

The California State Auditor released the following report today:

Investigations of Improper Activities by State Agencies and Employees

Theft of State Funds, Waste of Public Resources, Improper Headquarters Designation and Improper Travel Expenses, Dishonesty, Incompatible Activities, and Other Violations of State Law

BACKGROUND

The California Whistleblower Protection Act (Whistleblower Act) empowers the state auditor to investigate complaints that state agencies and employees have engaged in improper governmental activities. The Whistleblower Act defines an “improper governmental activity” as any action by a state agency or employee relating to state government that violates state or federal law, is wasteful, or involves gross misconduct, incompetence, or inefficiency.

KEY FINDINGS

In regard to allegations of improper governmental activities pursuant to the Whistleblower Act, the state auditor:

- Received 3,543 calls or inquiries through the Whistleblower hotline, mail, the state auditor’s Web site, or walk-in contact and conducted analyses, reviews, and investigations of 3,330 on cases opened from July 1, 2012 through July 30, 2014 or a prior period.
- Completed and reported on 10 investigations—some performed independently and some performed with other state agencies—with substantiated improper governmental activities, including the following:
 - A manager at the State Water Resources Control Board (Water Board) embezzled more than \$3,500 in state funds that she received when she recycled surplus state property on behalf of the Water Board and kept the proceeds.
 - The California Military Department (Military Department) did not keep an accurate inventory of state property at one of its training facilities, which led to a June 2011 loss of inventory valued at \$33,411 worth of state property. Although it implemented a corrective action plan to prevent further waste, the Military Department has not completed its efforts to ensure accountability for state property.
 - The Employment Development Department (EDD) improperly reimbursed an employee \$26,800 over a five year period because an EDD manager erroneously designated her headquarters and her supervisors approved travel expenses improperly incurred within 50 miles of her proper headquarters.
 - A full-time employee at the Department of Industrial Relations performed less work than the average of 40 hours per week generally expected of him and for which he was paid because he lied to his manager about needing to telecommute and then worked a second full-time job that conflicted with his state employment.

This report also outlines the investigative results from investigations that were best suited for other state agencies to investigate on our behalf. State departments must report to the state auditor any corrective action taken in response to an investigation no later than 60 days after we notify the agency or authority of the improper activity and monthly thereafter until corrective action is completed.

Date: December 23, 2014

Report: I2014-1

* * *

To report suspected improper governmental activities, contact the Whistleblower Hotline: (800) 952-5665, mail information to the state auditor, or submit a complaint online to www.auditor.ca.gov