manner and that the county, state and federal governments obtain the quality of services for which they are paying, six positions have been assigned to the CAS at a cost of approximately \$308,177 annually.

Findings and recommendations have been developed which address issues identified in the following four areas:

1. The CAS of DCFS does not adhere to its departmental policies and goals. Required policy and procedural changes include improvements to the timeliness of the audit process, modifications to the written reports to increase consistency between findings and conclusions and recommendations, and reporting of illegal acts identified during the course of conducting audits.
2. Financial reporting and contracting policies pertaining to the group home foster care agreement lacks adequate financial and programmatic provisions to ensure that all foster care monies are expended in accordance with federal, state, and local laws and regulations. These weaknesses impair the department's ability to monitor group home services in a timely and cost effective manner.

3. DCFS does not have adequate management information and accounting systems to ensure that foster care payments to group homes are properly and fully accounted for in a timely manner. The identification and resolution of overpayments has been and continues to be a problem. Currently, more than \$5.9 million of known overpayments made since January 1994 remain uncollected. Annual overpayments are estimated to amount to at least \$1.8 million of which less than \$0.5 million is ultimately recovered. In addition to the \$5.9 million of outstanding overpayments recorded in the county's records, a potentially significant amount of additional overpayments are not documented.

4. Based on a review of 23 foster care cases in three group homes, approximately 14 percent of mandatory face-to-face visits with children were not conducted in violation of Section 31-320 of state regulations. In addition, DCFS has audited at least 30 group homes operating with an average of seven significant deficiencies, but has been unable to achieve corrective action in a timely manner.

We have identified several significant issues related to the audit function of DCFS, it should be noted that the audit staff have made a very good effort to learn and perform a program audit function for which they have had little prior training or experience. The audit reports have identified many significant issues and resulted in corrective actions which would not have otherwise occurred.

In addition, all of the DCFS staff, including the CAS, the Revenue Enhancement Section, the Group Program Liaison Unit, and the Quality Assurance Division have been fully cooperative and provided audit staff with on-

going assistance throughout the audit. Their assistance and cooperation is greatly appreciated.

AREA 1: COMPLIANCE WITH DEPARTMENTAL POLICIES, GOALS, AND AUDITING STANDARDS

Departmental Policies and Title 22 Regulations

The Contract Auditing Section (CAS) conducts program and fiscal audits of group homes. The department goal is that all group homes will have a program audit during the three year contract period. The scope of the program audit consists of an inspection of the site, child case and personnel record reviews, and reviews of internal policies and procedures. Additionally, interviews are conducted with group home children, personnel and DCFS social workers. CAS program audit objectives are to ensure:

- Child safety;
- Compliance with the contract and county and state regulations;
- Quality and quantity of services provided;
- Children's rights as foster youth.

Additionally, in some instances, based on the results of the program audit, a fiscal audit may be performed to determine that funds received are appropriately spent. The fiscal audit includes a limited scope audit of deposits, payroll and expenditures. (It should be noted that the fiscal audit function was transferred to the Auditor-Controller in January of 1997 to commence a program of regularly scheduled fiscal audits of all group homes.)

Upon conclusion of the audit program, a final audit report is issued to the auditee and the following DCFS personnel:

- Director;
- Regional Administrators;
- Deputy Director of the Bureau of Specialized Programs.

Within 30 days, departmental policies require the auditee to submit a Corrective Action Plan (CAP) to the Deputy Director of the Bureau of Specialized Programs and the CAS. The Bureau of Specialized Programs is responsible for following-up on receipt of the Corrective Action Plan, reviewing of the CAP with input from the CAS, and responding to the auditee within 30 days as to whether the CAP adequately addresses all the recommendations in the report. The group home program manager from the Bureau of Specialized Programs is responsible for working with the group home and ensuring all of the recommendations have been implemented.

Follow-up reviews are conducted by the CAS **six months** after the required receipt date of the CAP to ensure all recommendations have been implemented. The Bureau of Specialized Programs program manager is responsible for ensuring that recommendations that have still not been implemented are implemented in a timely manner.

CAS Non-compliance with Departmental Policies and Goals

A discussion of instances cited during our review that do not conform with the departmental policies and goals follows.

1. Inadequate Timeliness of Audit Follow-up

We have conducted an evaluation of the CAS program audits performed based on the department's objectives and time schedules shown above. The review consisted of 38 program audits of homes currently operating.

The following table shows the number of days passed prior to receiving the auditee CAP for 33 required responses (five audits did not require corrective action plans because these audits were considered pilot projects by the department).

Table 1
CAP Submission

<u>Days Elapsed Prior to Receipt</u>	<u>Number of Audits</u>
Less than 30	13
31 to 60	7
61 to 90	9
91 to 120	2
120 to 180	1
over 180	(a) 1
Not Required	<u>5</u>
Total	38

(a) Audit issued 7/12/96. CAP has not been received.

Table 1 shows that of the 33 required CAPs **only 39 per cent** were received within the required number of days, over 39 per cent are more than 60 days late, and for one group home more than six months has passed and the CAS has still not received a CAP.

As stated above, follow-up reviews are to be performed six months after the required receipt date of the CAP. However, review of the 38 audit reports issued above revealed that 25 group homes were subject to a follow-up audit and only three or 12 percent were performed in the required time-frame. Sixteen follow-up audits or 64 percent were conducted between six and 12 months from the required date. Three or 12 percent were performed more than one year after the required date and three or 12 percent of the follow-up audits have not begun.

Group homes are governed by the provisions specified in the State of California Code of Regulations Title 22, Division 6, Chapter 1 and Chapter 5. The licensee is expected to ensure compliance with all applicable law and regulations. Pursuant to the provisions of the Welfare and Institutions Code, Section 16500, the County of Los Angeles has the duty to provide care and protection for children placed in its charge.

Although the DCFS CAS is not required to comply with group home audit requirements contained in the State of California Code of Regulations, we believe it would be appropriate for the CAS to adhere to these regulations including the corrective action, follow-up, and penalty provisions cited below:

Title 22, Section 80052 states that when a licensing evaluation is conducted and the evaluator determines that a deficiency exists the evaluator shall issue a notice of deficiency, unless the deficiency is not serious and is corrected during the visit. Prior to completion of an evaluation or other licensing visit, a joint plan is developed for correcting each deficiency including a date by which each deficiency shall be corrected. The date for correcting a deficiency shall not be more than 30 calendar days following the service of notice of deficiency unless the evaluator determines that the deficiency cannot be completely corrected in 30 calendar days.

Title 22, Section 80053 states that a follow-up visit shall be conducted to determine compliance with the plan of correction. At a minimum, a follow-up visit shall be conducted within ten working days following the specified dates of correction. If this visit indicates that a deficiency was not corrected on or before the date specified, the evaluator shall issue a notice of penalty. The notice of penalty

includes the amount of penalty and the date payment is due.

2. Assuring Full and Timely Implementation of CAPs

As stated in 1. above, the CAS is not required to comply with Title 22 regulations. However, the CAS audit program states that one purpose of the section's audits is to ensure compliance with state regulations. Additionally, the CAS audit reports cite various findings which are classified as serious deficiencies in Title 22 of the state regulations. Some of these serious Title 22 deficiencies are described below. Although Title 22 requires swift corrective action when such deficiencies are identified by state auditors, the CAS has not adopted and does not enforce timely corrective action under the identical circumstances.

Title 22 defines a serious deficiency as any deficiency that presents an immediate or substantial threat to the physical health, mental health or safety of the clients of a community care facility. The following are serious deficiencies from Title 22 that were identified by the CAS while conducting their audits during the past two years:

Title 22 Section

- 80019 - Specifies there must be a criminal record clearance of all persons specified in Health and Safety Code Section 1522(b), which includes the applicant, adults responsible for administration or direct supervision of staff, and any staff person or employee who has frequent and routine contact with the clients. The licensing agency has the authority to approve or deny a facility license based upon the results of this review.

- 80075 - This section delineates the requirements related to health services.
- 84068.2 - This section states that the social worker shall develop an individual needs and services plan for the child and the licensee will ensure the child is offered the opportunity to participate.

During our review of 38 CAS program audits, we found the following documented serious deficiencies:

- 80019 - **20** instances of noncompliances
- 80075 - **31** instances of noncompliances - Some of the health care deficiencies noted were lack of dental examinations, improper storage of medications, psychological counseling and psychiatric evaluations not conducted as required by the program statement, and unauthorized administration of psychotropic medications. Included below is a discussion of noncompliance for administering psychotropic medication.
- 84068.2 - **28** noncompliances

Authorization for the Administration of Psychotropic Medications to Foster Care Children

DCFS does not effectively enforce juvenile court policies and procedures or their departmental policies and procedures for the administration of psychotropic medication at group homes. The Superior Court of Los Angeles County, Juvenile Court Division has issued procedures relative to the administration of psychotropic medication for wards and dependent children of the court. This policy became effective in July 1988 and remains in full force and effect throughout the County of Los Angeles. DCFS supervised children may

be administered psychotropic medications only with the consent of a parent/legal guardian, or with the consent of the juvenile court. Additionally, authorizations must be renewed every six months.

Section 80075(h)(j) of Title 22 includes health related services and violations of this regulation are considered a serious deficiency. This is a critical area of mental health care. As part of its program audit, the CAS reviews children's files for compliance in this area. Our review of the 38 program audits revealed there were 158 instances where authorizations were to be obtained for the administration of psychotropic medications but CAS audits found that only 75 or approximately 53 percent of the authorizations had been obtained. Of the 28 group homes which had children utilizing such medication, 20 or 71 percent of the group homes were not in compliance.

A review of the CAS program audits revealed that except for the group homes that have six children or less, only a sample of children's files are taken to determine authorization for administering psychotropic medicine. It is estimated that due to the sampling methodology used by the CAS less than 50 percent of children's files are reviewed. Due to the seriousness of this issue and the documented extent of noncompliance by group homes, the CAS should perform a 100 percent audit of children's files during their program audits in order to identify and correct instances of noncompliance as quickly as possible.

In accordance with Health and Safety Code Section 1548, the state Department of Social Services (DSS) can suspend or revoke a license. Additionally, DSS may levy a civil penalty. The amount of civil penalty shall not be less than \$25 or more than \$50 per day for each violation specified in Title 22. Civil penalty assessment will not exceed \$150 per

day. The CAS of DCFS should incorporate a comparable fine policy into the Group Home Foster Care Agreement for non compliance involving serious deficiencies in order to improve its ability to obtain expeditious compliance at group homes.

Proposed Enhancements to CAS Procedures

1. Reporting of Illegal Activity

During the review of DCFS audit reports, we determined that the audit staff had identified and documented potential illegal activity at one group home which was not reported to legal authorities for investigation and possible prosecution. Government Auditing Standards, Section 7.30, requires auditors to report indications of possible illegal acts to law enforcement authorities. Although the CAS is not required to comply with the USGAO Government Auditing Standards, we believe DCFS should have the responsibility to report these findings to appropriate officials.

To determine if the USGAO Auditing Standards are mandatory requirements which local (city or county) government auditors must follow, we contacted the Los Angeles and Washington, D. C. offices of the United States General Accounting Office as well as the Inspector General's Office in Washington D. C. Both Washington, D. C. offices advised that, in the case of the County of Los Angeles DCFS contract auditors:

Although the USGAO recommends the use of its auditing standards for all local government audits of programs involving federal funds, no federal law or regulation requires a local government auditor to follow the USGAO Auditing Standards. Therefore, local government audi-

tors are not required to report illegal activities, such as described above, involving the possible theft of federal monies through fraud, even though the auditors are partially funded by federal funds and the program monies obtained through fraud included federal funds.

Based on the U. S. General Accounting Office's explanation of their own auditing standards, the County of Los Angeles is not required to follow USGAO auditing standards when conducting group home audits. However, we believe that it is in both the county's and federal government's best interests for county audits to follow such standards particularly as related to qualifications and training of staff, proper supervision, planning of audits, fieldwork procedures, report writing, and disclosure of financial abuse and illegal acts.

2. Lack of Coordination Between State and DCFS Audit/Licensing Units

Of the 41 audit reports issued by the CAS, three were provided to the state Community Care Licensing Division (CCL). These reports were requested by CCL. Although the DCFS CAS is in contact with CCL during the course of its audit and discusses various issues with the state staff, the audit is not completed until all facts and findings are confirmed prior to issuing the final audit report. If DCFS supplied copies of all of its audit reports to CCL, it would provide the state with valuable information and alert them of potential group home problems.

CCL is required to conduct an evaluation of each group home annually and as often as necessary to ensure the quality of care being provided. The CAS has requested that CCL provide it with copies of the state evaluations

of four group homes. The CAS should formally request CCL to provide it with a copy of all evaluations performed. This would alert the CAS to potential group home problems and establish priorities for sites to be audited.

Additionally, the Government Accounting Standards, Section 6.14 states that auditors should determine if other auditors have done or are doing audits that may be useful sources of information for planning and performing the audit. If other auditors have identified areas that warrant further study, their work may influence the auditors' selection of objectives.

3. Inadequate Level of Auditing

Due to insufficient staffing, the CAS is unable to perform all of the audits required to comply with departmental policy that all group homes will have a program audit during the three-year contract period.

The CAS consists of a Section Head, four program auditors and one fiscal auditor. As of January 1997, the fiscal audit responsibility was assumed by the county Auditor-Controller with a staff of two auditors and a supervisor.

As of July 1995, a total of 75 group home sites out of 476 had been audited. Based on statistics compiled by the CAS, approximately 200 sites were required to be audited by June 30, 1997. It is estimated that 80 hours are required to perform a program audit at each site and eight auditors are required to complete the departmental goal.

As stated previously, the Bureau of Specialized Programs has responsibility for following-up on receipt of the CAP, reviewing the CAP, and responding to the auditee within 30 days as to whether the CAP adequately addresses all the recommendations in

the report. Additionally, it is their responsibility to work with the provider to help resolve all identified problems thus enabling the facility to continue operations with safety of the children a first priority.

This function is currently being performed by one employee in the Group Home Program Liaison Unit. Some years back this unit had 12 employees performing these functions. Based on our discussions with the program manager and deputy director, accomplishing all the tasks required is not possible with a one-person unit. It is estimated that two additional staff are required for this Unit in order to achieve timely corrective action of audit findings.

The director should perform an analysis of all departmental resources and determine if the required personnel to administer the contract audit and group home liaison functions can be made available for these purposes. If this is not possible, the director should request additional personnel during the annual budget process. Furthermore, the functions performed by the Group Home Liaison Unit are so closely related to the program audit function performed by the CAS that these elements should be consolidated under one section.

4. Conclusions and Recommendations Are Not Consistent With Findings

Our review of the audit reports issued by the CAS revealed numerous findings classified by the CAS as significant. In most instances the summary of audit results and the conclusions stated therein report that the group home provides adequate care and services despite the identification and documentation of numerous serious deficiencies as described in state regulations. Government Auditing Standards, Section 7.20 states that conclusions should be

specified and not left to be inferred by readers. We believe the example shown below demonstrate this inconsistency between findings and conclusions. The CAS should develop conclusions based on the evidence supporting the findings. Further, it should make specific recommendations consistent with the nature and severity of the audit findings including suspension or cancellation of group home contracts, if warranted.

The following excerpt from a CAS audit report is shown as an example of conclusions which are not consistent with the evidence presented in the findings:

The following are the significant findings:

- *Authorization of psychotropic medication is not routinely obtained. Further, medications are not properly stored or destroyed and DCFS medical forms are not regularly completed.*
- *Psychological counseling and psychiatric evaluations are not conducted as required by the program statement.*
- *Needs and Service Plans are not conducted timely and CSWs and the residents are not routinely given the opportunity to participate in the development of the plans.*
- *Quarterly reports are not prepared and monthly contacts with DCFS CSWs are not documented.*
- *Residents are not provided with copies of the group home's house rules and discipline and complaint*

policies, as required under the contract and state regulations.

- *All employees do not possess the necessary criminal background clearances. Additionally, employees are not provided with performance evaluations and copies of the agency's complaint and discipline policies and procedures.*

AREA 2: FINANCIAL REPORTING AND CONTRACTING POLICIES AND PROCEDURES

Inadequate Financial Reporting Policies and Procedures Related to the Monitoring of Group Home Foster Care Agreements

Title 22, Section 80062 states that the licensee shall meet the following financial requirements:

- Development and maintenance of a financial plan which ensures resources necessary to meet operating costs for care and supervision;
- Maintenance of financial records;
- Submission of financial reports as required upon the written request of the state department or licensing agency. Additionally, the licensing agency has the authority to reject any financial report, and to request and examine additional information including interim financial statements.

The Los Angeles County Group Home Foster Care Agreement delineates the responsibilities of providers as it relates to financial responsibilities. The following is contained in this agreement:

- **Right to Monitor** - The County has the right to inspect the Contractor's children's and financial records throughout the term of the agreement. The Contractor agrees to make available for inspection all financial and program documentation seven days a week, 24 hours a day.
- **Accounting and Financial Reporting** - The Contractor shall prepare and maintain complete financial records. Guidelines for accounting, financial reporting and contract administration are contained in the Auditor-Controller's Contract Accounting and Administration Handbook.
- Financial records shall clearly reflect the actual cost of services provided and entries in records must be readily traceable to applicable source documents.

Although Title 22 and the group homes agreement clearly state the responsibilities of the contractor, our review of the fiscal audits performed by the Contract Auditing Section (CAS) and fiscal audits we have performed indicate that many group homes are not in compliance. Additionally, the fiscal contracting policies of DCFS are inadequate because annual budgets and financial statements (expenditure and revenue reports) are not required in the agreement.

Fiscal Audits

As part of our review, we conducted five fiscal audits of group homes. The audits conducted were limited in scope and should be considered qualified. Except for Group Home A, we believe the Auditor-Controller should perform fiscal audits at the other four group homes. The discussion that follows identifies Group Homes A through E. Two group homes (D and E) were visited unannounced. Three of the group homes were contacted in

advance of our audit (Group Homes A, B and C). We contacted these homes and requested various financial data be made available including:

- Financial Statements;
- Cash receipts paid to the group home by DCFS;
- Expenditures and supporting documents;
- Payroll data.

Results of the audits are as follows:

- Group Home A - Financial records were maintained in accordance with generally accepted accounting principles (GAAP) and are in compliance with the standards contained in the Auditor-Controller handbook. It is noted that due to adequate financial records, we have identified overpayments made to this group home from DCFS, which initiated a review in this area as discussed in Section 3 of this report.
- Group Home B - The accounting records reviewed are not maintained fully in accordance with GAAP or the Auditor-Controller handbook. The following examples are noted:
 - Disbursements for petty cash were in excess of the recommended \$25. We noted numerous petty cash disbursements as high as \$3,600. The building maintenance expenses general ledger account contains 22 items in excess of \$100 that total an estimated \$19,000. Additionally, most of the items are not supported by adequate receipts. In most cases the receipt is a money receipt voucher written by the group

home operator showing the date, amount paid and item of service.

- Plumbing repairs noted on one invoice totaled \$3,250. The work encompassed by this invoice included major capital improvements to the home unrelated to normal wear and tear or destruction caused by the tenants. This home is leased and the responsibility for these repairs belong to the landlord.
- Gardening costs for the year total nearly \$5,000. These costs do not meet the audit test for reasonableness. Further, we approached a gardener working approximately five houses up the street and obtained a quote of \$65 per month to maintain both the front and back of this home. Currently, this group home is reporting monthly gardening expenses of \$400.
- Group Home C - This group home was contacted approximately one month prior to the audit date. Although the county agreement states the records are to be available 24 hours a day, 365 days a year, the operator was not prepared for our audit and requested time for preparation. On the date of our visit the operator stated she was still not prepared. We stated our audit would begin and we would review whatever records were available. The operator did not appear for our audit, and the only records made available were payroll registers and children's files. State Administrative Standards state that a provider's refusal to provide requested documents shall result in rate termination. **We recommend that DCFS proceed immediately with legal action requesting all financial records for review. Refusal to supply this information should result**

in a recommendation to terminate the group home operator's contract.

- Group Home D - Audit of this group home was limited to a desk review of the operator's financial records. We noted the Executive Director salary is an estimated \$65,000 with an annual budget estimated at less than \$400,000. Reasonable standards for salaries limit this operator to a maximum salary of \$56,169. The Auditor-Controller should proceed with a fiscal audit and take necessary action on the Executive Director's salary if warranted.
- Group Home E - The group home operator provided minimal documents for this audit. Although all financial records and copies of specific documents had been requested, they were not supplied. Additionally, review of the documents provided revealed nearly 70 percent of disbursements were to family members. Requested payroll documents were not received and based on our analysis of the documents that were received, we question if this operator is deducting the required federal and state payroll taxes and depositing the monies as required by law. The employer is also required to file an Employer's Quarterly Tax Return (Form 941). **We recommend that DCFS proceed immediately with legal action requesting all financial records for review. Refusal to supply this information should result in a recommendation to terminate the group home operator's contract.**

All three group homes for which we obtained financial statements showed annual profits ranging from \$10,000 to \$330,000 which equated to between 8 percent and 10 percent of total expenses. The DCFS does not moni-

tor retained earnings of group homes to ensure that all state and federal money paid to group homes is expended on the children for whom such payments were received. County Auditor-Controller accounting standards require a determination of unexpended monies paid to group homes at the conclusion of the contract period, which currently is three years. However, due to the financial limitations of most group homes, this requirement should be performed on an annual basis. Therefore, unexpended monies should be determined annually and accounted for in order to ensure that such monies are ultimately expended for the benefit of the children as intended. The Auditor-Controller has advised us that the guidelines that were included in each of the group home contracts were generic and not specifically intended for this program. The Auditor-Controller further recommends that it would be appropriate to develop specific guidelines for future group home contracts if DCFS intends to incorporate such provisions into its future contracts.

AREA 3: DCFS ACCOUNTING AND INFORMATION SYSTEMS PERTAINING TO GROUP HOME FOSTER CARE PAYMENT AND COLLECTION PROCESSING

Inadequate Management Systems and Internal Controls Over the Payment of Approximately \$238 Million of State and Federal Monies

Approximately \$238 million is paid annually to more than 200 group home operators. Of this amount, more than \$5.9 million has been overpaid to providers during the past three years which has not been recovered. In addition, the total amount of uncollected overpayments from prior calendar years, although still remaining in detail in the department's accounting system, has not been tabulated by

the department. Because the department was previously unable to recover these overpayments, pursuant to state regulations such overpayments cannot be recovered after three years from the date of the overpayment unless the group homes have entered into reimbursement agreements with the county.

The DCFS management information system related to foster care payments to group homes does not provide comprehensive and timely information on the status of group home payments. Regular monthly management information reports identifying the overpayments by case and group home operator, total by group home operator, and total aged by calendar year have not been produced for approximately the last two years. Aging reports on outstanding overpayments do not exist.

Departmental collection policies for recovery of overpayments call for 30, 60, and 90 day collection letters followed by referral to the Treasurer-Tax Collector (TTC) of any uncollected amounts. However, until January of 1997, these procedures have not been regularly followed. As a result, departmental records indicate that only \$800,039 of the \$4.1 million of uncollected overpayments dating back as far as January of 1994 has been referred to the TTC for collection. However, the TTC's records contradict those of DCFS in that the TTC records show that \$3,393,319 was transferred from DCFS. TTC records also place the amount of annual overpayments which it processes at approximately \$1.8 million of which less than \$0.5 million is recovered resulting in annual losses of more than \$1.3 million.

To further complicate the department's accounting for the recovery of overpayments, the department reported that the case is not always identified when collections made by the

TTC are reported to DCFS. Further, payments received directly by the department's Finance Services Section are sometimes deposited without transmitting case identifying information to the department's Revenue Enhancement and Payment Section which has been responsible for foster care payment and collections since May of 1996. These fundamental management information and procedural deficiencies constitute a serious weakness in internal controls.

Group Home Records Pertaining to Foster Care Overpayments and Underpayments Show Material Discrepancies With DCFS Records

During the course of our field work, the financial records of one group home were analyzed to identify outstanding overpayments and compare those overpayments to the department's records. This group home, which had good accounting records immediately available, appeared to be well managed and was sizable enough to have full-time accounting and fiscal staff and to be audited annually by an international certified public accounting firm. The group home records listed 84 County of Los Angeles cases during the past four years for which the home had been overpaid and the county had not been reimbursed. Of these overpayments, 15 different cases pertained to 1996 of which only 11 or 73 percent were known to DCFS at the time of this report. One of the undetected overpayments was made in May of 1996 and has remained undetected for over eight months. Additionally, three 1993 overpayments from this same group home were researched by the department and none were found to be included in the department's outstanding overpayments system.

In order to determine if the overpayment discrepancies found in the one home that was

analyzed was an isolated case or a system-wide problem, we surveyed five additional large group homes used by the county. The results of that survey are shown in the table below.

Based on the data reported by the group homes from their accounting records, which were generally through December 31, 1996, the variance in overpayments due to the county was approximately 86.8 percent with the group homes reporting a greater liability than the amount shown in the department's accounting records. The department's accounting records also indicated that 191 of the 209 group homes currently have overpayments which are owed to the county. Of these 191 group homes, two owe more than \$250,000, eight owe more than \$100,000, and 25 owe more than \$50,000, 47 owe more than \$20,000, and 144 owe less than \$20,000.

A separate monthly accounting system management information report identifies the reasons for overpayments and attributes over 70 percent of the overpayments to delayed or in-

correct stop dates. Stop date errors are most often related to tardy reporting of the termination of a child's placement in a group home or the failure to report such termination by the assigned case worker. Group home accounting records also show sizable underpayments which remain due to the group homes. However, while such balances exist at any point in time, we believe that group home operators are generally successful in ultimately obtaining payment for most such underpayments.

Based on the consistent discrepancy between DCFS overpayment records and those of the group homes surveyed, it is probable that the amount of total overpayments is greater than that reflected by DCFS records. Consequently, the \$5.9 million of known overpayments could range as high as \$10 million.

1996 DCFS Foster Care Payment and Collection Function Changes

In May of 1996, the responsibility for foster care payments was transferred internally within DCFS organization from its Finance

Table 2
Comparison of Overpayment Amounts Due to the County
as of Approximately December 31, 1996

<u>Group Home</u>	<u>Overpayment Balance Per DCFS</u>	<u>Overpayment Balance Per Group Home</u>	<u>Variance</u>
A	\$ 76,767	\$ 91,631	\$ 14,864
B	108,367	160,000	51,633
C	21,607	12,351	-9,256
D	42,227	192,519	150,292
E	8,066	41,977	33,911
F	<u>23,244</u>	<u>25,000</u>	<u>1,756</u>
Total	\$ 280,278	\$ 523,478	\$ 243,200
Percent			86.8%

Services Section of the Bureau of Administrative and Management Services to its Revenue Enhancement and Payments Section of the Bureau of Operations. The recent shifting of these responsibilities as well as the implementation of many system and procedure changes related to payments and collections has created a massive accounting and systems workload for the department. In order to regain managerial control of this function and achieve a timely and highly precise foster care payment and collections process, the county Auditor-Controller should assign appropriate staff to consult with and oversee this transition until such time that the Auditor-Controller is satisfied that all internal controls are adequate and working as intended.

AREA 4: FOSTER CARE GROUP HOME QUALITY OF CARE ISSUES

Failure to Perform Mandatory Visitation of Children Required by State Law

Social workers assigned to children in group homes are required to perform face-to-face visits with the children by Section 31-320 of the state Child Welfare Services Program Manual of Policies and Procedures. This requirement is based on Sections 10553-10554 of the state Welfare and Institutions Code. The face-to-face visitation standards set by the state are mandatory minimum standards.

During the course of this audit, five group homes were selected for visitation and limited scope on-site evaluation. Twenty case files were selected from three group homes and all documented case worker visitation was recorded. In addition, each of the case workers for these cases was requested to review their case files and provide a listing of visits that were made for each case and copies of any authorized visitation exception forms. Based

on this evaluation of the department's compliance with the state's mandatory visitation requirements, it was determined that DCFS case workers failed to make face-to-face visits with children approximately 14 percent of the time. Pursuant to Section 31-320 of the state Child Welfare Services Program Manual of Policies and Procedures, the visits that were missed were required to be made not more frequently than monthly or less frequently than every six months depending on the status of each child.

Failure to Take Timely Corrective Actions to Ensure Acceptable Levels of Quality and Cost Effectiveness

DCFS has conducted 38 program audits in the past two years and has documented an average of seven significant findings per audit and as many as 25 significant findings in a single audit. Further, 21 of these audits identified three or more serious deficiencies as defined in the state's Title 22 Regulations, but has recommended terminating only one group home and prohibited new placements in only one group home. For example, at one group home, 25 significant findings were documented on May 17, 1995. The group home submitted two corrective action plans to the department but both were unacceptable. Follow-up reviews were conducted on January 24, 1996, August 27, 1996, and November 12, 1996 which determined that only 48 percent of the May 1995 recommendations had been fully implemented, yet this group home continues to operate nearly two years after the documentation of numerous and pervasive serious deficiencies. Additionally, this group home failed to comply with a request by the grand jury for financial records and supporting documentation.

FINDINGS

AREA 1

- 1.1. The Contract Auditing Section (CAS) does not follow their departmental policies and goals. Serious deficiencies are documented, but appropriate corrective actions in most group homes are not timely, or not fully implemented, or both.
- 1.2. The organizational division of responsibilities and audit and compliance staffing levels are not adequate to comply with the departmental audit policies.
- 1.3. DCFS does not follow United States General Accounting Office (USGAO) standards or corrective action and enforcement standards for group homes established by the state in Title 22 regulations. Although not mandated upon the county, their use would be desirable to achieve consistency between state and county oversight.

AREA 2

- 2.1. The DCFS Group Home Foster Care Agreement lacks adequate financial provisions to ensure that all foster care monies are expended in accordance with federal, state, and local laws and regulations.
- 2.2. Contractors do not provide DCFS with annual budgets or annual financial statements.
- 2.3. The audit conducted by the CAS of most group homes documented significant financial abuses and illegal and inappropriate uses of foster care funds.

AREA 3

- 3.1. DCFS lacks adequate accounting and management information systems and operating procedures to consistently achieve accurate and timely processing of foster care payments and collections.
- 3.2. Annual overpayments of foster care monies to group homes are estimated to exceed \$1.8 million, resulting in annual losses of approximately \$1.3 million.

AREA 4

- 4.1. DCFS does not fully comply with mandatory state regulations pertaining to minimum visitation requirements of children in foster care group homes.
- 4.2. DCFS does not adequately enforce and obtain compliance with state regulations and the county's Foster Care Group Home Agreement.
- 4.3. DCFS's failure to act in a timely and decisive manner is in part due to insufficient group home program liaison staff resources.

AREA 5

- 5.1. Group homes are audited by DCFS only once in three years.
- 5.2. Group homes that are closed often reopen with autistic, mentally retarded, or severely handicapped children who cannot speak for themselves.
- 5.3. Small group homes are scattered throughout the county. Huge sums of taxpayer dollars are being paid to these nonprofit small group home owners.

Supposedly, this money is to provide quality services for the children placed in their care. But there is little monitoring for quality and accountability of these group homes.

- 5.4. Poor oversight of group homes is the result of the dual role of the state and county. Of forty-one audit reports issued by the CAS, only three were provided to CCL.
- 5.5. Court Appointed Special Advocates (CASAs) are volunteers who are dedicated to working with children from the dependency court. They are assigned at least one child and work with them in their placement, school program, and contact with their social worker. Yet, some CASAs have been refused entrance to group homes to see their clients. Some group home owners will communicate only through the use of a beeper.
- 5.6. The group home recruitment process lacks structure in instructing prospective providers in the requirements and responsibilities pertaining to children's care.

RECOMMENDATIONS

AREA 1

DCFS should:

- 1.1. Conduct audits in accordance with US-GAO standards. In order to comply with this recommendation, the department should provide necessary training for its audit staff.

- 1.2. Adhere to Title 22 and departmental policies requiring that CAPs be submitted within 30 days.
- 1.3. Adhere to departmental policies to perform follow-up reviews six months after the required receipt date of the CAP.
- 1.4. Report all illegal activities to law enforcement agencies immediately.
- 1.5. Perform a 100 percent audit of children's files during program audits of group homes to determine if authorization has been obtained to administer psychotropic medication.
- 1.6. Remit all audit reports to the state Community Care Licensing Division and request they transmit to DCFS all audit reports performed by them for Los Angeles County group homes.
- 1.7. Make specific appropriate report recommendations consistent with audit findings in order to obtain compliance with state and local laws and regulations including suspension or cancellation of group home contracts, if warranted.
- 1.8. Perform a staffing analysis to determine if any current staff can be reallocated to the CAS and the Group Home Liaison Unit. If this is not possible, request additional personnel during the annual budget process to ensure that all group home audits will be conducted on a timely basis consistent with departmental policy of at least once every three years.

- 1.9. Relocate the functions performed by the Bureau of Specialized Services Group Home Liaison Unit to the CAS.
- 1.10. Develop specific departmental policies pertaining to sanctions for group homes found to be not in compliance with Title 22 regulations, including fines, restrictions on future placements, etc.

AREA 2

DCFS should:

- 2.1. Initiate legal action requesting all financial records for Group Homes C and E. If there is a failure to supply financial records by the group homes, the department should proceed with termination of contract;
- 2.2. Refer Group Homes B, C, D and E to the Auditor-Controller for fiscal audits;
- 2.3. Adopt more comprehensive and stringent fiscal provisions in the Group Home Foster Care Agreement;
- 2.4. Require that all group homes comply with the county Auditor-Controller's accounting standards and Title 22 financial requirements.
- 2.5. Request assistance from the Auditor-Controller in a consultant capacity to develop more comprehensive and stringent fiscal provisions to be included in future Group Home Foster Care Agreements.

AREA 3

DCFS should:

- 3.1. Develop and implement comprehensive accounting and operational procedures, with the assistance of the Office of the Auditor-Controller, that will ensure the timely and accurate processing of all foster care payments and collections including stop date reporting of the termination of a child's placement. (Although most foster care payments are processed timely and accurately, terminating payments and payments for children who have changed level of care have frequently been payment areas subject to errors.)
- 3.2. Develop and implement a system of comprehensive management information reports, with the assistance of the Office of the Auditor-Controller, that will provide timely and accurate management information to enable DCFS to exercise appropriate oversight pertaining to all foster care payments and collections.

The Auditor-Controller should:

- 3.3. Conduct, or arrange to be conducted, an audit of the DCFS overpayments system to determine which accounts should be written off due to statute of limitation restrictions, and which accounts should be immediately referred to TTC for collection. (This study by the Auditor-Controller or by outside consultants should include selected large group home contracts for purposes of reconciling substantive discrepancies between overpayment balances on departmental records and

group home records as shown in Table 2.)

- 3.4. Assign appropriate staff to evaluate the DCFS accounting system, management information system, and operating procedures related to the processing and collection of foster care payments. This staff should then consult with DCFS staff and oversee the implementation of new and revised procedures and systems to ensure that all internal controls are adequate and working as intended.

AREA 4

DCFS should:

- 4.1. Develop and implement procedures to improve supervisory monitoring of case worker visitation and to ensure the county's compliance with mandatory visitation requirements embodied in state regulations.
- 4.2. Develop and implement more rigorous enforcement policies in order to ensure timely and full compliance with state regulations and the county's group home foster care agreement, and, when appropriate, the expeditious termination of noncomplying group homes.
- 4.3. Request additional group home program liaison staff to provide sufficient staff resources necessary to achieve timely compliance with state regulations and the county's Group Home Foster Care Agreement as described in Section 1 of this report.

AREA 5

The Board of Supervisors should:

- 5.1. Require DCFS and urge CCL to prevent the owner of any group home that has been closed down from reopening the same home or open another under any circumstances.
- 5.2. Urge CCL to enforce their very specific financial penalties when deficiencies are found.
- 5.3. Direct DCFS and urge CCL to provide special advocates for developmentally disabled children, who cannot always speak for themselves.
- 5.4. Take a more proactive role in advocating for the rights and needs of children.

DCFS should:

- 5.5. Place immediate "Do-Not-Use" status on any group home providers with violations such as making children stand in a corner for hours, dragging children across the floor, encouraging children to rough-house with one another, coercing children to lie in court about their satisfaction with a placement, or threatening a child.
- 5.6. Assign its monitoring function to specially developed groups of volunteer child advocates. These volunteers will also have a responsibility to conduct unannounced visits at the group homes.
- 5.7. Construct group home contracts to state that CASAs will be admitted at any time during daylight or early evening hours to check on the status of their clients.
- 5.8. Place more priority on reunifying children with their parents.

- 5.9. Channel money now being spent for Permanent Placement into strengthening families and foster parent programs.
- 5.10. Require CSW's to assess the children's needs in the beginning with regard to the proper placement.
- 5.11. Prepare prospective group home providers with orientation into their contract requirements.

5. INDIVIDUALIZED EDUCATIONAL PROGRAMS (IEP)

Children who are tested and enrolled in Special Education programs at school have IEPs written for them. Each is a specific plan of instruction for one individual.

Findings

1. Of the 32 group homes audited by DCFS, 12 (38 percent) had incomplete IEPs.
2. Some group home owners who attended IEP conferences represented themselves as guardians or educational advocates.
3. Some group home owners attempted to have their children labeled as Severely Emotionally Disturbed (SED). This would enable them to apply for a higher RCL level.
4. One group home owner actually withheld psychotropic medication for children during school hours. In this way the child would "act out," making it easier to con-

vince the school to reclassify the child SED.

Recommendations

1. DCFS should monitor IEP contract requirements for compliance.
2. DCFS should caution group home owners not to misrepresent themselves as guardians or educational advocates at IEP conferences.
3. DCFS should take appropriate disciplinary action against group home owners with SED classification violations.

6. EDUCATION AND COOPERATION WITH THE SCHOOLS

On February 22, 1996, DCFS developed and printed an Educational Passport. It contains information regarding cumulative records, school transfers, school class placement, IEPs, etc. Every child in Out-Of-Home Placement is supposed to have one ultimately. This is part of a program called the Educational Initiative.

"The three broad goals are to have a partnership with teachers, create high hopes for youth regarding future attainment, and improve school performance. Their priority is with the following groups of children:

1. Children living with relatives (20,000).
2. Children in family homes (10,000).
3. Children in group homes and foster family agencies (3,000 to 5,000).

“To maximize the children’s educational growth, the initiative stresses various goals. These include:

1. Develop school readiness skills promoting language, cognitive, social, emotional and physical development.
2. Fully develop academic skills.
3. Reach their maximum level of education.
4. Gain skills across all academic, life, and vocational/career domains.
5. Develop their own individual strengths, talents, and interests.
6. Enhance both their social and emotional development.
7. Receive timely assessments to benefit maximally from early intervention.”⁷

The initiative states these objectives cannot be attained without collaborative effort and commitment of the family/care giver, the educational system, and the community’s public and non-profit service systems and institutions.

In Edward Hume’s book, *No Matter How Loud I Shout*, the evidence is clear that education is a crucial factor to a child’s success. Judge Dorn, of Inglewood, states, “The biggest predictors of juvenile delinquency are a one-parent home and a failed educational experience.”⁸ Jim Hickey, the supervising prosecutor at Los Padrinos Juvenile Court, says, “Every kid who comes to Juvenile Court

starts out with problems at school, and that is what we need to address.”⁹

Every year, 10,000 cases are dropped from the dependency system in Los Angeles, a third of them because the children, being raised by the state, have turned to crime. Yet we saw countless report cards of children (more than 85 percent) in group homes receiving D’s, F’s, Unsatisfactories, and many absences. The DCFS policy is to have a scholarship for every child that emancipates from a group home. In actuality, only fourteen scholarships have been granted in the past year and one-half. Yet, many of these children have already “given up” years before high school begins.

There was a study by the High Scope Educational Research Foundation in Michigan. It began during the sixties and went on for decades. In 1994, the results were published. Two groups of toddlers were chosen randomly from a poor neighborhood. One of the groups was sent to a high-quality preschool program. Their parents attended parenting and violence-prevention classes. The control group did not receive anything special. The children were interviewed again at 27 years of age. The group that received no preschool classes was five times more likely to have serious arrest records.¹⁰ Assembly Bill 2463, Chapter 1129 (September 30, 1996), relates to post secondary education for foster youth. It is an outreach and assistance program for emancipated foster youth at California State Universities and California Community Colleges.

This bill states the intent of the Legislature that the trustees and the board of governors expand the access and retention programs of

⁷ Education Initiative Vision, County of Los Angeles, Department of Children and Family Services, February 22, 1996.

⁸Humes, Edward. (1996). *No Matter How Loud I Shout*. New York: Simon & Schuster. P. 76.

⁹ Ibid., p. 167.

¹⁰ Ibid, p. 376

the universities and community colleges to include outreach to foster youth. It would assist prospective students in completing admission applications and financial aid applications.¹¹

The bill requires the State Department of Social Services and the County Welfare Departments, in coordination with the university and the California community colleges, to communicate with foster youth at two grade levels selected jointly by the university and community colleges. This is a state-mandated local program.¹²

Findings

1. The state assumes a parental responsibility for children in foster care who have been abused and neglected. Many of these children are never reunited with their parents nor adopted. When these children turn 18, many cannot sustain themselves independently. A disproportionate number of former foster youth are homeless, dependent on public assistance, unemployed, and likely to commit suicide.¹³
2. Foster youth are much less likely to attend college than other youth.
3. California has more than 90,000 children in foster care. Each year 4,000 youths leave foster care upon reaching the age of 18.¹⁴
4. Less than 25 percent of foster youth enroll in college.
5. Only 7 percent of foster youth will ever enroll in a four-year university.
6. Sixty-seven percent of all emancipated foster youth who enroll will drop out of college before graduation.
7. Assembly Bill 2463 recommends that one former emancipated foster youth be added to the representation at the California State University Advisory Council.
8. Assembly Bill 2463 states that the State University Educational Opportunity Program and California Community College Extended Opportunity Programs and Services also need to inform foster youth of available services and provide mentors.
9. The Los Angeles Unified School District, and the Compton and Pasadena School Districts often refuse to admit children without records.
10. One concerned group home owner tried to get one of her children admitted into a neighborhood school. She received no cooperation because the child had no school records. The child was out of school for more than five years before coming to the present group home.
11. One group home owner told us she does not believe in tutoring. She said one-on-one tutoring spoiled the children because they do not get that attention while attending a school.

Recommendations

1. The Board of Supervisors should urge the state and require DCFS to work toward the development of a large mentor system for foster youth. This can be developed

¹¹ Assembly Bill 2463, Chapter 1129, Post Secondary Education, September 30, 1996, p. 1.

¹² Ibid., p. 2.

¹³ Ibid., p. 3.

¹⁴ Ibid., p. 3.

through private enterprise in the individual communities.

2. DCFS should take the responsibility for providing every foster child in a group home an Educational Passport by September, 1997.
3. DCFS should contract with all school districts to have emergency enrollment procedures in the event that school records are missing or delayed.
4. The Board of Supervisors should actively campaign for the development of volunteer group home advocates for the children. These people could monitor the children's grades and attendance in school. They could work with the communities to provide mentors and make sure these children have every advantage to succeed, develop self-esteem, and go on to either college or trade schools.
5. DCFS, working through their CSWs, should urge group home providers to encourage after-school activity as much as possible. These activities should never be withheld at the whim of the providers.
6. The Board of Supervisors should urge CCL and require DCFS to use part of the federal, state, and county allocation of funds for special programs and classes. Each Program Statement should reflect special programs offered for group home residents in the areas of music, art, drama, or sports. These enrichment activities should be mandatory parts of the Program Statements of each facility.
7. DCFS should make sure that each needs statement provides for a specific time pe-

riod after school in which each child will either be doing his/her homework, offered tutoring if needed, or given enrichment work to enhance his/her skills.

7. PSYCHOTROPIC MEDICATIONS

DCFS has a specific policy relating to the use of psychotropic drugs. When there is no prior written parental consent, the physician must obtain the authorization of the court in order to administer a psychotropic drug to a child. Treatment can begin prior to the granting of court authorization when the physician believes it is medically indicated, but the court must be notified within one day of this initial treatment. The authorization must be mailed to the court within three business days. It is also required to be renewed every six months. Given this very specific policy, our committee felt compelled to understand the area of psychotropic drugs in greater detail.

Psychotropic drugs are divided into three different categories. These include (a) anti-anxiety agents, (b) anti-depressants, and (c) anti-psychotics. Many of the children who are given these drugs at group homes are categorized as having Attention-Deficit/Hyperactivity Disorder (ADHD). *The Diagnostic and Statistical Manual of Mental Disorders, DSM-IV*, estimates that 3-5 percent of school age children have ADHD. However, a much higher percentage than that makes up the number of children in group homes on psychotropic medications.¹⁵

The essential feature of ADHD is a persistent pattern of inattention and/or hyperactivity-

¹⁵ _____ (1994). *Diagnostic and Statistical Manual of Mental Disorders, DSM-IV*, 4th Edition, Washington, D.C.: American Psychiatric Association. p. 24.

impulsivity that is more frequent and severe than is typically observed in individuals at a comparable level of development. Some of the criteria are:

1. These symptoms must have been present before the age of seven.
2. Some impairment from the symptoms must be present in at least two settings (e.g., at home, school, or work).
3. There must be clear evidence of interference with developmentally appropriate social, academic, or occupational functioning.
4. The disturbance does not occur exclusively during the course of a Pervasive Development Disorder, Schizophrenia, or other Psychotic disorder, and is not better accounted for by another mental disorder (e.g., Mood Disorder, Anxiety Disorder, Dissociative Disorder, or Personality Disorder).

These children often appear as if their minds are elsewhere. Often they do not follow through on requests. They are easily distracted by irrelevant stimuli.

Impulsivity manifests itself as impatient, difficulty in delaying responses, and blurting out answers before questions have been completed. They also fail to listen to directions and make comments out of turn.

ADHD is fundamentally a psychological, not a medical, concept. Causes include: genetic disorders, fetal toxins, infections, impairments of brain development, low birth rate, and epilepsy.

Symptoms of ADHD may also be the result of other factors, so group home providers must be careful not to medicate quickly. The other factors can be lack of motivation, emotional concerns, frustration with difficult school work, and other medical conditions.

Failure to provide adequate praise for positive behavior, inconsistency in disciplining negative behavior, and poor follow-through with limit setting will discourage children.

Failure to recognize, praise or reward the child enough for doing the right thing is a common error which can cause a weakening of appropriate behavior.

The percent of ADHD who respond well to medication is 55 to 65 percent. Therefore, every child taking stimulants should be seen by a physician every three to six months for monitoring. Also, the best evidence is that medication alone generally has little lasting benefit and may fail to produce desirable changes in academic behavior and peer relationships. That is why the most frequently suggested treatment is medication in conjunction with therapies designed to improve academic skills and interpersonal relationships.¹⁶

Individuals with Conduct Disorder may have little empathy and little concern for the feelings, wishes, and well-being of others. They may be callous and lack appropriate feelings of guilt and remorse. Self-esteem is usually low, although the person may project an image of "toughness." Poor frustration tolerance, irritability, temper outbursts, and recklessness are frequent associated features. Accident rates appear to be higher in individuals with Conduct Disorder than in those without it.

¹⁶ (Oct. 1990) Research and Training Center on Family Support and Children's Mental Health, Portland State University, Portland, Oregon.

It is often associated with an early onset of sexual behavior, drinking, smoking, use of illegal substances, and reckless and risk-taking acts. Conduct Disorder behaviors may lead to school suspension or expulsion, problems in work adjustment, legal difficulties, sexually transmitted diseases, unplanned pregnancies, and physical injury from accidents or fights. It may also be associated with lower than average intelligence.

The prevalence of Conduct Disorder appears to have increased over the past decades and may be higher in urban than in rural settings. For males under age 18 years, rates range from 6 percent to 16 percent. For females, rates range from 2 percent to 9 percent. Rates vary widely depending on the nature the population sampled and methods of ascertainment. Conduct Disorder is one of the most frequently diagnosed conditions in outpatient and inpatient mental health facilities for children.¹⁷

Estimates from twin and adoption studies show that Conduct Disorder has both genetic and environmental components. The risk for Conduct Disorder is increased in children with a biological or adoptive parent with Anti-social Personality Disorder or a sibling with Conduct Disorder. The disorder also appears to be more common in children of biological parents with Alcohol Dependence, Mood Disorders, or Schizophrenia or biological parents who have a history of ADHD or Conduct Disorder.

The diagnostic criteria for Conduct Disorder are:

1. A repetitive and persistent pattern of behavior in which the basic rights of others

or major age-appropriate societal norms or rules are violated.

2. The disturbance in behavior causes clinically significant impairment in social, academic, or occupational functioning.
3. If the individual is age 18 or older, criteria are not met for Anti-social Personality Disorder.¹⁸

There are precautions that go along with these psychotropic drugs as well. Anyone taking Cylert (Pemoline) should have blood tests for liver functioning every three to six months. Also, children can build up a tolerance to the anti-depressants, so typically they cannot take these medicines for more than one or two years. Sometimes they lose effectiveness after four to six months. There are also side effects which can include slower heart rate, seizures, dry mouth, constipation, and headaches.

Findings

1. In the group homes visited or audited, there were many instances of violations of Title 22, Division 6, Chapter 5 requirements for psychotropic medications usage.
2. California Civil Code Section 25.9 requires that, without specific informed consent of a parent or guardian, court approval must be obtained for any minor under court jurisdiction to be treated with anti-seizure medication or psychotropic medications. Orders must be renewed every six months.
3. One group home social worker told us, "Any place that has many children on psychotropic medication should look at its program and ask what could be done with-

¹⁷ Ibid., p. 87.

¹⁸ Ibid., p. 90-91.

out the medication. They should focus on the behavior instead.”

4. The Los Angeles County Department of Mental Health has developed a publication, *Psychotropic Drugs*, dated January 23, 1995. It is an excellent resource guide explaining psychotropic medications. It covers classes of psychotropic drugs, how they work, adverse side effects, tables of dosages, and a glossary of definitions and abbreviations.
5. One psychiatrist, convicted and jailed because of Medi-Cal fraud, was still working with children after his release from jail. DCFS put out a “For Your Information” letter on October 24, 1996. They advised their staff that he entered a guilty plea to Medi-Cal fraud, but the letter did not restrict his future use.

Recommendations

1. DCFS should expand their performance awards program for exemplary group home performance regarding responsible restraint in the use of psychotropic drugs.
2. The Mental Health Department at Children’s Court should make available the publication, *Psychotropic Drugs*, dated January 23, 1995, and the court order form available to DCFS, which should make it mandatory reading for every group home provider.
3. The Board of Supervisors should urge CCL and require DCFS to automatically exclude any convicted therapist, psychiatrist, doctor, etc. from working with children in any group home.
4. The Board of Supervisors should urge CCL to establish a state-wide network alerting other counties about convicted felons and exclude them from practicing anywhere in the state.
5. DCFS should provide the hyperactive child specific counseling to build up self-esteem, help to overcome feeling demoralized or depressed, to learn how to solve problem behavior patterns, and to better understand his or her own behavior.
6. DCFS should provide treatment interventions from many levels for ADHD children. These include treatment aspects of medical, educational, behavioral, and psychological disciplines.
7. DCFS should establish mandatory in-service programs for group home staff training on psychotropic medications and require group home staff to pass the appropriate examinations.
8. The Board of Supervisors should urge Medi-Cal and CCL to monitor more closely the psychiatrists involved with Medi-Cal fraud, as well as those psychiatrists who fraudulently bill for hours.
9. The Children’s Court should prepare a request for their attorneys to challenge any doctor prescribing psychotropic drugs if the court or attorneys have doubts about that decision.
10. DCFS should enforce its policy of notifying children that they have the right to refuse medication and so inform the group home providers.
11. DCFS should instruct group home providers to be less punitive and more positive with their reinforcement of behavior for children with ADHD. This includes:

- a. Giving the child more frequent feedback
 - b. Using incentives before punishment
 - c. Striving for consistency
 - d. Planning ahead for problem situations
12. DCFS should establish a policy of fines and enforce the policy for non-compliance with Health and Safety Code Section 1548 into the Group Home Foster Care Agreement, similar to that of CCL.

8. THERAPY/COUNSELING

The Florida Mental Health Institute of the University of South Florida established a Research and Training Center to concentrate on children's mental health. The National Adolescent Child Treatment Study was involved in these activities. They conducted a study which identified children who were receiving intensive services for serious problems. The statistics are very relevant to our investigation.

"The target population of their study were children between 9 and 17 years of age during the year 1985. They were either in a residential mental health facility or a special education program and had been identified SED (Alabama, Mississippi, Florida, Colorado, New Jersey, and Wisconsin participated). The study involved 812 children.

"The age groups were divided into 9 to 11 years, 12 to 14 years, and 15 to 17 years. They were followed for seven years. Participants were 70 percent Caucasian, 22 percent

African-American, 5 percent Hispanic, and 3 percent other. Seventy-five percent were male."¹⁹

They received information from several sources:

1. Demographic characteristics of children and their families (e.g., ethnicity, income, family composition)
2. Psychological functioning (e.g., problem behaviors)
3. Services (e.g., individual counseling)
4. Outcomes (e.g., academic achievement, contact with law enforcement)

The children, parents, care givers, and teachers were also given a 118-problem behavior scale, in addition to several surveys.

"According to DSM-III terminology, there was a distribution of disorders. They were: conduct disorder, 66.9 percent; anxious disorder, 41.0 percent; depression disorder, 18.5 percent; attention deficit disorder, 11.7 percent; and schizophrenic disorder, 4.7 percent."²⁰ Many children had multiple disorders with 41 percent of the sample having two or more disorders.

Academic performance was lower also (58 percent were below grade level in reading and 93 percent were below grade level in math). The mean I.Q. was 85.8, which is in the low-to-normal range.

They also analyzed how services were used. These included: (1) mental health services-

¹⁹ Greenbaum, Paul E., Dedrick, Robert F., Friedman, Robert M., and Kutash, Krista. (July, 1996). "National adolescent and child treatment study (NACTS): Outcomes for children with serious emotional and behavioral disturbance." 4 (3). Florida, University of South Florida, p.132.

²⁰ Ibid. p. 143.

psychological testing, individual counseling, family counseling, group therapy, alcohol and drug counseling, and psychotropic medication; (2) educational services - special education classes and speech therapy; (3) child welfare; (4) juvenile injustice; (5) vocational rehabilitation, and (6) non-routine health care.²¹

More than one-third (36.8 percent) used four of the five services at least once. The most commonly used service was mental health (93.1 percent), followed by juvenile justice (80.0 percent), school-based special education (70.9 percent), child welfare (68.9 percent), and vocational rehabilitation (11.6 percent).

The study called each year a "wave." During waves 4 through 6, two-thirds (66.5 percent) of the sample (753 children with complete data on contact with law enforcement), had at least one contact with the law where the child was the perpetrator of a crime.²² Most crimes (47.8 percent) were for property related crimes. The percentage for correctional placement was higher for males, minorities, children residing in mental health facilities and children who were mid-adolescents. History of family contact with police also played a role.

Among the children who were under 18 and still in school at the close of the study, 53.6 percent were in classrooms below their age-appropriate grade level. Many had dropped out of school - 43.1 percent. Only 23.1 percent graduated with either a high school diploma (21.7 percent), or a GED (1.4 percent).

The reasons for leaving school were categorized into three areas:

Behavioral - bored, disinterested, unhappy or frustrated

Programmatic - arrested on entering residential program

Situational - having to work, getting married, having a baby, moving or being too old

Study Findings:

1. Children with multiple disorders are at greater risk than other children.
2. Academic performance and rewards for excellence are stressed and recognized.
3. Males, minorities, mid-adolescents, and children residing in residential care are at greater risk overall.
4. Children who enter school below grade level need intensive tutoring to bring up their skills to a higher level.

We talked to several therapists, psychologists, and social workers during our investigations. Many of these people were caring and dedicated individuals. However, it was disturbing to have one therapist respond at a site inspection, "You obviously don't understand anything about children and therapy. Children do not ever want to talk to a therapist, so I asked the group home owners how the children are doing." We noticed that this particular therapist had written the same comment for each of the six children at the group home, repeatedly month after month. The children at this home did not receive the individual attention they need.

We discovered recommendations by clinical psychologists which were being ignored. Some of their suggestions included: (1) help with reading skills, (2) speech therapy, (3) sex

²¹ Ibid. p. 138.

²² Ibid. p. 140.

education, and (4) tutoring with math. When we checked to see if any of those suggestions were implemented, we found they were not.

Findings

1. Therapy sessions are not monitored sufficiently to prevent fraud or abuse.
2. Significant dollars are being spent to have clinical psychologists write extensive reports which are often ignored.
3. Some of the therapist's writing was very illegible.
4. DCFS does not provide consistent monitoring, impose severe consequences, and conduct on-going fiscal audits to detect fraud by some group home providers. This creates an environment which causes unnecessary stress and anxiety for children in group homes.
5. "In families where there is abuse or neglect, the child's or adolescent's well-being and safety must be the primary concern. In these situations recognition must still be made of the family's strengths, and intensive support must be provided so that the child might safely remain with the family."²³
6. More training and education programs are needed for professionals who work directly with children in group homes.
7. Some therapists are either not seeing children or spending only five to ten minutes with each child. However, the therapists are billing 45 or 50 minutes. This is unfair to the conscientious professionals who

give the children what they need, even more unfair to the children.

Recommendations

1. The Board of Supervisors should urge CCL to have a better system of monitoring the therapists who work with children.
2. The Board of Supervisors should urge CCL and Medi-Cal administrators to create a better system to monitor therapy visits.
3. The Board of Supervisors should direct DCFS and urge CCL to implement a system of sanctions for the group home providers who do not heed the recommendations of clinical psychologists.
4. The Board of Supervisors should urge the legislature and CCL and direct DCFS to ensure that all computers in the child care system contain current information about therapists and psychiatrists who have been convicted of fraud and make sure these practitioners do not practice in the county.
5. DCFS should expand its horizons more effectively by:
 - a. Utilizing the police departments, school districts, hospitals, and other community agencies;
 - b. Developing more community involvement in the design of community boards, use of retired individuals, volunteers willing to help, tutors, and especially mentors; and

²³ Federation of Families for Children's Mental Health, "Philosophy Statement" March, 1990, Alexandria, Virginia. p. 2.

- c. Concentrating less on pathology (truancy, broken families) and more on involving the community (elderly, cultural groups, libraries, schools, businesses, and local institutions) with the children.
6. The Board of Supervisors should direct DCFS and urge CCL to effect the liaison necessary to ensure that their programs meet all the needs of each child - residential, social, vocational, educational, psychological, safety, medical, and family relations.
 7. The Board of Supervisors should urge CCL to set up a rating system for group homes. However, it should not be monitored by the group home providers. The rating should be done by an outside agency.
 8. The Board of Supervisors should develop model community sites in their districts and involve local businesses, schools, churches, temples, libraries, the elderly, and the hospitals. Just as schools have magnet programs which specialize in different academic and cultural areas, these community districts could work together to develop outstanding programs. They could have job programs for foster youth, mentor programs in the local businesses and various clubs at the local schools.
 9. DCFS should require mandatory training and education programs for all group home staff.
 10. The Board of Supervisors should direct DCFS and urge CCL to keep the child or adolescent in one particular community and to transfer the child only with good reason.

9. COMMUNICATION BETWEEN CSWs and DCFS / PROVIDERS / CLIENTS

Ideally, CSWs would visit their clients at a group home once a month. If this was the rule, a CSW could be a wonderful resource. However, DCFS issues waivers which reduce the overall time spent with their client. When a child is part of a permanent placement in a group home, the CSWs may visit only twice per year.

In addition to the lack of regular visits, CSWs often do not know anything about what is happening to other children at the group home. They are familiar only with their particular client. Each child in a group home is usually served by a different CSW, who may even be working out of a different DCFS office. Therefore, there is a lack of communication between CSWs about the quality of the placement. Children are not tracked so that possible problems which may be affecting them all are identified.

A serious result of the lack of regular CSW visits is that the required paperwork is never documented. DCFS Form 709, relating to the needs and service plans, is never given out. There is no ability to see if the proper order was issued for psychotropic medications. The system of checks and balances is put at risk.

Findings

1. Some group home providers rarely see a CSW visit the children.
2. Some group home personnel feel there is a break in communication from DCFS.

3. The CSWs have not furnished many group home providers with the DCFS Form 709 for the needs and service plans by the CSWs.
 4. If CSWs had more involvement with the group homes, they could better monitor the psychologist on behalf of DCFS.
 5. A CSW may have to drive from San Diego, Ventura, Lancaster, or other distant areas because their assignments are based on the residence of the parent - not the placement of the child.
 6. Some CSWs were aware of a client's treatment with psychotropic medications, yet did not assist in obtaining the appropriate court authorization.
 7. If a child "acts out," a group home provider may request removal of the child within seven days, and the CSW must respond.
 8. A breach of confidentiality occurred when testimony from a closed and confidential hearing at children's court was leaked.
 9. One child had been removed from a group home because of a clear problem of intimidation, threats, misuse of medication, and a danger to the child's security. Yet another child was later placed at the same site. The CSW was not aware of the ongoing investigation.
 10. DCFS needs to have better management of its staff. We believe that the number of administrative positions is too high.
- Recommendations**
1. The Board of Supervisors should require DCFS and urge CCL to track trends at each group home. In this way they can determine if there are patterns of referrals at a particular site.
 2. DCFS should issue each group home owner the DCFS Form 709, to keep on hand at all times in order to develop the needs and service plan for each child.
 3. DCFS should require that the CSW make sure the needs and service plan is tailored to fit the child's unique needs and is updated every three months as mandated.
 4. DCFS should input the following information into the Vacancy Information Placement computer:
 - a. Investigations in progress
 - b. Complaints lodged in the past
 - c. Results of prior complaints
 - d. Concerns from dependency court attorneys
 5. DCFS should not issue waivers to CSWs because they have to drive long distances. Instead, a more efficient way of assigning cases should be developed so that lengthy driving time can be reduced.
 6. If a group home is being investigated, DCFS should issue a "Do-Not-Place" order.
 7. DCFS should place severe sanctions on anyone who repeats confidential testimony from a closed children's court hearing.
 8. DCFS should instruct the CSWs to monitor the performance of group homes in which their clients are placed, and to the extent possible:

- a. Conduct monthly telephone conference calls among the CSWs having clients in their group homes, in order to track possible problems and patterns of problems before they become more serious, and
 - b. Report the pooled information to the Contract Auditing Section for enforcement of penalties.
9. The Commission on Children and Families should develop a rating form for use by psychologists, therapists, CSWs, volunteers, tutors, and others working in group homes. DCFS should require the periodic completion and submission of this form.
 10. DCFS should require that group home providers maintain a sign-in-sheet for the CSWs when visiting their client. It should be mandatory that they sign in.
 11. DCFS should require that CSWs be more of an advocate for the children. They should work more closely with the school to ascertain that the group home provider is helping to meet that child's needs.
 12. DCFS should monitor the child's progress in school.
 13. DCFS should create an alliance of CSWs, group home providers, and the neighborhood schools to help each child reach his/her maximum potential.
 14. DCFS should discard the policy of a 7-day notice. This policy makes it too easy to remove a child without dealing with the child's problems. The policy should be

changed and resources provided so the group home provider can work with the children he/she has agreed to accept. Changing children from one placement to another only works at creating deeper problems for the child.

10. DISCIPLINE AND BEHAVIOR MODIFICATION POLICIES

Historically, behavior modification of children has used both reward and punishment systems. We observed a wide range of discipline policies in group homes. The idea of positive reinforcement leads us to the area of the point and level system that many group home providers use. "Point and level systems seem to be a uniquely North American phenomenon in their pervasiveness in settings for children and youth. They have come to serve as the focal point for the ideology, activity, and rules for daily living within numerous settings and programs. Both these systems can frequently be harmful."²⁴

"Behaviors to which points are attached include obeying instructions, being mannerly, being compliant with the staff, performing well in school, keeping one's personal space neat and clean, being timely, and completing tasks. Points are either awarded for not offending or taken away for offending."²⁵

A child can earn a number of points. These points then relate to levels. Each higher level offers more privileges and freedom. When enough points are earned, the child goes to the next level. If too many points are lost, the

²⁴ VanderVen, Karen. (December, 1995). "Point and level systems: Another way to fail children and youth." *Child and Youth Care Forum*. 24 (6), p 345

²⁵ Ibid., p. 346.

child loses a level. Usually, there are four to five levels — with level one being the lowest and most restrictive.

Activities that usually would be experienced daily in a normalized situation are concerned privileges here. These include using toys or games, newspapers, books, going to the library or a museum, making phone calls, visiting friends, school activities.

In some group homes points are supposed to be cashed in for other rewards. Yet, that is often not the practice. One child reported that he had the most points earned in one month, but earned absolutely nothing in return. Another child watered the lawn repeatedly for extra points which were never rewarded either. In another case, someone was “allowed” to clean the owner’s personal home all day and paid only ten dollars.

“The children who come into care, particularly residential and treatment programs, are likely to be struggling with the effects of painful life circumstances. These include a lack of stable attachments, abuse, rejection, tragic life circumstances, and violence. These children need affection and caring individuals around them.”²⁶

Adults who record points ultimately can create an adversarial relationship. The children can see this as rejection. Another problem is that the point and level systems usually are not individualized. The behaviors are usually required of everyone. This does not allow for a flexible environment with varied and stimulated experiences. A child who is being treated for depression should not be evaluated the same as a child who is ADHD.

Findings

1. Some group home owners used the points to be punitive and withhold allowance, clothes, activities, and rewards from the children.
2. Even when some children earned many points, there was no reward for them.
3. When group home owners did not want to provide transportation to an after school activity for the child, they simply refused to let the child participate.
4. Many children were earning points by doing personal tasks for the group home owners, cleaning the provider’s personal home, painting the home, or other chores.
5. Many group home owners did not provide tutoring, yet punished the children when they did not get good grades. In one of the few homes that provided tutoring, one child had asked for help with algebra. The person on the staff told the child the incorrect way to do it and the child failed the homework assignment. At the same group home three staff members were observed watching television.
6. Positive reinforcement works much better than negative reinforcement. One impressive group home we visited used very positive reinforcement. There were no points. The children all went on various activities, studied at the local library, had a vast array of resource books, and had lovely clothes. All of the clothes were neatly pressed and hanging in the closets. When a child was exceptionally good, he/she was given jewelry. It was a lot like

²⁶ Ibid., p. 349.

a family situation instead of the environment we saw in most group homes.

7. Sections 273A and 273D of the California Penal Code hold that any person who willfully causes physical pain or mental suffering to a child is guilty of a felony. Despite this some group home owners use inappropriate discipline measures such as dragging children across the floor, throwing shoes at them, slapping or hitting a child; others make children stand in a corner for hours at a time.
8. At the home of a group home staff member, an older resident performed a sexual act in front of a younger resident. The younger resident could not even report it to his CSW. She does not visit him on a regular basis.
9. At a different group home, there was past evidence of one child sexually abusing another child. The group home owner did not appropriately address the molestation.
10. Time-outs (removing a child from an activity or area because they are misbehaving) are an effective technique, but they must not be abused. Consistency is more important than the length of time. No child should be put in time-out for hours on end.
11. If points and levels systems are employed, there must be positive rewards for earning points. The rewards should be spelled out in advance. For example, the person earning the most points in one month would be eligible for a special educational game, book, basketball, etc. No child should be penalized for participating in a positive activity (music, art, sports, etc.) which will spark his/her enthusiasm and foster their positive self-esteem. Nor should

he/she be required to work at a provider's own home.

Recommendations

1. The Board of Supervisors should appoint a special Group Home Ombudsman, whom the children can call if a special activity at school is withheld due to lack of cooperation of the group home provider regarding transportation.
2. DCFS should furnish group home providers mandatory in-service classes for positive reinforcement. They should be taught not to use so many "don't" type of commands and to reinforce good behavior and personal accomplishments.
3. DCFS should instruct CSWs and require group home providers to involve the children in the formulation of their rules. In that way the children will have ownership and take more of an interest in accomplishing the tasks.

11. FOSTER CARE

The group home system we have been discussing is part of the larger population of children in foster care. This section explains the overall picture of foster care.

Since 1990, the number of foster care cases in Los Angeles County has increased from 12 per 1,000 child population to 17 per 1,000 child population at the end of 1995. This is twice the rate of any other county in California.²⁷

There are some alarming statistics:

1. While Los Angeles County's foster care rate has been increasing since 1990, its foster care termination rate has decreased since 1991. The ratio of foster care closures to existing foster care caseload in Los Angeles County is less than half of the rest of the state.
2. In Los Angeles County, the placement type with the highest rate of increase (per 1,000 child population) is group home/foster family agency care, jumping by more than 250 percent since 1990, five times the rate of the rest of California.
3. Since 1990, while Los Angeles County has had a lower Emergency Response disposition rate than the rest of California, Los Angeles County's foster care openings rate has been significantly higher than the rest of California.

There are four possible causes of the disproportionate growth.

1. *AFDC-FC maximum aid payment reductions from September, 1991 to September, 1993.* But the foster care caseload has been steadily increasing since 1990, two years before the first maximum aid payment reduction.²⁸
2. *Substance Abuse Prevalence.* However, prevalence of substance abuse in Los Angeles is not significantly different than any other major urban counties in California.²⁹

3. *Economic Factors.* If economic conditions were significant to the foster care growth rate, similar increases in other child protective service systems would be evident.³⁰

4. *The number of foster children placed with relatives.* While Los Angeles County is currently first in California in relative care percentage (56 percent at the end of 1995), other major urban counties have had as high or higher percentages of relative care in the last six years, with stagnant or declining foster care rates.³¹

In 1995, in Los Angeles, 5,446 African-American, 12,282 Caucasian, 8,391 Hispanic, and 828 children of other ethnic groups entered foster care for the first time. African-American children, regardless of age, entered foster care at a much higher rate than other children. This was especially true for infants. Nearly 36 per 1,000 African-American infants in the population entered care in 1995, compared with 11 per 1,000 Caucasian infants and 6 per 1,000 Hispanic infants.³²

An audit was requested by the Joint Legislative Audit Committee. There were several issues being examined. However, the applicable area which concerns us in our report is child safety procedures. These include monthly visits by CSWs, criminal background checks of group home staff and timely medical assessments of children. The auditor was to review the facts surrounding one child death case in 1995. The audit reviewed case files for 24 children who had been referred to DCFS

²⁷ Kelly, Marjorie. (July, 1996). Analysis of factors contributing to foster care caseload growth in Los Angeles County. California: Department of Social Services, Children and Family Services Division. p. 1.

²⁸ Ibid., p. 2.

²⁹ Ibid., p. 9.

³⁰ Ibid., p. 12.

³¹ Ibid., p. 17.

³² Barth, Richard P. Ph.D. (November, 1996). Child Welfare Services Dynamics for 1995: Statewide, Big, Small and Los Angeles County Comparisons, Child Welfare Research Center (CWRC) University of California, Berkeley. p. 13.

and for which DCFS investigated allegations of abuse, neglect or exploitation. Twelve of the cases were randomly selected. The other twelve were child death cases in 1995.

The audit found: (1) DCFS did not always follow its own policy to visit children and their parents or care givers once per month, (2) DCFS did not always obtain required criminal background checks on adults caring for children, (3) children's medical assessments were not obtained in a timely manner, and (4) required reports were not submitted to court on time.³³

The DCFS budget has increased from \$173 million in fiscal year 1989-90 to a proposed \$372 million for fiscal year 1996-97. The funds provided by the state and federal governments total \$338 million or 91 percent of the total budget. The county's share is \$34 million. The number of cases per worker has increased to 42.1.³⁴

In 8 of the 24 cases reviewed, DCFS did not visit children and their parents or care givers at least once per month. This is required by state and DCFS policy. Visiting is a face-to-face contact. These visits are crucial to:

1. Verify the location of the child, assess the child's well-being, and assist the child in preserving and maintaining religious and ethnic identity.
2. Gather information to assess the effectiveness of services provided to meet the child's needs and monitor the child's progress in meeting identified goals.

3. Establish and maintain a helping relationship between the caseworker and child to provide continuity and a stability point for the child.

4. Counsel the child as to current placement and progress during an eleven month period. In another child death case, DCFS issued a waiver allowing the caseworker to visit an infant once every three months.³⁵

The 1993-94 Los Angeles County Grand Jury promulgated a report entitled, "Review of the Department of Children's Services Foster Care Program Performance Measurement System." This report was especially timely with the upcoming realignment of the Foster Care Program to counties at that time. The report examined the DCS (changed to DCFS in 1994) Vision Statement for Children and Families as well as their Mission Statement. Its conclusions and recommendations are still relevant.

Foster care is the temporary, full-time care of children outside their homes (out-of-home) who enter the system because of family related problems. These family related problems, or criteria for children entering the foster care system are as follows:

1. *Abuse* — Non-accidental commission of injuries or emotional trauma against a child or allowed by parents, guardians, or other persons. This includes physical, sexual and emotional abuse.
2. *Neglect* — Failure to provide a child with necessary care and protection which prevents the child's health, growth, and de-

³³ California State Auditor, Los Angeles County: The Department of Children and Family Services Can Improve Its Processes to Protect Children from Abuse and Neglect. Bureau of State Audits. California. October, 1996. p. 51.

³⁴ Ibid., p. 2.

³⁵ Ibid., p. 20-21.

velopment. Neglect occurs when children are physically and/or psychologically endangered.

3. *Exploitation* — Forcing or coercing a child into performing functions which are beyond his/her capabilities, or into illegal or degrading acts.³⁶

There are several facilities in which children entering the foster care system are placed:

1. **Group Homes** — This is any facility which provides 24-hour non-medical care and supervision to children in a structured environment with services provided at least in part by staff employed by the licensee. All group homes are licensed by the state. However, MacLaren Children's Center is operated by the county. The providers choose the type of children they want to service: sexually abused, infants, adolescents, emotionally disturbed, boys only, girls only, and other specialized categories.
2. **Placement with Relative** — This is the first preferred alternative when a child cannot safely remain at home.
3. **Foster Family Homes** — Any home in which 24-hour non-medical care and supervision are provided in a family setting in the licensee's family residence for not more than six foster children, exclusive of members of the licensee's family. The state contracts with DCFS to license foster family homes following state regulations. The child's stay is intended to be for temporary care to substitute for the parent.
4. **Emergency Foster Homes (Shelter Care)** — These facilities are intended as short-

term placement until the needs of the child can be assessed so a plan can be developed to either return the child to his/her home or remove them to another placement. Shelter care facilities are licensed and regulated as foster homes.

5. **Small Family Homes** — These facilities are licensed by the state for up to six beds for developmentally disabled, mentally disordered, emotionally disturbed, or physically handicapped children. The licensee must implement a service plan which specifies the child's individual needs.
6. **MacLaren Children's Center** — This is the county's 24-hour emergency shelter facility for abused, neglected, or abandoned children. Some children awaiting a new placement are placed at MacLaren. This includes children from group homes, institutions, or psychiatric placements. Services are also provided to children who have experienced unsuccessful placement in other foster care facilities. It costs between \$8,000 and \$10,000 per month to support each child at MacLaren.

“There are four categories of Child Welfare Services. These categories are mandated by federal and state regulations. They include:

1. **Emergency Response** — CSWs are on duty 24 hours a day to investigate calls reporting children in life-threatening situations. They also provide services to children and their facilities.
2. **Family Maintenance** — These are ongoing services provided to children and their families when the child remains at home. These services include counseling, emer-

³⁶ _____ Review of the Department of Children's Services foster care program measurement system, Price Waterhouse, Costa Mesa, June 3, 1994. p.3.

gency shelter care, parenting training, out-of-home respite care, in-home caretakers, and transportation. They are supposed to see the child every month.

3. **Family Reunification** — When it is not safe for the child to stay at home, the worker will try to place the child with relatives. Non-related foster care providers is the next option. The CSW is supposed to visit every month.
4. **Permanent Placement** — When reunification is not possible, a permanent home is sought through adoption, guardianship, or long-term foster care. In this type of placement the CSW is mandated to see a child two times per year.

In 1994-95, there was a major restructuring regarding the programmatic and fiscal relationship between the state and counties. The Governor's Budget proposed: (1) Counties assume full financial and program responsibility for foster family homes and group homes, including placement and rate setting, (2) all federal foster care funds pass directly through the counties, and (3) specified revenues from the vehicle license fees and property taxes pass through to counties to the Community Services Fund which support foster care and related programs. The state would continue its existing foster care licensing responsibilities."³⁷

Findings

1. Financial statements and reports are a common part of local government reporting. These instruments usually emphasize the recording of dollars that flow in and out of an agency. This method reveals lit-

tle about the efficiency and effectiveness of public programs.

2. DCFS does not have a formal set of critical success factors linked to its strategy for managing the foster care program.
3. DCFS performance measures are organized around process and compliance and few are linked to outcomes or results.
4. DCFS has organized its performance indicators around compliance with DCFS, state, and federal policies and procedures. The bulk of DCFS performance indicators measure input.
5. DCFS measures the performance of CSWs in visiting foster care children on a monthly basis. They state that the CSWs do this 90 percent of the time. However, this is misleading because CSWs can be given waivers.
6. DCFS budget is not linked to Foster Care program performance measures. It reports the gross appropriation for Foster Care Services during 1994-95 to be close to \$29 million. But it does not report what will be accomplished with the \$29 million.
7. DCFS does not know whether foster care children receive Independent Living Program services. They do not know what happens to the children once they leave the system.

Recommendations

1. DCFS should develop a comprehensive performance measurement system. It should:

³⁷ Ibid., p. 9.

- a. Conform to the Governmental Accounting Standards Board which established a comprehensive performance measurement system.
 - b. Relate organizational goals to performance.
2. DCFS should develop an evaluation and monitoring plan concerning individuals in the Independent Living Program. The evaluation and monitoring should compare achievements of individuals who leave the program to individuals of similar demographics who have never been in the program.
 3. DCFS should monitor the outcome of children in foster care (e.g., the percentage of children who leave foster care with a high school diploma, job, or marketable skill); or the percentage of children leaving foster care who transition into other entitlement programs such as Aid to Independent Families with Dependency Children or General Relief.
 4. DCFS should specify what will be accomplished with their budget. This includes the reduction of Juvenile Dependency Court continuances caused by incomplete case files and the percentage increase in the number of foster care eligible parents.
 5. DCFS should offer better screening and more intensive training for foster parents. DCFS should transfer some of the services offered to group home providers to foster parents.

³⁸ Ibid., Section Two, p. 13.

³⁹ Ibid., Section Three, p. 5.

12.

DUAL LEGAL REPRESENTATION

The 1991-92 Los Angeles County Grand Jury conducted an investigation of legal representation in dependency court. The Grand Jury quoted national and local experts to the effect that dual representation was inappropriate and did not serve the interests of the child. The Grand Jury pointed out that no other large county in California allowed the department's attorney to also represent the minor. The American Bar Association Family Law Section specifically prohibits dual representation. Los Angeles is one of seven (out of 58) counties allowing dual representation.³⁸

Ironically, representation by County Counsel of children within the system declined from 85 percent in 1989 to 2 percent in 1995. Between 1989 and 1996, the percentage of dependency cases in which County Counsel represented the child fell dramatically. First, the number of cases in which County Counsel declared a conflict increased. Second, a 1994 survey of the practices in California counties indicated that the Office of County Counsel recused itself as counsel to the minor, presumably for conflict in 70-80 percent of the cases.³⁹

In relation to the 1991-92 Grand Jury investigation regarding dual representation, County Counsel did not feel it interfered with quality representation for children. County Counsel's stated position was "there was no inherent conflict despite the fact that DCFS pays their salaries."

The 1991-92 Grand Jury also recommended raising funds for training of relatives and fos-

ter families and for service to special needs children.

Until May 9, 1996, the Los Angeles County Juvenile Court rules allowed County Counsel/Auxiliary Legal Services to represent minors as well as DCFS in the absence of a specific finding of a conflict. Welfare and Institutions Code Section 349 provides, "A minor has the right to be represented at such hearing by counsel of his own choice."

The court opinion emphasized that children are at the mercy of an overburdened, underfunded social welfare system. "Dependency court judges simply cannot rely upon the Department to handle its cases correctly. Caseloads have reached the point where the social worker's union has sent a formal grievance letter. Judges are continuing cases daily because reports are late, incomplete, or do not arrive at all."⁴⁰

The 1996 court case, *Los Angeles Department of Children and Family Services vs. The Superior Court of the State of California (Shawn B.)*, regarding County Counsel was of concern to this committee.

This case dealt with the issue of dual representation. Welfare and Institution Code Section 317(c) provides that the court may appoint an "other member of the bar" to represent the minor. No case has ever held that County Counsel must be appointed for the minor, absent a specific conflict, and the court is hardly obligated to consent on behalf of the minor to the ethically questionable practice of representing multiple parties.⁴¹ This representation presents a problem with County Counsel in that the same attorney is representing the child and the provider of the services - DCFS.

⁴⁰ Ibid., Section One, p. 34.

⁴¹ Court of Appeal of the State of California, Second Appellate District, Division Seven, *Los Angeles Department of Children and Family Services vs. Superior Court of the State of California*, LASC No. CK23140, Section One, p. 2.

Finding

Although the practice of dual representation of children and DCFS by the County Counsel has declined considerably, some instances remain.

Recommendation

The County Counsel should completely discontinue the practice of dual representation; children should be represented solely by dependency court attorneys.

CONCLUSION

As stated earlier, a budget of nearly one quarter of a billion dollars is expended annually on group home and foster care services for approximately 5,000 children. In addition, DCFS has a staff of 5,012 authorized positions. What are the outcomes of these tremendous budgets and enormous staffs? Are children succeeding and meeting their goals? We see that many do not have even the bare necessities of food, shelter, clothes, and needed services. Only 14 children received scholarships toward college in the past year-and-a-half. CSWs are not visiting their clients often enough to provide ongoing assessments of their placements.

We have given many recommendations to improve the delivery of these services to children. Certainly, it is ideal to keep children in their own communities and not uproot them up to 13 times to shift them between group homes. We feel there is one misconception which adds to the problem: The state (CCL) licenses the facilities, but DCFS has a contract

with group homes and places children there. This gives DCFS tremendous power. They do not have to keep placing children in an inferior site.

There are a lack of adequate financial provisions in the Group Home Foster Care Agreement. Monies are not expended in accordance with federal, state, and local laws and regulations. Documentation provided by the Contract Audit Section shows significant financial abuses and illegal and inappropriate uses of foster care funds in many of the homes audited.

The Grand Jury investigation indicated that even though DCFS has an accounting monitoring system in place, our findings determined it to be ineffectual.

DCFS should follow the U. S. General Accounting Office standards or corrective action and enforcement standards established in the Title 22 regulations. Then there would be a more productive association between the state and county oversight.

The lack of adequate accounting and management information systems, and operating procedures in DCFS, leads to a lack of consistency in achieving accurate and timely processing of foster care payments and collections.

We urge the Board of Supervisors, CCL, DCFS, the Children's Court, schools, and community advocates to work together in achieving a common goal of helping each child to reach his or her ultimate potential.

GLOSSARY

abuse A non-accidental commission of injuries or emotional trauma against a child or allowed by parents, guardians, or other persons. This includes physical, sexual, and emotional abuse.

attention-deficit/hyperactivity disorder (ADHD) A development disorder of self-control; consists of problems with attention span, impulse control and activity level; persistent pattern of inattention and/or hyperactivity-impulsivity that is more frequent and severe than is typically observed in individuals at a comparable level of development.

behavior modification A procedure that is based on the belief that all behavior is learned and therefore can be unlearned (changed); one must decide the specific behavior to be changed and decide on a definite plan for accomplishing that goal.

conduct disorder A serious pattern of anti-social-behavior and violation of the rights of others.

community care facility A specialized type of placement facility that provides care for children with special needs, such as behavioral, emotional or medical problems (e.g. group homes, psychiatric hospitals, and diagnostic centers).

Court-Appointed Special Advocate (CASA) An officer of the court who advocates the individual needs and best interest of the child and provides the court with written recommendations; CASAs are also referred to as Child Advocates or Guardians ad Litem (GAL___).

dependent A child that has been removed from the care of their parents or guardian and placed in the juvenile court's custody and protection.

educational initiative Developed by DCFS to attain collaborative effort and commitment of the family/care-giver, the educational system, and the community's public and non-profit service systems and institutions.

emergency foster homes (shelter care) These facilities are intended as short-term placement until the needs of the child can be assessed so a plan can be developed to either return the child to his/her home or remove them to another placement. Shelter care facilities are licensed and regulated as foster homes.

evaluation, psychological or psycho-educational An assessment to determine the level of functioning through the use of group and/or individual tests; tests determine the level of functioning in three areas: cognitive (how much one knows in certain areas, how one thinks), affective (pertains to feelings and emotions) and perceptual - motor - (control, coordination, and appropriate responses from all parts of the body).

family maintenance These are on-going services provided to children and their families when the child remains at home. These services include counseling, emergency shelter care, parenting training, out-of-home respite care, in-home caretakers, and transportation. They are supposed to see the child every month.

family reunification When it isn't safe for the child to stay at home, the worker will try to place the child with relatives. Non-related foster care providers is the next option. The CSW is supposed to visit every month.

foster care Temporary, full-time care of children outside of their homes who enter the system because of family related problems.

Licensed family homes or group homes that take care of children who can not live at home.

Foster Child's Needs and Case Plan Summary - DCFS Form 709 A time-limited, goal-oriented, written plan, implemented by the licensee which identifies the specific needs of an individual child.

Foster Family Agency (FFA) An organization licensed by the state to recruit and license foster homes for the placement of children by the Department of Children and Family Services (DCFS) or other appropriate agencies; FFAs supervise their foster homes and assist in the treatment needs of children placed in their care.

foster family homes Any home in which 24-hour non-medical care and supervision are provided in a family setting in the licensee's family residence for not more than six foster children, exclusive of members of the licensees' family, the state contracts with DCFS to license foster family homes following state regulations. The child's stay is intended to be for temporary care to substitute for the parent.

group home A facility of any capacity which provides 24-hour non-medical care and supervision to children in a structured environment with such services provided at least in part by staff employed by the licensee.

Individualized Education Program (IEP)

A written education plan for each special education child that includes instructional goals and objectives based upon the educational needs specified and developed by the IEP team.

Juvenile Dependency Court The branch of the Superior Court that decides cases involving children under the age of 18.

learning disabilities Significant delays in learning or social behaviors, such as learning disabilities resulting from visual perceptual disorders, visual motor disorders, behavior disorders, educational retardation, or a combination of these.

neglect Failure to provide a child with necessary care and protection which prevents the child's health, growth and development.

permanent placement When reunification is not possible, a permanent home is sought through adoption, guardianship, or long-term foster care. In this type of placement the CSW is mandated to see a child two times per year

point and level systems A technique of behavior modification; points are attached to various behaviors such as obeying instructions, doing well in school, keeping one's room neat and completing tasks; one can move up or down the levels depending on the amount of points earned or lost.

psychotropic drugs Three categories of drugs (anti-anxiety agents, anti-depressants, and anti-psychotics) given to some children with Attention-Deficit/Hyperactivity Disorder (ADHD).

small family home Residential facility in the licensee's family residence providing 24-hour care for six or fewer children who are mentally disordered, developmentally disabled or physically handicapped and who require special care and supervision as a result of such disabilities (Title 22, Regulations 8001-45).

special education Refers to a set of educational programs and/or services designed to meet the individual needs of exceptional individuals whose needs can not be met in a regular classroom.

technical support program The California Department of Social Services, Community Care Licensing Division provides this specialized consultative service unit to group homes.

Addendum

Shortly after the publication of our foregoing report, "Children in Group Homes Suffer from lack of County Monitoring," (page 8-1), the Juvenile Services Committee was informed that Penal Code § 924.1 prohibited us from speaking about our public report. The penal code states:

"Willful disclosure of evidence; statement of juror or interpreter or vote; misdemeanor

- a) Every Grand Juror who, except when required by a court, willfully discloses any evidence adduced before the Grand Jury, or anything which he himself or any other member of the Grand Jury has said, or in what manner he or she or any other Grand Juror has voted on a matter before them, is guilty of a misdemeanor."

In effect, this is a "gag order." To address this issue, the Los Angeles County Board of Supervisors sent a five-signature letter (signed by each member of the Board of Supervisors) to each member of the County's Legislative Delegation to inform them of their position.

Part of that letter stated:

"The lack of importance placed on Grand Jury reports is often attributed to the Grand Jury's inability to discuss the

content or sources of their reports directly with the Board of Supervisors or any County department head. According to County Counsel, statutes and case law mandate that all Grand Jury proceedings be kept secret. Consequently, Grand Jurors may not lawfully appear before the Board of Supervisors to discuss their reports, nor can they release working papers to County departments for input."

(Civil investigations only)

The letter states that the Board of Supervisors support legislation (AB 829) which would remove the "gag order" placed on Grand Juries by allowing them to discuss their reports and investigations with the CAO, department heads and the Board of Supervisors.

The research we did for our investigation entailed many months of preparation. As stated in our report, all group homes are not bad. But our random survey did show that some were in serious need of attention. There are several points which should be explored.

First, we are not denying that it is expensive to run a group home properly. However, it must be understood that much of the funding is separate from the money paid directly to the group homes. Therapy by psychologists or psychiatrists is paid by the state. Many group home owners use food from federal food

banks. Medical expenses are all paid by Medi-Cal. Many of the children qualify for private schools because their respective public school districts cannot provide the specialized programs they need. These private schools can cost \$10,000 to \$12,000 per year. The group homes do not pay this expense either. Therefore, the money received by the group homes for their respective RCL levels should directly benefit the children in their charge. They should be provided with educational and stimulating activities, wholesome food, necessary clothing, allowance, and other necessities of life. There should be ongoing contact with their schools. Most importantly, there should be positive outcomes with the children either preparing for college or emancipating into some type of job for which they are qualified. For all of the money spent, there should not be so many children ditching school or getting D's, F's and U's.

Second, group home owners should make better use of the Court Appointed Special Advocates (CASAs), if they have one assigned to one of their children. These dedicated individuals act as a link between the families, schools, courts, and the group home. They can be an invaluable source of information as well as an effective role model for the child. They are also valuable advocates to work with DCFS, the courts, and community groups. They certainly should not be seen as a threat as they are by some group home owners.

Third, as stressed in our report, there should be an outside monitor who is directly accountable to the Board of Supervisors. This would prevent the bureaucratic standstills existing at present.

Finally, placement of children in group homes should be prioritized by placing the child's

needs first. Often children are placed expediently because an opening is available. They are not matched to the group home according to their needs. This starts the negative process of shifting a child from one group home to another, some being in as many as 13 group homes. As this total spirals, so does the acting-out behavior of the child. With proper placement and specialized therapy and services, the children would have much better outcomes.

County Counsel has not allowed inclusion of our bibliography or appendices because he says that a Grand Jury cannot cite a particular witness or source. This would be raw evidentiary material. However, we were not disclosing any confidential sources. We included information which was based on public documents, not information obtained confidentially.

In conclusion, there are many group homes that do an outstanding job. However, the ones that are in the business for the profit and not the direct interest of children should be closed down immediately. When children are going without the proper food, clothing, allowance, educational experiences, a safe environment, and most importantly love and support — the only people that come out ahead are the group home owners. It is our hope that with a different kind of monitoring, intense training for prospective group home owners, and involvement by the Board of Supervisors changes will be made. We have been responsive to the needs of the children by submitting all the information directly to DCFS or to their Child Abuse Hotline. These reports have included all abuses affecting the safety of children. We hope other agencies will fulfill their commitments to help the children as well.

Speakers & Field Trips Committee

MEMBERS

Patricia Ann Kruse, Chair
Gunter G. Altman
Lair Franklin
Arline Pepp
Maxine B. Russell

Speakers and Field Trips Provide Educational Benefits to Grand Jury Members

SPEAKERS

Invitations were extended by the Speakers and Field Trips Committee to a variety of department heads and personnel in Los Angeles County governmental agencies. While those invited are not required to speak before the Grand Jury, the committee is happy to report all those invited accepted the invitations to speak and greatly enhanced this Grand Jury's ability to learn about the respective departments. This proved of great educational benefit to the Grand Jury committees in their civil oversight function.

It is highly recommended the speakers for the 1997-1998 Grand Jury be invited early on in the term. This enables jurors to receive an overview of county agencies and may lend light on ideas for civil investigations by committees.

List of Speakers Appearing Before the 1996-97 Grand Jury:

1. Supervisor Mike Antonovich, Fifth District
2. Hon. James Bascue, Judge, Superior Court
3. Lynn Bayer, Director of Public Social Services
4. Fred Bennett, Assistant County Counsel
5. Hon. G. Blackwell, Judge, Municipal Court
6. Sheriff Sherman Block, Los Angeles County
7. Rick Brewer, Social Worker, Department of Children and Family Services
8. Supervisor Yvonne Braithwaite Burke, Second District
9. Rodney Cooper, Director of Parks and Recreation
10. Hon. Michael Cowell, Superior Court
11. Sandra Davis, Assistant County Administrative Officer
12. Peter Digre, Director, Department of Children and Family Services
13. Dr. Shirley Fannin, Director, Disease Control Programs
14. Mark Finucane, Director of Health Services
15. Fire Chief Michael Freeman, Los Angeles County
16. Gil Garcetti, District Attorney
17. Michael Judge, Public Defender
18. James Hartl, Director of Planning
19. David Janssen, Chief Administrative Officer
20. Walter Kelly, Probation Department, Acting Director
21. Supervisor Don Knabe, Fourth District
22. State Senator Quentin Kopp, Eighth District
23. Katherine Mader, LAPD Inspector General, Police Commission
24. Supervisor Gloria Molina, First District
25. Andre Parvenu, Public Relations Office, MTA

26. Alan Sasaki, Auditor-Controller
27. Dr. Lakshamanin Sathyavagiswaran,
Chief Medical Examiner, Coroner's Office
28. Bruce Staniforth, Executive Director,
Economy and Efficiency Commission
29. William Stewart, Director, Internal
Services Department
30. Harry Stone, Director of Public Works
31. Police Chief Willie Williams, City of Los
Angeles
32. Supervisor Zev Yaroslavsky, Third
District

FIELD TRIPS

Site visits were arranged by committee members and transportation was provided by Los Angeles County Sheriff's Department buses. The visits permitted grand jurors to educate and familiarize themselves with county functions.

List of Sites Visited by the 1996-97 Grand Jury:

1. City of Los Angeles
 - a. Central Library
 - b. LAPD Crime Lab
2. County of Los Angeles
 - a. Coroner's Office
 - b. Martin Luther King/Drew Medical
Center
 - c.. LAC+USC Medical Center
 - d.. Men's Central Jail, Joseph M. Koch,
Senior Deputy, Legal Staff
 - e. Peter Pitchess Facility
 - f. Sheriff's Crime Lab, Barry A.J. Fisher,
Director of Scientific Services Bureau
 - g. Sybil Brand Institute (arrangements
made by Jails Committee chairperson)
 - h. Twin Towers Correctional Facility,
Captain Claude L. Farris
3. MacLaren Children's Center
4. Metropolitan Transit Authority Site Visit
5. Music Center Operating Company
Howard Sherman
5. The J. Paul Getty Museum,
West Los Angeles site

Social Services Committee

MEMBERS

Patricia Ann Kruse, Chair
Abigail G. Cohen
Mike P. Jaramillo
Carolyn Llewellyn
Bill H. Simmons

GAIN Program Should Be Funded as High Priority in Plans to Implement New Welfare-to-Work Law

In light of the Federal welfare reform legislation approved by President Clinton in August of 1996, the Grand Jury felt the urgent necessity of releasing an early Final Report on its investigation of the Greater Avenues for Independence (GAIN) program in Los Angeles County. This proved model of putting Aid to Families with Dependent Children (AFDC) participants to work is exemplary and should be actively considered for incorporation in the County plans for implementation of the new welfare-to-work legislation. The AFDC programs are replaced with the Temporary Assistance for Needy Families (TANF) block grant to states under the new federal law. The early submission of the State Plan, October 9, 1996, to the federal government resulted in a net savings of approximately \$195 million in the 1996-97 fiscal year for California. The redesign of welfare is a daily-changing landscape in both the state and Los Angeles County. To move the current number of AFDC recipients from welfare to work is a monumental task for Los Angeles County.

The GAIN Program was enacted in California on September 26, 1985, to help AFDC recipients to become self-supporting. Over 34,000 AFDC recipients are in the program which is operated by the Department of Public Social Services (DPSS) in 58 counties. The Social Services Committee of the Los Angeles County Grand Jury has observed two working regions in the Los Angeles County GAIN

program; Region IV (Central) and Region II (San Fernando Valley). During our visit to Region II, we were particularly impressed by the dedicated staff in their belief, encouragement and compassion for the Job Club participants seeking assistance and their desire to get off welfare. (*Job Club is a GAIN activity conducted under contract by the Los Angeles County Office of Education. It consists of job search workshops where GAIN participants learn job finding skills. It includes access to phone banks, job orders and direct references to employers.*) Help with ongoing support and encouragement by GAIN staff are crucial elements to this program and its participants.

GAIN was augmented by Congress' passage of the Family Support Act of 1988. Since 1993, the Los Angeles County DPSS has been restructuring its GAIN program by adopting the key management and program practices and strategies which are used by Riverside County and other effective welfare-to-work programs across the country. In doing so, Los Angeles GAIN has made the transition from an education-focused to an employment-focused GAIN program. The motto: "**A Job, A Better Job, A Career,**" sums up this strategy very well (*see Los Angeles County GAIN Program Model attached*). GAIN provides a range of services designed to assist AFDC recipients in a transition from welfare dependence to employment. It is important to note

that Los Angeles County has 40% of the state's welfare caseload.

A key feature of GAIN, which distinguishes it from most other welfare-to-work and JOBS programs, is the way it uses educational and basic skills levels to sort registrants into one of two service streams: Those who do not have a high school diploma, or a General Educational Development certificate (GED), or fail to achieve predetermined scores on both parts of math and reading test or are not proficient in English are deemed by GAIN to be "in need of basic education." These individuals can choose to attend a basic education class, Adult Basic Education (ABE), GED preparation or English as a Second Language (ESL) instruction — or a job search activity first, but if they choose job search and fail to obtain employment, they must then enter basic education.

State law requires that 55% of GAIN funds be expended for services to the following federal "target" groups:

- Individuals who have been on aid for any 36 months out of the past five years, or,
- Parents under age 24 who; (1) do not have a high school diploma/equivalent and are not in school; or (2) have not worked full time for at least three months in a row during the past year, earning at least the current minimum wage, or,
- Individuals who are members of a family in which the youngest aided child is 16 or older (DPSS "Fact Sheet" 1995).

In the second service stream, the participants judged "not in need of basic education" usually must participate in job search first. A third category exists for participants already enrolled in education and training programs

when they enter GAIN may continue in those activities if the activities meet certain criteria (e.g., they must prepare participants for occupations in need of workers in the local labor market) and participants must be able to complete the training within two years after enrolling in GAIN. Participants in any of these three sequences who do not find employment after completing their initial activities undergo an employability assessment designed to help them choose their next activity (e.g., skills, training, vocationally oriented post secondary education, on-the-job training, or unpaid work experience). Any GAIN participant, who without "good cause" fails to participate in GAIN's orientation and services may incur a "sanction" (i.e., a reduction of the welfare grant).

In 1994, Los Angeles County GAIN program requested the Manpower Demonstration Research Corporation to evaluate the effects of GAIN and determine whether adopting successful strategies lead to increased program impacts in a large urban area. Since implementation in November 1988, and up to and including May 31, 1996, GAIN has accomplished the following for its 34,200 participants:

- 6,100 of the registrants were in the process of completing their initial orientation/appraisal.
- 1,800 registrants have been assigned to a research study control group and do not receive GAIN services.
- 7,000 registrants are temporarily deferred from participation subsequent to their appraisal, typically for part-time employment, enrollment in other outside training programs, temporary illness, or a family crisis.

- 11,600 participants are assigned to a GAIN activity (i.e., training, education, job services, vocational assessment or work experience). The largest number of these (5,500, or 48%) are assigned to Job Services.
- 7,700 registrants are involved in the non-compliance process for failure to comply with program requirements (ultimately subject to financial sanctions).
- Since implementation in November of 1988, GAIN has accomplished the following:
 - 76,000 participants have entered employment.
 - 22,800 participants have successfully completed education and training programs.
 - 34,200 participants are currently in GAIN.
- The final report of the MDRC has shown through its three-year study that GAIN can be cost-effective. It can benefit welfare recipients and taxpayers, and point to strategies for increasing program effectiveness.
- GAIN can change the basic character of welfare to make it much more work focused, and in doing so get people jobs, reduce welfare costs, and save taxpayers money.
- Six counties were studied by MDRC. Some emphasized basic education. Some featured immediate job placement. The most successful was the County of Riverside. Los Angeles County adopted the Riverside approach, which combined the

following practices: (1) Participant earnings greater than when on welfare, (2) Sub-group studied, single mothers and family units. Both showed increase in monthly income.

- The most common activities are Job Club and Job Search, operated in a professional, high-expectations environment.
- Quick job entry is encouraged over longer-term education or training, even if the job is relatively low-paying.
- Job developers work with the community to access more job opportunities for participants.

FINDINGS

- GAIN has shown significant increase in job placements (*see attached Table*).
- GAIN is an effective welfare-to-work program.
- GAIN should be expanded in Los Angeles County.
- GAIN with the Department of Public Social Services should aggressively lobby for funding for expansion of GAIN funding under the new welfare law.

RECOMMENDATIONS

1. The Board of Supervisors and other County officials should urge the Governor of California and the California Department of Public Social Services to secure funding from the Temporary Aid to Needy Families (TANF) block grant from the federal government to Los Angeles County to provide and assure an adequate budget for an expanded GAIN program.

- 2.. The Board of Supervisors and other County officials should urge the California Department of Public Social Services to continue funding for expansion of the Job Clubs in the GAIN program with Regional Directors designing format for expanded Job Clubs.
- 3.. The Los Angeles County Department of Public Social Services establish a reliable tracking system of welfare-to-work participants who are gainfully employed. The LEADER project time line for complete implementation in April 1999 should be maintained. The automated systems primary areas of focus will be applicant intake, verification, eligibility determination, benefit calculation, periodic reporting, recipient recertification/redetermination and management and fiscal reporting. The project began in November 1995 and complete implementation is projected for April 1999 (*Internal Services Department, Los Angeles County*). The Grand Jury recommends LEADER time line be maintained and implemented as a reliable tracking system.
- 4.. The Los Angeles County Director of the Department of Public Social Services provide for an independent private enterprise to monitor the established tracking system of participants in the GAIN program. Accountability would assure the successful implementation of GAIN. The MDRC audit is an example of an independent tracking system.
5. The Los Angeles County Department of Public Social Services develop the GAIN program for franchise as a model program for welfare-to-work programs in other states.

COMMENDATION

The Los Angeles County Grand Jury commends the efforts of the GAIN staff and the measured success of placement of welfare recipients in Los Angeles County. The ongoing support through Job Clubs and staff support of the participants contributes greatly to the success of GAIN. We anticipate GAIN's professional staff will be capable of meeting the future expansion of the program with insight, leadership and creativity based on the success of the program to date.

RESOURCES

The Committee researched the GAIN program information through the following resource materials:

California DPSS (CDSS) *Proposed Redesign of the Welfare System*, January 10, 1996.

California DPSS Welfare Reform, "*Some Assembly Required*" Handout Materials, September 16, 1996.

GAIN: Benefits, Costs and Three-Year Impacts of a Welfare-to-Work Program of September 1994 by Manpower Demonstration Research Corporation (MDRC) a social policy research organization founded in 1974.. Locations New York and San Francisco.

GAIN documents supplied by John Martinelli, Chief, GAIN Division, Bureau of Special Operations, DPSS.

Los Angeles Times, August-December 1996, relevant welfare-to-work articles.

State of California, Pete Wilson, Governor, *State Plan for Provision of Public Assistance Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*. Submitted to Washington, D.C. (15 pages), October 9, 1996.

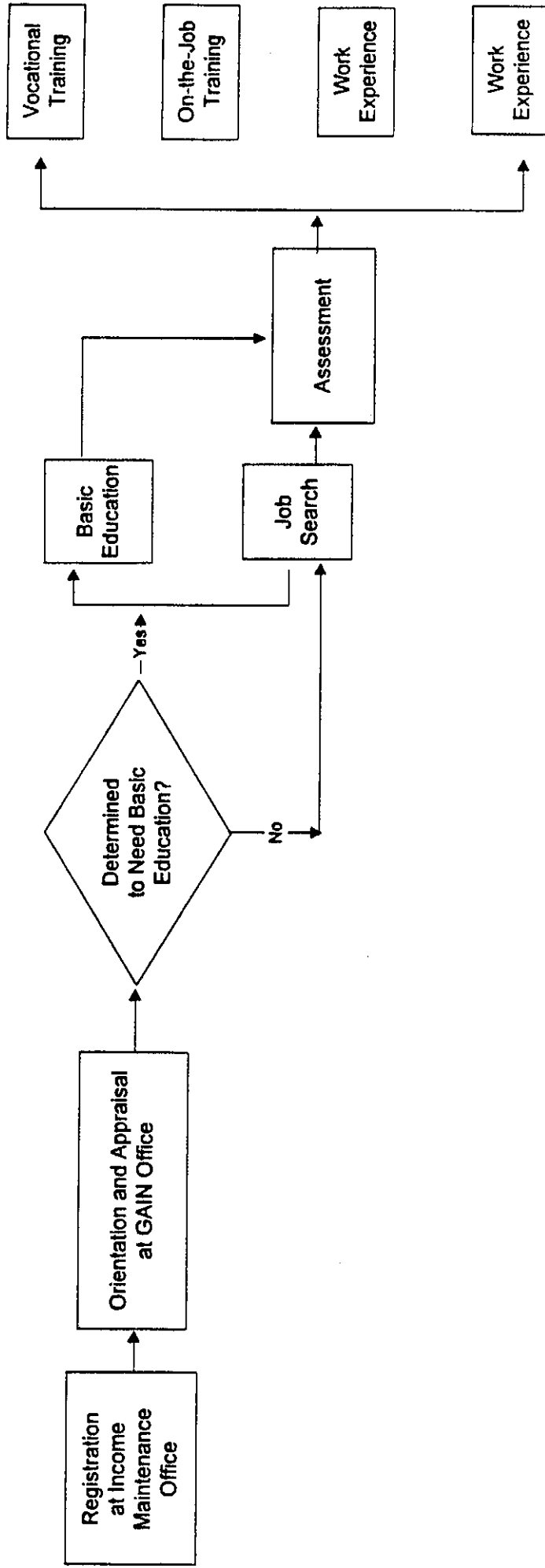
LACO Internal Services Department, William F. Stewart, Director, DPSS LEADER Project in Collaboration with the Department of Public Social Services.

Committee site visits to administrative locations, GAIN Regional Offices, Los Angeles and Panorama City locations.

ACRONYMS

ABE	Adult Basic Education
AFDC	Aid to Families with Dependent Children
DPSS	Department of Public Social Services
ESL	English as a Second Language
GAIN	Greater Avenues for Independence
GED	General Education Development
IISD	Internal Services Department
JOBS	Job Opportunities and Basic Skills Training Program
LEADER	Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System
MDRC	Manpower Demonstration Research Corporation
TANF	Temporary Assistance for Needy families.

LOS ANGELES COUNTY GAIN PROGRAM MODEL



NOTE: Registrants can leave the GAIN program at any point because of employment or deregistration from GAIN for other reasons.

Table 2

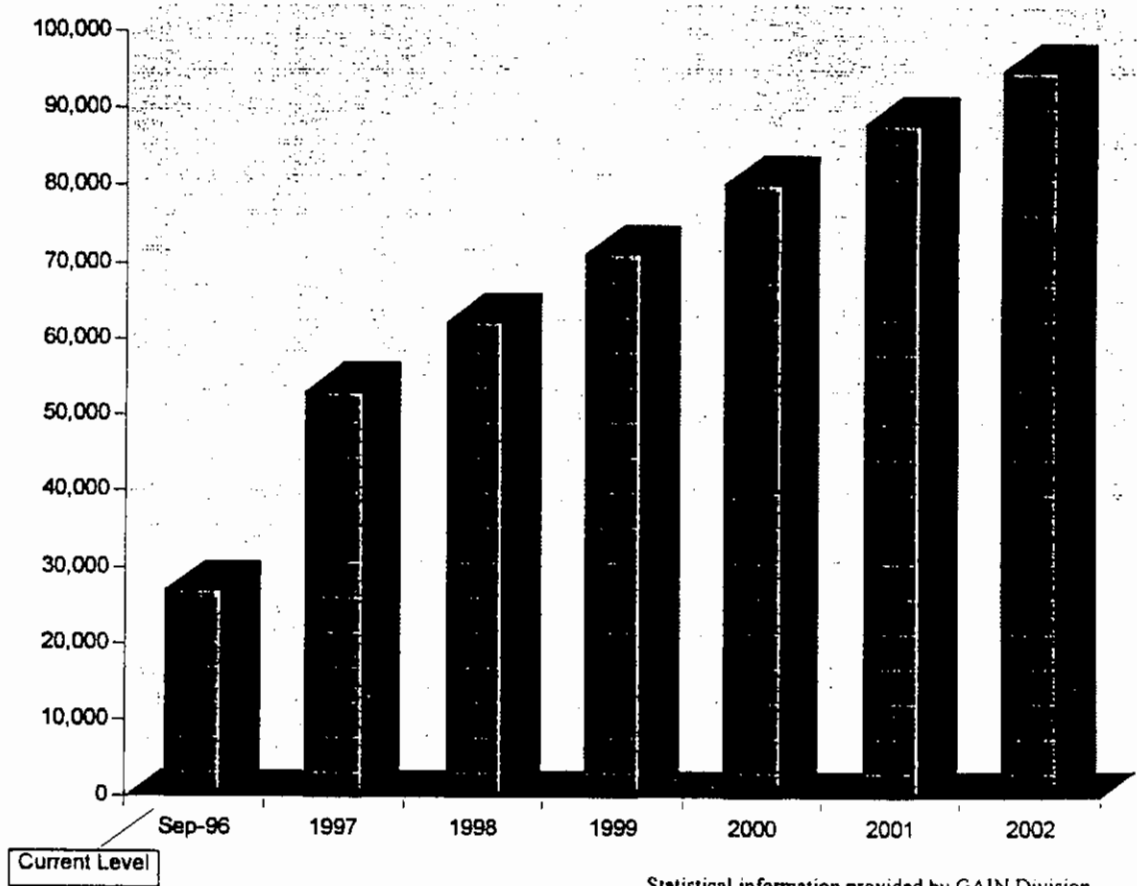
GAIN's Impacts on Year 3 Earnings Levels and the Percentage of AFDC - FGs (Single Parent)
Both Employed and Off AFDC at the End of Year 3

Outcome Measure and County	Experimentals (%)	Controls (%)	Difference
<u>Earned \$5,000 or more in year 3</u>			
Alameda	16.4	12.7	3.7 *
Butte	21.9	18.8	3.1
Los Angeles	12.6	12.0	0.6
Riverside	23.7	17.1	6.6 ***
San Diego	23.3	19.7	3.6 ***
Tulare	20.6	17.6	3.0 *
All counties (a)	19.7	16.3	3.5 ***
<u>Earned \$10,000 or more in year 3</u>			
Alameda	10.6	8.4	2.2
Butte	14.6	10.2	4.3 *
Los Angeles	7.7	6.7	1.0
Riverside	13.7	9.5	4.2 ***
San Diego	15.0	12.0	3.1 ***
Tulare	11.2	8.2	3.0 **
All counties (a)	12.1	9.2	3.0 ***
<u>Employed and received no AFDC in the last quarter of year 3</u>			
Alameda	14.2	10.0	4.2 **
Butte	22.8	22.0	0.8
Los Angeles	11.2	9.1	2.1 **
Riverside	23.0	18.4	4.6 ***
San Diego	21.4	18.8	2.6 **
Tulare	19.9	17.6	2.3
All counties (a)	18.8	16.0	2.8 ***

NOTES: Statistical significance levels are indicated as ***= 1 percent (the highest level); **= 5 percent; *= 10 percent.
(a) In the all-county averages, the results for each county are weighed equally.

Greater Avenues For Independence Welfare Reform

Maximum Work Participation Levels Under TANF 1997-2002



Statistical information provided by GAIN Division.

Maximum Required Work Participation Levels

FY	Participants
09/96	27,000
1997	53,000
1998	62,000
1999	71,000
2000	80,000
2001	88,000
2002	95,000

These levels reflect the State's option to aid all legal immigrants on TANF and to not exempt single parents with children under age 1 or pregnant.

Projection is based on September 1996 Federal adults in the AFDC program. Projection assumes a 2% caseload decline per year for AFDC-FG and a 1% decline for AFDC-U. The decline is accelerated in FY 2002 due to TANF five-year term limit.

Are Los Angeles County and City of Los Angeles Licensing Agencies Regulating Charitable Solicitations Activities?

The inspection of the licensing issuing facilities for fund raising in the County of Los Angeles and the City of Los Angeles was prompted by a serious concern over the numerous solicitations made of citizens in the County and City of Los Angeles.

The study was limited to solicitation of funds by representatives or mail only. While the telephone solicitation for funds for various "causes" is tremendous, there is no procedure in place for monitoring the telephone solicitors.

In August 1996, the committee visited the County Business License Commission which has a staff of two. A subsequent visit was made in March 1997.

The City of Los Angeles Social Services Department with a staff of six was visited initially in August 1996. A subsequent visit was made in May 1997 to the Parker Center of the Los Angeles Police Department. The Commission Investigation Division, Los Angeles Police Department incorporated the licensing section into its department in October 1996.

FINDINGS

Comparisons of the information received from the two agencies are shown on the table appearing on the following page.

Although each application form requires the organization soliciting funds to provide a financial statement within 30 days following the solicitation, there is apparently little follow-up on this procedure. If the organization applies for a renewal of application to solicit funds from the public the original application is reviewed. Oftentimes, a new license is granted whether or not the criteria setup for reporting the financial statement of the last solicitation is in place.

Although both applications indicate "non-compliance with or violation of information on the application is a misdemeanor" there appear to be no relevant prosecutions for non-compliance in recent years. Though this may be good news, considering the volume of licenses granted in Los Angeles, the validity of such inaction is questionable.

The solicitation of funds procedures have many similarities in the County and the City of Los Angeles. The tasks overlap in the county and city licensing agencies. A consideration in the name of economy and efficiency for consolidation into one licensing agency seems an obvious area to explore.

In addition to interviews with staff of Los Angeles County and City of Los Angeles, the committee interviewed personnel in the City of Beverly Hills regarding the charitable solicitation application procedure. It was of interest to the committee to use a small

NOTICE OF INTENTION (TO SOLICIT CHARITABLE CONTRIBUTIONS)

	COUNTY	CITY
Filing Deadline	At least 30 days in advance	At least 15 days in advance
Number of Requests Filed Annually	150-200	3,000-5,000 Catastrophes (riots, earthquakes, etc.) increased number of filings
Permits Refused	Under 2%	Approximately 10%
Investigations	Applications and supporting documents done only by staff. Each Wednesday, the commission meets to review new applications.	Paperwork checked by staff. Investigators may review and investigate.
Restrictions on Solicitations	No restriction on fees to professional fund raisers.	Professionals must be separately licensed to solicit. Fees to 20% of amount collected — 50% in special cases. Expenses other than above - 10% Salaries of professional staff limited
Expiration Date	Typed on permit	In body of permit — unclear to casual observer
Return of Permits	After one year (not enforced)	Not required
Public Inquiries	Public may review files (kept for five years)	Answered verbally by staff investigators
Check Operation of Charity	Complaints referred to Sheriff's Department	Spot checks of operations of charity. On complaints, investigation and check of physical plant, etc.
Final Report	Required — no follow-up	Required — audited by staff and follow-up. No new permit until compliance.
Annual Report	Audit required	Audit required

incorporated area to contrast its procedure with that of the County and City of Los Angeles. The application process is under the auspices of a section within the police department. The charitable contribution permit is approved by five appointed commissioners who meet monthly. Typically, there are five to six applications per month. Ninety-nine percent of the applications are approved. In the past three years, there has been no fraudulent activity involved with the charitable solicitation process in the City of Beverly Hills. There is no fee charged for the application process. There is no budget for this service. Any associated costs are incorporated in the police department's budget.

RECOMMENDATIONS

1. The Los Angeles County Business License Commission should implement the stated follow-up financial statement submission by the applicant following the conclusion of solicitation. This is clearly stated on the application form. "Within 30 days after the completion of the solicitation, we will submit the Report of Results of Activity form to the Business License Commission indicating all receipts and expenditures of the appeal/activity."
2. The Commission Investigating Division of the Los Angeles Police Department should implement a follow-up procedure by the applicant at the conclusion of solicitation.

3. Both county and city licensing sections should develop a marketing program for public information. This should include information on the requirements organizations must meet before soliciting funds from the public.
4. Both licensing sections should develop a hot line for citizens' inquiries regarding solicitations. Currently the county refers suspicious solicitations to the Sheriff's Department and the city licensing section is appropriately passing on questions to the Los Angeles Police Department Commission Investigation Division.
5. Both licensing sections should require applicants sign the application to solicit funds under the penalty of perjury, consistent with C.C.P. Paragraph 2015.5.
6. The Citizens Economy and Efficiency Commission of Los Angeles County should examine the feasibility of merging the two licensing sections into a single agency.

Ad Hoc Committees

Ombudsman

MEMBERS

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Gunter G. Altman
Russell E. Hawkes

Special Projects

MEMBERS

Jack W. Hilts, Chair
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Abigail G. Cohen

Ombudsman Should Help Citizens With Complaints Against All County Departments

It is reported that many citizens of Los Angeles County have become alienated from county government and cynical about its officials. Often, these officials seem to have become insulated from the people and appear to the public to be insensitive to their grievances.

Citizen complaints received by the Grand Jury are numerous and cover a broad spectrum of problems. The frustration of the complainants is obvious, and there is little the Grand Jury can do to relieve it since the jury is forbidden to communicate its actions to complaining citizens.

This is bad government. It discourages attempts by citizens to participate in county government, fosters an alienated, impotent and disinterested citizenry and distraught minorities. Government should try to resolve complaints and make citizens feel they are participating in their own government.

Similar communications problems are common among large corporations. Some have borrowed the Scandinavian idea of a professional "ombudsman"¹ to mediate conflicts between employees and management, and the results have been positive. To remedy the problem in one key department, the County Board of Supervisors enacted Ordinance No. 93-0053 creating the Office of Ombudsman to help citizens with complaints against the Sheriff's Department. When a citizen cannot

obtain attention to a problem through the routine process of the department, the ombudsman, at the citizen's request, is supposed to exercise his authority to make sure the issue receives full and proper consideration.

The Los Angeles County Office of Ombudsman defines itself as, "a neutral, independent county department that assists residents with complaints involving Sheriff's Department sworn and civilian personnel." The fact sheet published by the office adds, "At the discretion of the Board of Supervisors, the Office of Ombudsman may provide assistance to other county departments."

FINDING

The situation which the Office of Ombudsman was created to remedy occurs not only in the Sheriff's Department but in many other county departments.

RECOMMENDATION

The Los Angeles County Board of Supervisors should immediately direct the Office of Ombudsman to assist residents who have complaints against *any* county department and direct *all* county departments to advise complainants of the availability of the ombudsman. Section 2.37.020 of County Ordinance 93-0053 should be amended by striking from the first sentence the words, "...by the sheriff

¹ *Webster's New Collegiate Dictionary*: Ombudsman...: a government official ... appointed to receive and investigate complaints made by individuals against abuses or capricious acts of public officials.

and ...” and substituting, “...for a term of four years ... unless removed earlier by a vote of the board.” The ombudsman should point out to the board common failures of government

and recommend improvements. Any action by the ombudsman should be reported promptly to the complainant and the Board of Supervisors.

Citizens Economy and Efficiency Commission Must Include Member of Newly Retired Grand Jury

According to its charter, the membership of the Los Angeles County Citizens Economy and Efficiency Commission is to include the foreperson of the most recently retired county Grand Jury. No provision is made for the foreperson's unavailability to serve. Recently, two successive retiring forepersons declined to serve on the commission. In the absence of legal guidance, the commission twice extended the term of the preceding foreperson.

The commission was established in 1975 by the Board of Supervisors for the purpose of improving government economy, efficiency and effectiveness. The commission, at the request of the board or on its own initiative, may examine any operation of county government and submit to the board recommendations aimed at improving government. Since its creation the commission has made numerous constructive recommendations, many of which have been implemented.

The commission consists of 21 members. Each supervisor nominates four persons for appointment to the commission based on the following criteria:

- Members should not be in a position to augment their income or promote their special interests through membership on the commission.
- Members should be broadly representative of the community.
- Members should be knowledgeable, active or interested in community affairs.
- Members should be available for commission task force work at least two or three half-days per month.
- No member of the commission should be a county employee.

The 21st member of the commission, under the terms of the current ordinance, is the retiring foreperson of the previous year's Grand Jury and serves a one-year term. All other members serve for a period of two years.

When not hearing criminal indictment proceedings, the Grand Jury performs civil oversight or "watch dog" functions similar to those of the Citizens Economy and Efficiency Commission.

The Grand Jury is not politically appointed, thus, the Grand Jury member serving on the commission brings an independent voice which represents findings and recommendations of the 23-member Grand Jury from the previous year. Grand Jury members are selected by random drawing from a pool that is representative of the people of the county of Los Angeles.

FINDING

The Special Projects Committee reviewed the composition of the current Citizens Economy and Efficiency Commission and ascertained that the Grand Jury member serving on the commission was foreperson from the 1993-1994 Grand Jury, which is contrary to the intent of the code. The 1994-1995 and 1995-1996 forepersons had declined to serve on the commission.

RECOMMENDATION

Since the intent of the code was to have a person familiar with current government activities serve as the 21st member, the board should amend the code. Currently, there is no

provision for an alternate choice if the retiring foreperson declines to serve. The Grand Jury recommends that the reference to the retiring foreperson from the previous year's Grand Jury in Chapter 3.16 of the Los Angeles County Code be expanded to include another member of the previous year's Grand Jury if the foreperson declines to serve, the selection to be made by the Presiding Judge of the Superior Court. The term of any Grand Jury member serving on the commission should in any case be limited to one year.

By adopting this recommendation the Citizens Economy and Efficiency Commission always will be assured of having a member from the Grand Jury who is current on government issues of interest to the Grand Jury.

Addendum

In response to our Early Release Final Report #2, February 1997 (page 11-3 herein), the Economy and Efficiency Commission forwarded its recommendation to the Board of Supervisors.

The Commission's recommendation was different from our recommendation, and we

believe (a) the difference is significant and (b) the difference was not pointed out to the Board.

We affirm our recommendation that a member of the immediate past Grand Jury be represented on the Economy and Efficiency Commission.