

LOS ANGELES COUNTY GRAND JURY



FINAL REPORT
1984-85

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LOS ANGELES COUNTY GRAND JURY
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ACKNOWLEDGEMENTS

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GRAND JURY ROSTER

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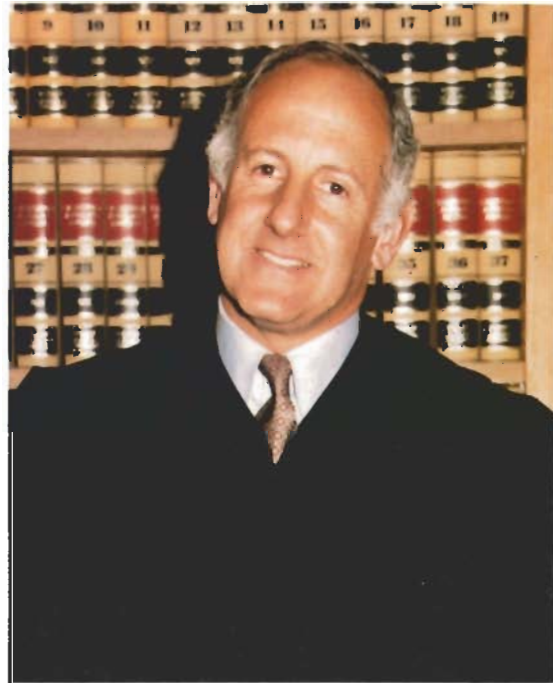
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SUPERVISING AND PRESIDING JUDGES



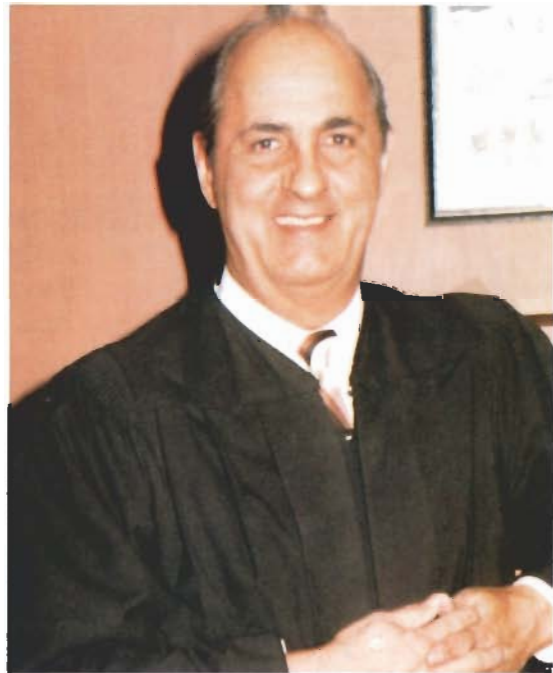
THE HONORABLE HARRY V. PEETRIS
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1984



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SUPERVISING JUDGE, CRIMINAL DIVISION
1984



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1985



THE HONORABLE ROBERT R. DEVICH
SUPERVISING JUDGE, CRIMINAL DIVISION
1985

GRAND JURY OFFICERS



Standing: Pat Quiles, Foreman Pro Tem; Dan Tirre, Sgt. at Arms.
Seated: Gloria DeWitt, Foreman; Bernice Toliver, Secretary.

GRAND JURY STAFF



Standing:
Kathy Spann, Staff Secretary; Jerry Loeb, D.A. Investigator; Anita Williams, Bailiff.
Seated:
Lois Johnson, Court Reporter; Audrey Collins, Legal Advisor.

FOREMAN'S STATEMENT

This has been a year of change, not only in my personal life, but in my perception of the County of Los Angeles. I am proud to be the first Mexican-American woman to hold the office of Foreman of the Los Angeles County Grand Jury. At midterm my predecessor resigned. Other changes had also taken place. This was the first Grand Jury to call on all four alternates, due to resignations before I became Foreman. At the same time, our Presiding and Supervising Judges' terms ended and new judges assumed those roles. After fourteen years as Staff Secretary, Joyce Shannon retired and Kathy Spann assumed the position.



GLORIA DEWITT

My strongest impression of County department heads and staff, that I met, was characterized by their intelligence, expertise and dedication. The Grand Jury is supposed to be an independent group acting as a "watchdog" committee for the citizens of Los Angeles County. Our contribution to criminal cases is limited to those presented by the District Attorney's Office. At times I was disappointed by the conduct of the District Attorney's Office, which left the Grand Jury open to unwarranted criticism. Our Legal Advisor, Deputy District Attorney Audrey Collins, was a pleasure to work with and her counsel was eagerly sought and accepted.

The opportunity to visit and get an insider's close-up look at all facets of County Government was an unexpected bonus. We became well versed in many aspects of County Departments. It is a pity that the County does not utilize the knowledge and expertise garnered by Grand Jurors during their year of intensive study. This Grand Jury was composed of hard working, resourceful members who would be an asset on any Commission.

In addition to the civically oriented places we went, the cultural aspects were not neglected. Among others, we were privileged to visit the Museum of Natural History, the downtown main City Library, Little Tokyo, Descanso Gardens,

the Zoo, and the County Museum of Art. We saw many items not currently on display in the art museum. It was distressing to learn that the collections are not yet computerized, and the task of keeping track of the invaluable items is far behind. We hope that the museum computer system will be installed without further delay to expedite and safeguard the cataloging of these irreplaceable treasures.

I want to thank all the members of the 1984-85 Grand Jury for their good nature, punctuality and cooperation in group projects. The voluntary participation in all field trips and educational experiences was almost unanimous, symptomatic of the harmonious attitude of the entire Grand Jury.

Grand Jurors represented widely diverse communities. We marveled at the vastness of the County, as we visited facilities from as far north as the Antelope Valley to as far south as Terminal Island. We traveled east to Pomona and west to the Pacific Ocean, becoming familiar with in between areas new to all of us.

The one recurring theme at every place we went was MONEY, and the shortage of it. My concern is long-range. What will be the outcome if we continue the open door policies which result in an overwhelming assault on the County coffers?

We were suprised and delighted at the prompt and positive response by the Board of Supervisors to our interim recommendations throughout the year. The excellent reaction we received from the Sheriff's Department on all our suggestions was appreciated.

We are very proud of this report which reflects countless hours of effort contributed by all of our members. My special thanks to the Jury members who worked those extra hours, days, nights, and weekends to accomplish the goals reported in this volume. This Final Report is indicative of the work product and spirit of camaraderie the 1984-85 Jury generated.

It was a wonderful experience and a privilege to serve as Foreman of the Los Angeles County Grand Jury.

GLORIA DeWITT
Foreman

*Report
of the
Criminal Justice
Committee*



Bernice Toliver, David Hill, Chairman, Dan Tirre, Ruth Sorkin, Judy Spreckels

CRIMINAL JUSTICE COMMITTEE

PURPOSE

The Criminal Justice Committee is mandated to evaluate all criminal cases presented by the District Attorney. It honors requests for investigative and indictment hearings, and subpoenas. The Committee reviews and responds to all complaints. In addition it examines and evaluates the Criminal Justice System in Los Angeles County and makes recommendations based on its findings.

AREAS OF CONCERN

Screening of criminal cases
Compton Courthouse
Review and response to complaints
PCP arrest methods
Drug trafficking on Jarvis Street in Willowbrook
Sheriff's Helicopter Bureau
Pending Legislation
Alternate Defense Counsel
Computerizing probationers
Street Gangs

BACKGROUND

In addition to the criminal cases brought to the Criminal Justice Committee for hearing consideration, various other problems were directed to our attention. The Committee decided to focus on those most urgent matters. Concerns which were addressed included investigating law enforcement's methods of apprehending or subduing suspects under the influence of PCP, the Sheriff's Helicopter Bureau, and the problem of drug

trafficking across from the Senior Center in Willowbrook. Special attention was paid to the Compton Courthouse where the inadequate facilities for handling traffic and parking violations were creating a major problem.

METHODOLOGY

The Criminal Justice Committee visited the City and County training facilities for Police and Sheriffs, and Rio Hondo Community College which trains law enforcement officers from many branches. We reviewed training manuals and conducted an inquiry into Police Department operating policies. The Committee met with judges, law enforcement personnel, Deputy District Attorneys, Public Defenders and others involved in the Criminal Justice system. The Committee, aided by a District Attorney Investigator and our Legal Advisor, pursued citizen complaints when the matter came within our jurisdiction.

GRAND JURY HEARINGS

The 1978 California State Supreme Court ruling in the Hawkins case continues to impact upon the activities of the Grand Jury, in that fewer requests for indictments come from the District Attorney. The Hawkins decision provides that if a felony is prosecuted by indictment, the defendant shall be entitled to a preliminary hearing, just as any case prosecuted from the information, without an indictment.

This Grand Jury was, however, requested to assist the District Attorney in some cases due to its power to subpoena witnesses and documents.

The Grand Jury voted to accept the nine requests for hearings made by the District Attorney. In five of the hearings, six individuals were indicted and one hearing remains open. The seventh hearing was for assessing the credibility of the witnesses. The eighth and ninth hearings were for investigatory purposes only. The ninth had not been held as of this writing. To date a total of 20 days was devoted to hearings.

CITIZEN COMPLAINTS

During the first nine months of its term, the Grand Jury received and answered 54 letters from citizens alleging criminal activity or misconduct by public officials. The allegations consisted of charges from rudeness to excessive force and harassment by law enforcement officers, conspiracy and malicious prosecution by judges, the District Attorney, and Sheriff's Deputies, misconduct by Unified School District officials, and myriad complaints which did not come under the jurisdiction of the Grand Jury.

We were assisted by our Legal Advisor in reviewing the complaints and ascertaining the facts of each complaint which fell within our purview. The assistance of our District Attorney Investigator was requested for complaints requiring further investigation before any decision could be made.

The complainants were directed to the appropriate agency for solutions to their problems which were not in the jurisdiction of the Grand Jury. Several complaints which were sent to the Grand Jury were mailed simultaneously to the District Attorney and/or the U.S. Attorney by the writer. When it was verified that other agencies were in receipt of the complaint and were investigating, the Grand Jury did not proceed beyond a letter of reply to the complainant.

The Grand Jury did not initiate any formal hearings as a result of citizens' complaints.

LEGISLATION

Difficulties in obtaining evidence to make arrests and get convictions under currently inadequate laws was the subject of many law enforcement and criminal justice specialists who addressed the Grand Jury.

The Los Angeles County District Attorney, Deputy District Attorneys and representatives of the Los Angeles County Sheriff's Department outlined legislation which they assessed as vital to their work, if they are to be more successful in apprehending and prosecuting criminals.

Legislation which they stated was needed at this time is as follows:

1. Use of Electronic Surveillance SB 159

This bill would authorize the interception of wire or oral communications by certain law enforcement officers under specified judicial authorization procedures.

2. Senate Constitutional Amendment No. 10

This measure would provide that if a felony is prosecuted by indictment, the defendant shall not be entitled to a post-indictment preliminary hearing. It would also provide that selection by the prosecution of either indictment or information as the method of prosecution shall not constitute a violation of the equal protection or due process provisions of the California Constitution.

3. Increased Penalties for Dealers SB 1249

This bill would provide for the imposition of an additional and consecutive 5-year term in certain controlled substance cases where the person had certain prior convictions relating to controlled substances, and additional terms of 10, 15 or 25 years in cases where a violation involved a specified quantity of a substance containing heroin or cocaine, or of phencyclidine (PCP) or its analogs, as specified.

4. Manufacturers and Wholesale Drug Corporations AB 1207

Existing regulations of the California State Board of Pharmacy require of manufacturers and wholesalers that they report sales of dangerous drugs subject to abuse, as specified. This bill would enact various additional requirements and prohibitions relative to dangerous drugs subject to abuse. It makes manufacturers and wholesalers liable for the delivery of controlled substances to, or their receipt by, a pharmacy unless the pharmacist signs a specified receipt, and would require the pharmacy and the wholesaler or manufacturer that delivered the controlled substances to maintain the receipts for a period of three years. This Assembly Bill provides for prison terms for manufacturers or wholesalers found in violation.

5. Forfeiture Bills SB 258 through 263

These bills simply remove areas of uncertainty in the existing forfeiture laws and will simplify forfeiture laws and procedures. If the People can prove by a preponderance that the already convicted drug dealer got his house, car, or other acquisitions during the same time period that he was engaged in the illegal drug activity, and had no other likely source of money, the jury can rely on that for a presumption that the burden of proof is met.

SB 259 says that buildings used to sell, store, manufacture or form drugs are nuisances. If that is proved, the court can remove the plants, seeds, crops, and other property used to conduct or make drug sales.

SB 260 states that “it is the intent of the Legislature that the forfeitures . . . shall occur automatically, by operation of statute, at the time of the proscribed (illegal) activity.” This would make it harder for the defense to bring motions for the return of the property. It also states that if the defendants violate federal law re: racketeering or drugs, their goods can be forfeited.

SB 261 states that if property is ordered forfeited, and the defendant appeals, his property will still be forfeited while he appeals. A defendant cannot avoid having his property forfeited by simply filing an appeal.

SB 262 requires lesser amounts of drugs for forfeiture of a vehicle used to aid in the sale of those drugs.

SB 263 Under present law, the forfeiture trial cannot be conducted in the absence of the defendant. This bill would allow a court hearing and declare the property forfeited in the absence of the defendant if a bench warrant has been issued for his arrest, and the defendant absented himself voluntarily from the hearing.

Due to the proliferation of “rock houses” in Los Angeles County, the District Attorney proposes an amendment to the Health and Safety Code Section 11470 to allow forfeiture of “any real property whose primary purpose is the sale of controlled substances in violation of the Health and Safety Code Sections listed in the subdivision.” He also suggests adding Health and Safety Code Section 11366 (maintaining a place for the purpose of selling controlled substances) to the list of violations [contained in Section 11470 (f)] for which forfeiture is permitted.

The Grand Jury recommends that the Board of Supervisors strongly support all of the above Legislation.

ALTERNATE DEFENSE COUNSEL

The resources of the Public Defender’s Office were severely depleted by the ballooning number of indigent defendants. That, combined with the law which prohibits the Public Defender’s Office from representing more than one defendant in any case, created the need for private attorneys to be appointed by the court to defend indigents.

During our term as Grand Jurors, the subject of billing abuses by some court appointed attorneys gained widespread attention. County auditors audited various courts, resulting in the request for return of overbilled monies to the County by some attorneys.

The ongoing problems of the shortage of Public Defenders in ratio to the increasing ranks of indigent defendants, billing irregularities by court appointed attorneys, and multiple indigent defendants in the same case, necessitated an alternative to the existing methods of representing those clients. The answer was the Alternate Defense Counsel, a group of private attorneys who are hired and work together solely to represent the indigent. The County appointed an attorney to head the office, hire the other lawyers, handle billing the County and run the enterprise like a regular law firm. The pilot project was in Van Nuys, and now branches are being opened in other areas, due to the success of the experiment. The savings to the County has been considerable.

Representatives from the Public Defender and Chief Administrative offices shared with the Committee their concerns about the spiraling costs and the need for additional Public Defenders, while recognizing the success of the Alternate Defense Counsel plan. They commented favorably on the high quality of representation and the financial savings.

The head of the Alternate Defense Counsel reiterated the details of the project and announced that the expansion of the program is under way in additional courts.

The Grand Jury recommends that the Board of Supervisors continue to support the Alternate Defense Counsel concept and encourage its extension into more courts.

COMPTON COURTHOUSE

The seriously overcrowded condition of the Traffic/Parking Ticket Division at the Compton Courthouse was brought to the attention of the Criminal Justice Committee.

To determine if the overcrowding did in fact exist, and the best means of correcting the problem, several on-site visits were made to the Compton Courthouse where we observed the operations of the Traffic/Parking Ticket Division and talked with officials and employees. Extensive interviews were conducted with informed sources and numerous corroborating documents were reviewed.

Our investigation revealed the space allocated to the Traffic/Parking Division did not permit the employees to work efficiently or comfortably, and this was detrimental to case processing. The existing work space was inadequate for the number of staff assigned and did not meet the standards set by the National Clearinghouse for Criminal Justice Planning and Architecture.

There was insufficient counter space resulting in long slow lines. Citizens stood for hours in the line which extended out the narrow doorway, down the hall, and frequently doubled back forming a "snake" line which clogged the hall. The resulting congestion obstructed the entrance to the courthouse.

Because people who use the Compton Courthouse prefer to pay their traffic fines in person or litigate their traffic violations, there was a pressing need for an expanded area in which to serve them. Of equal concern was the loss of time to those citizens and the negative impression of the Criminal Justice system which was conveyed.

The Committee observed that the community room immediately adjacent to the present traffic division would provide enough floor space to satisfy current requirements and allow for future expansion.

Access to the community room could easily be obtained by simply constructing a door between the two rooms and installing a counter. Extensive remodeling was not necessary. The increase in public counter facilities in this room would eliminate long lines and citizen frustration.

It was ascertained that funds for such an expansion were readily available. The Committee concluded that the community room was seldom used, and that the present occasional users would be accommodated easily and conveniently within the Compton Civic Center.

The presiding judge of the Compton Municipal Court concurred that the Traffic/Parking Division should be enlarged by utilizing the adjacent community room.

The Grand Jury recommended to the Board of Supervisors, through Deane Dana, that they permit use of the community room for expansion of the Compton Courthouse Traffic/Parking Division on November 29, 1984.

The Board of Supervisors gave its approval of the recommendation on December 3, 1984. Plans to implement the recommendation were immediately put in motion.

PCP ARREST METHODS

The arrest and subsequent death of a suspect who was under the influence of Phencyclidine (PCP), while in custody of law enforcement officers, was brought to the attention of the Criminal Justice Committee.

The Committee visited the Los Angeles County Sheriff's Academy Basic Training Division, the Rio Hondo Community College District, which has a training program for cadet officers from many municipalities, and the Los Angeles Police Academy. Overviews of the three training programs were presented. Demonstrations were held showing how arrests were made of disturbed and/or resistive suspects, especially suspects under the influence of PCP. Exercises were held which included the use of the "Taser Gun" and the use of the "Baton".

The Committee conducted a random survey by questionnaire, of the Sheriff's Sub-stations and the LAPD stations to ascertain the techniques employed when arresting a resisting suspect under the influence of PCP.

The pharmacology of PCP was researched and the various effects of the drug were studied. An individual using PCP is often not in contact with reality, and frequently is unable to cooperate with instructions or directions from law enforcement officers. According to the Cadet Officer Manual of the Rio Hondo Community College District, the effects of PCP vary widely among animal species and with varying doses. Although its exact physiological actions on the body are not yet clear, PCP is known to affect the brain and central nervous system in such a way as to scramble internal stimuli and impair perception. Most people using PCP experience a confused state characterized by feelings of weightlessness, unreality, depression, anxiety and hallucinations.

The Sheriff's Department notes that there is a mistaken opinion that persons under the influence of PCP attain superhuman strength. The strength of the PCP user is not increased. The ability to feel pain is lost. Therefore, when the person under PCP appears to exhibit tremendous strength, it is because he does not feel normal pain from overexertion, such as lifting a great weight or resisting while heavily outnumbered.

The Sheriff's Department teaches the four-person take down technique in the Academy basic training. This approach minimizes the risk of injury to the subject and the officers. Where conditions were not conducive to the application of this "swarm" or four-person take down, physical contact with a resisting suspect under the influence of PCP is avoided until other means of control, such as the "Taser Gun" or "Capture Net" could be used. The LAPD endorses and teaches the use of the same "Team Take Down" (Swarm) in concert with the electrically charged Taser Gun.

The Grand Jury recommends that the Board of Supervisors support measures to have all Law Enforcement Officers arresting a suspect under the influence of PCP attempt to use the "Swarm" or "Four-person take down" FIRST, especially where there is a possibility the subject might resist.

Universal implementation of this procedure would prevent death to the suspect as well as injuries to the officers.

DRUG TRAFFICKING ON JARVIS STREET

The problem of drug trafficking on Jarvis Street in Willowbrook (a suburb in South Central Los Angeles), was first brought to the attention of the Juvenile/Elderly Committee. That Committee visited the Willowbrook Senior Citizens Center which is located across the street from a house where the street sale of drugs was being conducted. Also directly across the street is a children's Day Care Center and a Public Library.

When the problem was referred to the Criminal Justice Committee, the Committee visited the area where we observed the blatant drug sales. The director of the Willowbrook Senior Citizens Center related that seniors were afraid to use the facilities because of the dangerous element operating the drug business across the street.

The Committee forwarded a letter to the Carson Sheriff's Station to inform the Sheriff of the problem, to relate our eye-witness observations and those of the people who utilize the center.

A representative from the Narcotics Division of the District Attorney's Office and a Deputy from the Carson Sheriff's Station met with the Committee to discuss the issue. As a result of that meeting, plainclothes deputies were dispatched to the area immediately and surveillance was maintained until those involved in the selling of drugs were taken into custody and the house was closed.

The Grand Jury commends the Sheriff's Department for the rapidity with which the drug trafficking on Jarvis Street in Willowbrook was brought to a halt and the Center again made safe for the senior citizens.

STREET GANGS

A day-long symposium by Gang Specialists from the District Attorney's Office, the Sheriff's Department and the Los Angeles Police Department on the subject of gangs was presented to the Grand Jury. They gave us the background and an overview of all types of gangs including their origin by neighborhood or ethnic, racial, familial or foreign source.

The rash of violent crimes and drive-by shootings committed by street gangs, resulting in the wanton and useless loss of lives or maiming of numerous young people and uninvolved bystanders, prompted the Criminal Justice Committee to concentrate on this specific area.

The Committee invited experts from the Sheriff's Department and the District Attorney's office to address the group regarding street gang problems and solutions. Each expert had ideas and suggestions about what could be done to make an impact on gang activities. It was generally acknowledged that street gangs will never be eliminated but that illegal gang activities can and must be curtailed. Economics was a significant factor in the gang saga, as was lack of education, especially illiteracy, which makes young people unemployable at even entry level or trainee jobs.

We concur with and strongly support the approaches proposed by law enforcement as follows:

1. Better education of young gang members and their parents using monies from the State Lottery.
2. Encouraging businesses in the hiring and training of gang members.
3. Devise and implement alternative activities for youth.
4. Increase the number of officers assigned to "Operation Safe Streets".
5. Increase jail terms for violations of probation.
6. Computerize conditions of probation of gang members.
7. Increase funds for witness protection.

The Grand Jury recommends that the Board of Supervisors actively support measures necessary for the implementation of the above suggestions to ameliorate the street gang problem.

SHERIFF'S AERO BUREAU

The ever increasing use of helicopters in modern law enforcement prompted the Committee to study the Sheriff's Department Helicopter unit, which is called the Aero Bureau.

An on-site visit by the Committee to the Sheriff's Aero Bureau Headquarters in Long Beach was a Grand Jury first. The Bureau was founded in the thirties with volunteers using fixed wing aircraft. It was the second close ground support unit in the United States. New York was first.

This facility is the training center for all County Sheriff's Helicopter crews who return twice yearly for additional training. Malibu, Newhall and Antelope Valley all have assigned patrols. The high quality of the Sheriff's helicopter work is attributed to the uniform training personnel receive at Long Beach, and the fact that all maintenance work is done there by their own mechanics.

The primary jobs of the Aero Bureau are patrol support and rescue for officer safety and citizen safety. Other tasks the Bureau handles include flying photo missions, surveillance and transportation.

The Sheriff's Department utilizes three different types of helicopters. The largest, the Sikorsky, is primarily for rescues. It is staffed by a pilot and co-pilot, crew chief (observer), with two Paramedics. It is equipped for summer and winter rescues in the mountains, and in water, and for transporting the injured. There are 54 civilian doctors who volunteer to take turns working in the helicopter on the weekends. One of these helicopters is always on duty during daylight hours at Barley Flats, which is located behind Mt. Wilson. In 1984 over 500 rescues were made by the Sheriff's Department with the Sikorsky helicopters.

The Aero Bureau has thirty-five sworn officers and ten civilians. There are seventeen Paramedics from the Emergency Services Detail (ESD) who crew the rescue helicopters, with six at Barley Flats at any given time. They have three Certified Flight Instructors (CFI) who must also fly patrol, rescue and transportation missions which take them from their teaching duties on occasion.

The Fire Department helicopters handle all rescues west of an imaginary line from Descanso Gardens in Flintridge-La Canada to the sea. The Sheriff responds to all rescues in the County east of Descanso. During the fire season, the Sheriff's helicopters handle all rescues to free the Fire Department helicopters for fire work.

The Paramedics who work in the choppers have 2 to 2½ years special training beyond their regular Sheriff's training and years of service in the Department. They must be exceptionally fit, skilled in year-round mountain

rescues in steep terrain, scuba recovery and Special Weapons and Tactics (SWAT) training as well. The regular SWAT teams also cross-train with them, as on occasion SWAT members must come into a location by helicopter. Everyone in the helicopter, including the pilot, must be prepared to get out and assist ground personnel if needed, so those skills must be maintained. A tremendous degree of trust exists among the Paramedics whose lives depend on one another in dangerous mountain rescues.

We studied the helicopter equipment with which most people are familiar . . . the spotlight and the bullhorn. The lights on the Sheriff's helicopters appear to be a single lamp, but actually there are three lights welded together. They radiate 2½ million candlepower. The cost for these three lights together is \$750. The Bureau makes these lights itself. The Police Department uses a single bulb model which is purchased at \$16,000 each.

The Sheriff uses a 200-watt Public Address loudspeaker to talk to people on the ground. When the observer spots a suspect at night, the loud hovering noise and wind, the brilliant lights and the P.A. system generally cause the culprit to stay rooted to the spot, so the ground officers can make the arrest. Under the helicopter, suspects seldom break and run, but if they do, it is even easier to see them in motion.

Smaller than the enormous Sikorsky is the Hughes 500 helicopter which holds four and is used for patrol support, search and rescue, crime scene photography, surveillance and transportation. The Hughes 300, which holds two, is used for training.

The helicopters one sees, which look like a small bubble cab with a frame-like skeletal body, are Bell 47's. They are for patrol in the outlying stations' territory. A Bell Long Ranger holds seven and is used for high security transportation.

The Bureau helicopters are outfitted with extensive radio equipment for monitoring all the various police calls in their patrol area. This aids the local Police Departments, as helicopters can get to a crime scene faster than a patrol car in traffic, and can keep a suspect's car in view at all times. They are especially valuable in assisting local police during vehicular and foot pursuits. When a suspect runs from one jurisdiction to another, the helicopter can follow and communicate with the involved agency and assisting agencies.

There are landing pads for Sheriff's helicopters at the City of Industry, Carson, West Hollywood, Lakewood, East Los Angeles, and the new Calabasas Sheriff's Station. All landing pads that one sees on the roofs of buildings are marked. The number 13 indicates that the largest helicopters, weighing 13,000 pounds, can

land there. "PVT" indicates private or corporate helicopters may land there. One of the prime assets of helicopters in police and rescue work is that they can land anywhere. Fixed wing can only land in designated areas.

The Aero Bureau has two small fixed wing aircraft which are used by investigators and to bring back prisoners from some other location. They are only used to transport prisoners from smaller airports where commercial planes can't operate.

The Sheriff's Department needs a larger fixed wing plane that is pressurized, such as a King Aire or comparable, which could seat 12. Under present circumstances, a Sheriff's bus makes what they call "The Big Loop" transporting prisoners as far north as Oregon once a week. A survey shows that use of such a plane would save the Sheriff's Department and the County a lot of money.

The Grand Jury recommends that the Board of Supervisors allocate the funds to secure a pressurized twin engine aircraft which will save valuable time and money in prisoner or high security transportation by the Sheriff's Department.

The Bureau operates from 8:00 a.m. to 4:00 a.m. It does not have enough people to man the station and the helicopters around the clock. There is only one person to take the night calls and there is a helicopter crew at home which can roll out in an emergency. The facility has sleeping room and emergency housing for twelve. The Bureau needs ten more sworn staff and two more mechanics. Due to the extraordinary physical demands, lengthy training and risks inherent in the job, it is hard to get qualified applicants despite the pay.

Deputies who fly the helicopters earn flight bonus pay every month. This is cost effective because one helicopter assisting one radio car frees several other cars for different duties.

There are fifty-four companies in Los Angeles using helicopters. That number does not include individuals with private ones for their own personal use.

The Bureau takes part in the Work Release program. Work Release inmates are responsible for their own transportation to and from the base where they put in an eight-hour day. They do constructive jobs around the property such as yard work, repairing and maintaining the buildings and the grounds. They do not work on the aircraft at all. The Sheriff's Department finds the Work Release program very effective at the Bureau base.

The Aero Bureau has temporary kennels for the canine members of the Sheriff's Department. The K-9 unit has two bomb dogs, two narcotics dogs and nine street dogs. All of the dogs have annual helicopter training together at a park in

Redondo Beach. They are regularly used in helicopters so they must be willing to board and ride, ignoring the noise.

The Grand Jury commends the personnel of the Sheriff's Department Aero Bureau for their dedication to excellence in the operation of a superior facility and their courage and devotion to duty above the ground.

The Grand Jury recommends that the Sheriff's Aero Bureau be allotted funds for ten additional sworn personnel and two mechanics needed to keep this vital base functioning up to par.

*David Hill, Chairman
Ruth Sorkin
Judy Spreckels
Dan Tirre
Bernice Toliver*

APPENDIX

PLACES VISITED

Rio Hondo Junior College Police Academy
Board of Supervisors Meeting
Senior Citizens Center – Willowbrook
Compton Courthouse
Sheriff's Helicopter Bureau
Departments 95 and 95A – Superior Court
Sheriff's Academy
Superior Court Trial Jury Selection
Superior Court Jury Trial

PERSONS INTERVIEWED

Walt Steiger, Chair 1983-84 Criminal Justice Committee
Raul Gutierrez, District Attorney Investigator
Bob Strong, District Attorney Investigator
Capt. Walt Lanier, Sheriff's Internal Investigation Bureau
Ray Arce, Director of the Jury Division
Lonnie Felker, Deputy District Attorney
Honorable Diane Wayne, Judge of the Superior Court
Sharon Lezin, Representative of the CAO Office
Penny Von Bogaert, Representative of the CAO Office
Wilbur Littlefield, Public Defender
Virginia Taylor Hughes, Merchants for Community Improvement
Mary Gray, Deputy to Supervisor Deane Dana
Honorable Dean Farrar, Presiding Judge Compton Municipal Court
Supervisor Deane Dana
Tim Aguilar, County Clerk, Compton Municipal Court
Jerry Loeb, District Attorney Investigator
Roland Yorke, Director, Willowbrook Senior Citizen Center
Peter Berman, Deputy District Attorney
Robert Ruchhoft, Sgt. Sheriff's Department
Honorable Kenneth Gale, Judge Compton Municipal Court
Arthur Graham, Representative, County Public Guardian/Public Administrator
John Iverson, Criminal Courts Coordinator, Superior Court
Robert Schirn, Deputy District Attorney
Dr. Ronald Markman, Court Appointed Psychiatrist

Report of the CRA Committee



Standing: Sam Sherwin, Jerry Lansdowne, Tony DeRiggi, Pat Quiles, Frank Milo.
Seated: Helen Travis, Bob Beckerman, Chairman; Yuki Kamayatsu, Mort Pinz.

CRA COMMITTEE

PURPOSE

The Community Redevelopment Committee will examine the entire spectrum of urban redevelopment. Primary attention will focus on the benefits and detriments to citizens in the affected areas, ascertaining the major beneficiaries of CRAs, and the effect of those agencies on taxpayers.

AREAS OF CONCERN

The wide range of interpretation for BLIGHTED areas

Financial growth and the lack of accountability of CRAs

The effect of the Tax Increment system on the county

The use of Eminent Domain in acquisition of property

BACKGROUND

Shortly after the inception of the 1984-85 Grand Jury, the Community Redevelopment Committee became aware of serious problems in many areas.

Primarily, CRAs have apparently caused a great reduction in tax revenue to Los Angeles County. Second, many CRAs have erroneously given too broad a definition to the term "blight". Third, some existing CRAs have greatly improved one area, simultaneously causing an adjacent area to deteriorate. Fourth, in some cases, CRAs have not complied in a timely manner, with adequate adherence, to the rule that 20 per cent of the redevelopment's money must be spent for low cost and senior citizen housing.

The CRA Committee decided to take an in depth look at one small, one average, and one large CRA.

METHODOLOGY

After studying available information, this Committee decided on both a fiscal and management audit of the Alhambra CRA, which was already in litigation. Toward that end the CRA Committee functioned in conjunction with the Audit Committee. A preliminary audit of the City of Industry, similarly in severe difficulty, was instigated.

Additionally, the Los Angeles CRA was selected for study, so that the Committee could observe a very large CRA. The Committee listened to career experts on CRAs and well informed speakers representing both sides of each issue. We traveled as a Committee to on-site inspections, and reviewed pertinent data in reaching our conclusions.

COMMUNITY REDEVELOPMENT OVERVIEW

Community Redevelopment Agencies (CRA) are mandated to eliminate urban blight, encourage economic development, renovate neighborhoods and provide additional affordable housing.

Redevelopment is financed by tax increments. These are generated by freezing assessed valuation in project areas, thereby limiting property tax available to counties and other agencies. Taxes generated from increased valuation go to area improvement.

Since Prop. 13 limited property tax rates and eliminated the use of general obligation bonds for public infrastructure projects, some cities have used redevelopment agencies for purposes not originally intended. Tax revenue has been lost; in Los Angeles County the percentage of property tax revenue diverted to CRAs rose from 2.8% to 10.5% from 1978 to 1984.

In Los Angeles County 90% of redevelopment agencies are run directly by the City Councils doubling as CRA boards. The temptation is inherent in this system to develop a self-serving mechanism.

The Grand Jury Committee on CRAs, after investigating what appeared to be groundless complaints about the Monrovia CRA, requested the contract auditors to make an in-depth study of three other CRAs. The Los Angeles CRA was chosen because it is by far the largest in the County and has earned national acclaim for outstanding achievements in the revitalization of deteriorating areas. The CRA

in Alhambra was selected due to citizen complaints and because the County had been unsuccessful in a Superior Court suit to halt additional redevelopment plans there.

A probe of the CRA in the City of Industry (Population: approximately 640) was an obvious choice in light of the vast sums it drains from the County tax rolls. The review could not be completed during this Grand Jury term.

Grand Jury members visited several redevelopment projects, conferred with local and County public officials and with some of their critics, then reviewed current legislative initiatives. A special focus was equitable relocation of those displaced by redevelopment.

In some CRAs, such as Pasadena, there has been considerable controversy. Residents claimed that historic preservation was ignored in favor of erecting tall buildings. The CRA was accused of by-passing local officials, and of ignoring depressed areas in favor of glamour projects downtown. The battle became so bitter that the CRA was recently closed down.

There have been numerous questionable practices in other CRAs. The City of Burbank CRA has received criticism from many people for its new shopping mall, which they felt was unnecessary, and for the forced relocations of old established businesses.

The Hidden Hills CRA, in an affluent community, lost a court case when it attempted to build a flood control system as a CRA project, though they only experience a few inches of rainwater every eight or nine years.

Based on our review of the Alhambra, Los Angeles, and City of Industry CRAs and our research into redevelopment agencies in general, we formulated a number of recommendations.

The Grand Jury recommends:

1. *A master plan for CRA review. This should be a nonpolitical, long-tenured state commission.*
2. *Third-party administrative review of professional service contracts.*
3. *A mandated State Controller's audit of agencies spending more than 10% of tax increment funds on CRA administrative costs.*

4. *CRAs tend to perpetuate themselves by adding additional projects, thereby postponing the return to payment of normal County taxes. Criteria are needed to determine when a CRA has achieved its purpose and should be terminated.*
5. *To settle the tax allocation between CRAs and counties, a mutually agreed upon extension of the present 60-day time limit should be permitted, thereby avoiding costly litigation.*
6. *Relocation payments made to homeowners, tenants and businesses displaced by CRAs have not been increased since the Housing Act of 1970, and realistically should be adjusted upward. This requires legislative action both on state and federal levels.*
7. *In view of the success of rent subsidies in retaining "mom and pop" stores in the Little Tokyo redevelopment area, similar efforts should be encouraged elsewhere.*
8. *At present, CRAs may legally construct single-room-occupancy (SRO) housing, but may not relocate persons displaced by CRA actions in such housing. Inasmuch as some displaced individuals say they prefer SROs, this portion of the relocation law should be repealed.*

In making these recommendations and endorsing those additional recommendations in the auditor's report which would make CRAs more fiscally responsible and effective, the 1984-85 Grand Jury emphasized its generally favorable attitude toward the revitalization and renewal made possible by the CRA process.

We observed that the powers of eminent domain generally have not been abused, and that those displaced have, on the whole, been treated with consideration and generosity. We recognize that most CRA projects could not have been put together entirely by private enterprise. The CRA results have made Los Angeles County more beautiful, more liveable, and ultimately more attractive to the private sector. The tax increment credits which are lost to the County in the short run ultimately engender further development, hence greater revenues for all the County's many needs and responsibilities.

Pending establishment of some effective regulatory procedure, we suggest that future Grand Juries annually review three CRAs.

We hope that abuses, such as those for which one individual was recently convicted and sentenced in Federal Court, will be curbed by appropriate legislation and that all future CRA projects will be evaluated according to the benefits accruing to the general public.

ALHAMBRA CRA

The City of Alhambra Redevelopment Agency was selected for review because the County of Los Angeles had sued the Alhambra CRA in an attempt to stop its most recent modification of the redevelopment plan. The suit was unsuccessful and the court found that the Alhambra Redevelopment Plan and its components were appropriate and could proceed.

The Grand Jury had received citizens' complaints regarding special treatment of certain property owners and alleged lack of due process. We decided to review those charges as well.

The Audit Committee and the CRA Committee visited the City of Alhambra on February 12, 1985. We met with the City Manager and the Deputy Director of the Redevelopment Agency. The CRA staff provided an overview of the project, a tour of the city and a question and answer session.

The Alhambra CRA and the City are audited annually by a major auditing firm, so our contract auditor did not feel it was necessary to conduct an in-depth audit. Members of both firms met and discussed their findings. It was the conclusion of our audit firm that the Alhambra CRA appeared to be well managed, maintaining adequate records and being in compliance with redevelopment agency laws.

They found no evidence to substantiate claims of impropriety, lack of due process or favoritism in any of the Agency staff or Board members' actions which were reviewed.

The auditor found that the CRA and the County had spent over \$300,000 of taxpayers' money in litigation over which would receive the tax increment funds. This litigation resulted from current CRA law which fosters costly law suits as the only means to solve the allocation issue when negotiations are not completed within 60 days.

ALHAMBRA

The City of Alhambra was incorporated in 1903. During the 1930s, it had a well defined downtown area and the surrounding neighborhoods were well kept. During the next two decades large subdivisions were added to the City and apartment buildings began to replace single family dwellings. When a major shopping center was built at the City's eastern boundary, the downtown area began to lose customers and fell into decline. The industrial area of Alhambra, which was primarily light manufacturing, began to deteriorate as companies relocated or businesses failed.

The City Council activated its Redevelopment Agency in 1967. Their first concern was the industrial redevelopment project, consisting of approximately 370 acres. The goal was to revitalize the industrial center and to stimulate private investment through the use of redevelopment funds. Starting with the majority of the building space classified as deficient and in need of rehabilitation, a number of strategies were employed to improve the area. These included land acquisition and development/design guidelines to encourage new investment.

The second project was initiated in 1976, with the objective of revitalizing the central business district. The third project was a narrow strip along both sides of Main Street which connected the industrial redevelopment project and the central business district. The strip consisted of aging and deteriorating buildings. The plan was designated as Project Area A.

The City of Alhambra is a classic case of an older city with a strong identity and a cohesive group of citizens, facing the demise of their central business district and the industrial area simultaneously. The CRA was opposed by residents who felt it was not needed. Private attempts at revitalization were unsuccessful due to the problem of attempting to obtain contiguous land parcels of adequate size. The Bay State Company purchased numerous parcels in the central business district during the 1950s. The owners of certain strategic lots held out, refusing to sell, so Bay State was not able to assemble enough land to make major development feasible. While individual property owners were holding out, Bay State was stymied and the existing properties fell into disrepair, causing a blighted area.

The contention of citizens that the CRA did not provide due process for persons deprived of their property was not substantiated. The allegation that they were not adequately compensated and were often left in limbo when the City had not purchased the property within the designated time frame was also not upheld. Citizens were properly notified by registered mail as required by redevelopment law. The meetings for concerned citizens were duly announced. After litigation, the Court ruled that all interested persons had adequate opportunity to assess and comment on the plan at public hearings. Citizens further alleged the CRA was remiss in the conduct of Agency business, specifically:

- Excessive prices (compared to appraised value) were paid for condemned properties purchased from certain individuals.
- An excessive payment was made to an industrial concern which relocated to a major parcel in the redevelopment area, ostensibly to reimburse the company for fire safety investment.

- Facade requirements were waived for a particular company in return for special consideration to a member of the Agency's Board.

Based on the Audit Company review, the allegations appear to be without foundation.

In an attempt to stop diversion of tax increment revenues from the County to the Redevelopment Agency, the County filed suit against the Alhambra CRA challenging the legality of Plan A on September 8, 1981.

The County contended that the City had abused its discretion in finding the area to be blighted, that certain nonblighted property was improperly included in the project area, and that the plan and procedure was inadequate to determine the economic feasibility of the project.

On November 13, 1984 the Court ruled in favor of the CRA and against the County. The judge found that the amendment to the Alhambra Redevelopment Agency Plan to add Area A was properly enacted, the ordinance has legal effect and is a valid amendment to the Redevelopment Plan.

The Audit Committee and the CRA Committee spent time exploring the issues surrounding the litigation. Under current law, any challenges to a Redevelopment Agency must be filed within 60 days. The County must conclude negotiations within 60 days or lose its right to take legal action. The filing of lawsuits is a tactic used by the County to assist in the negotiation process. If the County is unable to come to agreement on sharing the tax increment revenue within the 60 day time limit, the County automatically files suit. In the case of Alhambra, because of long delays in implementation, the City experienced dramatic increases in project costs. In addition, the City spent over \$300,000 in litigation.

LOS ANGELES CRA

The City of Los Angeles Community Redevelopment Agency (CRA) was activated in 1948. A seven-member CRA Board of private citizens, nominated by the Mayor and confirmed by the Los Angeles City Council, is the governing body and establishes policy direction for the Agency's operation. A staff of 396 budgeted positions makes this one of the largest CRA's in the United States.

In addition to the Bunker Hill and Little Tokyo projects, in February 1984 the Los Angeles City Council approved incorporation of SRO Housing, Inc. The operation of this nonprofit organization is overseen by its seven-man board and the Los Angeles CRA Board. SRO Housing, Inc. acquires, renovates and maintains single occupancy housing.

CASH MANAGEMENT

The auditor's fiscal review of the Los Angeles CRA disclosed that until recently the Agency has invested its funds in Government Treasury Bills. There are other investments which are considered to be as safe as government securities, such as Bankers' Acceptances and Certificates of Deposit.

The review also identified that the Los Angeles CRA currently maintains approximately 155 non-interest bearing bank accounts at 30 different banks throughout the city. The intent is to establish a presence in specific project areas and prevent any potential for commingling of funds. It appears the situation could lead to: Inefficiencies in the handling of bank accounts; reduce control and loss of interest on the funds.

The Grand Jury recommends:

- 1. Review of the cash management program of the Los Angeles CRA to maximize its return on investments.*
- 2. The Los Angeles CRA investigate consolidating, wherever possible, the number of bank accounts into a few specific banks in an effort to enhance controls.*

ADMINISTRATIVE FINANCIAL RESOURCE MANAGEMENT

Observation of the method of input to the Los Angeles CRA's Administrative Financial Resource Management (AFIRM) system revealed that it appears to be inefficient.

The AFIRM system was installed approximately six months ago to replace manual data processing. The system processes general ledger, accounts payable and accounts receivable data. Observation of the input process revealed it to be done in an unstructured manner. Rather than having standard format input screens, resembling the input document, the system asks for data one item at a time. This lack of structure possibly requires more training than normal for data entry personnel.

The Grand Jury recommends that the Agency consider some means to enhance the input of data to the AFIRM system.

There is no standard format for reports issued to the various Los Angeles CRA cost center managers; different managers want data reflected in different formats. Thus, if you have ten cost centers, you have the potential for ten different

reports that contain essentially the same information. This appears to be a costly and inefficient method of reporting for an agency the size of the Los Angeles CRA.

The Grand Jury recommends that a standard report format, favorable to a majority of the cost center managers, be developed.

There is a lack of controlled access within the Los Angeles CRA's AFIRM system. It was indicated that all personnel in the Accounting Department, including temporaries, have access within the system which allows them to modify financial data. This type of access should be restricted to appropriate individuals only, to ensure all updates are authorized.

The Grand Jury recommends that update access to AFIRM be reviewed and that the access be limited to only specified appropriate employees.

BUDGETING

The Los Angeles CRA budget process, which is to be followed by Project Managers, Deputy Administrators, and others, has been changed each of the last five years. This forces those involved to relearn the process yearly, resulting in potential errors in the budget and poor use of management time.

The Grand Jury recommends that the Los Angeles CRA adopt a budget procedure which is constant, and will be consistently adhered to, with limited modifications being made when necessary.

MONROVIA CRA

In response to an inquiry concerning the Monrovia CRA, this Committee invited the administrative officers of Monrovia to come in and detail the history of their operation. The Mayor, City Manager, and the CRA Manager gave us a complete chronology with slides taken before the inception of the project and again upon its completion. The administrators explained the financial aspects in detail and answered all our questions without hesitation.

The Committee was invited to Monrovia where we viewed the entire project during a bus tour. In all cases where the CRA relocated home owners or renters, or moved houses to another part of the city, administrators negotiated with the owners or renters and paid the moving expenses. In cases where the rents and taxes were higher than the maximum provided by low-cost housing standards, the CRA applied for and received financial aid from Housing and Urban Development

(HUD) for those individuals. The CRA used the right of eminent domain in only two cases, and in both it was done with the full knowledge and approval of the homeowners whose titles were clouded. More housing was provided for the poor and the elderly than was required by law.

The Committee found no basis for the allegations in the complaint. It was our conclusion that the Monrovia redevelopment was exemplary.

MARINA DEL REY

Three years ago the 1981-82 Los Angeles County Grand Jury stated in their Final Report that "The Marina may become the playground of the rich".

In 1984 the Board of Supervisors approved building restrictions which require that all of the proposed new condominiums to be built, both on County property and the Summa Corporation land, be constructed of concrete and steel, qualifying them as Class I buildings. These condominiums will probably sell for \$125,000 or more, making them beyond the means of most middle income people.

It is estimated that all the new commercial buildings, stores, condominiums, more than 2000 hotel rooms, 600 boat slips, and restaurants that are contemplated will bring about 200,000 more people into the Marina on a regular basis. The plans submitted for transportation and new or enlarged roads do not appear to be adequate to handle the influx of traffic that will be generated.

The basic plans for the conversion have already been approved. The Grand Jury suggests that no more than the proposed 2200 apartments of the 6600 in the Marina, be converted to condos.

The Grand Jury recommends that the following modifications and regulations be considered by the Board of Supervisors:

- (1) That all access roads to the Marina be widened wherever possible and additional new roads be built within the Marina.*
- (2) The word "condominium" should not be applied to the "long-term prepaid sub-leases" in the Marina unless the property can be conveyed to the tenants for permanent ownership.*
- (3) Since the sub-lessees will not actually become owners at all, they should be allowed to vote for or against the conversion of their building, with a simple majority winning.*

- (4) *The tenants or owners should be fully informed as to:*
- (a) *Contingent liabilities, possible maintenance costs (including halls and common areas), possibilities of sales to subsequent owners, or reassignment of prepaid rent.*
 - (b) *Who is responsible for paying the property tax*
 - (c) *Who will determine whether capital improvements be made on the buildings or within the individual apartments.*
 - (d) *What are the insurance responsibilities*
- (5) *The tenants or owners must be apprised regarding the end of the long term sublease. As it now stands, all property reverts to the County for park or recreational use at the end of the original lease.*

*Bob Beckerman, Chair
Tony DeRiggi
Yuki Kamayatsu
Jerry Lansdowne
Pat Quiles
Sam Sherwin
Helen Travis*

Report of the Editorial Committee



Bob Beckerman, Judy Spreckels, Chairman, Jean Williams

The Writers Group



L to R: Ruth Gouedy, Jean Williams, Anne Brophy, Bob Beckerman, Tony DeRiggi, Bernice Toliver, Geri Branton, J. Spreckels, Editor.

EDITORIAL COMMITTEE

PURPOSE

The primary function of the Editorial Committee is the coordinating, editing, and publishing of the annual Grand Jury Final Report. In addition, the Committee assists with interim reports and reviews the results of recommendations by prior Grand Juries.

AREAS OF CONCERN

The Final Report

Interim Reports

Press Releases

Official Correspondence

Independent Study Project

BACKGROUND

Every year the culmination of the Grand Jury's work is the Final Report. The Final Report is comprised of the summation of each Committee's investigations and findings, with their recommendations based on those efforts. In addition, this year the editor assisted with Interim Reports, ad hoc Committees and Committee correspondence.

METHODOLOGY

Usually the Editorial Committee does not commence its Final Report until the last quarter of the Grand Jury term. This year

the editor elected to begin work shortly after the formation of the committees. To this end, one person was selected by each committee to serve as the writer. The Writers Group met in work sessions to study the editorial guidelines, style and procedures. Rather than wait until the end of the term, the writers contributed material throughout the year according to a predetermined schedule.

GRAND JURY AUDIO SYSTEM

The range of audio acuity on Grand Juries is extreme, and a lot of time is lost repeating and clarifying remarks, questions and answers, either unheard or misunderstood.

Questions asked of a witness by the Deputy District Attorney in hearings are often inaudible to almost everyone, because the D.D.A.'s chair is in the front row of the jury area, facing forward, so the Jurors are sitting behind the interrogator. The D.D.A. should be equipped with a wireless mike. Witnesses must be asked repeatedly to speak up, talk into the microphone, or repeat their last answer.

Guest speakers at the lectern where there is no microphone are always requested to speak loudly because the room is so large, those who are farthest away cannot be expected to strain to hear.

The use of the wireless mike and earphones would improve not only hearing, but comprehension and attention span, both of which are difficult to maintain when you can't hear all of the remarks.

Modern lightweight earphones are in use in similar large government hearing rooms, and for the jurors in many court rooms when they are listening to taped conversations, for example.

The Grand Jury recommends the installation of earphones with personal volume control at the desk of each Grand Juror in the Hearing Room. A wireless microphone should be provided for the D.D.A. who questions witnesses in the hearings, and for speakers using the lectern.

*Judy Spreckels, Chair
Bob Beckerman
Jean Williams*

GRAND JURY FIELD TRIPS

PLACES VISITED

Central Jail
Sybil Brand Institute
Rancho Los Amigos
Los Angeles CRA
Weingart Center
County/USC Medical Center
Pitchess Honor Ranch
Los Angeles Police Academy
Department of Beaches and Harbors
Grand Jurors Association Luncheon
South Central Los Angeles
City Council Chambers
Board of Supervisors Meeting
City Planning Department – City Hall
Watts Towers
Little Tokyo
Museum of Natural History
Los Angeles City Library
Los Angeles County Museum of Art
Descanso Gardens
Coroner's Office
Edison-San Onofre Nuclear Power Facility
Los Angeles Zoo
Grand Jurors' Judges Luncheon
Department of Water and Power

Report of the Health Committee



Danny Elias, Ruth Sorkin, Anne Brophy, Gloria DeWitt, Chairman; Frank Milo.

HEALTH COMMITTEE

PURPOSE

The Health Committee of the 1984-85 Grand Jury has a two-fold program: To investigate the facilities and programs utilized by the Health Department of Los Angeles County, and to inquire into implementation of the recommendations of past Grand Jury Health Committees.

AREAS OF CONCERN

Olive View Hospital

Comprehensive Health Centers

North Area Public Health Centers

Drug and Alcohol Rehabilitation Centers

BACKGROUND

The Health Services Committee focused its attention on the health programs which are available to the citizens of Los Angeles County through various agencies, most notably the Department of Health Services.

The Department of Health Services operates acute care hospitals as well as out-patient clinics known as comprehensive health care centers. There are a number of these centers in place in locations convenient to those segments of the population making the greatest use of County programs.

Public Health Programs affecting the County and the cities within it are also part of the Department of Health Services. This department inspects restaurants and hotels, follows up on the problems of waste disposal and has a Communicable Disease Control Section.

In addition to the services provided by the Department of Health Services, other County departments are addressing the problem of the impact of drug abuse on the population.

METHODOLOGY

The Health Services Committee inspected all the comprehensive health centers in the County. Looking into the Public Health Centers, the Committee focused on the North Region, a designated area including San Fernando Valley, Antelope Valley and Hollywood. The Committee met with administrators and staff who serve with noteworthy skill and dedication in all the centers.

The Committee also visted Martin Luther King Medical Center and Olive View Medical Center in its temporary location in Van Nuys. In conjunction with the entire Grand Jury, Committee members visited County/USC Medical Center and Rancho Los Amigos.

The Committee also had the opportunity to look into both privately supported and County sponsored rehabilitation programs.

In following its interest in the drug abuse problem, the Committee met with experts in the field, studied available materials, and conducted a survey on a random basis of the drug abuse prevention programs in the schools in Los Angeles County.

REHABILITATION PROGRAMS

ACTON REHABILITATON CENTER

In the foothills of the San Gabriel Mountains at Acton, the Department of Health Services maintains an alcoholism rehabilitation center. The Health Committee visited Acton and had an opportunity to observe the operation. This 200-bed facility occupies the buildings which were once part of a County-run tuberculosis sanitarium.

It is interesting to note how this operation reflects the response of the Department of Health Services to the changing needs of the citizens of Los Angeles County.

In years past, tuberculosis patients required long periods of recovery in a sequestered environment. Today, with the help of new medications, the disease is approached differently. The new medications allow the patient to be treated at home and return to the community at large in about six weeks. If any person is tested for tuberculosis and is found to be affected by that disease, the Department of Health Services is notified; and if the affected individual fails to cooperate in his prescribed treatment, public health nurses or investigators follow up to help that individual to understand and continue his medication discipline. The facility at Acton, no longer needed for tuberculosis treatment, is now being utilized by Health Services to address another serious and growing problem, addiction to alcohol. Alcohol and drug addiction, according to the Department's recent study, is costing the County millions of dollars, and treatment and prevention are only a fraction of the overall costs.

In the facility at Acton, with its cottage dormitories and administration buildings, library, dispensary and chapel, the citizens of Los Angeles County who could not otherwise afford a rehabilitative program, find the resources to overcome their addiction. They live in the cottages, participate in counseling and therapy sessions, take part in work projects, learn new skills, and are currently working on the reconstruction of the old cottages themselves. Payment is made through insurance coverage or the participant's ability to pay. Acton has approximately a fifty percent success rate, which is about the same as private facilities. However, it should be remembered that the majority of people who enter the Acton program come from the most minimal economic circumstances – some from Skid Row – and have been longtime alcohol abusers.

The Department runs a similar operation at Warm Springs near Castaic.

VIA AVANTA

Via Avanta is a drug rehabilitation residence at Pacoima. This facility was originally a methadone rehabilitation center for men. In 1977 it became an experimental contract program for drug-addicted women, some with children. There are still several male patients admitted. The women come by referrals, some through the Department of Public Social Services, the Courts, Probation/Parole and some from other drug abuse agencies. There are usually about 20 people on the waiting list and there may be a 30 to 90-day waiting period for single women while the waiting period for women with children can be as long as six months. Mothers may keep two of their children with them in residence and their other children may visit on weekends.

Through the help of the resident psychiatrist, psychologist, plus counseling and therapy sessions, the resident moves through several phases emphasizing personal responsibility and self-esteem. Some of the participants may

return to work or to school in the later stages of the program. After several months the participant graduates, but returns to the residence for group meetings.

The administrators interviewed cited a 48 to 62 percent success rate.

ADULT DAY HEALTH CARE

The Geriatric Division of the Department of Health Services is fostering Adult Day Health Care. This is an organized day program of therapeutic, social and health services addressing the needs of elderly or other adults with physical or mental impairments. While living at home, the participants can attend the centers and take part in therapy and services which help them to restore or maintain self-care, in many cases forestalling expensive institutionalization.

The Committee visited such an adult day health care center in the private sector, Casa Colina in Pomona. Various services are available including physical and speech therapy. The therapy reinforces the individual's treatment so that he tends to advance rather than digress from rehabilitation discipline, and so he can continue to live independently. Casa Colina also has a unit for Alzheimer affected persons where they may spend the day in supervised activities and thus allow family members to carry out their other responsibilities.

The Grand Jury commends the Department of Health Services in its efforts to provide a timely response to the needs of the community through its rehabilitation programs.

DRUG ABUSE COSTS

The Department of Health Services has prepared a study of drug related costs in the County of Los Angeles. The study, focusing on the year 1984, was conducted in the Data Evaluation and Research Section of the Department.

The Summary Tables of Estimated Drug-Related Costs reveals the following:

Criminal Justice System Costs	\$274.7 million
Medical and Medical Emergency	\$ 20.3 million
Lost Productivity	\$445.9 million
Publicly Funded Prevention/Treatment	\$ 22.9 million
Private Program Treatment	\$ 52.8 million
Total Costs Based on Available Data	<u>\$816.6 million</u>

At the same time, the Health Committee conducted an informal survey of schools located in Los Angeles County to learn how many have drug abuse prevention programs. The majority of the schools do provide some type of program related to drug abuse prevention, but quality varies considerably.

The total cost of drug abuse in Los Angeles County, \$816.6 million in 1984, is a conservative figure used by the researchers. Even at this sum, drug abuse costs each resident of Los Angeles County about \$100 a year. A fraction of that amount would fund effective programs in the schools and, in the foreseeable future, the drug abuse problem throughout the County would be dramatically minimized.

Considering the amount of money spent "after the fact" of drug abuse, it would behoove the taxpayers of this area to support drug abuse education for the young.

The Grand Jury recommends that the Board of Supervisors, the Los Angeles Unified School District and law enforcement agencies increase resources available to inundate the schools with drug abuse prevention programs.

COMPREHENSIVE HEALTH CENTERS

The Health Committee of the Grand Jury established a goal of visiting all the Comprehensive Health Centers in the County. That goal was met.

The centers, resembling Out-Patient Clinics, are placed in those areas which are most convenient for the population they were established to serve. Hudson Center is located in Central Los Angeles, Humphrey Center is in Southeast Los Angeles; Roybal Center is in East Los Angeles; Cerritos Center serves the Long Beach area; and El Monte Center is located in the community of El Monte.

The services offered by the Centers include adult and pediatric clinics, pre and post-natal clinics and family planning as well as a communicable disease component. Some of the centers also have X-ray, dental, laboratory and pharmacy departments. Payment for these services is based on "ability to pay" and, in some cases, Medi-Cal or private insurance.

Hudson Center in Central Los Angeles, made up of various components, is now operating considerably over the original capacity of some of those clinics. There is a plan to move the Pediatric Clinic to a nearby apartment building which requires renovation. The sum of \$40,000 is needed to effect the change and such a fund is under study by the Department of Health Services.

The OB-GYN Clinic is so overcrowded that expectant mothers, close to term, must stand in the hallway until there is space for them to sit in the waiting room.

The Grand Jury recommends that funds for the renovation of the apartment building, which will enlarge the Hudson Center and relieve congested conditions, be given a high priority. In addition, modifications should be made in the entire OB-GYN area at Hudson Center to provide sufficient space for the patients.

The Grand Jury commends the Department of Health Services which administers these facilities and also applauds the dedicated staff who serve there.

OLIVE VIEW MEDICAL CENTER

The Health Committee of the Grand Jury visited the replacement facility now under construction at the Olive View Medical Center, a County medical complex in the Sylmar section of the San Fernando Valley. It replaces the hospital building destroyed in 1971 by the earthquake. Architectural plans for the new installation do not provide for any maternity service at that site.

The Committee also visited Public Health Centers in the North Region, the same area where Olive View is located. All the Public Health Centers provide services for prenatal care. Deliveries, however, take place at the Los Angeles County/USC Medical Center (which is located a considerable distance from the North Region) or at two contract hospitals in the San Fernando Valley.

According to statistics available from the California Office of Statewide Health Planning and Development, the number of women of child bearing years in the North Region of the County will increase considerably over the coming years. It may be presumed that the birth rate will also increase. There is an apparent need for the Department of Health Services to provide for that probability.

The Grand Jury recommends that the replacement facility at Olive View Medical Center be modified to include maternity and new born.

*Gloria DeWitt, Chair
Anne Brophy
Danny Elias
Frank Milo
Ruth Sorkin*

GRAND JURY SPEAKERS

SPEAKERS

Robert Philibosian, District Attorney
DeWitt Clinton, County Counsel
Michael Dougherty, Deputy County Counsel
Sherman Block, Sheriff
Wilbur Littlefield, Public Defender
Robert C. Gates, Health Services
Francis J. Dowling, Health Services
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Barry Nidorf, Chief Probation Officer
Harry Koulos, Assistant Division Chief
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Deane Dana, Supervisor
Harry Hufford – Chief Administrative Officer
Michael Antonovich, Supervisor
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Hon. Ronald M. George, Judge Superior Court
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Dr. Harry Handler, Superintendent of Los Angeles Unified School District
Jim Hankla, Executive Director, Community Development Commission

Alexander Pope, Assessor
Mayor Tom Bradley
Keith Comrie, City CAO
John Englund, Forester and Fire Warden
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Carl Jones, Administrator, Alternate Defense Counsel
Dr. Ronald Kornblum, Acting Chief Medical Examiner-Coroner
Gordon Treharne, Public Administrator
Robert Vernon, Assistant Police Chief

Report of the Jails Committee



Dan Tirre, Chairman; Judy Spreckels, Geri Branton, Jean Williams, Pat Quiles, Dave Hill.

JAILS COMMITTEE

PURPOSE

The Jails Committee of the 1984-85 Los Angeles County Grand Jury was formed in compliance with Section 919(a) and (b) of the California Penal Code. The Committee is mandated to inquire into the condition and management of the jails within the County, and as necessary, into the cases of unindicted persons in custody on criminal charges.

AREAS OF CONCERN

Inspection of jails

Inmate and Personnel complaints

Overcrowding of jails and holding facilities

Trusties

BACKGROUND

Los Angeles County detention facilities range from those that house sentenced inmates for the duration of their sentences, or until transferred to state prison, to holding cells where the stay is up to 48 hours. Holding cells include those facilities in the Superior, Municipal and Juvenile Court buildings. Municipal jails hold arrestees until arraignment hearings, release or transfer to the Sheriff's custody. The Sheriff's Department has the primary responsibility in the detention of inmates. The Jails Committee visited and inspected all of the County adult detention facilities and some of the juvenile facilities under the direction of the Probation Department.

METHODOLOGY

The Jails Committee was divided into three teams for the purpose of visiting and inspecting the detention facilities. In order to expedite the teams' scheduling of the inspections, a card file was created, covering all facilities, and the cards separated by geographical location. The file was further divided into: inspections to be done, those in progress, and those completed. A chart was prepared and maintained weekly, which listed facilities by type, dates of inspection, and the inspection team's initials.

The inspection teams used a uniform questionnaire that the committee designed. One questionnaire covered jail facilities and the other, court holding cells. The individual inspection reports were reviewed by the Committee and acted upon; i.e., commendations, recommendations submitted, letters written, and additional visits made.

CRIMINAL COURTS BUILDING

The Jails Committee inspected the court holding facilities on the fourth, tenth and fourteenth floors of the Criminal Courts building in downtown Los Angeles. As had previous Grand Juries, we found them to be extremely overcrowded. These cells are used for daytime detention of inmates who are making court appearances.

When the Criminal Courts building was erected in 1972, space was provided for four additional holding areas on each of those floors. They were already wired and plumbed, but otherwise unfinished, and the access doors walled off. When completed, each floor would have space for over 60 more people, a significant increase. The estimated cost of completion was approximately \$100,000 per floor.

It was our opinion that these areas should be completed and put to use as soon as possible. The matter was discussed with Supervisors Hahn and Antonovich when they visited the Grand Jury on September 24, 1984. Completion of these holding tanks was recommended at that time. The Supervisors were receptive to our recommendation. Their immediate action in taking the steps necessary to get the work under way is appreciated by the Grand Jury.

The tenth floor holding area serves the Superior Court's main calendar court and other courts with a high volume of traffic. Sheriff Block, who has jurisdiction over these facilities, recommended in a letter to the CAO, a copy of which was forwarded to the Jails Committee, that the cells on this floor be opened first and the remainder the following fiscal year. In order to provide funding in this fiscal year he deferred one of his currently budgeted projects. Requests for bids on the project were issued. Work was scheduled to begin June 1, 1985.

JAIL INSPECTIONS

Members of the Jails Committee, working in rotating pairs, visited 138 adult detention facilities in the County. We want to express our appreciation for the courteous reception and cooperation extended at every facility. Operations were found to be efficient, and physical conditions at the majority of the premises ranged from satisfactory to excellent. We did have minor recommendations for some locations. Letters stating our recommendations were sent to twelve detention facilities. Twelve replies were received; seven advising of compliance; five stated the items would be presented for inclusion in the budget.

Recommendations for the 16 court holding facilities were discussed in conference with David M. Hagthrop, Commander, Court Services Division of the Sheriff's Department. He gave the recommendations his personal attention and followed through by sending them to the captains of the Court Services East Bureau and Court Services West Bureau. Replies covering all items were received, reporting compliance with the majority of our recommendations. This excellent response gave added validity to days spent traveling the length and breadth of the County, and more hours in jails than some convicted miscreants.

CENTRAL JAIL

This enormous facility, as everyone is well aware, is extremely overcrowded. Dangerous situations could arise from this condition and have doubtless been held to a minimum due to the high caliber of the enlightened personnel staffing the facility.

We were advised that additional jail space is to be built at the Pitchess Honor Ranch and in the Lynwood area, which will provide 2600 more beds for male inmates.

The Grand Jury recommends that the building of these facilities be completed as expeditiously as possible.

PITCHESS HONOR RANCH

The administration building should have lights installed on the roof to illuminate the surrounding grounds which include some medium security inmate housing. It was our understanding that the lights were there but not installed. During the past winter, it was necessary to post a guard on the roof all night, an intolerable situation in that freezing climate.

The Grand Jury recommends that installation of the lights on the administration building be completed without delay.

SHERIFF'S TRUSTIE PROGRAM

The Grand Jury compliments the Sheriff's Department on its very effective trustie program. All the Sheriff's stations were found to be very well kept. However, those facilities where maintenance was performed by trusties were OUTSTANDING. The trusties maintained their own living quarters in exemplary fashion, obviously taking pride in their home away from home.

The Grand Jury recommends that the Trustie Program be extended to include as many stations as possible, utilizing all the practicable space. As many inmates as feasible should be included in the program.

INMATE COMPLAINTS

During inspection of the County detention facilities, the Jails Committee found that inmate complaints were infrequent, but were handled differently throughout the system. In some locations a sign outlining procedures for inmate complaints was posted and forms specifically designed for that purpose were readily available. In other instances, forms were not in sight, but were provided on request. Generally, "Citizen Complaint" forms were used. Sometimes complaints were made verbally or written on any paper available.

The Grand Jury recommends that the inmate complaint procedure be standardized throughout the system. A sign listing complaint procedures should be posted in every booking area. The complaint forms should be uniform and readily available to inmates.

FOOD SERVICES

The Jails Committee made only unannounced visits for inspections and the teams were welcomed immediately. We were shown every area of each facility with enthusiastic pride on the part of our escorts.

At some of the major jails we were invited for lunch. The food was good everywhere. At one time or another we all ordered the “mainline” meal, which is what the inmates were eating. We were walking through inmate dining areas at mealtime on several occasions and saw the large portions of tasty, wholesome food that were served. In every instance, kitchens were immaculate, staffed with professional nutritionists and experts in every aspect of food preparation.

The Grand Jury commends the Los Angeles County detention facilities for excellence in the field of food services.

*Dan Tirre, Chair
Geri Branton
Dave Hill
Pat Quiles
Judy Spreckels
Jean Williams*

*Report
of the
Juvenile/Elderly
Committee*



Tony DeRiggi, Gloria Tiscareno, Chairman; Peter Fong, Helen Travis, Jerry Lansdowne.

JUVENILE/ELDERLY COMMITTEE

PURPOSE

The broad scope of this Committee includes: (1) Review and reply to all citizen complaints (2) Investigation and remedial action to be recommended against juvenile substance abuse in schools (3) Juvenile probation irregularities (4) Inspection of Senior Citizen Centers and Elderly Citizen Convalescent Homes, followed by recommendation of measures to prevent mistreatment of the aged.

AREAS OF CONCERN

Juvenile substance abuse in schools

Probation and Juvenile Facilities

Senior and elderly citizens

BACKGROUND

The Juvenile and Elderly Committee focused on juvenile substance abuse, the Probation Department, senior citizens and abuse of the elderly.

The Committee was formed because information gleaned from sources including the media, research and speakers drew attention to these critical areas.

METHODOLOGY

The Committee invited many experts from the field of public service. Officials from juvenile centers, the Probation Department and Juvenile Court judges addressed our group. We also studied reports from related departments. In addition the

Committee visited the spectrum of juvenile facilities, including detention halls, camps, and schools.

Senior Centers, both County supported as well as privately funded, were studied for purposes of comparison.

MACLAREN CHILDREN'S CENTER

MacLaren Children's Center (MCC) is defined as an institution providing only emergency shelter care and crisis intervention counseling. However, the Grand Jury found that the Center is not staffed to provide for the crisis needs and treatment of its residents. Some staff members stress firm control and discipline instead of providing warm, supportive interaction with the children.

It has been reported that children stay at MCC an average of 28 days with a range of stay between 1 and 163 days. Many children stay there longer than children in treatment at an inpatient psychiatric hospital. The psychological climate at MCC is therefore critical to the well-being of the children.

One of our major concerns was that the population at MacLaren is made up of children with diverse problems:

- a. Some just removed from abusive and neglectful environments
- b. Some handicapped physically, mentally or both
- c. Those who have failed previous placements
- d. Some "street smart" status offenders

Furthermore, at MacLaren Children's Center there is no preliminary psychological screening, and available information is not shared. Another negative point is that when control is the aim, childrens' rights tend to be violated. Sometimes, obstreperous children are isolated in unsafe "quiet rooms" without the benefit of preliminary counseling required even in juvenile probation facilities.

The Grand Jury recommends:

1. ***Amend the Welfare and Institutions Code to provide the Juvenile Court with the same supervisory powers over institutions like MacLaren Children's Center as it now has over detention facilities.***

2. *The Juvenile Court order an independent Ombudsman/Child Advocate into MacLaren, where he would have his own separate office and be empowered to have access to all staff, all places, all records, and all children, and be directly responsible to the court, not to MacLaren's Director. This Ombudsman could be in charge of recruiting, training and managing volunteer programs which provide counseling and recreation.*
3. *Provide medical and psychiatric assessment upon admission to MacLaren (no duplication of examination of sexually abused children).*
4. *Require the development of appropriate and structured programs for each age group.*
5. *Provide a more intensified psychologically-oriented training of staff.*
6. *Link University Departments in psychology, child development, social work, and recreation with MacLaren.*
7. *Separate children by category whenever possible.*
8. *Increase financial support so that more foster homes can be utilized to reduce institutionalization, and reduce caseloads of Children's Services Workers, providing more time for locating alternative placements.*

We have observed abused and neglected children undergoing the additional trauma of court appearances in the psychologically punitive atmosphere of the Criminal Courts Building.

The Grand Jury recommends utilization of an area in or near MacLaren for a child-oriented court. Rooms and waiting areas should be pleasant and nonthreatening.

LAW AND YOUTH

Children living in troubled homes with uninvolved or inept parents, commonly lack self-esteem. Such children often try to bolster their egos through gang membership, substance abuse or anti-social behavior.

Seeking solutions, the Committee visited Probation Department Juvenile Halls and Camps. We also spent a day at Boy's Republic in Chino. The Committee interviewed Judge H. Randolph Moore, Jr., former Presiding Judge of the Los Angeles County Juvenile Court, his successor Judge Gabriel Gutierrez, and Barry Nidorf, Chief of the Probation Department. We heard from many others concerned with stemming the rise in juvenile delinquency. We are convinced that there must be greater emphasis on PREVENTION, before incarceration becomes inevitable.

Troubled youngsters must be reached. A privately funded agency, El Nido Services, for example, works in schools to develop group counseling which has been successful with children identified as "pre-delinquents", and with their families. Some schools, tackling the frightening increase in substance abuse at an even earlier age, have instituted programs to strengthen self-reliance and self-esteem.

The Grand Jury recommends that all schools, especially at the Elementary and Junior High level, should develop programs to forestall incipient delinquent behavior.

Parents who cannot control their children are frequently ordered by the Juvenile Court to seek counseling. A problem is that compliance is often inconvenient or impossible.

The Grand Jury recommends that television programs on parenting be prepared, funded and broadcast. Courts could require parents to view them and be tested for comprehension.

Following Proposition 13 budget cuts the Probation Department dropped "654 Supervision", a kind of informal probation for first time minor offenders. Deputy Probation Officers are no longer assigned to follow up court-required counseling, school attendance, restitution and other stipulations.

The Grand Jury recommends that 654 Supervision, a "stitch-in-time" be reinstated.

Young offenders (601's) who cut school, run away from home, violate curfew and commit like infractions, can no longer be forced into treatment facilities because of 1977 changes in California State law, even though there is a positive correlation between truancy and daylight crime. Truants and other status offenders may become incorrigible because those who attempt to correct them have little power. The Juvenile Court needs power to declare a non-complying youth in contempt, and to enforce its orders under penalty of incarceration.

The Grand Jury recommends:

- 1. Repeal of Welfare and Institutions Code Section 207(b), which bars the secure detention of status offenders.***

2. *Enactment of AB 377, which increases the role of the Probation Officer in contempt hearings following a truant minor's willful refusal to participate in weekend community service programs.*
3. *Enactment of AB 378, which provides that whenever a juvenile court case alleges that a minor is habitually truant, the juvenile court judge may sit as a municipal court judge to hear charges that the minor's parents failed to comply with laws requiring the minor's school attendance.*
4. *Additional funding to develop qualified foster homes and small group homes for pre-delinquent and minor offenders.*

The Boys' Republic which is partially self-supporting through the Della Robia wreaths, has been effective in instilling the work ethic and a sense of individual responsibility in several generations of youngsters who have become honorable and productive citizens. The program has reduced recidivism markedly, saving the community millions of dollars. No such institution exists for girls who are increasingly involved in delinquent behavior.

The Grand Jury recommends an institution for girls, patterned after Boys' Republic, be created, and there should be additional facilities like Boys' Republic for young males.

The Probation Department does a good job with their detention facilities despite severe overcrowding and understaffing. The staff tries hard to overcome a plethora of problems, some of which are highlighted in the following recommendations.

The Grand Jury recommends:

1. *Restoration of higher educational requirements for all Deputy Probation Officers and other personnel in detention facilities.*
2. *Creation of a Probation Department camp for delinquent girls.*
3. *Installation of padded cells in all facilities for youngsters displaying bizarre or violent behavior.*
4. *Provision for additional recreational space at the Dorothy Kirby Center.*

Past Grand Juries have criticized cuts in the Probation Department's budget which have decimated some of the most effective programs. These include

after-care for camp graduates to reinforce rehabilitation gains, specialized caseloads to deal intensively with high-risk offenders, and narcotics involved youth. The Grand Jury also maintains that these cuts are wasteful of young lives and ultimately presage huge future expenditures in the field of adult corrections.

The Grand Jury recommends restoration of adequate funds to the Probation Department to reduce the work and improve preventive efforts.

JUVENILE SUBSTANCE ABUSE

The Committee, concerned with the serious problem of our youth succumbing to drug traffickers, conducted a random survey regarding substance abuse prevention programs being taught in area schools. Our questionnaire elicited the following response:

ELEMENTARY SCHOOLS: Of nine responding schools, only one had no program whatsoever, while others devoted from three to twenty hours per semester to substance abuse prevention studies. One started at the kindergarten level while others concentrated on 4th to 6th grades. The programs involved 1,817 pupils out of a total of 3,874 enrolled in the schools.

JUNIOR HIGH SCHOOLS: All five responding schools had substance abuse programs varying from 10 to 20 hours per semester and involving 2,205 students out of a total of 5,310.

SENIOR HIGH SCHOOLS: All nine high schools replying to the questionnaire had programs devoting from five to twenty hours per semester and involving 6,730 students out of 16,460.

The Committee visited several schools to see how the substance abuse programs were being taught. Some had no current programs, but at the elementary level we were able to observe Drug Abuse Resistance Education (DARE) taught by the Los Angeles Police Department and "Here's Looking At You, Two" (sic) taught by the Los Angeles County Sheriff's Department.

The Committee does not endorse any particular program, as they all have merit. However, most such programs appear to lack the essential element of continuity.

Some programs when taught as an adjunct to other subjects, apparently deal only with the physical dependency aspects of drug abuse, neglecting the ethical issue and character building. The latter basically involves helping children to develop social resistance to peer pressure, media hype and unfortunate parental examples.

The Grand Jury makes the following recommendations:

- 1. An anti-substance abuse program to be optimally effective must be sequential, repetitive, and reinforced annually from kindergarten through high school.*
- 2. All appropriate governmental agencies and Boards of Education should coordinate their efforts to develop the most effective substance abuse program, and to obtain and disperse necessary funds.*
- 3. Classroom teachers assigned to substance abuse programs should receive specific training, and have access to the excellent materials which have been developed by public and private agencies. It is advisable, at some levels, to involve older students in the teaching process.*

CONSOLIDATION OF ELDERLY SERVICES

The Senior Concerns Committee, recognizing the fragmentation of services to adults among various county departments, ordered a management audit to determine how these agencies could better serve the public. The audit was conducted by the Grand Jury contract auditor.

In April 1984, the Board of Supervisors established the Elder Abuse Reporting System in the Department of Public Social Services (DPSS). The Department now receives 700 reports per month. The Adult Protective Services Division of DPSS averaged approximately 500 referrals per month in 1983 and 700 per month in 1984, a 40% increase. The caseload for In-Home Support Services (IHSS) climbed from 43,000 to 46,000, a 7% increase. The Public Guardian performs approximately 250 investigations per month, serves about 2,000 active cases and has a backlog of some 300 cases which cannot be investigated or serviced in a timely manner.

Since services provided by the Public Guardian and Adult Protective Services often come at different times to the same clients, the investigations and assessments may be duplicated. There is a limited exchange of information between the departments, even for mutual clients. Increased work loads and limited resources result in clients not being served adequately.

The Departments of Community and Senior Citizen Services, Health Services and Mental Health – acting separately – also provide services to adults, which by organization design, are fragmented and disjointed. Some programs are

decentralized, operating in 18 locations, while other related programs are centralized downtown. Clearly, the departments delivering services to adults should be better linked, coordinated or consolidated.

The Committee suggests an improved continuum of services via (a) a newly formed comprehensive department or (b) Consolidation of services into one of the existing departments or (c) retention of separate departments with improved coordinating linkages.

The Grand Jury recommends that the Board of Supervisors request the State empower Los Angeles County to conduct a pilot program to demonstrate cost effectiveness of better integrated or combined services to adults.

SENIOR CITIZEN CENTERS

The Committee concerned with the elderly was interested in studying all programs available to senior citizens. We visited several senior citizen centers, sampled nutrition programs and rode in vans delivering home meals.

The Committee mailed questionnaires in a random survey to which 14 out of 20 senior centers responded. Those 14 in total serve 4,598 congregate meals daily and deliver 1,042 meals to home-bound recipients.

The respondents indicated areas of need which they felt should be addressed by the Board of Supervisors and program planners. Most of them stated that additional funds were necessary.

Suggested improvements include:

- Expansion of home delivery service, especially hot meals on weekends.
- Provisions for therapeutic special diets if medically required.
- Expansion of the usual one daily congregate meal to two.
- Increased service in poverty areas where even “optional” payment barriers might be eliminated.
- Additional sites and paid personnel.

Several respondents stressed that too much paper work is required, decreasing time available for social service work. Some felt that allocated funds are too restrictively designated and that more initiative and innovation should be encouraged.

There were suggestions that program planners should be more directly involved to develop greater familiarity with senior citizen's problems before postulating solutions. Increased minority representation in program planning was also suggested.

The Committee concurs with these recommendations, and further recommends that communication among the various senior centers throughout the county be improved. We suggest that a regular inter-center monthly newsletter for the staff and management be published, with the emphasis on sharing new ideas and improvements.

The Grand Jury lauds the manner in which the County and participating cities are improving the quality of life for senior citizens. Existing recreation, service and nutrition programs encourage activity and reduce isolation, enhancing mental and physical well-being for seniors.

FRAIL ELDERLY

The Committee, concerned with the needs of the frail elderly, studied the findings of the Little Hoover Commission and were apprised of corrective legislation by Assemblyman Pat Nolan. We met with representatives of the Public Guardian Adult Protective Services and the Department of Public Social Services (DPSS) and the Area Agency on the Aging. We visited nursing homes under the aegis of the West Side Independent Services for the Elderly (WISE) and its County-wide Ombudsman program. Of particular value was a report prepared for the Committee by Dr. Raymond M. Steinberg, Associate Director for Service System Design and Evaluation at USC's Institute for Policy and Program Development.

We have been grieved to learn of the widespread abuse, neglect and abandonment to which elders are subjected, and we recognize that major efforts must be made to correct this mounting disgrace.

After examining the limited and ill-distributed services available to the elderly, the Grand Jury supports:

AB 57 (Bradley) to provide emergency shelter for elderly victims of abuse and neglect;

SB 173 (Mello & Rosenthal) to set up demonstration projects of in-home and out-of-home respite care serving both the elderly and functionally impaired persons;

SB 325 (Mello) to establish a demonstration project for placing the elderly into family foster homes as an alternative to institutionalization.

The Grand Jury recommends:

1. *Expansion of the Ombudsman program to assure adequate protection of elderly persons in nursing homes and to enforce the laws adopted to correct the abuses reported by the Little Hoover Commission.*
2. *Greater emphasis on In-Home Support Services, making more elderly persons eligible for homemakers and home chore assistance. Information as to the availability of such services should be widely distributed.*
3. *Tax relief and other financial assistance should be provided to caretakers of the elderly.*
4. *Establish local counseling hot lines for crisis assistance to persons feeling themselves to be on the verge of elder-abuse.*
5. *Under legislation adopted last year, Adult Protective Services is mandated to investigate reported incidents of abuse and neglect of elderly persons. APS should be required to follow up on those investigations.*
6. *Caretakers of the elderly should be afforded more opportunities for education in gerontology.*
7. *Both board and care and social day care facilities should be set up for older persons with behavior problems (which may be attributable to dementia).*
8. *Consolidate Los Angeles City and County Area Agencies on the Aging (AAA) to provide greater effectiveness and efficiency.*
9. *Assure services to communities with the greatest unmet needs, even if agencies representing the most vulnerable elderly are not sophisticated in the art of requesting grants.*

10. *Make greater use of paraprofessionals and volunteers, not to replace professionals in human services, but to extend their impact.*
11. *We recognize the need for a 24-hour hot line serving abused and neglected elderly, but realize this is not feasible until such emergency back up resources as shelter and respite care are available and accessible.*

*Gloria Tiscareno, Chair
Tony DeRiggi
Peter Fong
Jerry Lansdowne
Helen Travis*

Report of the Social Services Committee



Standing: Jean Williams, Danny Elias, Gloria Tiscareno, Ruth Gouedy.
Seated: Peter Fong, Anne Brophy, Chairman; Geri Branton.

SOCIAL SERVICES COMMITTEE

PURPOSE

The Social Services Committee is delegated by the Grand Jury to study the County Departments concerned with providing Social Services to the people of Los Angeles County.

AREAS OF CONCERN

The Homeless

Department of Social Services

Mental Health

General Relief 60 Day Penalty

BACKGROUND

The Social Services Committee is charged with overseeing the Department of Public Social Services and monitoring the efficiency of its operation. The D.P.S.S. is a large multi-faceted organization serving over one million clients. Employing ten thousand people with an operating budget of three hundred million, it is a conduit for \$1.2 billion in assistance from State and Federal funds. D.P.S.S. operates approximately 60 facilities in Los Angeles County. The Committee was further charged with examining the operation of the Department of Mental Health (DMH).

In the course of its studies the Committee discovered the relationship between the D.P.S.S. and D.M.H. in providing services for the mentally ill and the homeless.

METHODOLOGY

The Committee engaged in extensive research. We listened to and questioned top Agency personnel and interviewed social workers and welfare officials.

On field trips the Committee visited numerous facilities where we observed the steps followed in obtaining aid. There we perceived the attitude of workers toward clients, and compared the difference in attitudes in various districts. The Committee encouraged the appearance of speakers with opposing views to express their divergent opinions.

In the area of Mental Health, the Committee visited and compared several large and smaller facilities, such as psychiatric hospitals and Therapeutic Residential Centers which are interim care homes for mental patients returning to society.

We attended certification hearings and visited Department 95 of the court system, where legal cases involving the mentally disturbed are held.

MENTAL HEALTH

The Los Angeles County Department of Mental Health (DMH) provides a full range of services to citizens at the regional and district levels through County operated and contract programs. The primary focus is on severely and chronically mentally ill persons.

MENTAL HEALTH SERVICES

The services of the Mental Health Department include mobile response in emergency situations; crisis evaluation and intervention; short-term individual and group psychotherapy; day treatment and subacute non-hospital services; recreation and occupational therapies; socialization, residential and rehabilitation assistance; short-term acute inpatient care in hospital settings; State hospital admissions. Supportive services are also provided to the operators of private residential facilities. Help is available for the mentally ill inmates of the Los Angeles County jail system, but only to persons not guilty of crimes by reason of insanity.

MENTAL HEALTH CARE FACILITIES

The Social Services Committee visited all types of mental health care facilities, large and small, and interviewed the administrators. They were impressed by the broad range of programs, such as the Crisis Evaluation Unit at Augustus Hawkins Mental Health Center in southeast Los Angeles; "Somos Amigos", the crisis residence in North Hollywood; the Therapeutic Residential Center in El Monte; and El Centro Mental Health Center, a contract facility addressing the needs of the Spanish speaking population in East Los Angeles. They also visited Department 95, the Mental Health Division of the Superior Court. Several members attended Certification Review Hearings.

CRISIS MANAGEMENT CENTERS

One of the facilities the Committee visited was the Crisis Management Center in San Fernando Valley. Crisis intervention has been identified as a needed service by various mental health groups as well as law enforcement agencies and the families of the mentally ill. The Center in San Fernando Valley is a model, affording a range of services to the mentally ill and to the community. Psychiatric emergency teams (P.E.T.) provide mobile response on a 24-hour, seven-day a week basis and are an important component. These teams accomplish on-site evaluation and stabilization of mentally ill persons in crisis. Walk-in crisis evaluation clinics, counseling, group therapy and case management supply assistance in shepherding the mentally ill individual through the various stages of treatment. This intensive day treatment takes place outside a hospital setting, thus affording the patient a smooth transition while he continues in his normal living situation.

LANTERMAN-PETRIS-SHORT ACT

In 1969 the Lanterman-Petris-Short Act became law in California. This mental health law was designed to protect both public safety and the rights of people receiving psychiatric treatment, especially those held against their will. It limits who can be treated involuntarily and how long they can be so treated. It also gives patients the opportunity to have a judge review the need for their hospitalization. There is grave concern in the community about the inadequacy in the law that allows violent people to be released from treatment too quickly. In February of 1984 the Board of Supervisors addressed this problem by forming the School Shooting Task Force which studied the matter. The Task Force made recommendations, some of which are now being implemented.

Many government leaders and mental health professionals trace such problems to the closing of State mental hospitals that began in the 1950's. This

deinstitutionalization took place on the theory that patients should not be warehoused and could be better treated in the community. The Catch 22 was that sufficient State funds were not provided for this ideal to be carried out. Counties that had good mental health systems ten years ago now have a skeleton of what they used to have. The Committee was informed that even if the proposed additional amount is added to the current State budget, it will not bring the mental health funding up to what it was previously.

BOARD AND CARE HOMES

Board and care homes, housing the mentally ill, are licensed by the State of California and are monitored by the State at intervals between 12 and 18 months. The Committee considers this to be inadequate.

It has been alleged that some doctors spend very little time with the individual patient, but still collect the Medi-Cal sticker. It has also been alleged that patients have been overmedicated to keep them manageable. This keeps them from recovering satisfactorily.

The Grand Jury recommends:

1. *Standardization of the mental health care programs throughout the five County Department of Mental Health regions.*
2. *Provision of a Crisis Management Center, operating on the basis of the San Fernando Valley Model, in each of the Department of Mental Health regions.*
3. *Establishment of mandatory out-patient programs, as an alternative to institutionalization, in all five regions and the seeking of additional State funding for these programs.*
4. *The County and State should cooperate in providing, on a regular basis, a monitoring service that will assure proper patient care in board and care facilities. Case managers should have access to board and care facilities to determine that patients' living arrangements are conducive to their rehabilitation.*
5. *That the Board of Supervisors work to revise existing statutes regarding confidentiality of mental health patients to permit law enforcement agencies to be notified, upon evaluation by a mental health professional, that a patient could be a possible threat or cause injury to others.*

6. *Increase of the Therapeutic Residential and Adult Residential Programs of the Department of Mental Health as an alternative to State hospital utilization.*

THE HOMELESS

The Social Services Committee conducted a six-month study addressing the problem of the homeless in Los Angeles County.

The Committee interviewed administrators and employees of those County departments which provide services for the homeless. We visited County facilities as well as privately funded shelters. Members of the Committee audited meetings of the Countywide Task Force on the Homeless. Studies were made of reports on the dimension of the problem.

The Grand Jury found that Los Angeles County bears an unfair share of the burden of a national dilemma.

At the present time the County does not have the funds or resources to respond adequately to the plight of the homeless. Included among those ranks are many mentally ill who were deinstitutionalized by State policy. Also present in this population are the newly unemployed, the so called displaced middle class. Other areas have sent their indigents here.

Los Angeles has been made the repository of a national problem and the capital of the homeless.

On January 15, 1985, the Grand Jury urged the Board of Supervisors to take steps to have Los Angeles County declared a local, state and federal disaster area.

In response to the Grand Jury's recommendations the Board of Supervisors adopted resolutions calling for:

1. A letter to the President requesting federal funds to address the needs of the homeless.
2. A mandatory out-patient program for the mentally ill as an alternative to institutionalization.
3. An outreach program to identify and assist persons eligible for S.S.I. benefits.

4. The C.A.O. was directed to obtain an accurate assessment of the homeless problem, to identify State and Federal funds available, and to provide better coordination of efforts.
5. A request for Community Service Block Grant funds for a national model project for the homeless in Los Angeles County.

Supervisors Hahn and Edelman responded immediately by donating \$22,000 each from their Community Block Grant funds to provide shelter for the homeless.

The Grand Jury recommendation was disseminated in a press release which received extensive media coverage and generated widespread interest in the plight of the homeless.

SOCIAL SECURITY INSURANCE

S.S.I. regulations require that recipients report all changes of status which affect their grant, by reporting in a timely fashion. Many recipients are physically or mentally incapable of taking care of this requirement, with the consequence that they lose the grant and are returned to General Relief. Since the Social Security Administration (SSA) does not allocate the funds to perform this service, most counties assign social workers to assist. Los Angeles County has no provision for this vital need.

The Grand Jury recommends that the County develop a program to provide auxiliary service to all SSI recipients in an effort to keep them in compliance with SSI regulations.

SIXTY-DAY PENALTY

While investigating the problems of the homeless, the controversy surrounding the General Relief (GR) 60-Day Penalty was called to the attention of the Committee. We interviewed County Administrators and employees involved with the administration of the 60-Day Penalty, as well as representatives from non-profit organizations who assist persons receiving relief from the County. Committee members were present when representatives from community organizations and welfare clients testified at meetings of the Board of Supervisors and hearings held by Supervisor Ed Edelman on the 60-Day Penalty.

The 60-Day Penalty requires that General Relief employable applicants and recipients be denied welfare grants for sixty consecutive days when they fail without good cause to comply with one or more of the GR program-employable requirements, such as work search and Workfare Project attendance. The Penalty is applied to the individual failing to comply as well as to his aided spouse and children. The penalty is not lifted if the person subsequently complies with the requirements.

On February 4, 1985, the Committee requested that the Board of Supervisors place a moratorium on the 60-Day Penalty or to provide that the penalty be in proportion to the nature of the infraction.

In order for us to better understand the controversy, a request was made by this Committee to the Audit Committee that an immediate audit be made of the Department of Social Services (DPSS) administration of the 60-Day Penalty.

As a result of its studies and information obtained through the audit, the Committee found:

- Provision of General Relief by all counties in the State is mandated by the California Welfare and Institutions Code, Sec. 17000. (DPSS administers the GR program in Los Angeles County).

- Sec. 17200 of the Welfare and Institutions Code states that "Work may be required of an indigent . . . who is not incapacitated by reason of age, disease, or accident, as a condition of relief. This work shall be created for the purpose of assisting in his rehabilitation and the preservation of his self-respect".

Review of the screening and compliance process indicated a significant opportunity for miscommunication. The frustration of the eligibility worker who must deal with the constant flow of applicants is evident. The situation is more difficult for applicant/recipients who must complete the long and complex applications and comply with the time consuming regulations required in the bureaucratic process.

The Grand Jury recommends that action be taken to improve the system of screening applicants to make a proper determination of their status by (a) increasing the number of professional screening staff and (b) locating staff from the DPSS, the Department of Health Services, and Mental Health in all offices involved with the classification process, (c) simplifying GR applications and making them more understandable.

Incidents and testimony of questionable sanctions have been alleged by several organizations. However, proper determination of DPSS response to these allegations was extremely difficult because very little narrative is supplied in

the files to indicate the circumstances which led to non-compliance. Also, events are sometimes difficult to track because there can be three components in the client's file. Penalties are imposed for violations uniformly technical in nature, most typically from the applicant's failure to make timely and otherwise proper documentation of completed job search or Employment Development Department registration.

The Grand Jury recommends that the rules and regulations should be administered with sensitivity to the special problems of the indigent, as well as human fallibility, and that there should be opportunity for correction of mistakes.

The Workfare Project is generally considered fair. However, the number of job searches required, as well as registration with the Employment Development Department (EDD) has become meaningless because of the high unemployment rate and the lack of job skills of many recipients. Continual rejection by employers who have no jobs to offer aggravates the sense of futility for applicants.

The Grand Jury recommends that the Workfare Program be administered for the purpose of assisting the indigent in his rehabilitation and the preservation of his self-respect as the law states. When the job search program and EDD have little probability of job placement, the requirements should be waived.

The reasons for placing clients in non-compliance are overly severe and the penalty is harsh. It should be remembered that the sanction is enforced against individuals who have already reached bottom and have nowhere else to turn. Medical experts describe the effects of life on the streets in Los Angeles, even for a short time as follows: The physical consequences may be respiratory disorders, dependent edema, status ulcers, tuberculosis, debilitating and lengthy illness, death due to hypothermia, severe infections, cellulitis affecting the feet and legs, severe swelling of feet and limbs, severe skin and hair infection, and overwhelming stress which leads to clinically recognizable emotional and psychological problems. To be homeless is also to run the risk of becoming the victim of a violent crime, such as assault, rape and robbery. Many are victims of gunshot and knife wounds, and of trauma associated with secondary contusions from baseball bats, tire irons or bottles. The homeless have no security and are the walking prey of wandering street gangs.

The Grand Jury recommends that the General Relief 60-Day Penalty be revised so that the penalty is in proportion to the infraction.

The Workfare Program provides over 7,000 work assignments spread over 333 different sites. This is a considerable contribution to the community.

The Grand Jury recommends that the County develop a positive public relations exposure for this program, giving due credit to the clients who perform a valuable service to the community in return for the relief granted.

*Anne Brophy, Chair
Geri Branton
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Report of the Audit Committee



Bob Beckerman, Ruth Gouedy, Mort Pinz, Chairman; Yuki Kamayatsu, Sam Sherwin, Bernice Toliver.

AUDIT COMMITTEE

PURPOSE

The California Penal Code, Sections 925, 925a and 928 authorizes the Grand Jury to investigate and report on the management policies and fiscal needs of Los Angeles County officers and departments, joint powers agencies, special purpose assessment and taxing districts, and cities within Los Angeles County. The Grand Jury delegated the Audit Committee to carry out the tasks related to these responsibilities.

AREAS OF CONCERN

Selection of contract auditor

Monitoring activities and progress of the auditor

Investigating citizen complaints

Follow up on recommendations of past Grand Juries

Department of Consumer Affairs

Five Los Angeles County Airports

Off-street Parking

BACKGROUND

In Los Angeles County the Grand Jury has the responsibility of periodically reviewing the departments of incorporated and unincorporated areas of the County, and unincorporated cities. These mandated tasks traditionally have been delegated by the Grand Jury to the Audit Committee.

METHODOLOGY

The Audit Committee invited certified public accounting (C.P.A.) firms to submit contract proposals. Seven firms were interviewed. The Audit Committee sought the advice of County Department heads and obtained information from past Audit Committees to determine the most important factors to be considered in interviewing and making its final selection of a contract auditor. On September 20th the Audit Committee recommended hiring DeLoitte, Haskins and Sells. The Grand Jury approved the choice; the firm began its work on September 26th.

To determine the areas of review the Audit Committee studied the final reports of past Grand Juries, audit reports on their areas of concern, as well as past and current County audits, initiated by the Auditor-Controller and Chief Administrative Officer. The Audit Committee also solicited suggestions from the County Supervisors, and consulted with a number of County department heads. Committees of the present Grand Jury were invited to bring their concerns to the Audit Committee throughout the year.

The Audit Committee carefully reviewed all the areas of concern proposed and tentatively selected those it felt were currently of most importance. They specifically made an effort to be positive in deliberations and to select areas in which constructive recommendations could be forthcoming as a result of the audits. After discussing its suggestions with the contract auditors, the final areas of review were:

County Budget Process

Contracting services

City of Hawthorne

Stress Pensions

Other authorized areas of review were Consolidation of the Public Guardian Department with the Adult Protective Services of the Department of Public Social Services, and the General Relief 60-Day Penalty.

THE BUDGET PROCESS

As the result of discussions held with administrators of Departments of Los Angeles County, the Audit Committee learned that an investigation of the overall budgeting process had not been made for a number of years. It was suggested that an examination of fiscal/management issues such as policies, procedures, and practices regarding the budget process, would disclose a number of areas where changes could be made that would expedite and improve the budget process, as well as bring about substantial cost savings. The Contract Auditors were requested to conduct a fiscal/management review of the budget process of specified departments and the current data processing system.

During the course of the study the Audit team conducted interviews with more than 55 individuals, spanning the Management Services and Budget Division of the Chief Administrator's Office (CAO), Auditor/Controller (A/C), and the Departments to be reviewed.

POLICY

Since the passage of Proposition 13 in 1978, the County's ability to increase revenue has been significantly curtailed. The County now depends on Federal and State funding for approximately 60% of its budget. The mandated services imposed on the County consume approximately 90% of the budget. There are very few discretionary resources available to the County. Moreover, the State allocation, and budget in general, is based on funds available and not on community needs.

The Grand Jury recommends the County continue to seek legislation which will require the State to address the County's needs earlier in the State's budget process.

The Productivity Improvement Fund (PIF) is an incentive program initiated and coordinated through the CAO. All Departments contributed start up dollars to establish the PIF. Each department is eligible to use the money to implement any program which guarantees actual dollar cost savings. However, the program has neglected to provide direct incentives and encouragement for achieving service improvements and revenue enhancements.

The Grand Jury recommends the County review the extent to which incentives can be directed toward service improvement and revenue increases. The

current cost reduction programs could serve as a model for other incentive programs throughout the County. An attitude of productivity and effectiveness should be promoted in all Departments.

The County has a Management Incentive Program which rewards top level managers for achieving specific objectives, but there are no similar incentives available to middle management and line employees. These employees are often instrumental in developing innovative programs or increasing productivity. We understand that any changes will have to be made through the "meet and confer" process when represented employees are involved.

The Grand Jury recommends that the County provide incentives to middle management and line employees.

County-wide and Departmental planning tend to be limited by a lack of long-term direction. New mandates from the State create changes which make it very difficult to identify the program emphasis for the next fiscal year.

Recognizing that priorities may change within the established time frame, the Grand Jury recommends the Board of Supervisors, in conjunction with the CAO, hold a priority planning session every three years to identify the three to five top priorities they want to accomplish in the following three years. The Board should then give these priorities first consideration during the budget sessions.

Because of recent fiscal constraints and budget reductions, the County generally operates on a "target budget" concept. That is, the CAO identifies the budget ceiling for each Department. The Department head is responsible for producing a budget request within that limit. In most cases, the budget request does not get extensive scrutiny if it is within the ceiling level. This generally results in incremental increases over a period of years without a detailed analysis of the operation.

The Grand Jury recommends that in view of the extensive time commitment required for "zero-based" or similar budget methods, the CAO form a team comprised of a total of three staff persons from the CAO, A/C, and Personnel Departments, supplemented by a private consultant, to cooperate in reviewing the budgets and operations of two departments each year. The review would be conducted as a management tool for the Department head.

ACCOUNTING POLICY

The CAO Budget Division holds that the Department of Health Services (DHS) Enterprise Funds should be accounted for on a line-by-line/object basis.

Enterprise funds personnel feel as long as they meet the bottom line Net County Allocation, they need not be accountable for the individual line items.

Due to this difference of opinion, conflicts arise between CAO and DHS as to how additionally generated revenue can be utilized. The CAO contends the additional revenue above the budgeted amount should revert to the general fund to reduce the net County cost. DHS holds that additional revenue should be available to fund new services or increase levels of existing services.

The Grand Jury recommends that the Board enforce the policy that outlines the requirements on Enterprise funds for line item control. This policy should address requests for increases or decreases in approved expenditures and revenues.

Current Auditor/Controller (A/C) policy allows for the potential understatement of accounts payable. For example, in June 1982-83, the A/C did not accrue approximately \$4.9 million in accounts payable submitted by the hospitals due to insufficient budget appropriations being available for each individual encumbrance. These expenditures were paid against 1983-84 appropriations. This is a deviation from the accounting procedures for County government entities. The A/C does not have the authority to pay the excess expenditures.

The Grand Jury recommends that the A/C year end policy and accrual instructions be rewritten to indicate that all valid accounts payable be reported. If insufficient budget appropriations exist to cover the expenditures, a budget adjustment should be made and the Board informed.

There is no consistent method among DHS facilities in determining year end revenue accruals. The amount of revenue accrued by DHS at year end appears unduly influenced by current year and subsequent year budgeting needs. For example, in 1982-83 DHS planned to accrue approximately \$37.6 million for Medi-Cal, approximately 60% of its probable value. The CAO found this amount to be unreasonably low. This judgment was based largely on the amount of Medi-Cal collections and the historical average number of days in Medi-Cal receivables for the year.

The total 1982-83 Medi-Cal revenues collected in the subsequent year amounted to \$77 million. This was \$29.4 million more than the original accrual, representing an increase of 105%. The result of such an understatement would be to overstate the net County cost. This would mean a larger general fund expenditure for DHS and a smaller fund balance available for other County programs, resulting in severe cutbacks. DHS would have a large unexpected cash windfall over and above their next year's budget, while still meeting the Department's net County cost target for the current year.

Estimating the accruals is not an easy task given frequent regulatory changes and the unsatisfactory information system available to DHS.

The Grand Jury recommends that Departments should be provided with a system that would increase the precision of year end revenue accrual calculations. The Departments should employ a common method of compiling revenue accrual that makes it easier to verify the actual accrual amount. This should decrease the need for subjective judgment in setting Department accruals and also establish a common system for calculating year end accruals of receivables and payables.

Even though DHS sent out supplemental instructions to all locations explaining the methods and applicable forms for accruing accounts payable at year end for goods and services received or committed prior to June 30, the instructions were not followed by hospital staff. Over-statements still occur and are a contributing cause of the current County expenditures freeze.

The Grand Jury recommends that an on-site training seminar for persons involved in Accounts Payable accruals be instituted and enforce procedures to ensure that accruals are timely, complete, and procedurally correct. Also, that periodic audits or reviews of these accruals and commitments be conducted to test their accuracy.

CAO BUDGET DIVISION EFFICIENCY/EFFECTIVENESS

The freeze was instituted to forestall a potential \$19 million deficit for fiscal 1984-85. Budget analysts are reviewing all departmental supply and service requests, requiring the CAO Budget Division to spend a significant amount of time in the review and approval of Department expenses. There are indications that the freeze imposes unnecessary costly restrictions, as well as time delays and, in some instances, increased costs.

The Grand Jury recommends that the heavy workload of CAO budget analysts, and the time delay in the review and approval process be reduced by eliminating the CAO Budget Analysts' reviews of supplies requests which are less than an "established" dollar amount (as determined by the CAO). Purchasing should be given the approval authority on small dollar requests, since requests are routed to them anyway.

Standard procedures that would ensure consistency in the budget analysts' reviews do not exist. Budget analysts are given considerable freedom in projecting and reviewing fiscal year budget requirements. While all budget analysts seem very conscientious, some analysts appear to be extremely analytical and others use common sense.

The Grand Jury recommends that the CAO Budget Division adopt standard procedures to ensure consistency in budget development and review across all Departments. These procedures should include standard forms for budget adjustments, “estimated actuals” projections, and be used by all budget analyst teams. They may include a compilation of existing memos, workpaper formats and other documentation.

When budget analysts join a budget team, they gain experience through on-the-job training. There is no standard orientation or initial training procedure.

The Grand Jury recommends that the CAO initiate a training program, including a training manual, for both CAO and Departmental budget personnel. The training should cover concepts such as accruals, encumbrances, fund accounting, policies and procedures, and analytical approaches to budget development. Assistance from the A/C Department could supplement the training.

PERSONNEL ISSUES

There is no established rotation program for DHS, CAO, and A/C staff who are assigned to a budget team. Key positions of responsibility in DHS, A/C and CAO’s offices must interact during the budgetary and financial cycle. Due to the differing objectives of each, conflicts or friendships may develop which hinder the reaching of reasonable solutions.

Although experience and knowledge of the job is a valuable asset, control objectives mandate a “fresh look” in these areas.

The Grand Jury recommends that a rotation schedule of key positions be implemented to take place on a staggered basis. During a five-year rotation cycle, assistants or alternate team leaders could be trained to step into the key position upon the rotation. Rotations may be internal or interdepartmental.

Workload is excessive three to four months prior to budget adoption and time constraints cause pressure and stress. During peak periods CAO budget analysts work approximately 50 to 60 hours per week, including Saturdays and Sundays. From the Department perspective, a major problem in budget development is the lack of time between receipt of instructions and due dates. The instructions are late most of the time.

The Grand Jury recommends that budget instructions be delivered earlier in order to spread the work for both Departmental and CAO budget analysts over a more realistic timeframe. CAO professional personnel and budget analysts should be integrated into both departments during slow and peak periods.

DATA PROCESSING

Currently there is a very limited amount of automation in the budgeting process. While most Departments have some form of automation, two out of three Departments reviewed do not use microcomputers in budgeting.

Complex computations are manually calculated and forwarded to the departmental budget section. Some budget analysts hesitate to use the current data processing systems. There does not seem to be any real direction in the automation of the Countywide budget process.

The Grand Jury recommends that a specific team including budget and data processing personnel be assigned to analyze the flow of data and communications between Departments and the Budget Division and consider the most effective data processing strategies. This should be a multi-year commitment.

The County's current automated fiscal system does not provide timely identification of over-expenditures. Concern over security is limiting the County from pursuing on line access to budget data or exploiting the full capabilities of the present data processing system, Administrative Financial Resource Management (AFIRM).

The Grand Jury recommends that while keeping security as a high priority, the County should evaluate its financial system and seriously consider expanding the capabilities of AFIRM, or implementing a contemporary financial system which would allow on-line access to financial data.

Hospitals vary in their reliance on information from the McAuto (computer time share) System. The amounts reported are subject to adjustment due to problems with so many agencies. There are at least four other information systems in use at the different hospitals.

The Grand Jury recommends (giving due consideration to the data processing strategy already utilized for the entire budget division) that the DHS evaluate and implement a single, reliable information system which would generate the documentation and reports needed by all hospitals. This system would establish consistent numbers which are more readily substantiated and less subject to the personal judgment of staff.

BUDGET METHODS

Target or "incremental" budgeting is currently the method used. Target allocations are based on prior year's program levels. There are no mechanisms in

place to adequately relate the costs of programs to effectiveness. Based on several interviews with DHS, it appears an increase in staff to implement program budgeting probably would not be needed.

The Grand Jury recommends that the County consider implementing a program budget that ties workload measurements to program effectiveness; budget adjustments should be made to accommodate increased and improved services.

A critical report used by the CAO and A/C to monitor DHS budgetary performance is the "Working Capital Report". This report calculates year-to-date revenues and expenditures for the Department giving actual collections received and payments disbursed, and current month accounts payable and accounts receivable accruals.

The Working Capital Report determines whether the cash advanced to DHS is either a loan or an operating subsidy (not a County cost). An accurate report is vital to properly determine the County's true cost of DHS operations. Near the end of the 1982-83 fiscal year it was found that month to month fluctuations in revenue accruals appeared unreasonable and that the Working Capital Reports prepared by DHS were inaccurate.

It was noted that the Working Capital Report would be adjusted to provide collateral for additional working capital loans if a facility was in need of cash. If this was being done, the County was risking that funds advanced to DHS as a loan could eventually become an unexpected increase in DHS net County cost.

New procedures have been put in place for generating more accurate Working Capital Reports, however, the new methods are unsatisfactory.

The Grand Jury recommends that improvements be made in DHS's capability to effectively and economically produce basic financial reports vital to the Department's budgetary control. Each hospital should develop accurate Working Capital Reports by maintaining listings of accounts payable and receivable. As adjustments become known, (collectibility percentages and overbillings) these should be reflected in the Working Capital Report.

BUDGET DOCUMENT EFFECTIVENESS

In 1982, the Government Finance Officer's Association (GFOA) published a collection of model budget documents provided by 100 state and local government entities in "Effective Budgetary Presentations: The Cutting Edge." This publication recognized that budget documents could be improved, and that there were criteria for effective budget documentation. Budgets do accomplish various

purposes. Ideal budget documents fulfill four major functions: (a) A policy tool; (b) An operations guide, (c) A financial plan; (d) A communications medium. Los Angeles County is a member of the GFOA, but has not yet submitted its budget for review.

The Grand Jury recommends that the County consider improving the budget document to correspond with GFOA guidelines. The budget document should be submitted to GFOA for review.

PRIVATE SECTOR CONTRACTING

In the election of 1978, voters adopted Proposition A, which allows for private sector services to perform work previously done by County employees where it is feasible and economical. The 1982-83 Grand Jury initiated an in-depth review of Proposition A and the impact it has on Los Angeles County. Fifteen recommendations were forwarded to the Board of Supervisors as a result of that study. In spite of the County's laudable attempts to comply with previous Grand Juries' recommendations concerning its contract program, an air of controversy prevails. The 1984-85 Grand Jury requested that its contract auditor reexamine the County's overall contracting program, and scrutinize certain specific departmental contracting activities.

The contract audit team conducted over fifty interviews, spanning eighteen different County departments or related agencies. On numerous occasions, members of the Audit Committee were present at the interviews. Additionally, myriad documents were reviewed and analyzed. Anyone interested in studying this subject at greater length may consult the complete audit company report.

CURRENT CONTRACT DEVELOPMENT PROGRAMS

The County Administrative Office (CAO) has implemented previous Grand Jury recommendations regarding establishment of central policies and procedures for contracting out. However, departmental compliance with these procedures is not always consistent.

The Grand Jury recommends that the CAO continue to provide policy direction for Proposition A contracting to County departments.

Departments reviewed indicate compliance with most County contract policies and procedures. The exceptions are in the areas of cost savings analysis and

monitoring. The County practice for contracting services consists of seven basic steps, as explained in detail in the County Contract Development Manual, and a flowchart outlining the steps in contract development.

The Grand Jury recommends the CAO periodically monitor the extent to which County departments follow contract development guidelines as set forth by the Manual. The CAO should ensure that all departments have established adequate performance standards as part of their quality assurance plan and that incremental costs are consistently included in costs savings analysis.

Services are contracted out with little, if any, assessment of the County's ability to provide the service in a more efficient and effective manner. At Rancho Los Amigos Hospital, through a routine assessment of general operations, areas of inefficiency in dietary services were identified and eliminated. Consequently, when the Request for Proposal (RFP) was issued to contract dietary services, the hospital submitted a bid together with private vendors. The decision was eventually made not to contract dietary services, due to the efficiency of in-house operations. In the Department of Public Social Services (DPSS), as part of the feasibility study, areas are examined to see if they can benefit from a Productivity Study. If so, they may be turned over to the Production Department for analysis before a full contracting study is commenced.

The Grand Jury recommends that prior to issuance of the RFP, County departments formally conduct a thorough operational review of an area identified for contracting. This review should consist of identifying specific areas of inefficiencies with detailed recommendations. County departments should identify any cost savings which would result from improved operations. County departments should be given the opportunity to bid along with outside contractors. Cost proposals from potential contractors should be compared against the County cost, inclusive of any cost savings resulting from operational changes.

During the course of interviews conducted with County personnel, a recurring statement was that the mandate to contract out services was being pursued with active involvement by the Board of Supervisors. Some personnel noted the Board wants contracting to succeed and will direct their resources to ensure that success. The Board is currently considering a bonus program for County department heads based on productivity, which is primarily described as "contracting". Some service areas would be difficult to control or monitor under a contract service method, particularly medical treatment services. A Health Services manager noted certain treatment services are very costly to monitor. Approaches to treatment vary and cannot be standardized in a clinical setting. He indicated adequate monitoring for these treatment services would be difficult, if not impossible, to achieve.

Pressuring managers to contract in areas where quality controls are difficult to implement, or where it is difficult to measure the level of service, can create service delivery problems for both the County and its clientele. Furthermore, Proposition A states that work should be contracted when it is economical or feasible.

The Grand Jury recommends the County recognize the limits to contracting services. The CAO/Contracts Division should be particularly cautious in pursuing a contract policy that does not have application to all service areas. Equal emphasis should be given toward management feasibility and economic benefits of contracting.

Contracting has significantly impacted minority employees, in comparison to non-minorities. Since February 1985, 906 of the 1,042 employees shifted by contracting have been minorities. The County has made a conscious effort to retain those employees. Overall, minority employees have been impacted more than non-minority employees, primarily because contracting has affected many County positions which are staffed by minorities.

The Grand Jury recommends that while recognizing the financial limits in providing alternative employment to employees affected by contracting, the County continue its efforts to provide employment options to minorities and other employees impacted by contracting.

No formal system exists to track temporary employees hired to fill budgeted positions in areas identified for contracting. Temporary employees are frequently used to fill budgeted positions in an area identified for contracting (1) To limit the impact of contracting on permanent employees, and (2) To allow the County to continue to provide normal levels of service since it is difficult to hire a permanent employee with the realization that he could be displaced once the area is contracted. Temporary employees are hired under the explicit premise that their employment is limited, the employment area may be contracted, and they can be terminated at any time. Temporary employees do not have Civil Service protection or representation by County unions.

The Grand Jury recommends that procedures be developed to require departments to track the status of temporary employees. Areas to be tracked should include length of employment and job disposition.

The CAO reports to the Board of Supervisors regarding the impact of contracting on the reduction of County positions. Currently, the CAO reports on the number of "budgeted/actual" positions eliminated or avoided due to contracting. This number reflects the elimination of budgeted positions unfilled for

a significant amount of time in addition to positions eliminated as the result of contracting out. This type of reporting tends to cloud and inflate the actual number of positions eliminated as a result of contracting.

The Grand Jury recommends that the CAO, in reporting to the Board of Supervisors, make a distinction between the number of positions eliminated due to being unfilled for some time, versus positions eliminated due to contracting.

The cost analysis guidelines in the County Contracts Manual clearly identify what are avoidable vs. unavoidable costs in calculating savings. Unavoidable costs, according to CAO guidelines, are defined as “costs which will not be reduced or eliminated as the result of contracting”.

The Grand Jury recommends that the County continue using the avoidable cost method and the guidelines for determining avoidable costs which are valid for comparing County vs. contractor costs.

There is no specific guideline as to what constitutes a sufficient savings margin to ensure long-term, cost-effective contracts. The Contract Auditors reviewed cost analyses developed by departments to justify contracting out of services in the Departments of Health Service, Facilities Management, and Parks and Recreation. The savings incurred is substantial. However, in instances where the variance between in-house and contractual service costs is marginal, the County and the departments should exercise caution. Representatives from the Auditor-Controller’s and other departments suggested that a 10% savings margin would be an adequate guideline.

The Grand Jury recommends the Auditor-Controller, in conjunction with CAO/Contracts Division, review the feasibility of establishing minimum cost savings margins for Proposition A contracts. These margins could be considered guidelines, recognizing that such a margin may not be appropriate for a unique situation.

In some instances the incremental (additional) cost of monitoring Proposition A contracts is not always included. Guidelines require incremental monitoring costs be deducted from any cost savings identified as a result of contracting. In those cases where a centralized Department of Monitoring unit monitors several contracts, the County guidelines require departments to deduct the total costs of these units from any aggregate cost savings reported on contracting. Departments are not consistently reporting monitoring costs due to contracting, especially on an aggregate basis.

The Grand Jury recommends the CAO, in conjunction with the County Auditor-Controller, ensure that departments consistently report all incremental costs.

It is difficult to determine “actual savings of contracts”. County personnel involved in contract cost analyses indicated that “estimated cost savings” is reported, rather than “actual cost savings”, because the County can only forecast what their projected costs will be. These projected costs are subject to fluctuations because of cost of living adjustments for County employees which cannot be accurately projected, and because equipment and supply costs are also subject to fluctuations. It is not possible to compare these costs against actual County costs. The County protects itself from escalating costs during the life of the contract. The County contracts are “fixed” for the first year with an option to rebid the contract after the first year, or to continue the contract on the base fixed amount with inflation adjustments predetermined by the County at the time of the initial contract. If the contractor does not stay within the fixed budget, the contract will be terminated and the County will solicit a new vendor. In addition, the County CAO’s office has collected statistics which demonstrate the County has experienced increased cost savings for the fifty contracts rebid since the development of the contracts program.

CONTRACT MONITORING AND VENDOR PERFORMANCE

Although departments have demonstrated they are able to develop a statement of work that identifies their level of service requirements, there can be considerable disagreement with the contractor over the quality of the service because the contractor may have a different perception of quality, even if standards are agreed upon. When such disagreements occur, the contractor is required to correct any deficiencies immediately. Failure to correct any deficiencies immediately will result in withholding or deduction of payment until the situation is corrected.

The Grand Jury recommends County departments give particular attention to performance standards regarding quality of service. The interpretation of such standards should be clearly communicated to the contractor to avoid any misunderstanding. The County CAO’s office should increase its oversight role in the area of contract monitoring. The CAO should periodically review the departments to ensure they are (1) consistently reporting on contractor conformance with these performance standards and (2) taking appropriate action where contractor performance is deficient.

One of the central concerns of contracting is that County resources must not be used to correct a contractor’s deficient performance. Any time spent supplementing the contractor’s work is billed directly to the contractor at fully burdened wage rates. If the contractor fails to provide the required level of work, the Department supervisors document the incident and withhold payment or terminate the contract.

The Grand Jury recommends that County departments ensure that proper payments, penalties or terminations are levied against contractors for non-performance.

Limited information exists for identifying problem contracts. There have been Proposition A contracts which, due to non-compliance on the part of the contractor, were not renewed. Currently, the CAO/Contracts Division does not maintain a formal record of these contracts. Thus the potential exists for departments to contract with vendors whose contracts with other County departments have been terminated or not renewed due to non-compliance.

The Grand Jury recommends the CAO/Contracts Division develop a policy which would require line departments to report all contracts terminated or not renewed due to contractor non-compliance. These statistics should be submitted as part of the CAO/Contracts Division's quarterly report to the Board of Supervisors. Periodically, line departments should be required to report to the CAO problems which exist with any active contracts, as well as significant costs to the County due to contractor performance problems.

Contracting services does lead to some loss of control in performance. However, this does not necessarily influence the quality of work, rather, it limits the ability of the County to respond to situations that go beyond the scope of the contract agreement. If this occurs, the County must reassign personnel or, if possible, request the contractor complete the tasks at an additional cost.

The Grand Jury recommends that prior to contracting, departments properly assess the amount of operational control which would be lost due to contracting. Contracting a service should not influence operational control to the extent the department cannot adequately provide for situations which occur beyond the normal workflow.

Assessing contract performance is the responsibility of designated County supervisors who generally have a significant responsibility in the area which they are monitoring. In most Proposition A contracts, supervisors are retained by the County for monitoring purposes; in some instances all functions of the service are contracted out. One administrator commented he would have serious apprehensions about contracting certain services for which (1) there was little, if any, in-house expertise to properly monitor the contract (2) he had little knowledge about the contractor's personnel.

The Grand Jury recommends that prior to contracting, County departments have in-house personnel who are knowledgeable and experienced in (1) the operations of the service to be contracted, and (2) the performance standards (including quality) for the service, so the County can adequately monitor the contractor.

Quality assurance procedures of contractors are basic to normal service. These procedures include on-site supervision of experienced, qualified employees, and County contractor monitors to conduct random, on-site visits. Despite the presence of a quality assurance plan in all Proposition A contracts, difficulties may still arise over the expected performance from the contractor. These discrepancies can produce an increase in monitoring activity and cost, and disrupt the normal flow of service.

The Grand Jury recommends County departments conduct periodic audits of contractors' quality assurance procedures to ensure proper controls.

MENTAL HEALTH DEPARTMENT

Neither the Mental Health Department, nor any other County department has responsibility for licensing or monitoring Board and Care facilities. These responsibilities are designated to the State of California. The extent to which State monitoring of Board and Care facilities is adequate, cannot be determined and would require a separate investigation. However, we have been informed by department representatives that the State only reviews these facilities every eighteen months. The treatment of County clients at Board and Care facilities was often not conducive to rehabilitation or remission; rather, clients placed in these homes were sedated and provided no structured treatment program.

The County does contract with private mental health clinics and practitioners. The funds used for these contracts are Short-Doyle grant entitlements, of which 10% are part of the County General Fund. Monitoring for contracts in mental health is decentralized and fragmented. The Department must be assured that patients are being well treated. The Department has developed a Management Information System (MIS) and re-established site reviews to assist in monitoring services being provided by both County and contract clinics. In addition, procedures used by the various mental health regions are being collected and reviewed toward the development of a standardized monitoring system.

The Grand Jury recommends the Department of Mental Health continue its efforts to develop a contract monitoring system that can adequately assess the levels and quality of service being provided. The Department should refrain from implementing any Proposition A contracts until proper Department monitoring procedures have been fully developed and all Departmental contract staff have attended the CAO's contract development training program.

The extent to which the County should be involved with review of these Board and Care facilities caring for County clients needs further review. In this case the responsibility for monitoring Board and Care facilities (State) is separate from case management (County).

FACILITIES MANAGEMENT

Reviews showed that quality of service may be reduced by contracting. In February 1983, the Facilities Management Department contracted with the Pedus security firm to provide armed security guards at various facilities throughout the County. The cost savings for this contract was estimated at \$313,406. After one year, Pedus decided not to renew its contract. Several contracts provided services in the interim until a new contract with another vendor could be implemented. In August 1983, the security firm of Burns International (total savings \$286,569) was contracted to provide additional security services to the County. In December 1984, three new security contracts were implemented to provide service to all County facilities. The combined first year cost savings was projected to be \$759,557. These contracts would provide security services to about two-thirds of all County facilities; County personnel would provide security services to the remaining one-third. The transition from the original security contractor to the interim contractors and then the three permanent contractors was costly and disruptive. There is no way of determining this intangible cost impact. As the contracts were initiated, it appeared the procedures used to investigate contract personnel were lengthy and costly. Prior to contracting, all security personnel were subject to an investigation identical to what is conducted for County Sheriff's Department personnel. Several of the contractors' candidates could not complete full screening of the background investigation. Facilities Management enlisted the services of a security consultant to determine if such procedures were necessary or if they could be modified to meet County needs. Some interim solutions were provided. As of March 1985, guidelines were initiated which contracted and County security applicants must complete. The concerns centered around the discretion of the contractor to place armed personnel in sensitive areas, when said personnel have not had a background investigation which verifies that they have no criminal history in the State of California and have satisfactory and stable employment history. According to employees, incidents of contracted personnel being late, conducting themselves in an unprofessional manner and stealing County property are well documented. In response to the various issues surrounding contract security guards, the Department or Facilities Management is developing procedures and policies which will meet its service requirements.

The Grand Jury recommends that Facilities Management continue to work toward resolving the background investigation procedure issue.

DEPARTMENT OF DATA PROCESSING

The Department of Data Processing currently has nineteen Proposition A contracts with an estimated savings of \$1.9 million. The Department developed an effective method for qualifying vendors. Initially Data Processing had problems with data conversion contractors. Four Proposition A contracts were not renewed for

performance reasons. These performance problems and contract changes were costly and disruptive. Subsequently, they have developed a contract method for qualifying vendors which appears to test them well.

The Grand Jury recommends that as new areas are considered for contracting, vendor qualification criteria protecting the County from non-performance must be specifically written into the contract.

DEPARTMENT OF PUBLIC SOCIAL SERVICES

Effective relationships with County clients may be reduced through contracting. For example, in September 1984, the County's Department of Public Social Services (DPSS) issued a Request for Proposal (RFP) to contract for the representation of County General Relief (GR) recipients at disability hearings within the Social Security Administration (SSA). County GR recipients are required to file for Supplemental Security Income (SSI) benefits if disabled for twelve months, or have disabilities expected to last for twelve months or more. If the GR recipient's application for SSI is denied, DPSS will require the recipient to appeal the denial. If the reconsideration appeal is denied, the GR recipient must appeal to an administrative law judge in a formal hearing.

DPSS, prior to the issuance of the RFP, initiated a limited pilot program, where County employees represented GR recipients in their hearings. The pilot program proved to be cost-effective for the County, as over 50% of 120 cases in which a decision was reached resulted in the GR recipient being approved for SSI. The program, according to DPSS personnel, provided two major benefits: (1) GR recipients were able to prove their SSI eligibility. (2) The County's GR costs were reduced by over \$100,000.

The Audit Committee questioned why DPSS would want to contract all or part of a service that had already proven to be successfully provided by County personnel. Additionally, the Audit Committee believes contracting out for such a service could decrease the effectiveness of client-caseworker relationships.

Based on interviews conducted, it appears contracting out SSI appeals had the following disadvantages: The contractor would provide a limited scope of work. County caseworkers provide a much wider range of services to the GR recipient. Furthermore, it could be more difficult for the GR recipient to access needed County services or to obtain redress for any service problems with the contractor. The contractor would only represent the interests of the client. County workers would represent both the interests of the client and the County. Monitoring the activities of the contractor and developing a proper quality control system would be difficult.

Conversely, the benefits to contracting out SSI appeals workers could include: Contracting will limit an increase in budgeted staff. There are a number of qualified vendors available. Contracting could result in achieving more “wins” at each level of the SSI appeals system. Contracting requires the contractor to represent all GR recipients in the County; yet, the County would pay only for those cases which the County “wins”.

After considerable review and analysis, the proposal to contract out SSI appeals workers was cancelled because it could not be determined if the contract would be more cost effective. Subsequently, the RFP was reissued, but only for two County service areas. County staff will provide appeals service to the other area. Once the two contracting areas are fully operational, their win/loss ratios will be compared against the County’s win/loss ratio.

In a service such as appeals caseworkers, quality is the fundamental measure of service delivery. Under a contract method of service, effectiveness of client satisfaction could only be measured through structured assessments by County staff. These assessments could decrease any cost savings incurred through contracting.

DPSS case appeals workers have a demonstrated record of success, both to the County and clients they serve. Their program has proved to be cost effective. Caseworkers are familiar with County systems and are able to direct clients to other County services. Under a contract situation, it would be difficult to monitor if the contractor is fulfilling that obligation. The success of the case appeals program is a morale builder for DPSS employees. If there does not appear to be great savings to contracting out, it is beneficial to have County employees be “heroes” in this positive program.

The Grand Jury recommends that the County not pursue contracting unless: (1) A review of the bids demonstrates that cost savings is significant, as determined by the Auditor/Controller (2) If the contracts are let, a cost benefit analysis should be performed by the A/C, at the end of the pilot period; (3) The quality assurance plan developed by DPSS should be reviewed and approved by the A/C; (4) All monitoring of costs should be identified and reviewed by the A/C, as part of any cost analysis.

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation experienced a learning process on Proposition A contracting and is now in compliance with contract guidelines. There have been three generations of ground maintenance contracts. Each new contract was based on experience with the previous contract. The new contracts

eliminate many problems with the originals. The Department went through a learning curve and major problems are being resolved.

The Grand Jury recommends the Department of Parks and Recreation continue to tie invoice payments with contractor performance. These enforcements should be built into the contracts and used as a tool to maintain the level of service quality. The Department's Budget Division should conduct periodic audits of Park Maintenance Supervisors' invoice record system to ensure compliance with Department contract policies.

POLICY POSITION

One of the conclusions we reached in studying contracting out, was that the County does not seem to be acknowledging middle management and line personnel as a part of their most valuable resource. Since the County spends more money on personnel than any other budget item, human resources represent a huge investment.

The most successful private corporations seem to have the opposite policy. In times of financial distress they move first to save human resources. If they must cut personnel costs, executives begin by cutting their own salaries. They strive to lower costs and improve products and service by building more flexibility into production systems through automation, worker retraining and employee/management cooperation. Rank and file employees, assured of job security and fair treatment, offer little resistance to change in their environment and respond creatively to initiate changes that increase job productivity.

The County should be deeply concerned about releasing trained and loyal employees. Once they are lost it is difficult to recover the human resources.

The Grand Jury recommends the County initiate programs that give management and rank and file employees more opportunity to work as a cooperative team, leading to more harmonious relationships, bringing about cost savings and improved services.

STRESS DISABILITY PENSIONS

A series of articles in the LOS ANGELES TIMES in February 1985, alleging abuses of stress disability in the Police and Fire Departments in the City of Los Angeles, prompted the Audit Committee to authorize the Contract Auditor to conduct an investigation of the Stress Disability Pension Program.

Many detailed interviews involving Los Angeles City middle management and staff closest to, and familiar with, the problem were conducted in addition to the study of considerable related material.

The City has long maintained an active legislative agency in Sacramento which, in coordination with the League of California Cities and the County Supervisors' Association of California, has mounted a strong effort to reform many aspects of the workers' compensation system. Despite these efforts, little has been accomplished because of the influence of various opposing interest groups. There has been a long and significant history of effort by City management and staff for pension reform. Presently, the City has very little in the way of interagency policies and procedures that would serve to impact or lessen stress disability pension claims.

The attitude that pervades the system is that the pension is nonadversarial, a "benevolent society". There is minimal utilization of existing workers' compensation files, medical data or investigatory information to challenge applicants.

The pension procedure is statutorily locked into a system of seeking three additional medical (physical/psychiatric/psychological) reports on each claimant in all cases from independent evaluators who (1) Are often claimant oriented and (2) Have little background information about the claimants other than their work. These reports are the major part of what goes into the transcript of a pension hearing. The majority of the Pension Board of Commissioners has maintained this nonadversarial attitude which has been reinforced by the legal staff.

The Grand Jury recommends that the pension hearing system be restructured so that, under certain circumstances, it becomes an adversarial process. (a) It should reflect that it is a claims processing and claims management function. (b) The rule that each claimant be subjected to three pension medical examinations should be changed to one utilizing existing medical data and the actual need on a case-by-case basis. (c) A permanent "Pension Review Committee" should be created. At least one month prior to an on-the-job disability hearing (stress or otherwise) this committee should meet to discuss the merits of the case and mutually resolve the City's position on the claim. The Committee should include the Workers' Compensation Division claims representative handling the case; the City Attorney litigation representative, the medical authority involved, rehabilitation representatives, and a Pension Office representative.

The Pension Review Committee should recommend, in writing, a course of action to the Commission on the specific claim (pro or con).

A Deputy City Attorney (preferably the one handling the claimant's workers' compensation case) should be assigned to represent the City's interest

in all contested cases, and all rules of evidence should apply to the proceeding before the pension commission.

The present City Attorney Legal Advisor to the Commission should remain in that role, as legal advisor, but also act as arbitrator of proceedings, if a dispute arises.

In cases of appeal to Superior Court, a complete record from both sides should be entered into the record.

Workers' compensation is the front line of defense in on-the-job disability pension claims. The City's self-insured, and self-administrated program is overloaded, understaffed and fiscally stretched. It is currently paying out approximately \$32 million in claims per year. It is operating under the following condition: Staff workers are carrying a workload of 700 to 1200 cases. The State of California stresses that a representative should not be burdened with more than 250 claims at any time. The present high caseload could jeopardize the City's right to self-insure under state regulations.

Because of the work overload, claims are not being properly investigated at the claims' management level. The investigatory process, if any, is not being accomplished until a case reaches the litigation stage, when it is transferred to the City Attorney's Litigation Division.

A primary principle of claims management in Workers' Compensation is avoiding litigation. Litigation is the most expensive way to handle a claim. This basic principle is being ignored. Many claims do result in litigation.

The Division is currently located in the Personnel Department. It is a Management function and should be more closely aligned with City management. Its claims' staff is highly qualified, most having been recruited from the insurance industry. However, management of this Division has come out of Personnel Administration which has resulted in limited claims' management experience, and a reluctance to challenge.

The Workers' Compensation Division has relied heavily on the facilities of Central Receiving Hospital, at least for initial medical care. This facility is part of the Medical Services Division of the Personnel Department. Claims personnel question its quality of medical reporting.

While an injured worker is off work he or she is entitled, under the Labor Code, to Temporary Disability Payments of 66 2/3% of salary. However, the City currently provides 100% of salary for sworn personnel and 90% of salary for civilian workers (less the normal pension contribution). Payments are made for a maximum

of one year from the date of injury and are exempt from Federal and State income taxes. Sworn personnel are actually taking home 120% of their normal salary, and civilians are taking home 110%, a factor that tends to condition an injured worker into the “permanent disability syndrome”.

The claims staff offices are located in a basement, are over-crowded, and grouped at opposite ends of the building. There is no reception, or holding area, despite heavy walk-in client traffic. Equipment is outdated or nonexistent.

The Grand Jury recommends that the City's self-insured, self-administered Workers' Compensation Division be more directly responsible to the City Administrative Officer, at least as an interim measure.

Workers' Compensation staffing should be increased to bring it more in line with State guidelines.

The Workers' Compensation office space should be improved. It should accommodate the City Attorneys of the Litigation Division responsible for Workers' Compensation litigation. This will achieve a one-case file contiguity and a daily one-on-one interface with claims management and staff.

A review of the City's current utilization of Central Receiving Hospital for Workers' Compensation purposes should be undertaken.

The Injury on Duty (IOD) stand for both sworn and nonsworn newly hired personnel should be revised immediately to pay 75% of salary as a temporary disability benefit.

Pre-placement medical and psychological screening should be more directly responsible to City management, rather than the Personnel Department/Civil Services Commission.

The Employee Assistance Program counseling should be open to walk-in clientele and supervisor referral, and always be confidential.

The City should consider a Vocational Rehabilitation Program for disability claimants, which includes: (1) Allowing a sworn member to move into civilian status, taking the sworn member pension plan with him (2) Allowing a sworn member to move into a lesser-paying civilian position continuing in the Sworn Pension Plan, with the pension plan making up the difference in salary until the civilian position catches up.

In the City of Los Angeles when a case goes into litigation, it is transferred to the City Attorney's Litigation Division. The physical file is then transferred, to be

managed by the assigned attorney. Claims management thus loses control. The City Attorneys are understaffed and out of communication with claims staff who are out of contact with their files. Thus the traditional client/attorney relationship has been destroyed.

The Grand Jury recommends that the Litigation Division of the Office of the City Attorney be relieved of managerial and investigative duties to allow it to practice law. The client/attorney relationship should be reinstated.

Fiscal, management and investigative control should revert to workers' compensation claims management as soon as they are in a position to administratively take control.

Many large organizations, both corporate and public, have established internal risk management functions wherein all the elements of risk management are brought together under one organizational roof reporting to the Chief Executive. The object is to provide a centrally located staff service to all line departments and to allow for an integration of communications. Its basic goal is to reduce the cost of general operations. The traditional elements in a risk management program include: Safety and loss prevention; pre and postplacement medical examinations and services; workers' compensation claims management; public liability claims management; subrogation and recovery claims management; vocational rehabilitation; limited/light duty management; pension administration; employee assistance program management; risk management and risk analysis; industrial hygiene; insurance negotiations and purchasing.

The Grand Jury recommends that the City establish a risk management program.

CITY OF HAWTHORNE

Citizen complaints from the city of Hawthorne alleging improprieties in City operations were directed to the Audit Committee for investigation. On the basis of those complaints and recommendations made by the 1982-83 Grand Jury that a follow up to their Simpson and Simpson Audit Report be made, our contract auditor was directed to conduct a fiscal management review.

The auditor reviewed the City's compliance with the previous audit suggestions and specific allegations raised by Hawthorne residents, as well as other issues which arose during the investigation.

The Committee met with Councilman Steven Anderson, City Manager Kenneth Jue, City Finance Director Sam Takata, and City Personnel Officer Mavis

Kitchen. The Auditors reviewed information submitted, such as the City annual budget, management letters, policies and procedures. They conducted on-site reviews during which more than twenty individuals from all levels of City administration as well as interested citizens were interviewed.

EMPLOYMENT POLICIES

Throughout the review, there were numerous instances of relatives, friends and former business associates of City staff who had been hired for City jobs. In view of the fact that the Council members have changed, the Council should demonstrate its departure from past practices and adopt an anti-nepotism policy.

The Grand Jury recommends that the City of Hawthorne adopt new hiring practices which: (a) Prohibit employment of any relatives of the City Council members, the City Manager, and the Civil Service Commission, and (b) Prohibit people who are related from supervising or making hiring decisions, or being employed in the same department.

The City Council is authorized to make the first appointment to any new position created in the City, without the need for a work related examination. Due to the past abuse of this practice, and to demonstrate the current council's commitment to a new approach the City should reexamine this clause and develop another method.

The Grand Jury recommends that the City reexamine their "first appointment powers" under the City's Municipal Code.

Currently the City is able to appoint people to non-classified positions without the requirement for any standardized process. Non-classified jobs generally involve Department heads, upper level staff, or very sensitive positions.

The Grand Jury recommends that the City establish standard procedures for the hiring of non-classified personnel.

TRAVEL POLICIES

The City Policy Manual consists of approximately eight typewritten pages (double spaced) and five pages of charts. It is sparse and devotes only one-half page, double spaced, to travel regulations. It is not clear whether per diem refers to nights away from home or days traveled.

Funds are advanced for first class travel outside of California. Employees are not required to submit verification of actual expenditures. In many instances they received their per diem ahead of the schedule of travel. The current system is subject to abuse.

The Grand Jury recommends that the City adopt a travel policy based on actual expenditures. The manual should expand its printed regulations to clarify approval procedures and identify which costs are eligible for reimbursement.

CREDIT CARD USE

The City utilizes American Express, Carte Blanche and oil company credit cards. In some cases the purpose of the expenditures and the persons attending were not noted on the charge slip.

The Grand Jury recommends that all employees using credit cards should note the purpose of the trip and name individuals present at meals charged on the City card.

CAPITAL ASSETS RECORDS

As mentioned in the Simpson/Simpson Report two years ago, the City did not have a system to properly account for its capital assets. It still does not. A physical inventory is not taken regularly, except on major properties such as cars and trucks.

The Grand Jury recommends that an inventory system be implemented to properly account and record its existing capital assets.

CONTRACTING POLICIES

Since 1957 the City has contracted with H & C Disposal Company for their residential and commercial trash collections. Although the City is basically satisfied with H & C Disposal, the review indicates City residents are paying approximately 20% higher than comparable cities for trash collection.

The Grand Jury recommends that the City Council seek competitive bids or proposals from competing contractors for the City's residential and commercial trash collection.

The Grand Jury recommends that the City Council seek competitive bids or proposals from competing contractors for the City's residential and commercial trash collection.

CITY PROCEDURES MANUAL

In reviewing the current City Policy Manual, we found it to be minimal and of limited use to the accounting and administrative staff. The Finance Department was, in the main, conducting its operation with appropriate documentation and in accordance with generally accepted accounting procedures, but the continuation of their system is dependent upon current personnel. Policies and procedures should be developed which would remain constant in the event an employee is replaced.

The Grand Jury recommends that the City expand its written description of procedures in the City Policy Manual and increase specificity.

LOS ANGELES COUNTY AIRPORTS

The 1983-84 Grand Jury began inquiries into the financial statement of the five County Airports as they stood at the beginning of 1984. Since then another airport has been added, so now there are six Los Angeles County Airports.

The information regarding the airports which the 83-84 Transportation Committee had requested was not received until approximately June 15, 1984, which was the end of their term. Therefore, the unfinished business was continued by the 84-85 Grand Jury. The Audit Committee undertook the assignment as this Grand Jury does not have a Transportation Committee. The prime concern was whether the airport operations were cost effective.

Discussions were held with some of the key personnel in charge of one of the airports and a tour of that airport's facilities was taken by the Committee.

The County operates six airports in a wide-spread area. Airport revenues are derived primarily from services and facilities that are provided to the flying public. These include the rental of hangars, tie downs, leases to fixed base operations, the selling of aviation fuel and a number of miscellaneous services such as car rentals.

Any excess of funds over operating expenses, loan payments and General Fund payments are used to match Federal and State granted projects and to develop non-granted facilities.

A Master Plan is developed for each airport and is presented to the Federal Aviation Agency (FAA) for their review and approval. County Airport fees are determined by the services provided and are set in conjunction with the Consumer Price Index as a base, which is modified to meet the current market at similar private airports in the area. A market study is made or updated each year.

The airport representatives interviewed stated that the County Airports are expected to reflect in their financial statements that they operated in the black during fiscal 1984-85.

CONSUMER AFFAIRS

A letter dated June 2, 1984 addressed to the 1984-85 Grand Jury was awaiting us upon our empaneling. Prior to writing the letter, the writer was a volunteer with the County Department of Consumer Affairs. As a result of the writer's observations and suggestions about some of the operations of the Department of Consumer Affairs, the Grand Jury elected to discuss the issues with the Director and some of her key staff members.

The Department was organized eight and one-half years ago. There are 19 paid staff (23 down from the original 42 positions at its inception), seven branch offices, and 50 to 60 volunteers. Volunteers are a crucial component in the functioning of this department. Each volunteer receives 16 hours of orientation. The outstanding volunteer is selected and given special recognition twice yearly.

The Department handles approximately 50,000 telephone calls annually in addition to the very large number of walk-in clients. Between 2,500 to 3,000 complaints yearly are processed for case resolution.

The Consumer Affairs Department works closely with the District Attorney's Office, the U.S. Post Office, and other agencies to resolve problems which fall under their jurisdiction.

In 1982 the Department was restricted from formally initiating legislation. Insufficient funds prevented commencing new services and curtailed other services previously offered.

The Board of Supervisors is to be commended for establishing this free service available to all citizens of Los Angeles County through the Department of Consumer Affairs.

The Department of Consumer Affairs is congratulated for its splendid organization and for the volume of complaints and issues which are addressed annually.

The Grand Jury recommends that the Board of Supervisors increase the funds for the Department of Consumer Affairs to allow the Department to offer again some of the critical services they have had to discontinue due to insufficient funds.

The Board is asked to increase monies available so that the Department of Consumer Affairs findings, which would improve their efforts to combat consumer fraud, can be converted into laws.

OFF-STREET PARKING

The lack of parking space in the neighborhood business districts in some areas of the city, especially in the Fifth District, came to the attention of the Grand Jury. Questions were raised as to how the revenues generated by parking meters are used, since there has been no purchase or acquisition of off-street parking facilities in the Pico-Robertson area recently and the parking needs are critical.

The contract auditors were requested to ascertain how the Los Angeles City Parking Meter Fund is used. Information gathered from the principal transportation engineer revealed those facts.

All monies collected from parking meters and revenue from public off-street parking facilities in the City of Los Angeles shall be placed in a separate trust fund known as the "Special Parking Revenue Fund" which shall be devoted exclusively to the following purposes:

1. Purchasing, leasing, installing, repairing, maintaining, operating, removing, regulating, and policing of parking meters and parking meter spaces in the City of Los Angeles, the collection of receipts therefrom and the payment of any and all expenses relating or incidental thereto.
2. Purchasing, leasing, acquiring, improving, operating and maintaining of off-street parking facilities in the City of Los Angeles consistent with the purpose of the regulation of traffic and the prevention of congestion of the city streets.
3. Painting and marking of streets and curbs required for the direction of traffic and the parking of motor vehicles.

4. Installation and maintenance of official traffic signs, signals and other official traffic control devices.
5. Providing transportation services by shuttle (mini) bus or other means between off-street parking facilities owned, leased or operated by the City and business districts with established parking meter zones which are in proximity to such facilities.
6. Repayment of any money borrowed from any other fund, or any money which has been advanced or which may be advanced by the City Council from any other fund with the intent that reimbursement be made from the Special Parking Revenue Fund.

The above authority was granted in Chapter 6, Section 5.117 of the City Administrative Code.

The principal transportation engineer explained that most money from the fund is used for off-street parking facilities and parking meters. The cost to maintain parking meters has funding priority. It is the City Council's policy to spend revenue from the fund only in the Council area where the revenue is generated.

In fiscal years 1981-82, 1982-83, and 1983-84 parking meter funds were used for operating purposes (e.g. salaries and equipment) of the department. The department did not track these expenditures which would have ensured that they were being used for purposes outlined in the City Administrative Code. However, the City Attorney and the City Council approved the transactions.

The Grand Jury recommends that funds generated by parking meters and revenue from public off-street parking facilities be utilized to acquire additional off-street parking where needed, to accommodate the neighborhood business districts' customers and clients.

*Mort Pinz, Chair
Bob Beckerman
Ruth Gouedy
Yuki Kamayatsu
Sam Sherwin
Bernice Toliver*



the end

