



CALIFORNIA STATE AUDITOR

Elaine M. Howle, State Auditor

FACT SHEET

Date: July 21, 2009

Report: 2009-030

The California State Auditor released the following report today:

State Bar of California

*It Can Do More to Manage Its Disciplinary System and Probation
Processes Effectively and to Control Costs*

BACKGROUND

With a membership of more than 217,000 attorneys, the State Bar of California (State Bar) is responsible for admitting new members, investigating and resolving complaints against members, disciplining attorneys who violate laws or rules, and performing various administrative and support duties. Each year the State Bar collects an annual membership fee plus additional fees that fund specific programs—in 2009, each active member paid \$410 in required fees. Approximately 80 percent of the State Bar's general fund revenue goes toward financing the costs of the attorney disciplinary system: receiving complaints, investigating cases, prosecuting a case, and trying a case in the State Bar Court. The Office of Probation (probation office) monitors disciplined attorneys.

KEY FINDINGS

During our review of the State Bar's attorney disciplinary system, we noted the following:

- It does not track its discipline costs by key disciplinary function and thus, cannot determine how efficiently it operates or what impact salary increases or policy changes have on each function.
- The total costs for its disciplinary system have increased by 30 percent or \$12 million from 2004 through 2008—outpacing both inflation and growth in the State Bar's active membership—while the number of inquiries that the State Bar opened declined.
 - ✓ Salaries for staff have risen significantly over the past five years.
 - ✓ The number of cases that proceeded to trial has increased.
 - ✓ The investigation processing time has increased from an average of 168 days in 2004 to 202 days in 2007.
- Information it reports annually regarding case processing time and backlog of disciplinary cases is misleading. Its methodology for calculating its average processing time has led to understating the average processing time, and its approach for determining the backlog has resulted in incomplete and inconsistent information from year to year.
- It has not updated its formula to bill for discipline costs since 2003 despite the 30 percent increase in costs. Further, it does not consistently include due dates when billing disciplined attorneys. In 2007 and 2008, the State Bar reported that it collected an average of 63 percent of the amount it billed for those years. However, only an average of 17 percent of the amount received was billed in that same year.
- The number of attorney disciplinary cases the probation office monitors has grown nearly 10 percent in the five-year period ending in 2008, yet the number of probation deputies was only recently increased by one.
- It still needs to fully implement recommendations made in a consultant's report, in the periodic audits conducted by its internal audit and review unit, and in our 2007 audit.

KEY RECOMMENDATIONS

We made numerous recommendations to the State Bar to separately track expenses associated with its disciplinary system to allow it to explain and justify cost increases and measure the efficiency of the system. We also outlined several changes to improve its billing process and to maximize the amounts that it could recover to defray the expense of disciplining attorneys. Further, we identified other improvements for its probation office and control processes.

