

**REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA**

**PUBLIC REPORTS OF INVESTIGATION
COMPLETED BY THE OFFICE OF THE AUDITOR GENERAL
FROM AUGUST 1, 1989 THROUGH DECEMBER 31, 1990**

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I-116

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APRIL 1991



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STATE OF CALIFORNIA
Office of the Auditor General

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Kurt R. Sjoberg
Auditor General (acting)

April 19, 1991

I-116

Honorable Robert J. Campbell, Chairman
Members, Joint Legislative
Audit Committee
State Capitol, Room 2163
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report summarizing investigations of improper governmental activities ranging from the misappropriation of state funds to the misuse of state resources.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kurt Sjoberg".

KURT R. SJOBERG
Auditor General (acting)

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INTRODUCTION

In 1979, the California Legislature enacted the Reporting of Improper Governmental Activities Act. On January 1, 1980, The Office of the Auditor General established a statewide, toll-free telephone hotline to allow state employees and the general public to report improper governmental activities. Allegations made through the hotline are investigated and if they are substantiated, disciplinary action is taken against the wrongdoers.

Section 10542 of the California Government Code defines an improper governmental activity as any activity by a state agency or any activity by a state employee undertaken during the performance of the employee's official duties that is in violation of any state or federal law or regulation, that is economically wasteful, or that involves gross misconduct, incompetency, or inefficiency. From August 1, 1989, to December 31, 1990, the Office of the Auditor General received 141 allegations of improper governmental activity, initiated 46 new investigations, and completed 49 investigations. This report summarizes 30 investigations completed during this period that resulted in substantiated allegations of improper governmental activity.

Included in the 30 investigations were 3 investigations concerning the misappropriation of state funds, 13 investigations concerning the misuse of state resources, such as state vehicles and state facilities,

4 concerning time and attendance abuse, 4 concerning the retention of state travel discounts for personal benefit, and 3 concerning improper personnel practices. Of the three remaining investigations, one involved improper incentive payments for physical fitness, one involved a failure to collect royalty fees, and one involved a violation of conflict-of-interest regulations. These 30 investigations resulted in four arrests, two terminations, one resignation, one suspension, one salary reduction, five formal reprimands, and eleven informal reprimands. In 5 cases, the State recovered funds, and in one case, an employee was required to charge formal leave to compensate for her absences. In 10 cases, controls designed to prevent improper governmental activities were strengthened.

For example, the Legislative Analyst's Office terminated an employee who subsequently pled guilty to criminal indictments along with two other individuals after we concluded that the employee had misappropriated at least \$119,000 in state funds. Another investigation revealed that an official at the California State University, Chico, owed the university more than \$40,000 for filing false travel expense claims and for failing to charge formal leave to compensate for her absences from 1987 through 1989. She resigned during the course of our investigation. In another case, the Department of Consumer Affairs determined that 16 employees had improperly received a total of \$5,200 in incentive payments for physical fitness after we determined that an employee continued to receive the incentive payments after she had become ineligible. The

Department of Consumer Affairs also recovered \$2,400 from the publisher of a state licensure examination after we received a complaint that the Board of Vocational Nurse and Psychiatric Examiners had failed to collect royalty fees from the publisher. In another instance, the Correctional Training Facility suspended an official from state service for ten days after we received a complaint that the official had attempted to influence panelists who were interviewing candidates for positions at the facility. Finally, the Department of Transportation reduced an employee's salary by five percent for three months after we received a complaint that the employee had directed a subordinate to transport the employee and his wife in a state vehicle for unofficial business.

Since January 1, 1980, the Office of the Auditor General has received over 32,000 public contacts. Many of these contacts involve issues beyond the office's authority to investigate, which extends only to the activities of state agencies and state employees, and the individuals are directed to the appropriate authority. However, the office has accepted nearly 1,200 complaints over the past 11 years and has conducted nearly 750 investigations, substantiating allegations of improper governmental activity in 50 percent of the investigations conducted. These investigations have resulted in reimbursement of misappropriated funds, in formal and informal reprimands, in terminations, and, in some cases, in criminal prosecution. In addition, controls designed to prevent improper governmental activities were strengthened, resulting in significant improvements in state

operations. While the investigations of the Office of the Auditor General protect the interests of the State and its citizens, they may also serve as a deterrent to those few state employees who would take advantage of the trust placed in them by their employers and who, as a result, would cast discredit on the many thousands of state employees who conscientiously serve the public.

State law requires that the identities of people reporting improper governmental activities to the Office of the Auditor General remain confidential. State law also provides protection from harassment or retaliation in the workplace for reporting incidents of improper governmental activity to the Office of the Auditor General. Anyone having information regarding any improper state governmental activity is encouraged to call the Office of the Auditor General's Hotline at **1-800-952-5665**.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9010**

ALLEGATION

An official at the California State University, Chico, filed false travel expense claims and abused state time and attendance regulations.

RESULTS OF INVESTIGATION

We conducted an investigation and substantiated the allegation. The official submitted travel expense claims and was paid \$20,940 for travel expenses that she reportedly incurred during 1988. As a result of our investigation, the official submitted amended travel expense claims reflecting a reduced total of \$12,314 in travel expenses for that period. However, her amended travel expense claims included \$364 in travel expenses for out-of-state travel she was not authorized to take and for expenses incurred on personal time. Including the difference between her original and amended claims and the inappropriate amounts on her amended claims, we conclude that the official filed false travel expense claims for and was paid \$8,990 for travel expenses she did not incur and for travel she was not authorized to take during that period. Additionally, we conclude that, during 1988, the official received \$16,817 in salary for a total of 573 hours during which she was absent from work but did not charge formal leave to compensate for her absence.

**Inaccuracies Identified In
Travel Expense Claims**

To determine the accuracy of the official's initial travel expense claims for 1988, we compared the dates and locations reflected on the claims she submitted with the dates and locations of purchases she made using an American Express credit card she admits was issued to her for official university business. We also compared the dates and locations of the telephone calls she made using her telephone credit card and the dates and locations of automobile rentals she made using her Hertz credit card with the dates and locations reflected on her travel expense claims. Our analysis resulted in the identification of numerous discrepancies.

For example, the official originally submitted a travel claim for \$699.68 in expenses that she reportedly incurred in San Luis Obispo and in Los Angeles from May 16 through May 22, 1988. However, telephone charges and credit card receipts indicate that she was in

Virginia and Washington, D.C. from May 19 through May 21, 1988. In another example, the official claimed \$771.04 for expenses she reportedly incurred in the Los Angeles area from October 23 through October 26 and in Roseville on October 27 and 28. However, telephone charges and credit card receipts indicated that she was in Sacramento on October 24, and credit card receipts indicate that she was in Chico on October 25 and 27, 1988.

We interviewed two of the official's coworkers. One of the coworkers stated that the official asked her to file a false travel expense claim in fiscal year 1989-90 to recover an expense incurred in fiscal year 1988-89 because there were no remaining funds in the budget for that fiscal year. The coworker stated that the official made a similar request on at least one other occasion. According to the second coworker, the official submitted false travel expense claims to recover expenses she incurred for unauthorized trips to Idaho and Washington D.C. and to recover the fee she paid to a consultant whom she hired without the required approval. In addition, the second coworker stated that she observed the official in Chico on December 31, 1988; however, the official subsequently filed a travel expense claim to recover expenses she reportedly incurred in Southern California on that date. Further, the official reported that she did not return to Chico until January 3, 1989.

We presented the official with a list of the discrepancies resulting from our analysis of the travel expense claims she filed for 1988 and asked her to resolve the discrepancies. The official admitted filing false travel expense claims in a subsequent fiscal period to recover travel expenses she reportedly incurred during the prior fiscal period. In addition, the official admitted filing false travel expense claims to recover unauthorized expenditures, including the fee she paid to the consultant. The official also admitted that she did not adjust her travel expense claim on occasions when she returned home during a trip and resumed traveling the following day. Finally, the official admitted that she used her American Express card primarily for personal business although she was aware that it was issued for official university business.

Travel Expense Claims Amended

As a result of our inquiry, the official submitted amended travel expense claims for 1988. Appendix A is a comparison of the official's original travel expense claims with her amended travel expense claims. The official originally claimed expenses of \$20,940 for travel expenses she reportedly incurred during 1988. She was reimbursed for this entire amount. Her amended travel expense claims reflect a reduced total of \$12,314 in travel expenses for that period.

For example, the official originally claimed \$1,370.62 for expenses she reportedly incurred in Southern California from December 14 through December 21 and from December 26 through December 31, 1988; however, her amended travel expense claim indicates that she was in Chico from December 14 through December 17 and from December 26 through December 31, 1988, and she claimed only \$115.50 for an overnight trip to Sacramento and Roseville on December 18 and 19, 1988. In another example, the official originally claimed \$771.04 for expenses she reportedly incurred in the Los Angeles area, including La Mirada, and in Roseville from October 23 through October 28, 1988; however, on her amended travel expense claim she claimed a total of only \$377.32 for a trip to La Mirada on October 23 and 24, to Sacramento on October 24 and 25, and for a round trip to Roseville on October 28, 1988. Her amended travel expense claim also indicates that she was in Chico October 26 and 27, 1988, and that she traveled to the Los Angeles area by commercial airline instead of using her personal vehicle as she originally claimed.

Although the official's amended travel expense claims resolved most of the inaccuracies we identified, the amended claims included expenses totaling \$364.13 that she has reportedly incurred for out-of-state travel to Virginia she was not authorized to take and for expenses incurred on personal time. Therefore, including the difference between her original and amended claims and the inappropriate amounts on her amended claims, the official filed false travel expense claims for and was paid \$8,990 for travel expenses that she did not incur and for travel she was not authorized to take during 1988.

We compared the dates and locations reflected on the official's amended travel expense claims with the dates and locations reflected on her credit card billings, and except for the travel expenses the official claimed for the unauthorized trip to Virginia, we found no other material discrepancies.

Formal Leave Not Charged

The official admitted that she was occasionally absent from work and did not charge formal leave to compensate for her absence. She also admitted that she occasionally combined official business with personal business and did not adjust her attendance reports to accurately account for her time. Appendix B compares the locations she originally reported with the locations on her amended travel expense claims. The official claimed that she took informal leave to compensate for the extended hours she worked when traveling on official university business; however, the official stated that there is no formal record of the hours she actually worked.

In reviewing her amended travel expense claims, we noted that the official admitted she was in Idaho from August 22 through August 24, 1988, instead of traveling elsewhere on official

university business as she had originally claimed. However, she failed to charge formal leave to compensate for her absence for the three working days that she was in Idaho.

We compared the official's original travel expense claims and certified attendance records with her amended travel expense claims, which included a narrative reconstruction of her time. On her amended travel expense claims, the official claimed she was in Chico or at home on 32 of the days that she originally claimed she was traveling, and she claimed she was working at her office on 48 of the days she originally claimed she was traveling. However, one of the official's coworkers stated that the official spends little time working at the office in Chico and that she was not working at the office on the days she originally claimed she was traveling. According to the official's attendance records, she was working at the office on 37 of the 48 days the official originally claimed she was traveling.

The official also failed to charge formal leave to compensate for two days of absence while on unauthorized travel to Virginia and to compensate for one day of being sick while traveling on official business. To estimate the hours that the official was absent from work without charging formal leave, we included all hours when the official originally claimed to be traveling and subsequently claimed to be at her office, home, or in Chico without identifying how her time was spent. We also included those hours when the official originally claimed she was at her office but subsequently claimed she was at home. Unless a coworker was in the office, we did not include those hours when the official originally claimed travel and subsequently claimed to be at her office. Also, we did not include in our estimation those hours when the official claimed to have been traveling for part of the day and spent the remainder in the office but did not identify how many hours she spent in the office. Based on the official's hourly wage rate, we conclude that she received \$16,817 in salary for a total of 573 hours during which she was absent from work during 1988 but did not charge formal leave to compensate for her absence.

Conclusion

During 1988, the official filed false travel expense claims and was paid \$8,990 for travel expenses she did not incur and for travel she was not authorized to take. In addition, the official received \$16,817 in salary for 573 hours during which she was absent from work but failed to charge formal leave to compensate for her absence.

AGENCY RESPONSE

The official resigned during the course of our investigation. We forwarded the results of our investigation to the acting chancellor of the California State University system and requested the acting

chancellor to determine any additional amounts the official owes the California State University, Chico for filing false travel expense claims and for failing to charge formal leave to compensate for her absences during 1987 and 1989. As a result, the university reviewed her travel claims and attendance reports and determined that the official was paid an additional \$13,412 for travel expenses she did not incur and for her unreported absences from work during these periods. The official also owed the university an additional \$1,422 for outstanding travel advances that remained at the time of her resignation. Therefore, the university concluded that the official owed a total of \$40,642 for filing false travel expense claims and for failing to charge formal leave to compensate for her absences from 1987 through 1989.

The university's review also disclosed that supervision of the official's activities was assigned to an inappropriate management level and that university management may have placed too much reliance on the official's past performance and failed to properly monitor her activities. In addition, travel policies established by the Board of Trustees allowed reimbursement of meals and lodging without receipts if a standard rate of per diem was claimed; therefore, the official was not required to provide documentation for most of the travel expenses she claimed.

To prevent further misappropriation of state funds through the filing of false travel expense claims and time and attendance abuse, the university has revised the organizational structure of the program the official administered and has placed the program under the supervision of a manager who manages other programs with similar characteristics. In addition, the Board of Trustees adopted new travel procedures to require receipts for all per diem expenses in excess of \$25.

The official maintains that she was working on behalf of the university when she was at locations different from those she listed on her erroneous travel expense claims. She also maintains that the money she obtained with the erroneous claims was used to support the program she administered. The university concluded that the official's misconduct lacked criminal intent and that pursuing criminal charges against the official was not in the best interests of the university or the State. Therefore, the university agreed not to pursue criminal prosecution in exchange for the official's resignation and cooperation in recovering any available funds. The university withheld the official's vacation settlement check in the amount of \$2,375, and the chancellor's Office of General Counsel will explore appropriate avenues for collecting the remaining \$38,267 that the official owes the university.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90016**

ALLEGATION

An employee of the Legislative Analyst's Office (LAO) misappropriated state funds.

RESULTS OF INVESTIGATION

We conducted an investigation and concluded that the employee misappropriated at least \$119,000 in state funds from the LAO. The employee worked in the LAO's accounting office from May 1, 1987, until she was fired from the LAO on January 31, 1990. During this period, weaknesses in the LAO's system of internal controls enabled the employee to falsify or destroy records and documents, thereby concealing unauthorized disbursements and deposit transactions. We determined that the employee issued or received 72 warrants, totaling \$86,445.35, from the LAO's revolving fund for unauthorized transactions that appear to have benefited the employee, her family, and her acquaintances. In addition, the employee appears to have diverted at least \$3,774.00 in cash intended for deposit in the LAO revolving fund. Finally, the LAO paid \$28,860.53 to the United Airlines Travel Plan and to the Hertz Corporation for unauthorized airline tickets and car rentals that appear to have personally benefited the employee and various individuals who were not employed by the LAO. (See Appendix C for a summary of misappropriations by individuals involved).

Background

The LAO is an office of the California Legislature under the authority of the Joint Legislative Budget Committee. The LAO is responsible for providing budget analysis and nonpartisan advice to the Legislature on fiscal and policy issues. The LAO employs a staff of approximately 97 professional and administrative personnel. Its personnel/accounting office is normally staffed by two people.

The LAO's operations are financed from the contingent funds of the two legislative houses as designated by a concurrent resolution the Legislature adopts annually. Total expenditures for support of the LAO during fiscal year 1988-89 were approximately \$6.6 million.

The LAO has two methods for disbursing state funds. Under the first method, invoices submitted by vendors are compiled into schedules and submitted to the State Controller's Office (SCO) for payment. Based on these schedules and the attached supporting

invoices, the SCO issues warrants directly to vendors. This is the method the LAO normally uses to pay airline and car rental invoices billed to the LAO.

The LAO also disburses state funds through its revolving fund, a checking account in the state treasury into which the LAO has transferred an estimated \$75,000. The LAO can issue warrants directly to employees and to vendors from this account. This money is intended for small disbursements that are required on short notice, such as travel advances and salary advances. To maintain the fund balance, the LAO usually submits a claim for the reimbursement of these funds to the SCO; it then deposits the reimbursements into the revolving fund. The LAO also deposits into the revolving fund the salary advances and travel advances it recovers from the employees who have received the advances.

Before September 1989, the LAO made most of its airline travel arrangements through the Davis Travel Service. The LAO established an account with the United Airlines Travel Plan, and airline tickets issued by the Davis Travel Service were charged to the United Airlines Travel Plan account. The United Airlines Travel Plan periodically billed the LAO for the tickets purchased. After approving these billings, the LAO submitted them to the SCO for payment.

Scope and Methodology

The scope of our investigation was limited to identifying the extent of alleged embezzlement at the LAO and determining the amount of state funds misappropriated from the LAO. During the course of our investigation, we identified weaknesses in the LAO's system of internal controls that enabled the misappropriations to occur and remain undetected. Accordingly, this report includes recommendations for improvements in the LAO's system of internal controls that could prevent or detect future misappropriations. We have also provided the results of our investigation to the district attorney of Sacramento County and the state attorney general for use in criminal and civil proceedings.

The employee was the LAO employee primarily responsible for activities related to the revolving fund and for disbursement activities other than payroll from May 1987 through January 1990. Accordingly, we reviewed all claim schedules and supporting documentation submitted to the SCO for payment from July 1, 1987, to January 31, 1990. We also reviewed all revolving fund disbursements from July 1, 1986, to January 31, 1990, and we compared the actual warrants with the entries recorded in the revolving fund ledger and with the information provided in the bank statements issued by the SCO. In addition, we reviewed all revolving fund deposits from December 3, 1986, to February 28, 1990, and we compared these with entries in the deposit ledger and the receipt ledger. We obtained copies of

missing warrants and missing deposit slips from the State Treasurer's Office and from Wells Fargo Bank. We also obtained copies of missing invoices and supporting documentation from the United Airlines Travel Plan and the Hertz Corporation.

A coworker of the employee and a special agent with the Department of Justice provided us with information regarding the relationships between the employee and other individuals who also benefited from the misappropriation of state funds. We did not interview the employee or any other individuals identified in this report as beneficiaries of her activities.

Unauthorized Use of the Revolving Fund

We determined that the employee misappropriated \$86,445.35 in state funds by issuing or receiving 72 revolving fund warrants for her personal benefit and for the benefit of her family and her acquaintances. (See Appendix D for a detailed listing of all 72 revolving fund warrants.) In addition, we determined that at least \$3,774.00 in cash that was recorded as received by the accounting office between August 31, 1988, and December 29, 1989, was never deposited into the revolving fund. (See Appendix E for a detailed list of cash receipts not deposited.) The employee appears to have diverted these cash deposits for personal use.

Revolving Fund Payments That Benefited the Employee

From October 20, 1987, to January 10, 1990, 34 revolving fund warrants, totaling \$18,252.86, were issued in the name of the employee. The amounts on the individual warrants range from \$67.00 to \$1,800. Explanations on the face of 22 of these warrants indicate that they were for salary advances; however, there is no evidence in the deposit ledger for the revolving fund that any of these salary advances were repaid. Explanations on the face of 7 of the warrants indicate that they were for travel advances and for ticket reimbursements; however, the employee was not authorized to travel on state business. An explanation on the face of one of the warrants indicates that it was for overtime worked; however, the employee was not entitled to receive overtime pay from the revolving fund.

In addition to the 34 warrants issued in the name of the employee, another ten revolving fund warrants, totaling \$7,909.73, were issued to various hotels, a car rental agency, and a travel service for personal expenses that the employee and her family incurred. Six of the ten revolving fund warrants, totaling \$3,055.80, were issued to hotels to pay for expenses incurred by the employee and her guests. Four of these revolving fund warrants, totaling \$2,136.40, were issued to the Anaheim Hilton Hotel for payment of two separate visits at the hotel for the employee and three

guests. The first visit was from July 14 to July 17, 1988; the second visit was from May 2 to May 5, 1989. Attendance records at the LAO indicate that the employee was on vacation during both of these periods. We also have invoices to the LAO from the United Airlines Travel Plan showing that eight airline tickets were issued to the employee and her family for these trips. An invoice to the LAO from the Hertz Corporation indicates, moreover, that a car was rented to the employee during her first visit.

Another of the six revolving fund warrants, dated January 27, 1989, was issued in the amount of \$750.00 to the Monterey Beach Hotel. This warrant was used to pay expenses incurred by the employee and one guest. A revolving fund warrant, dated August 3, 1988, was also issued in the amount of \$169.40 to the Hyatt Regency in Sacramento. This warrant was used to pay expenses incurred by a guest identified as the employee's father.

The remaining four of the ten payments from the revolving fund totaled \$4,853.93 and were issued to the Hertz Corporation and to Davis Travel Service for the benefit of the employee. A revolving fund warrant, dated November 2, 1989, was issued in the amount of \$2,265.56 to the Hertz Corporation in payment of two invoices billed to the LAO. One of these invoices reflects a car rental agreement, totaling \$395.33, that was signed by the employee. The rental agreement indicates that the car was rented in Sacramento. Two other revolving fund warrants, totaling \$1,041.60, were issued to Davis Travel Service in November 1988. The amounts and the warrant numbers associated with these warrants are entered in the deposit ledger for the revolving fund. A third warrant, representing a \$500.00 salary advance to the employee on October 20, 1987, and included in the 34 warrants mentioned above, is also listed in the same entry in the deposit ledger. According to the entry, the revolving fund was reimbursed \$1,541.60, the total amount of the three warrants; however, the actual deposit slip associated with this entry is short by the same amount. Another revolving fund warrant, dated November 28, 1989, was issued to Davis Travel Service in the amount of \$3,569.00. Of this amount, \$3,417.00 was used to purchase three airline tickets in the name of the employee, according to documents obtained from the Davis Travel Service.

Revolving Fund Payments That Benefited the Employee's Sister

Fourteen revolving fund payments, totaling \$29,981.03, were issued for the benefit of the employee's sister and the sister's husband. These payments ranged from \$104.84 to \$5,000.00. Neither the employee's sister nor the sister's husband has ever been employed by the LAO, nor have they ever contracted with the LAO to perform services of any kind.

From July 24, 1989, to January 2, 1990, ten revolving fund warrants, totaling \$28,750.00, were issued in the name of the employee's sister. Explanations on the face of eight of these warrants indicate that they were payments for workshops or consulting services. In addition, two revolving fund warrants, dated August 15 and November 9, 1989, were issued to the Hilton Hotel in Irvine. These two warrants, totaling \$485.00, were used to pay hotel expenses incurred by the employee's sister and the sister's husband. Another revolving fund warrant, dated July 24, 1989, was issued to U.S. Sprint in the amount of \$641.19. The account number written on the face of the warrant is for the personal account of the employee's sister. Finally, a revolving fund warrant, dated November 2, 1989, was issued in the amount of \$2,265.56 to the Hertz Corporation for payment of two invoices billed to the LAO. One of these invoices reflects a car rental agreement, totaling \$104.84, in the name of the sister's husband. The car was rented in Anaheim.

Revolving Fund Payments
That Benefited a Travel Agent

Fourteen revolving fund payments, totaling \$29,788.93, were issued for the benefit of a travel agent and her family. The revolving fund payments to the travel agent ranged from \$105.93 to \$3,250.00. The travel agent is a former employee of Davis Travel Service, the travel service that made travel arrangements for the LAO. The travel agent was never employed by the LAO, nor has she ever contracted with the LAO to perform any services outside her responsibilities as an employee of Davis Travel Service.

From February 1, 1989, to December 8, 1989, 11 revolving fund warrants, totaling \$29,300.00, were issued in the name of the travel agent. Explanations on the face of 10 of these warrants indicate that they were for workshops or consulting services. In addition, a revolving fund warrant, dated November 28, 1989, was issued to Davis Travel Service in the amount of \$3,569.00. Part of this warrant was used to purchase three airline tickets, totaling \$152.00, in the names of the travel agent's relatives. Another revolving fund warrant, dated December 5, 1989, was issued in the amount of \$330.00 to Davis Travel Service. Part of this warrant was used to purchase two airline tickets, totaling \$231.00, in the name of the travel agent's sister. Finally, a revolving fund warrant, dated April 10, 1989, was issued to the Hyatt Lake Tahoe in the amount of \$105.93. This warrant was used to pay expenses the travel agent incurred while staying at this hotel.

Revolving Fund Payments
That Benefited Unknown Individuals

Three revolving fund warrants, totaling \$512.80, were issued to pay travel expenses of individuals who were not employed by the LAO or whose identity is unknown. A revolving fund warrant, dated

November 8, 1988, was issued in the amount of \$308.08 to the Ranch House Hotel. The revolving fund ledger indicates that this payment was for three LAO employees; however, the three employees have stated that they did not stay at this hotel when traveling on state business. Another revolving fund warrant, dated December 5, 1989, was issued to the Davis Travel Service in the amount of \$330.00. Part of this amount was used to pay \$99.00 for an airline ticket issued in the name of an individual the LAO has never employed. Finally, another revolving fund warrant, dated June 5, 1989, was issued in the amount of \$105.00 to Davis Travel Service. This warrant was recorded in the revolving fund ledger under a different payee name and a different amount than that reflected on the face of the warrant. We found no evidence in the LAO's records to indicate why this warrant was issued.

Diverted Cash Receipts

Between August 31, 1988, and December 29, 1989, the employee was the LAO employee primarily responsible for receiving cash, making deposits, and recording these transactions in the deposit ledger for the revolving fund. We analyzed bank deposits and receipt records and interviewed LAO employees who received advances from the revolving fund and repaid the fund in cash. As shown in Appendix E, we determined that at least \$3,774.00 in cash received by the accounting office between these dates was never deposited into the revolving fund. Because the employee was responsible for receiving cash, making deposits, and recording these transactions in the deposit and receipt records, she appears to have diverted these cash receipts for her personal use.

Unauthorized Payments for Transportation Invoices

Appendix F details 162 unauthorized airline tickets, totaling \$32,275.41, that the LAO purchased. The tickets range in amounts from \$29.00 to \$2,928.00. Nine of these tickets, totaling \$3,899.00, were paid for with revolving fund warrants. The remaining 153 tickets were billed to the LAO on its United Airline Travel Plan account from May 12, 1988, through February 7, 1990. The LAO submitted these billings to the SCO for payment, and the SCO issued warrants directly to the United Airline Travel Plan.

Of the 162 unauthorized airline tickets, the LAO issued 51, totaling \$14,757.68, in the names of the employee, members of her family, members of her daycare provider's family, or members of her neighbor's family. The LAO issued another 23 of the 162 tickets, totaling \$5,306.00, in the names of the travel agent, members of her family, and her boyfriend. In addition, 6 of the 162 tickets, totaling \$320.00, were purchased by the LAO and issued in the names of the employee's sister and the sister's husband. Another 24 of the 162 airline tickets, totaling \$5,366.55, were issued in the names of LAO employees who did not request or use these tickets.

Finally, 58 of the 162 airline tickets, totaling \$6,426.18, were issued in the names of individuals unknown to LAO management.

Payments That
Benefited the Employee

The employee was not authorized to travel on state business while employed at the LAO. However, the LAO received invoices, totaling \$11,824.80, from the United Airlines Travel Plan and the Hertz Corporation for airline tickets and car rentals that appear to have personally benefited the employee, her family members, and her acquaintances. From May 12, 1988, to October 10, 1989, the LAO purchased 48 airline tickets, totaling \$11,340.68, in the names of the employee, various members of her family, members of her daycare provider's family, and members of her neighbor's family. In at least one instance, the tickets were returned to the airline for a cash refund. In this case, American Airlines issued two refund checks, totaling \$2,356.00, on May 10, 1990, to the employee and her husband for tickets that were purchased on the same date. In another instance, tickets, totaling \$671.18, were issued in the names of two family members for a trip to Hawaii beginning July 12, 1989. Attendance records at the LAO indicate that the employee began her vacation on July 11, 1989, and returned to work on July 18, 1989.

On July 17, 1988, September 4, 1988, and November 6, 1988, three cars were rented from the Hertz Corporation in the name of the employee. Two of the cars were rented in Los Angeles; the other car was rented in Sacramento. The rental agreements for these cars totaled \$484.12.

Payments That Benefited
the Travel Agent

From March 7, 1989, to June 23, 1989, the LAO purchased 18 airline tickets, totaling \$4,923.00, in the names of the travel agent, her boyfriend, and her relatives. In at least one instance, tickets issued to the travel agent and to her family were returned to the airline for a cash refund. On May 8, 1989, American Airlines issued a refund check to the travel agent for \$2,928.00. The refund was for tickets issued to the travel agent and two members of her family on May 4, 1989.

Payments That Benefited
the Employee's Sister

On August 15, 1989, two airline tickets were issued for \$80.00 each. One ticket was issued in the name of the employee's sister, and the other was issued in the name of the sister's husband. On November 9, 1989, four tickets, totaling \$160.00, were issued in the names of the employee's sister and the sister's husband. These six tickets appear on the invoices that the United Airlines Travel Plan billed to the LAO.

Payments That Benefited Unknown Individuals

From March 23, 1989, to February 7, 1990, the United Airlines Travel Plan billed the LAO for 81 airline tickets, totaling \$11,792.73. Fifty-seven of these tickets, totaling \$6,426.18, were issued in the names of individuals never employed by the LAO and unknown to LAO management. The other 24 tickets, totaling \$5,366.55, were issued in the name of LAO employees who did not use the tickets for travel. Twenty-two of these tickets were issued in the name of an LAO official. The official stated that he did not request the tickets and that he did not use any of the tickets.

Falsified Records and Missing Documents

In the course of our investigation, we determined that many revolving fund warrants and deposit slips reflecting unauthorized transactions were missing from the LAO's accounting office. Invoices and documentation supporting improper payments for airline tickets and car rentals were also missing. In addition, signatures on revolving fund warrants appear falsified, and numerous improper entries were made in the revolving fund ledger. We also determined that funds were improperly deposited in the revolving fund to compensate for some of the unauthorized disbursements. Further, billings for airline tickets were overpaid, with the resulting credit balance used to purchase unauthorized tickets.

The employee was responsible for issuing revolving fund warrants, making revolving fund deposits, maintaining the revolving fund ledger, and reconciling the ledger with bank statements issued by the SCO. She was also responsible for receiving the airline tickets for LAO employees who were authorized to travel on state business and for scheduling invoices received from vendors and submitting the schedules to the SCO for payment. The employee appears to have destroyed the documents and falsified the records to conceal the unauthorized disbursement and deposit transactions.

Of the more than 2,000 revolving fund warrants the LAO issued during the period we examined, the employee issued or received all 72 that we determined were issued for unauthorized purposes. Fifty-six of the 72 revolving fund warrants were missing from the LAO's accounting office. Some deposit slips connected with deposits that were improperly made to the revolving fund were also missing from the accounting office. Finally, some invoices and supporting documentation connected with improper payments to the United Airlines Travel Plan and to the Hertz Corporation for airline tickets and rental cars were also missing. Since the employee was the LAO employee primarily responsible for all activities related to the revolving fund and for scheduling invoices for payment, she appears to have destroyed documents in an attempt to conceal the unauthorized disbursement and deposit transactions we have identified.

The LAO uses two signatures when issuing revolving fund warrants. The employee was authorized to co-sign the warrants, and her signature appears on many of the unauthorized warrants. While the employee's signature on the unauthorized warrants appears authentic, many of the other signatures on the unauthorized warrants appear to have been falsified. Forty-four of the 72 unauthorized revolving fund warrants were issued in the name of the employee or her sister. The employee appears to have falsified the signatures on the revolving fund warrants to avoid a second-party review of the unauthorized disbursements.

Numerous false entries were made in the revolving fund ledger in an attempt to conceal the unauthorized disbursements. Of the 72 revolving fund warrants issued for unauthorized transactions, 63 are recorded in the revolving fund ledger under a payee name other than the name appearing on the face of the warrant. In addition, 38 of these 72 revolving fund warrants are recorded in the ledger at amounts less than the face value of the warrants. Of these 38 warrants, 23 have a face value ranging from \$1,000 to \$5,000, yet the amounts recorded in the ledger are usually one percent or 10 percent of the warrants' value. In some instances, warrant numbers, payees, and amounts in the ledger for unauthorized transactions are mixed with information from authorized warrants immediately preceding or following the unauthorized transactions. All the entries in the revolving fund ledger that appear to be connected with the 72 transactions resulting in a loss of state funds are in the employee's handwriting. The employee appears to have falsified these entries in the revolving fund ledger in an attempt to conceal the unauthorized transactions.

The LAO deposited an estimated \$75,000.00 in the revolving fund. To maintain the \$75,000.00 balance, the LAO reimburses the revolving fund for each disbursement made from it. However, the employee was able to misappropriate more than \$75,000.00 from the fund by overdrawing the fund and making inappropriate deposits. Since July 1989 the revolving fund has been consistently overdrawn and was overdrawn by \$20,611.50 as of February 28, 1990. In addition, the employee appears to have improperly deposited into the revolving fund at least \$15,342.60 in reimbursements for expenditures that were not made from the revolving fund. The employee appears to have made inappropriate deposits to the revolving fund to compensate for some of the unauthorized disbursements.

Finally, the employee scheduled some payments for the United Airlines Travel Plan in excess of the amount actually billed. The resulting credit balances allowed the employee to purchase unauthorized airline tickets with these credit balances. The employee was responsible for scheduling invoices and supporting documentation connected with airline ticket purchases and for submitting them to the SCO for payment. The employee appears to have overpaid some of the billings to create credit balances so she

could subsequently purchase unauthorized airline tickets without scheduling them for payment and review by another LAO employee.

Weaknesses in Internal Controls

In the course of our investigation, we also identified weaknesses in the LAO's system of internal controls that enabled the employee to conceal unauthorized disbursements and deposits. The LAO did not separate incompatible duties for revolving fund activities, nor did the LAO perform necessary reconciliations for the fund. In addition, the LAO did not establish proper collection procedures for salary advances. Further, the LAO did not thoroughly review documentation in support of schedules submitted to the SCO for payment. As a result, the employee's activities remained undetected from October 1987 through January 1990.

Inadequate Separation of Duties

The employee was the LAO employee primarily responsible for all activities related to the revolving fund. Her duties included preparing and signing warrants, recording transactions in the revolving fund ledger, accepting receipts and making deposits, and reconciling the revolving fund ledger with the bank statements issued by the SCO. Internal controls designed to ensure the integrity of an accounting system would separate these duties among two or more employees. The duties of receiving and depositing remittances, preparing checks, signing checks, recording transactions, and reconciling bank statements are incompatible and should be assigned to different employees. Assigning all these duties to the employee enabled her to misappropriate state funds from the revolving fund without detection by the LAO.

Reconciliations Not Performed

Although the employee was assigned the responsibility of reconciling the revolving fund ledger with the bank statements issued by the SCO, we found no evidence of any formal reconciliation since June 30, 1986. We also found no evidence that the resources available in the revolving fund were reconciled with the cash the LAO had advanced to the revolving fund. Internal controls designed to ensure the integrity of an accounting system would require that both reconciliations be performed on a periodic basis. As previously discussed, the employee should not have had the responsibility for reconciling the revolving fund because of other incompatible responsibilities. Because the reconciliations were not performed, the LAO was unaware that the revolving fund was overdrawn and that the employee had misappropriated state funds from the revolving fund.

Weaknesses in Collection Procedures

The employee was the LAO employee primarily responsible for receiving and depositing remittances for the revolving fund. The remittances included repayment of salary advances issued to LAO employees. The LAO allows employees to repay salary advances with cash or with personal checks after they receive their payroll warrants. A better method of collecting salary advances, which would ensure proper accounting and collection of advances, would be to offset the advance amount against the next regular payroll warrant issued to the employee for the period covered by the advance. This can be done by depositing the payroll warrant in the revolving fund to clear the advance and issuing a revolving fund warrant to the employee for any balance due. Allowing employees to repay salary advances with cash or personal checks increases the possibility that revolving fund money will be lost or stolen and that salary advances will not be repaid promptly. Moreover, assigning the employee the responsibility for receiving and depositing cash was inappropriate because other incompatible responsibilities enabled her to divert the cash for personal use without detection.

Inadequate Review of Supporting Documentation

Finally, the employee was responsible for scheduling invoices received from vendors and for submitting the schedules to the SCO for payment. LAO officials approve the schedules before submitting them to the SCO; however, LAO officials approved some schedules for payment that did not contain the proper supporting documents. For example, airline ticket facsimiles included with each invoice were not attached to and made a part of the support for any of the schedules that reflected payments to the United Airlines Travel Plan during the period of our review. We also found examples of incomplete invoices attached to schedules that included payments to the United Airlines Travel Plan. Further, schedules submitted to obtain reimbursement for revolving fund disbursements frequently included only a copy of the revolving fund warrant as support for the disbursement rather than an invoice or other evidence of a valid expenditure.

Internal controls designed to ensure the integrity of an accounting system require that an employee other than the employee that schedules the invoices for payment review the invoices and supporting documentation to determine that authority exists to obtain the goods or services, that the goods or services were actually received, and that no prior payment was made. The absence of a thorough review by LAO officials of the invoices and supporting documents accompanying the schedules enabled the employee to misappropriate state funds for the payment of unauthorized airline tickets and car rentals.

Conclusion

The employee misappropriated as much as \$119,079.88 in state funds from the Legislative Analyst's Office, and she falsified or destroyed records and documents to conceal the unauthorized disbursements and deposits. Weaknesses in the LAO's system of internal controls allowed the employee's activities to remain undetected from October 1987 through January 1990.

Recommendations

The LAO should refer the matter to the district attorney of Sacramento County so that criminal charges can be brought against the individuals who misappropriated state funds.

To recover the \$119,079.88 in lost state funds, the LAO should request that the state attorney general initiate civil proceedings against any and all parties at fault.

To prevent or detect future misappropriations, the LAO should improve its system of internal controls by taking the following actions:

- Separate incompatible duties related to revolving fund activities;
- Ensure that all revolving fund reconciliations are performed promptly by an employee who is not responsible for deposits or disbursements;
- Collect revolving fund salary advances from the payroll warrant issued for the period covered by the salary advance to ensure prompt repayment and reduce the possibility that revolving fund money will be lost or stolen; and
- Thoroughly review all claim schedules and supporting documentation to ensure that the purchases are authorized, that the invoices are for goods or services actually received, and that no prior payments have been made.

AGENCY RESPONSE

The Legislative Analyst's Office (LAO) took immediate action to relieve the employee of her responsibilities and secure the area over which she exercised control when the allegation of possible misuse first surfaced. Following a brief internal investigation, the LAO fired the employee. Subsequently, the employee, the employee's sister, and the travel agent pleaded guilty to criminal indictments issued by the district attorney of Sacramento County. To recover the misappropriated state funds, the LAO has requested the State Attorney General's Office to initiate civil proceedings against any and all parties at fault.

To prevent a reoccurrence of the misappropriations, the LAO has taken several actions to improve its systems of internal controls. The LAO has reorganized its accounting and personnel function and will establish procedures to ensure proper separation of duties related to revolving fund activities. The LAO will thoroughly review all claim schedules and supporting documentation to ensure that payments are proper and will implement a computerized accounting system. In addition, the LAO has contracted with the State Controller's office for a complete reconciliation of its general ledger and for additional suggestions about system changes that would further tighten its administrative procedures. Finally, the LAO plans to hire an outside auditor to annually review its internal control procedures and to audit its annual reconciliation with the State Controller's Office.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90018**

ALLEGATION

Employees of the Department of Consumer Affairs improperly accepted incentive pay for a physical fitness test even though they failed the test or did not take the test.

RESULTS OF INVESTIGATION

We determined that an employee continued to receive incentive pay for passing a physical fitness test even though she became ineligible because she failed to take the required test. We provided this information to the department, and the department conducted an investigation of its physical fitness incentive program. The investigation revealed that the employee we identified had improperly received \$325 in incentive pay for physical fitness. The investigation further revealed that 15 more employees had received unauthorized payments totaling \$4,875.

According to the investigative report, the program was established by the labor agreement between the State and the California Union of Safety Employees. An employee must pass a physical fitness test each year to receive incentive pay of \$65 per month. The department has contracted with a private firm to administer the tests and to notify the department's personnel office of an employee's eligibility to continue receiving the monthly incentive pay; however, the personnel office did not discontinue program payments to the 16 employees as instructed by the private firm. The employee we identified claimed that she had received no notification of her ineligibility and that she thought she was still eligible.

Conclusion

Employees of the Department of Consumer Affairs received incentive pay for physical fitness after becoming ineligible because, following notification of the employees' ineligibility, the department's personnel office did not discontinue payments.

AGENCY RESPONSE

The department has initiated procedures to recover the overpayments from each employee. To prevent further payment irregularities, the department will verify the eligibility of each employee each month. In addition, the department will provide an informational memorandum outlining the program requirements to each employee who participates in the program. Finally, the department will develop

an authorization form to maintain and update an employee's program status, a transaction report to identify employees receiving incentive pay, and an administration manual that will include instructions for processing and maintaining program documents.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9073**

ALLEGATION

The Board of Vocational Nurse and Psychiatric Technician Examiners failed to collect royalty fees from the publisher of its licensure examination.

RESULTS OF INVESTIGATION

We determined that the board had awarded the publisher a contract to develop and produce examinations for the licensure of vocational nurses and psychiatric technicians. We further determined that the board's executive officer authorized the company to share the examinations with the Arkansas State Board of Nursing for a royalty fee payable to the board. Accordingly, we asked the internal auditor for the Department of Consumer Affairs to determine if the publisher had remitted any royalties to the board for the use of the exam.

The internal auditor determined that the Arkansas board had paid the publisher \$607.60 in royalty fees in May 1989, and will pay the publisher \$691.60 in royalty fees in March 1990; however, the internal auditor found no record of the publisher having remitted any royalty fees to the State in accordance with the agreement. The investigation further revealed that the publisher had failed to remit royalty fees totaling \$2,405.90 for the years 1986 through 1989.

Conclusion

The Board of Vocational Nurse and Psychiatric Technician Examiners failed to collect royalty fees from the publisher of its licensure examination.

AGENCY RESPONSE

The publisher remitted delinquent royalty fees totaling \$2,405.90. The internal auditor for the Department of Consumer Affairs will monitor future reports of collections to ensure that royalty payments are processed properly.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90030**

ALLEGATION

An employee of the Department of Transportation uses a state credit card for unofficial purposes.

RESULTS OF INVESTIGATION

We obtained invoices of purchases the employee charged to state credit cards between August 1 and September 29, 1989. We reviewed the invoices and identified costs of \$714.71 that appear unrelated to the conduct of official business. As a result of our inquiry, the department had the Office of the California State Police conduct an investigation. The state police concluded that the employee had used state credit cards for unofficial purposes and arrested the employee for embezzlement.

According to the investigative report, the employee operated a state vehicle while performing his official duties and was authorized to purchase needed services for the vehicle with its assigned credit card. However, the report disclosed that rarely would the employee need to purchase gasoline for a state vehicle since the employee filled the vehicle's tank at the state facility each morning and his daily duties covered a radius of only 30 to 40 miles. Moreover, the vehicles the employee used had large gasoline tanks and were properly maintained.

The employee admitted removing credit cards from state vehicles and using them while on duty to purchase cigarettes, candy, sodas, and to purchase petroleum products for his personal vehicle. Although the employee admits that his behavior was wrong, he believes that his conduct has not harmed anyone.

Conclusion

An employee of the Department of Transportation misappropriated state funds.

AGENCY RESPONSE

The department dismissed the employee from state service and will pursue criminal prosecution against him.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9042**

ALLEGATION

An employee of the Department of Transportation directed a subordinate to use a state vehicle on state time to transport the employee and his wife in a state vehicle for unofficial business.

RESULTS OF INVESTIGATION

We identified two witnesses who corroborated that the subordinate used a state vehicle to transport the employee and his wife to the airport for unofficial business.

As a result of our inquiry, the department conducted an investigation and concluded that the employee had violated Title 2, Section 599.802(d), of the California Code of Regulations. Section 599.802(d) prohibits the use of a state vehicle for personal needs not directly associated with the completion of official business.

According to the investigative report, the employee's wife is also a state employee. The subordinate, while en route to the district office in a state vehicle, took the employee and his wife to the San Diego airport to depart on vacation. Since all the vehicle's occupants were state employees, the employee and subordinate believed that they were not misusing a state vehicle. However, the report further disclosed that the employee and his subordinate were aware that state policy prohibits the use of state vehicles for unofficial business.

Conclusion

In violation of Title 2, Section 599.802(d), of the California Code of Regulations, an employee of the Department of Transportation used a state vehicle to conduct unofficial business.

AGENCY RESPONSE

The employee's salary was reduced five percent, from \$3165 to \$3007 per month, for a period of three months. In addition, the employee's superiors will remind all their employees of the proper use of state vehicles.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90093**

ALLEGATION

An employee of the Department of Transportation uses a state vehicle for unofficial business.

RESULTS OF INVESTIGATION

Title 2, Section 599.802 (d), of the California Code of Regulations prohibits the use of a state vehicle for personal business. For approximately three weeks, a witness observed the employee use a state vehicle for transporting gardening equipment and tools to a vacant residence. The vehicle remained parked at the residence, usually between the hours of 1:30 p.m. and 4:00 p.m. On occasion, the witness also saw the vehicle at the residence during the evenings and on Saturdays.

As a result of our inquiry, the department conducted an investigation and concluded that the employee had violated state regulations prohibiting the use of a state vehicle for personal needs not directly associated with the completion of official business. The employee was reportedly assigned to work at a construction site, and he was authorized to commute in his assigned state vehicle. For approximately three weeks, the employee used his state vehicle to carry gardening equipment and tools to his rental property, which is located approximately 1.5 miles from his personal residence. However, the employee charged vacation to compensate for his absence during normal working hours.

Conclusion

An employee of the Department of Transportation violated state regulations when he used a state vehicle for unofficial business.

AGENCY RESPONSE

The employee received a reprimand and a warning that the misuse of a state vehicle is grounds for punitive action. The employee's supervisor also counseled the employee on departmental directives regarding the appropriate use of a state vehicle.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9059**

ALLEGATION

An employee of the Department of Motor Vehicles sells merchandise during normal working hours.

RESULTS OF INVESTIGATION

As a result of our inquiry, the department conducted an investigation and concluded that the employee sold merchandise during normal working hours. According to the employee's manager, the employee admitted selling merchandise, such as watches, dolls, and candles, on state property and stated that she would stop the activity immediately. The employee's manager further concluded that other employees within the employee's unit were also violating department policy by selling items during normal working hours to raise funds for local schools.

According to Section 4.050 of the Department of Motor Vehicles' Administrative Policy Manual, employees can neither sell merchandise during office hours nor sell merchandise at any department facility. The department defines office hours to include break times and lunch periods.

Conclusion

The employee violated department policy selling merchandise during office hours and on department property.

AGENCY RESPONSE

The employee's manager admonished all employees within the employee's unit that the department not only prohibits employees from selling merchandise during office hours, but it also prohibits employees from selling merchandise on department property. By memorandum, the employee's manager reminded all staff under her supervision of the provisions of Section 4.050 of the department's Administrative Policy Manual.

THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9055

ALLEGATION

Two employees of the Department of Alcoholic Beverage Control use state telephones for unofficial purposes.

RESULTS OF INVESTIGATION

We obtained long-distance telephone listings for the employees' state telephones. We reviewed the listings and identified charges that appeared unrelated to the conduct of any official state business. As a result of our inquiry, the department conducted an investigation and concluded that one of the employees had made personal long-distance calls that cost the department a total of \$163.61. The department also concluded that the other employee had made personal long-distance calls that cost the department \$24.68.

Conclusion

Two employees used state telephones for unofficial purposes.

AGENCY RESPONSE

The department directed the employees to reimburse the department a total of \$188.29 for the cost of their personal long-distance telephone calls. The department also counseled the employees concerning the proper use of state telephones.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9048**

ALLEGATION

An employee with the Department of Corrections used a state vehicle to commute between her home and her headquarters.

RESULTS OF INVESTIGATION

We determined that the employee was authorized to conduct official business in a state vehicle. According to the employee's supervisor, no other employees were using the state vehicle, so he encouraged the employee in question to use the state vehicle to avoid reimbursing her for using her private vehicle on official business. However, according to the vehicle's monthly travel log, of the 19 trips the employee took in the state vehicle, 11 were exclusively between her home and her headquarters.

We forwarded the information to the secretary of the Youth and Adult Correctional Agency for further investigation. The secretary determined that on five occasions the employee used the state vehicle, she was departing or returning from official business. The secretary also determined that on some occasions the employee worked overtime and used the state vehicle to return home. However, the employee conceded that she had used the state vehicle on a few occasions for the exclusive purpose of commuting between her residence and headquarters. In addition, the employee's supervisor admitted that he had authorized the employee to take the state vehicle home on occasion. According to the investigative report, the employee claimed the vehicle would be safer in her garage than parked overnight at the office because vandals had previously damaged state vehicles parked overnight at the office.

Conclusion

An employee of the Department of Corrections used a state vehicle for commuting purposes, and the employee's supervisor improperly authorized the employee to store the state vehicle at her residence.

AGENCY RESPONSE

The employee and her supervisor were reminded of provisions in the State Administrative Manual concerning the proper use and storage of state vehicles. The department took no other corrective action against them because they both have a history of lengthy and loyal service to the State, they have no other offenses recorded against them, and, under the circumstances, their misconduct does not

warrant formal disciplinary action. In addition, the supervisor and the employee stated that in the future they will comply with the policy concerning the storage and operation of state vehicles.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9039**

ALLEGATION

An official at the Correctional Training Facility coerced panelists to modify the ratings they gave candidates who were interviewing for positions with the facility so that the official could hire candidates of his choice.

RESULTS OF INVESTIGATION

We determined that the official chaired a panel that interviewed candidates for positions at the facility. We contacted two other members of the interview panel and determined that the official directed one of the panelists to raise the rating she gave a candidate. When the panelist objected, the official reminded the panelist that he was her supervisor. Further, the official increased the rating the other panelist gave the same candidate so that the candidate could achieve the highest rating. Finally, the panelists stated that the official also attempted to influence their ratings of other candidates who were also competing for positions.

The facility conducted an investigation and concluded that the official improperly influenced a panelist to change her rating and improperly increased the rating of the other panelist for the same candidate. According to the investigative report, the official admitted changing one panelist's score. He also admitted asking the other panelist to change her score; however, he denied ordering the panelist to change her score. According to the other panelist, however, the official's demeanor towards the panelist indicated that the official was ordering the panelist to change her rating. The report also revealed that the official's tactics significantly affected the panel's results.

Conclusion

The official coerced panelists to modify the scores they gave candidates and changed the score one panelist gave a candidate so the official could hire a candidate of his choice.

AGENCY RESPONSE

The Correctional Training Facility suspended the official from state service for 10 days.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90026**

ALLEGATION

An employee of the Department of Corrections improperly accepted the free use of equipment from a vendor who conducts business with the department.

RESULTS OF INVESTIGATION

We determined that the department purchases a significant amount of equipment from the vendor and that the employee approves some of the purchases. In addition, we interviewed a witness who corroborated that the vendor loaned a trencher to the employee so the employee could install a sprinkler system in his yard. The employee reportedly retained the trencher for approximately two months without paying rental fees to the vendor. We interviewed another witness who confirmed that the employee had a trencher during the same period of time and that the employee had stored the trencher in his garage.

We forwarded the allegation to the secretary of the Youth and Adult Correctional Agency for investigation. The secretary concluded that the employee violated departmental conflict-of-interest regulations by accepting free use of equipment from a vendor who conducts business with the Department of Corrections. The department prohibits employees from either soliciting or receiving, directly or indirectly, any fee, commission, gratuity, or gift from any organization or person that does business with the State. According to the investigative report, the employee obtained the trencher from the vendor's sales representative who frequently lends equipment to the vendor's regular customers. The trencher was delivered by the representative to the employee's residence, and he also retrieved it from the employee's residence, approximately two months later. According to the representative, no conditions were attached to the loan. The representative also stated that the vendor normally rents the trencher for \$135 per day.

The employee claims that he and the vendor are close friends and that he borrowed the trencher from the vendor. Since he and the vendor are close friends, he considers the transaction as a borrowing arrangement between friends. The employee established his friendship with the vendor by going out to dinner with the vendor and his wife. However, on those occasions, the employee always paid for his dinner and drinks. The employee further defends his behavior by claiming that he lacks formal training on the proper relationship between a state employee and a vendor.

The vendor refuted the employee's claim of an existing personal relationship. He further stated that he only knows the employee through business dealings with the department and that he was unaware that the employee had borrowed a trencher for his personal use. In addition, two other employees of the vendor also denied knowing that the employee had borrowed a trencher.

Considering these statements and the details presented by the vendor's sales representative, the investigator concluded that the representative had actually loaned the trencher to the employee and that the employee had not paid a rental fee. The investigator further concluded that the employee occupies a position within the department that allows him to significantly influence purchases and capital outlays made by the department. In support of this finding, the investigator reviewed 18 purchases in which the vendor was the successful bidder. He determined that the employee had solicited the price quotes for 10 of the orders and that the purchases cost a total of \$29,898.85. Finally, the investigator determined that the employee was familiar with the rules and regulations governing the acceptance of gratuities considering the employee's length of state service and the responsible positions he has held.

Conclusion

An employee of the Department of Corrections improperly accepted the free use of a trencher from a vendor who does business with the department. In doing so, the employee violated departmental conflict-of-interest regulations that forbid employees from accepting gratuities from vendors who do business with the department.

AGENCY RESPONSE

The department issued a letter of reprimand to the employee that will remain in his personnel folder for one year. The letter contains departmental regulations concerning the acceptance of gratuities, and it summarizes the investigative findings against the employee. The letter also warns the employee that the department will take formal adverse action against him if he commits similar misconduct in the future. Also, in view of the employee's position, he should obtain price quotes from a broader selection of vendors, and his field staff should make all required visits to vendors. However, if the employee ever feels compelled to visit a vendor, he must inform his supervisor of the reason for the visit.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90062**

ALLEGATION

The California Medical Facility violated state regulations by appointing ineligible employees to three vacant positions.

RESULTS OF INVESTIGATION

Section 12439 of the California Government Code requires the state controller to abolish any state position that was continuously vacant from October 1 through June 30 of the preceding fiscal year. According to officials with the Department of Corrections, state agencies temporarily transfer employees to vacant positions to avoid losing the positions when the agencies are unable to find qualified personnel to fill the vacant positions. We obtained evidence that, during fiscal year 1989-90, the facility charged payroll payments for a personnel assistant and two office assistants to vacant positions for a groundskeeper, a carpenter apprentice, and a painter apprentice. Therefore, it appears that the facility falsified its payroll records to protect the vacant positions.

As a result of our inquiry, the Department of Corrections conducted an investigation and concluded that the facility had appointed three ineligible employees to the vacant positions and that the facility had improperly charged payroll payments to the vacant positions to avoid losing the positions. According to the investigative report, the appointments were made by an inexperienced personnel assistant who was unfamiliar with the personnel classification process.

Conclusion

The California Medical Facility appointed ineligible employees to vacant positions and improperly charged payroll payments to the vacant positions to avoid losing the positions.

AGENCY RESPONSE

The department directed the California Medical Facility to cancel the improper personnel appointments. The department corrected the facility's payroll records to properly account for the payments improperly charged to the vacant positions.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90034**

ALLEGATION

Officials of the University of California, San Francisco, permitted a private enterprise free use of university facilities.

RESULTS OF INVESTIGATION

We determined that the former director of the university's audiology clinic had allowed an independent vendor of hearing aids free use of university facilities for approximately 11 years. The vendor reportedly agreed not to sell hearing aids through other outlets and to submit his price schedule to the university for approval. The former director of the clinic did not formalize the agreement with the vendor, and the vendor was not required to reimburse the university for the use of its facilities. In 1986, the former director reportedly requested the vendor pay the university \$2,000 per month for the use of the facilities. Subsequently, the current director reportedly requested the vendor remit \$125 to the university for each hearing aid the vendor sold.

As a result of our inquiry, the internal auditor at the university conducted an investigation and concluded that the arrangement between the vendor and the university was irregular and violated university procurement policy. According to the investigative report, the vendor was allowed to occupy space at the university under a verbal agreement granted by the former and current directors of the audiology clinic. The agreement was intended to benefit clinic patients, and the only condition placed on the vendor was that patients be charged below-market prices for the hearing aids. The vendor did not pay rent or otherwise reimburse the university for the use of the facilities until 1986. The internal auditor confirmed that, in October 1986, the vendor began paying the university for the use of the facilities at a rate of \$2,000 per month; however, the auditor found no sound accounting basis to establish the rate. The internal auditor also confirmed that the vendor paid the university \$13,500 for hearing aids sold to university patients and that all payments were properly deposited, recorded, and used to offset expenses at the clinic.

Conclusion

Officials at the University of California, San Francisco, provided a private enterprise free use of university facilities in violation of university procurement policy.

AGENCY RESPONSE

The university formally notified the vendor to remove all his equipment and to vacate the occupied space. Henceforth, the university will assume responsibility for hearing aid services.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9058**

ALLEGATION

An employee of the Employment Development Department uses state equipment and state time to conduct personal business.

RESULTS OF INVESTIGATION

We reviewed the data on three computer disks and found a federal income tax program on two of the disks and federal tax forms and three files of completed income tax returns on the third disk. We determined that one of the completed tax returns on the third disk was the employee's 1987 tax return and that the other two files contained the 1987 tax return of another taxpayer. As a result of our inquiry, the department conducted an investigation and concluded that the employee had used a state computer on state time to record the tax information that we found on the disks.

According to the investigative report, the employee admitted using a state computer and approximately 32 hours of state time to prepare the tax information. The employee also gave a fourth disk to the investigators upon which he had recorded a personal letter and information relating to his military unit. Considering the employee's grade classification, the department determined that the employee's use of state time to conduct personal business cost the state \$612.48 in wages, and the four disks he used to record the data cost the state \$6.28.

Conclusion

An employee of the Employment Development Department used state equipment on state time for unofficial purposes.

AGENCY RESPONSE

The department issued a written reprimand to the employee that will remain in his personnel folder for six months. In taking corrective action, the department considered the employee's cooperative attitude, his admission of misconduct, the remorse he displayed, and his promise not to repeat the conduct. Moreover, the department found no other evidence to prove other misdeeds by the employee.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9071**

ALLEGATION

An employee of the Department of Rehabilitation claims more hours than she works.

RESULTS OF INVESTIGATION

We received an unofficial log indicating that the employee failed to properly record her attendance. We compared the unofficial log with the employee's time and attendance reports and determined that the employee claimed 76 more hours than were recorded on the log. We also interviewed two witnesses who corroborated the allegation. One of the witnesses stated that the employee came to work late, took long lunches, and departed early. The witness further stated that the employee would admit where she was when she was late for work and that the employee does not perform official duties outside of her normal workplace. Finally, the employee's supervisor had also received an unofficial log indicating that the employee was not properly recording her daily attendance; however, the supervisor did not investigate the matter. Instead, the supervisor issued an office memorandum concerning the proper method of reporting attendance.

We referred the information to the secretary of the Health and Welfare Agency for further investigation. The secretary found that the employee had not properly recorded five hours of vacation time on her attendance reports but was unable to substantiate any other reporting irregularities in the employee's attendance. However, the investigative report disclosed that the employee's supervisor allowed her subordinates to arrive late for work, take extended lunches, and leave work early. The supervisor permitted the irregular attendance as long as the employees worked additional hours to make up for their absences; however, the supervisor failed to keep records of the hours the employees allegedly worked to compensate for their absences. In addition, the supervisor improperly granted her subordinates eight hours leave for National Secretary Week and allowed them to use the leave one hour at a time.

Conclusion

An employee of the Department of Rehabilitation failed to record five hours of vacation time on her attendance report. The employee's supervisor failed to ensure that her subordinates maintained accurate time and attendance reports, and she improperly granted her subordinates leave to which they were not entitled.

AGENCY RESPONSE

The department will adjust the employee's vacation balance to record the five hours of vacation time the employee failed to record. The employee's supervisor has implemented a formal system of time reporting, and the supervisor will more closely monitor her subordinates' attendance.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90039**

ALLEGATION

An employee of the Department of Health Services retains future fare discounts received as a result of travel on state business and uses the discounts for her personal benefit.

RESULTS OF INVESTIGATION

According to Section 0741 of the State Administrative Manual, bonus points or premiums received as a result of travel on state business are state property and must be surrendered to the employee's accounting office.

We determined that, while the employee was traveling on state business, she accumulated frequent flyer bonus points through an airline's frequent travelers' program. We obtained a copy of the employee's profile from the airline, compared it with her travel expense claim for January 1990, and determined that she was awarded a total of 1,000 bonus points for travel on state business during that month. We also determined that the employee belongs to frequent travelers' programs provided by two other airlines and that the employee had accumulated 47,273 bonus points through the frequent travelers' programs of all three airlines. Moreover, the employee had to request the bonus points when purchasing her tickets from the three airlines.

We forwarded the allegation to the secretary of the Health and Welfare Agency for investigation. According to the investigative report, the State has no established procedure enabling employees to transfer ownership of discounts or certificates they earn at state expense. Moreover, it would be inappropriate to take corrective action against the subject of this investigation because many other state employees have not surrendered the bonus points and premiums they earned at state expense.

Conclusion

An employee of the Department of Health Services failed to surrender the bonus points to her accounting office in accordance with the State Administrative Manual; however, the department has not established procedures to allow the employee to surrender bonus points she obtained while traveling at state expense.

AGENCY RESPONSE

The department will counsel the employee and will issue a memorandum to all departmental employees informing them of their responsibility regarding the accrual of frequent flyer mileage and other such bonuses.

THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90015

ALLEGATION

An employee of the Department of Health Services used a state vehicle to conduct personal business.

RESULTS OF INVESTIGATION

We determined that the Department of General Services had assigned the vehicle to the employee from December 18, 1989, to January 2, 1990. We contacted the employee's supervisor to determine if the employee was using the state vehicle to conduct official business over the weekend. The supervisor could not explain the employee's use of the state vehicle.

As a result of our inquiry, the department conducted an investigation and concluded that the employee used the vehicle to go shopping at two retail outlets on Saturday, December 30, 1989.

Conclusion

The employee used a state vehicle to conduct personal business.

AGENCY RESPONSE

By memorandum, the department directed the employee to reimburse the state for the mileage costs incurred while using the state vehicle for personal purposes. In addition, the department counseled the employee concerning the proper use of a state vehicle and warned the employee that any vehicle misuse in the future could result in serious disciplinary action.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9027**

ALLEGATION

An employee of the Department of Social Services retains discounts on future fares received as a result of travel on state business and uses the discounts for his personal benefit.

RESULTS OF INVESTIGATION

We determined that the employee, while traveling on state business, accumulated frequent flyer bonus points through an airline's frequent travelers' program. According to Section 0741 of the State Administrative Manual, bonus points or premiums received as a result of travel on state business are state property and must be surrendered to the employee's accounting office.

We obtained the employee's account profile from the airline, compared it with his travel-expense claims for the period of March 1988 through February 1989, and determined that the employee was awarded a total of 83,500 bonus miles while traveling 11,460 miles on state business. We also determined that the airline awarded four certificates to the employee for 80,000 of the bonus miles. The certificates included free flights to anywhere in the continental United States and free lodging.

We forwarded the information to the secretary of the Health and Welfare Agency to complete the investigation. The secretary concluded that the employee no longer accrues frequent flyer bonus points while traveling on state business and that the credits the employee earned while traveling on state business cannot be transferred to the State.

According to the investigative report, the State can only retain employee accrued frequent flyer credits and destroy them on their expiration date. Also, the airlines no longer designate the dollar value of credits. As a result, the secretary has further concluded that the State is unable to seek restitution from the employee for any personal travel he gained from using credits he earned while traveling on state business.

Conclusion

In violation of Section 0741 of the State Administrative Manual, an employee of the Department of Social Services retained and used frequent flyer credits that he earned while traveling on state business.

AGENCY RESPONSE

The employee received an informal reprimand for retaining and using frequent flyer credits that he earned while traveling on state business. The department took no other action against the employee because he had ceased acquiring or using such credits before the investigation, because he fully cooperated with investigators, and because he promised to avoid any further violations. Moreover, according to the report, the State did not suffer any economic loss because the credits were nontransferable, and airlines no longer designate the dollar value of frequent flyer credits.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9056**

ALLEGATION

An employee of the State Department of Education uses a state computer and a state telephone to conduct personal business on state time.

RESULTS OF INVESTIGATION

We obtained a computer disk containing unofficial documents that the employee allegedly prepared on state time using his state computer. We also interviewed two witnesses who observed the employee using a state computer on state time to prepare the unofficial documents. The witnesses also observed the employee using his state telephone to conduct personal business on state time.

We forwarded the information to the superintendent of public instruction for further investigation. According to the investigative report, the employee admitted using his state computer to prepare unofficial documents on state time. He also admitted using his state telephone to conduct personal business on state time. Finally, the employee admitted that he made and received other unofficial calls on his state telephone during breaks and lunch periods.

According to the investigative report, the employee defended his behavior by claiming that he was unaware of departmental rules concerning incompatible activities. Moreover, he said that he prepared the unofficial documents on the computer to familiarize himself with the equipment.

Conclusion

An employee of the State Department of Education used a state computer and a state telephone to conduct personal business on state time.

AGENCY RESPONSE

The employee was counseled concerning his prohibited activities. In taking corrective action, the department considered that he was on probationary status and that he may have been unaware of departmental rules concerning the use of state resources.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9060**

ALLEGATION

An employee of the State Department of Education retains future fare discounts on future fares received as a result of travel on state business and uses the discounts for his personal benefit.

RESULTS OF INVESTIGATION

According to Section 0741 of the State Administrative Manual, bonus points or premiums received as a result of travel on state business are state property and must be surrendered to the employee's accounting office.

We determined that the employee accumulated frequent flyer bonus points through the frequent traveler programs of several airlines. We also determined that, to obtain the bonus points, the employee would have had to have requested the points from the ticket agent when purchasing the ticket. We obtained the employee's account profiles from the airlines and compared them with the travel expense claims he submitted from June 1988 through September 1989. During that period, the employee was awarded 48,070 bonus miles while traveling on state business.

In August 1989, the department reminded the employee that the personal use of any bonus points obtained by traveling at state expense is prohibited. The department also asked the employee to transfer any credits he earns for business travel to a special account the department was establishing for that purpose; however, the employee had not transferred the bonus points in accordance with departmental instructions.

We forwarded the information to the superintendent of Public Instruction for further investigation. The superintendent confirmed that the employee had retained frequent flyer bonus points as a result of travel on state business and determined that the employee had redeemed 20,000 bonus points for official travel. However, the superintendent concluded that the employee was unable to transfer the bonus points to the department because the department's accounting office had no established process for receiving the bonus points and because the airlines would not permit the transfer of the bonus points from the individual to the department. The superintendent further concluded that the employee had redeemed the bonus points for travel related to official business.

Conclusion

An employee of the State Department of Education failed to surrender the bonus points to his accounting office in accordance with the State Administrative Manual. However, the employee used the bonus points for travel related to official business, and the department has not established procedures to allow the employee to surrender bonus points he obtains while traveling at state expense.

AGENCY RESPONSE

The department again reminded the employee that state regulations prohibit him from using any bonus points he receives as a result of travel at state expense for unofficial purposes and that he must use any award of bonus points for only official business.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90079**

ALLEGATION

Officials of the California School for the Deaf do not comply with state regulations in disposing of state equipment.

RESULTS OF INVESTIGATION

Section 8640 of the State Administrative Manual requires a department to obtain approval from the Department of General Services' Property Reutilization before disposing of state property. The department must also prepare a property survey report on Standard Form 152 when disposing of the state property. Section 7210 of the State Department of Education Administrative Manual provides that, when equipment is no longer needed, it may be traded, transferred, sold, or junked. To properly dispose of state equipment, the responsible supervisor must identify the equipment in a memorandum to the business service office. The office's property clerk examines the equipment, determines the best method of disposing it, and prepares the Form 152 if the business service office approves disposing of the equipment. In addition, the clerk informs the supervisor of the office's action.

As a result of our inquiry, the superintendent of the school conducted an investigation and concluded that his staff did not dispose of equipment as required by Section 8640 of the State Administrative Manual and Section 7210 of the State Department of Education Administrative Manual. According to the investigative report, school officials had allowed subordinates to approve the disposal of school equipment and had allowed school employees to take the equipment for their personal use. For example, school officials permitted an employee to take for his personal use a three-wheel grinder, a refrigerator, folding chairs, and air compressors.

Conclusion

Officials of the California School for the Deaf violated state regulations and State Department of Education guidelines in disposing of state equipment.

AGENCY RESPONSE

The employee was directed to return the grinder, which he had recently received. The school superintendent directed the school's business manager and chief of plant operations to ensure that the school complies with state regulations in disposing of state

property. The school superintendent stated that, in the future, the school will comply with all regulations in disposing of state equipment.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90057**

ALLEGATION

An employee of the Department of Food and Agriculture files inaccurate time and attendance reports.

RESULTS OF INVESTIGATION

We received two unofficial logs of the employee's attendance. One of the logs reflected the employee's informal record of her attendance. We compared the logs with the employee's official attendance reports and found that the time recorded on the logs disagreed with the time reported on the employee's official attendance reports. Moreover, it appeared that the employee was accumulating and charging compensatory time off without recording on her official attendance reports the additional time worked and leave subsequently taken. In addition, we identified two witnesses who stated that the employee did not keep regular work hours.

As a result of our inquiry, the department investigated the matter and determined that the employee failed to report over 80 hours of compensatory time off that she had earned and used over a period of seven months. According to the investigative report, the employee's informal attendance records were more accurate than her official attendance records, and the employee's supervisor certified that the employee's informal attendance records were accurate. The employee has since revised and submitted official attendance reports to properly record her attendance for the seven-month period.

Conclusion

An employee of the Department of Food and Agriculture filed inaccurate time and attendance reports.

AGENCY RESPONSE

The employee's supervisor directed all employees who accrue and use compensatory time off to accurately record their activities on their official attendance reports.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90037**

ALLEGATION

An employee of the Department of Food and Agriculture used a state vehicle to conduct personal business.

RESULTS OF INVESTIGATION

We determined that the department had assigned a state vehicle to the employee. We contacted a witness who stated that he saw a woman and a boy leave the state vehicle and enter a restaurant at 6:15 p.m. According to the witness, his wife also observed the state vehicle in the restaurant's parking lot. Title 2, Section 599.802(d), of the California Code of Regulations prohibits the use of a state vehicle for personal business.

As a result of our inquiry, the department conducted an investigation and concluded that the employee had used the vehicle to transport herself and a small child to the restaurant. The department also concluded that the employee had departed work at 5:00 p.m. and was not on official business. According to the investigative report, the employee claimed that she used the state vehicle to conduct unofficial business because her personal vehicle needed repairs.

Conclusion

An employee of the Department of Food and Agriculture used a state vehicle to conduct unofficial business.

AGENCY RESPONSE

The department formally admonished the employee, informing her that she had engaged in improper governmental activity and had violated State rules and regulations by using a state vehicle to conduct unofficial business. In addition, the employee was counseled that she will receive harsher disciplinary measures and no longer have access to state vehicles if she commits a similar misconduct in the future. Finally, the employee was informed that her vehicle use will be closely monitored for an undisclosed period of time.

THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90017

ALLEGATION

An employee of the Department of Forestry and Fire Protection was improperly promoted to a position that she was not eligible to assume.

RESULTS OF INVESTIGATION

We contacted the State Personnel Board and determined that the employee's name did not appear on the eligibility list for promotion to the position she obtained and that the employee was ineligible for a lateral transfer into the position she obtained. As a result of our inquiry, the State Personnel Board conducted an investigation and concluded that the employee received an illegal promotion.

Conclusion

An employee of the Department of Forestry and Fire Protection received an illegal promotion.

AGENCY RESPONSE

The board directed the department to void the employee's appointment and to return the employee to her previous position. The board concluded that the employee and the department acted in good faith. Therefore, the board allowed the employee to retain the compensation she earned in the higher position.

THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90056

ALLEGATION

An employee of the Department of Fish and Game allowed state fish pumps to remain unprotected during the winter months of 1988-89 and 1989-90 so that he could store his motor home in a state facility where the equipment should have been stored.

RESULTS OF INVESTIGATION

As a result of our inquiry, the department conducted an investigation and concluded that the employee had improperly stored his motor home in a departmental maintenance shed. According to the investigative report, the shed is the authorized storage area for three state fish pumps and because of the size of the employee's motor home, the employee had left one of the fish pumps outside during the winter months of 1989 and 1990. A fish pump is a device used to transfer trout and salmon into trucks from state fish ponds and raceways--long concrete ponds. Then the trucks transport the fish to various streams and lakes. According to the employee, the fish pumps were completely winterized and covered whenever they were stored outside. The investigator examined the fish pumps and found them in excellent condition.

Conclusion

An employee of the Department of Fish and Game improperly stored his motor home in a state facility.

AGENCY RESPONSE

The regional supervisor reprimanded the employee and directed him to remove his motor home from the maintenance shed. Thereafter, the employee stored the motor home at his state residence.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90014**

ALLEGATION

An employee of the Department of Parks and Recreation used a state vehicle for personal purposes.

RESULTS OF INVESTIGATION

The employee was reportedly observed using a state vehicle for personal business on a Saturday. We determined that the employee obtained the state vehicle from the Department of General Services on a Friday. We contacted the department to determine if the employee was conducting official business. As a result of our inquiry, the department conducted an investigation and confirmed that the employee used the vehicle to go shopping on a Saturday. According to a departmental official, the employee was scheduled to perform official duties away from her headquarters the following Tuesday. Because the following Monday was a state holiday, the employee parked her personal car near the state garage and picked up the state vehicle on Friday. The official stated that employees routinely check out state vehicles on a Friday when they must leave before 7:00 a.m. on the following Monday to perform official duties away from their headquarters.

Conclusion

An employee of the Department of Parks and Recreation used a state vehicle to conduct personal business.

AGENCY RESPONSE

The employee was counseled on the proper use of a state vehicle.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90045**

ALLEGATION

An employee of the Office of Traffic Safety claims more hours than she actually works, and she claims reimbursement for travel expenses she did not incur.

RESULTS OF INVESTIGATION

We determined that the employee or the office timekeeper records the employee's absences on a daily itinerary sheet. In addition, the employee records the hours she works on her flextime reports. We compared some of the employee's daily itinerary sheets with her official attendance reports for a period of approximately eight months and determined that she claimed 99.75 hours more on her official attendance reports than were recorded on her daily itineraries. We also compared some of the employee's flextime reports with her official time and attendance reports for a period of approximately three months and determined that the employee claimed 73.50 hours more on her official attendance reports than she recorded on the flextime reports. One witness stated that she and four other witnesses knew that the employee was frequently absent from work and that the employee failed to charge formal leave to compensate for her absences. We identified travel expenses that the employee claimed she incurred on three dates that her daily itinerary sheet and/or her flextime report indicates she was absent from work.

We forwarded the information to the secretary of the Business, Transportation, and Housing Agency for further investigation. The investigation revealed that the itineraries are unofficial documents used to advise office personnel of an employee's absence from the office. They are not official documentation of the hours an employee works or is absent from work. Flextime reports are also unofficial documents that employees use in filling out their official attendance reports. The investigation further revealed that employees are permitted to work flexible work schedules wherein the employees are required to be at work during certain core hour periods. They are not required to charge formal leave to compensate for absences that occur outside of these core hour periods as long as they work a total of 40 hours each week.

According to the investigative report, the employee maintained personal notes reflecting the hours she worked. The investigators reviewed the employee's official attendance reports, unofficial itineraries, flextime reports, and personal notes. They concluded that the employee was not required to charge formal leave for some

absences because the absences did not occur during the designated core hour periods or because the employee may have completed her 40-hour work week or used overtime that she had previously accrued. However, most of her unreported absences apparently occurred because the employee's supervisor authorized the employee to work at home to compensate for absences due to the illness of a member of the employee's family. For example, the employee reportedly worked sufficient overtime during one month to compensate for 56 hours of sick leave and vacation that the employee had not claimed on her official attendance report for that month. Finally, the investigators concluded that the employee had incurred mileage expenses while working overtime on two of the dates in question and that she had inadvertently charged mileage expense for the wrong day on the other date.

Conclusion

There is insufficient evidence to support the allegation that the employee claimed more hours than she worked or claimed reimbursement for travel expenses she did not incur. However, the employee did file inaccurate time and attendance reports, and her supervisor permitted the misconduct.

AGENCY RESPONSE

The Office of Traffic Safety will instruct all employees to follow state procedures when recording overtime worked and to document all overtime worked and leave taken. To ensure against any reoccurrence of this activity, all personnel in the employee's work group category will submit biweekly flextime reports to their supervisors for verification. In addition, supervisors will review travel expense claims against time and attendance reports to ensure that the claims are valid.

**THE OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 9052**

ALLEGATION

An employee of the Seismic Safety Commission retained discounts for future fares received as a result of travel on state business, and he used the discounts for his personal benefit.

RESULTS OF INVESTIGATION

We determined that the employee had accumulated 56,250 frequent flyer bonus points through an airline's frequent travelers' program and that he had claimed an award certificate entitling him to one round-trip in the 48 contiguous United States and Canada. According to Section 0741 of the State Administrative Manual, bonus points or premiums received as a result of travel on state business are state property and must be surrendered to the employee's accounting office.

As a result of our inquiry, the commission conducted an investigation and concluded that the employee had accumulated 32,250 points while traveling on state business. According to the investigative report, the employee claimed an award of 20,000 points which gave him a free round-trip ticket between Sacramento and Dallas, a 25 percent discount at a Sheraton Hotel, and a \$15 discount on a weekend rental of an Avis rental car.

Conclusion

The employee violated state policy against retaining future fare discounts received as a result of travel on state business.

AGENCY RESPONSE

The employee surrendered the tickets and discounts he earned while traveling on state business. He will also surrender the remaining 12,250 bonus points he earned, and he will no longer claim bonus points for travel on state business.

**OFFICE OF THE AUDITOR GENERAL
REPORT OF INVESTIGATION
CASE 90043**

ALLEGATION

An employee of the State Coastal Conservancy used a state vehicle for personal business.

RESULTS OF INVESTIGATION

State vehicles were reportedly observed parked near the employee's residence on previous occasions. On one occasion, the state vehicle was observed parked near the employee's residence on a Thursday afternoon. We determined that the employee had used the state vehicle to travel on official business. However, when he returned from his official business, he drove the state vehicle home instead of returning the vehicle to the state garage, and he used the state vehicle to commute to work the following day. According to the employee's supervisor, the employee was experiencing discomfort due to recent surgery. As a result, the employee returned early from his official trip. The employee's supervisor authorized the employee's early departure, and he granted the employee permission to work at home because the employee's headquarters was being remodeled. However, the supervisor concluded that the employee had improperly retained the vehicle over night and that the employee had used the vehicle to commute between his headquarters and his residence.

Conclusion

The employee improperly used the state vehicle to commute between his headquarters and his residence.

AGENCY RESPONSE

The employee's supervisor counseled the employee by memorandum regarding the proper use of state vehicles.

ORIGINAL AND AMENDED TRAVEL EXPENSE CLAIMS
OF OFFICIAL AT CALIFORNIA STATE UNIVERSITY, CHICO
CALENDAR YEAR 1988

Date	Original Claim				Amended Claim				Difference	
	Depart	Return	Location	Amount	Depart	Return	Location	Amount		
January 04										
05	6:00AM		Enroute to Los Angeles		9:00AM	2:00PM	Oroville	\$ 9.23		
06			Los Angeles	\$ 76.50			Enroute to San Francisco	41.00		
07			Los Angeles	76.50	7:00AM	8:00PM	Return	144.50		
08			Los Angeles	76.50						
09		10:20PM	Return	391.20						
11	8:00AM		Enroute to Los Angeles							
12			Monterey	76.50						
13			Monterey	76.50						
14			Los Angeles	76.50						
15			Los Angeles	76.50						
16		10:20PM	Return	440.81						
17					5:00AM		Enroute to Pasadena	104.55		
18							Pasadena	80.10		
19						6:00PM	Return	193.05		
20					11:00AM	7:00PM	Roseville	51.90		
21					6:00AM	1:00PM	Enroute to Oakland	41.00		
22							Return	129.50		
25					8:00AM	5:00PM	Enroute to Sacramento	20.50		
26							Return	104.50		
Total January 1988				\$ 1,367.51					\$ 919.83	\$ 447.68
February 01	6:00AM		Enroute to Quincy	\$ 19.47			Quincy	28.70		
02		6:40PM	Return	123.47			Oroville	8.20		
03							Enroute to Oakland	41.00		
04	7:00AM		Enroute to Oakland				Return	129.50		
05		6:40PM	Return	187.03			Enroute to Pasadena	102.50		
06							Los Angeles	88.80		
07	7:00AM		Enroute to Los Angeles				Return	191.50		
08			Los Angeles	76.50						
09			Los Angeles	76.50						
10			Los Angeles	76.50						
11			Los Angeles	76.50						
12		9:20PM	Return to Chico	387.31						
18	7:00AM		Enroute to Ontario	316.42			Enroute to Ontario	316.42		
19			Ontario	93.50			Ontario	98.78		
20		7:00PM	Return	114.00			Return	119.28		

Footnotes are presented on page 68.

(Appendix A continued on next page)

(Continued from previous page)

		Original Claim				Amended Claim			
Date	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
February 23					6:00AM	12:00PM	Enroute to Sacramento	20.50	
24							Return	101.00	
28	8:00AM		Enroute to Mt. Shasta	76.50					
29			Mt. Shasta						
Total February 1988				<u>\$ 1,623.70</u>				<u>\$ 1,246.18</u>	<u>\$ 377.52</u>
March 01		10:00AM	Return	\$ 127.75					
09	6:30AM		Enroute to Oakland		7:00AM	5:00PM	Enroute to Oakland	\$ 41.00	
10		8:00PM	Return	186.41			Return	129.50	
11									
22					1:00PM		Enroute to Sacramento	20.50	
23	8:00AM		Enroute to Sacramento	76.50			Sacramento	84.20	
24			Sacramento		6:00PM	2:00PM	Return/Enroute Sacramento	117.00	
25		6:00PM	Return	126.73			Sacramento	84.20	
26							Personal Day		
27							Personal Day		
28							Return/Enroute Mt. Shasta	123.15	
29							Mt. Shasta	78.05	
30						5:00PM	Return	87.65	
Total March 1988				<u>\$ 517.39</u>				<u>\$ 765.25</u>	<u>\$ (247.86)</u>
April 04	6:30AM		Enroute to Aptos	\$ 67.65	7:00AM		Enroute to Santa Rosa	41.00	
05			Aptos	123.65		4:00PM	Rohnert Park and Return	135.65	
06			Sacramento	81.62	8:00AM	5:00PM	Folsom	49.20	
07		6:45PM	Return	124.50					
11									
12	7:00AM		Enroute to Oakland	41.00					
13			Oakland	84.70					
14			Hayward	88.80					
15		7:20PM	Greenbrae and Return	159.35					
16					9:00AM		Enroute to Sacramento	20.50	
17							Sacramento	86.25	
18						3:00PM	Return	109.00	
19	6:00AM		Enroute to San Luis Obispo	83.00					
20			San Luis Obispo	80.10	7:00AM	7:00PM	Oakland	101.50	
21		7:00PM	Return	187.00					
25	7:00AM		Enroute to Mt. Shasta	76.50	2:00PM		Enroute to Mt. Shasta	26.65	
26			Mt. Shasta				Return	103.68	
27		4:00PM	Return	127.75					

Footnotes are presented on page 68.

(Appendix A continued on next page)

(Continued from previous page)

Original Claim				Amended Claim					
Date	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
April 28	7:00AM		Enroute to Oakland	76.50					
29			Oakland	160.55					
30		12:00N	Return						
Total April 1988				<u>\$ 1,642.77</u>				<u>\$ 673.43</u>	<u>\$ 969.34</u>
May 03	6:30AM		Enroute to Sonoma	\$ 41.00					
04			Santa Rosa	80.60					
05			St. Helena	97.00	7:00AM	7:00PM	Enroute to St. Helena	\$ 45.10	
06			Sacramento	90.85			Santa Rosa and Return	148.60	
07		6:30PM	Return	124.50					
09	7:30AM		Enroute to Sacramento	20.50	7:00AM	4:00PM	Sacramento	45.50	
10			Auburn	86.75	6:00AM		Enroute to Auburn	30.75	
11			Grass Valley	88.80			Sacramento	82.15	
12			Portola	92.90		5:00PM	Grass Valley and Return	117.21	
13		7:00PM	Return	124.10					
16	8:00AM		Enroute to San Luis Obispo	84.05					
17			San Luis Obispo	92.90					
18			Los Angeles	86.75					
19			Los Angeles	84.70	7:00AM		Enroute to Virginia	271.00	
20			Los Angeles	85.73			Virginia	27.50	
21			Los Angeles	88.80			Virginia	27.50	
22		5:00PM	Return	176.75		6:00PM	Return	33.00	
23	6:00AM		Enroute Oakland	41.00					
24			Oakland	81.63					
25			Oakland	94.95					
26			Sacramento	109.30					
27			Quincy	78.55					
28		3:00PM	Return	107.45					
31	6:00AM		Enroute to San Francisco	43.05	8:00AM	5:00PM	Quincy	28.70	
Total May 1988				<u>\$ 2,102.61</u>				<u>\$ 857.01</u>	<u>\$ 1,245.60</u>
June 01		4:30PM	Return	\$ 132.05					
06	6:30AM		Enroute to Oakland	41.00					
07			Oakland	84.70					
08			Hayward	83.67					
09			Redwood City	84.49	8:00AM		Enroute to Sacramento	\$ 20.50	
10		9:00PM	Return	150.12			Sacramento	82.15	
11						5:00PM	Return	108.60	

Footnotes are presented on page 68.

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(Continued from previous page)

Original Claim				Amended Claim					
Date	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
June 14					8:00AM	8:00PM	Enroute to Sacramento	20.50	
15							Return	125.65	
16					1:00PM	9:00PM	Enroute to Oakland	41.00	
17							Return	132.00	
27					7:00AM	6:00PM	Enroute to Oakland	41.00	
28							Return	140.00	
Total June 1988				<u>\$ 576.03</u>				<u>\$ 711.40</u>	<u>\$(135.37)</u>
July 12	8:00AM		Enroute to Auburn	24.60	7:00AM	4:00PM	Enroute Sacto/Placerville	36.08	
13			Placerville	93.11			Auburn and Return	114.75	
14			Truckee	78.55					
15			Grass Valley	92.08					
16		5:00PM	Return	102.13					
17					9:00AM	1:00PM	Paradise	6.15	
18	7:30AM		Enroute to Loyalton	28.70	8:00AM	7:00PM	Enroute to Quincy	15.38	
19			Greenville	92.49			Return	114.38	
20			Quincy	81.63	10:00AM	2:00PM	Oroville	8.20	
21			Chester	87.78	7:00AM	5:00PM	Enroute to Sacramento	22.55	
22			Portola	93.93			Yuba City and Return	106.55	
23		5:00PM	Return	107.26	6:00PM		Chico to Reno	48.18	
24							Personal Day		
25	6:00AM		Enroute to St. Helena	35.88			Reno to Loyalton	104.09	
26			Santa Rosa	87.78			Reno to Quincy	153.90	
27			Roseville	101.10	2:30PM	6:00PM	Reno to Loyalton and Return	129.30	
28			Roseville	80.60	7:00AM		Roseville	51.90	
29			Sonora	113.40					
30			Sonora	81.63	7:00AM	10:00PM	Sonoma/Santa Rosa	97.00	
31		6:15PM	Return	146.40					
Total July 1988				<u>\$ 1,529.05</u>				<u>\$ 1,008.41</u>	<u>\$520.64</u>
August 01	7:00AM		Enroute to Gridley	9.64	9:00AM		Enroute to Grass Valley	10.25	
02			Sacramento	86.75			Roseville/Sacramento	89.33	
03			Roseville/Oakdale	101.10	2:00PM	2:00PM	Return	107.58	
04			Oakdale	78.55	11:00AM	6:00PM	Susanville	53.30	
05			Modesto	82.65					
06			Return	142.95	7:00AM		Enroute to Sacramento	43.50	
07	7:00AM		Enroute to Weaverville	76.50			Personal Day	5.13	
08			Hoope	76.50	7:00PM		Return	98.55	
09			Arcata	76.50	10:00AM		Yuba City/Marysville/Rtn	23.58	
10			Yreka	76.50	1:00PM		Enroute to Sonora	25.63	
11			Yreka	76.50	8:00PM		Return	111.50	
12		6:30PM	Return	99.50	8:00AM	5:00PM	Red Bluff	17.22	

(Appendix A continued on next page)

Footnotes are presented on page 68.

(Continued from previous page)

Date	Original Claim				Amended Claim				
	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
August 14	7:00AM	5:30PM	Enroute to Redding Return	84.50	1:00PM	1:00PM	Enroute to Redding Dorris	14.35	
15	6:30AM	7:00PM	Enroute to Sacramento Roseville	76.50			Fall River Mills	137.50	
16			Sacramento Return	76.50			Weaverville and Return	108.80	
17				99.50				112.90	
18									
19									
21	7:00AM	9:00AM	Enroute to Cedarville Cedarville	76.50					
22			Alturas	76.50					
23			Fall River Mills	76.50					
24			Return	81.00					
25			Enroute to Dorris						
26	7:00AM		Dorris	76.50					
27			Personal Day						
28			Fall River Mills	76.50					
29			Fall River Mills	76.50					
30			Susanville	76.50					
31									
Total August 1988				<u>\$ 1,860.64</u>			Enroute to Sacramento Stanford and Return	<u>49.20</u> <u>140.20</u>	<u>\$ 712.12</u>
September 01			Susanville	\$ 76.50	8:00AM	6:00PM	Sacramento	\$ 42.00	
02			Return	694.16	11:00AM	12:00N	Enroute to Redding Return	14.70	
03			Enroute to Los Angeles		11:00		Enroute to Sacramento Sacramento to Los Angeles	102.80	
04	6:30AM	1:00PM	Personal Day				Los Angeles	21.00	
05			Los Angeles	86.00			Los Angeles	174.20	
06			Return	86.00			Return	96.50	
07			Enroute to San Francisco	384.47				182.60	
08	1:00PM		Return						
09	6:00 AM		Enroute to San Francisco	196.10					
10	2:00PM		Return						
11	6:00PM		Enroute to San Francisco	190.75					
12	10:10PM		Return						
13			Enroute to San Rafael						
14	6:00AM		San Jose	86.00	6:00AM	6:00PM	San Francisco	89.00	
15			San Jose	86.00	10:00AM	6:00PM	Oroville	8.40	
16			Return	244.15	7:00AM	6:00PM	San Rafael	89.00	
17	7:30PM								
20	8:30AM		Enroute to Dominguez Hills		6:00AM	6:00PM	Oakland	78.50	
21			Los Angeles	86.00					
22			Los Angeles	86.00					
23			Los Angeles	86.00	10:00AM	2:00PM	Oroville	8.40	
24			Return	474.56					

Footnotes are presented on page 68.

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Original Claim				Amended Claim					
Date	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
September 26	7:30AM		Enroute to Hayward	86.00					
27			San Jose	86.00					
28			Martinez	221.30				12.60	
29	8:15PM		Return		8:00AM	11:00AM	Gridley		
Total September 1988				<u>\$ 3,255.99</u>				<u>\$ 919.70</u>	<u>\$ 2,336.29</u>
October 01					12:00N	6:00PM	Sacramento	\$ 42.00	
02			Enroute to Sacramento		7:00PM		Enroute to Stockton	31.50	
03	8:00AM		Sacramento	86.00			Stockton/Sacramento	97.55	
04			Sacramento	86.00		5:00PM	Return	120.50	
05			Return	162.50	10:00AM	2:00PM	Oroville	10.50	
06	6:30PM		Willows	16.80	10:00AM	3:00PM	Willows	16.80	
07	8:00AM								
09	4:00PM		Enroute to Lodi	27.30					
10			Stockton	90.20					
11			Merced	99.65					
12	6:40PM		Return	145.60					
14	9:00AM	2:30PM	Colusa	21.00	9:00AM	4:00pm	Colusa	23.10	
16	7:00AM		Enroute to Oakland	42.00					
17			Oakland to Oroville	97.55					
18	6:00PM		Return	149.90	8:00AM		Enroute to Oakland	42.00	
19	3:00PM		Enroute to Oakland	42.00			Oakland	96.50	
20			Oakland to Susanville	142.28			Oakland/Vacaville	96.50	
21	6:50PM		Return	122.50		1:00pm	Return	126.00	
23	1:00PM		Enroute to La Mirada		4:00PM		Enroute to La Mirada	142.32	
24			Los Angeles	86.00			La Mirada to Sacramento	86.00	
25			Orange	86.00		1:00PM	Return	107.00	
26			Los Angeles	86.00					
27			Roseville	86.00					
28	2:00PM		Return	427.04	8:00AM	6:00PM	Roseville	42.00	
Total October 1988				<u>\$ 2,102.32</u>				<u>\$ 1,080.27</u>	<u>\$ 1,022.05</u>
November 01	2:00PM		Enroute to Sacramento		8:00AM		Enroute to Sacramento	37.80	
02			Oakdale/Turlock	86.00			Turlock/Modesto	123.80	
03			Stockton	86.00			Oakdale/Chico/Sacramento	163.70	
04	6:00PM		Return	169.37		7:00PM	Return	131.00	
06	5:00PM		Enroute to San Jose	86.00	1:00PM		Enroute to San Jose	52.50	
07			San Jose	86.00			San Jose to Sacramento	112.25	

Footnotes are presented on page 68.

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Date	Original Claim			Amended Claim			Difference			
	Depart	Return	Location	Amount	Depart	Return		Location	Amount	
November 08			Return	191.80			Return	138.50		
09	8:00AM	10:00PM	Enroute to Sacramento		10:00PM	6:00PM	Enroute to Sacramento	21.00		
10			Los Angeles	86.00			Sacramento	97.55		
11			Los Angeles	86.00			Sacramento to Chico	134.30		
12			Los Angeles	86.00			Vacaville/San Francisco	98.60		
13			Los Angeles	86.00			Return	134.30		
14			Los Angeles	86.00						
15			Los Angeles	86.00						
16			Los Angeles	86.00						
17			Los Angeles	86.00						
18		11:00PM	Return	508.58	3:00AM	11:00AM	Enroute to Los Angeles	202.00		
20					5:00PM	1:00PM	Return	112.00		
21	6:00AM		Enroute to Monterey	86.00			Enroute to Monterey	63.00		
22			Aptos				Monterey to Aptos	109.10		
23		11:00AM	Return	234.64			Return	151.10		
27	6:00AM		Enroute to Rohnert Park	86.00	9:00PM		Enroute to Sonoma	42.00		
28			Santa Rosa				Santa Rosa	92.30		
29		10:00AM	Return	191.80		6:30PM	Santa Rosa to Napa and Return	134.30		
Total November 1988				<u>\$ 2,500.19</u>					<u>\$ 2,151.10</u>	
									\$ 349.09	
December 01	8:00AM		Enroute to Roseville		12:00N		Enroute to Los Angeles	107.10		
02		1:00PM	Return	139.44			Los Angeles	102.80		
03							Los Angeles	102.80		
04						7:00AM	Return	182.70		
05	6:30AM	7:00PM	Sacramento	66.70	8:00AM	6:30PM	Sacramento	57.50		
06	8:00AM		Enroute to Stockton	31.50	5:00PM		Enroute to Stockton	31.50		
07		3:30PM	Return	126.00		7:00PM	Return	133.00		
12	2:00PM		Enroute to Roseville	21.00						
13		4:00PM	Return	107.00						
14	12:00PM		Enroute to Los Angeles							
15			San Diego	86.00						
16			San Deigo	86.00						
17			San Diego	86.00						
18			San Diego	86.00						
19			San Diego	86.00						
20			Santa Nella	86.00						
21		10:00AM	Return	424.62	3:00PM	12:00N	Enroute to Sacramento	21.00		
									Roseville and Return	94.50

Footnotes are presented on page 68.

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Original Claim				Amended Claim					
Date	Depart	Return	Location	Amount	Depart	Return	Location	Amount	Difference
December 26	8:00AM		Enroute to Lost Hills	86.00					
27			Los Angeles	86.00					
28			Burbank	86.00					
29			Glendale	86.00					
30			Pasadena	86.00					
31			Loma Linda	86.00					
Total December 1988				<u>\$ 1,862.26</u>				<u>\$ 832.90</u>	<u>\$ 1,029.36</u>
Total Travel Reimbursement Claimed for 1988				<u>\$ 20,940.46</u>				<u>\$ 12,314.00</u>	<u>\$ 8,626.46</u>

^aReturn time not provided on the official's amended travel expense claim.

ESTIMATED TIME CLAIMED BUT NOT WORKED
BY OFFICIAL AT CALIFORNIA STATE UNIVERSITY, CHICO
DURING 1988

Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	
January 04	Office	Travel		8	February 01	Travel	Office		8	
05	Travel	Office			02	Travel	Travel			
06	Travel	Travel			03	Office	Travel			
07	Travel	Travel			04	Travel	Travel			
08	Travel	Office		8	05	Travel	Travel			
11	Travel	Office		8	08	Travel	Travel	8 hours sick	b	
12	Travel	Office		8	09	Travel	Sick/office	4 hours sick	4	
13	Travel	Office		8	10	Travel	Office		8	
14	Travel	Home/Chico		8	11	Travel	Office		8	
15	Travel	Office		8	12	Travel	Office		8	
19	Office	Travel			15	Sick	Office	8 hours sick	b	
20	Office	Travel			16	Sick	Office	8 hours sick	b	
21	Office	Travel			17	Office	Office			
22	Office	Travel			18	Travel	Travel			
					19	Travel	Travel			
25	Office	Travel			22	Office	Office			
26	Office	Travel			23	Office	Travel/sick		8	
27	Office	Office			24	Sick	Sick	8 hours sick		
28	Office	Office			25	Sick	Sick	8 hours sick		
29	Office	Office			26	Sick	Sick	8 hours sick		
					29	Travel	Office/Chico		8	
Total Estimated Hours Not Working				56						
				52						

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Footnotes are presented on page 74.

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Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working
March 01	Travel	Office			April 01	Office	Chico		
02	Office	Chico		8	04	Travel	Travel		
03	Vacation	Vacation	8 hours vacation		05	Travel	Travel		
04	Vacation	Vacation	8 hours vacation		06	Travel	Travel		
07	Office	Office			07	Travel	Office		8
08	Office	Office			08	Office	Office		
09	Travel	Office			11	Travel	Office		a
10	Travel	Travel			12	Travel	Home		8
11	Office	Travel		8	13	Travel	Office/home		a
14	Office	Office			14	Travel	Office		a
15	Office	Chico			15	Office	Travel		
16	Office	Chico			18	Travel	Office/Chico		a
17	Vacation	Vacation	8 hours vacation		19	Travel	Office		a
18	Vacation	Vacation	8 hours vacation		20	Travel	Travel		
21	Vacation	Vacation	8 hours vacation		21	Travel	Office		a
22	Office	Office/travel			22	Office	Office		
23	Travel	Travel			25	Travel	Travel		
24	Travel	Travel			26	Travel	Travel		
25	Travel	Travel			27	Travel	Home		8
28	Office	Travel			28	Travel	Home		8
29	Office	Travel			29	Travel	Office/Chico		a
30	Office	Travel							
31	Office	Office							
Total Estimated Hours Not Working				16					32

Footnotes are presented on page 74.

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Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working
July 01	Sick	Sick	4 hours sick		August 01	Travel	Travel		
05	Sick	Sick	9 hours sick		02	Travel	Travel		
06	Sick	Sick	9 hours sick		03	Travel	Travel/office		
07	Sick	Sick	9 hours sick		04	Travel	Travel		
08	Sick	Sick	5 hours sick		05	Travel	Office		4
11	Sick	Office	9 hours sick	b	08	Travel	Travel		
12	Travel	Travel			09	Travel	Travel		
13	Travel	Travel			10	Travel	Travel		
14	Travel	Office		9	11	Travel	Travel		
15	Travel	Office		4	12	Travel	Travel		
18	Travel	Travel			15	Travel	Travel		
19	Travel	Travel			16	Travel	Travel		
20	Travel	Travel			17	Travel	Travel		
21	Travel	Travel			18	Travel	Travel		
22	Travel	Travel			19	Travel	Office		4
25	Travel	Travel			22	Travel	Out of State		9
26	Travel	Travel			23	Travel	Out of State		9
27	Travel	Travel			24	Travel	Out of State		9
28	Travel	Travel			25	Travel	Chico/office		9
29	Travel	Chico		4	26	Travel	Chico/home		4
					29	Travel	Chico		9
					30	Travel	Travel		
					31	Travel	Travel		
Total Estimated Hours Not Working				17					57

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Footnotes are presented on page 74.

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Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working
September 01	Travel	Travel			October 03	Travel	Travel		
02	Travel	Travel			04	Travel	Travel		
06	Travel	Travel			05	Travel	Office	8 hours sick	b
07	Travel	Travel			06	Travel	Travel		
08	Travel	Chico			07	Travel	Travel		
09	Travel	Office		8					
12	Travel	Travel		a	11	Travel	Chico		8
13	Office	Travel			12	Travel	Office		8
14	Travel	Travel			13	Office	Chico		
15	Travel	Chico/home			14	Travel	Travel	8 hours sick	b
16	Travel	Chico/home							
19	Office	Office		8	17	Travel	Travel	8 hours sick	b
20	Travel	Travel		8	18	Travel	Travel		
21	Travel	Chico			19	Travel	Travel		
22	Travel	Chico		8	20	Travel	Travel		
23	Travel	Travel/office		8	21	Travel	Travel		
26	Travel	Chico		8	24	Travel	Travel		
27	Travel	Office		8	25	Travel	Travel		
28	Travel	Chico/home		8	26	Travel	Chico		8
29	Travel	Travel		8	27	Travel	Chico		8
30	Office	Chico			28	Travel	Travel		
					31	Office	Office		
Total Estimated Hours Not Working									
				64					

Footnotes are presented on page 74.

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(Continued from previous page)

Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working	Date	Time Per Original Travel Claim	Time Per Amended Travel Claim	Leave Per Attendance Records	Estimated Hours Not Working
November 01	Travel	Travel			December 01	Travel	Travel	8 hours sick	b
02	Travel	Travel			02	Travel	Travel		
03	Travel	Travel			05	Travel	Travel		
04	Travel	Travel			06	Travel	Chico		8
07	Travel	Travel			07	Travel	Chico	8 hours vacation	b
08	Travel	Travel			08	Vacation	Vacation	8 hours vacation	
09	Travel	Chico		8	09	Vacation	Vacation	8 hours vacation	
10	Travel	Travel			12	Travel	Vacation	8 hours personal holiday	8
14	Travel	Chico		8	13	Travel	Chico		8
15	Travel	Chico		8	14	Travel	Chico		8
16	Travel	Chico		8	15	Travel	Chico		8
17	Travel	Travel			16	Travel	Chico		8
18	Travel	Travel/office		2					
21	Travel	Travel			19	Travel	Travel		
22	Travel	Travel			20	Travel	Office		8
23	Travel	Chico/office		a	21	Travel	Office		8
28	Travel	Travel			22	Vacation	Office	8 hours vacation	b
29	Travel	Travel			23	Vacation/holiday	Office	4 hours vacation/4 hours holiday	b
30	Office	Office			27	Travel	Chico		8
					28	Travel	Chico		8
					29	Travel	Office		8
					30	Travel	Office		8
									<u>88</u>
Total Estimated Hours Not Working				34					
Total Estimated Hours Not Working During 1988				573					
Salary per Hour				x 29.35					
Total Estimated Salary Spent for Hours Not Worked During 1988				<u>16,817.55</u>					

NOTE: The official worked a flex hour option during the months of June, July, and August. Each workweek consists of 4 nine-hour days and one four-hour day.

a Days the official's coworker was not at work. We have not included these days since we cannot verify that the official was not in her office.

b Leave time indicated on the official's official attendance records does not agree with her amended travel expense claims. Because this inconsistency does not result in a loss of state dollars, we did not include this time in the estimated ours not working.

LEGISLATIVE ANALYST'S OFFICE
SUMMARY OF MISAPPROPRIATIONS

<u>Persons Benefiting From Misappropriations</u>	<u>Payments From the Revolving Fund^a</u>	<u>Missing Cash Receipts^b</u>	<u>Airline Tickets Paid by the LAO^c</u>	<u>Totals</u>
Employee	\$26,162.59	\$3,774.00	\$11,824.80 ^d	\$ 41,761.39
Travel Agent	29,788.93		4,923.00	34,711.93
Sister and Sister's Husband	29,981.03		320.00	30,301.03
Others (Unknown)	<u>512.80</u>	<u> </u>	<u>11,792.73</u>	<u>12,305.53</u>
Total	<u>\$86,445.35</u>	<u>\$3,774.00</u>	<u>\$28,860.53</u>	<u>\$119,079.88</u>

^a See Appendix D for details of unauthorized payments from the revolving fund.

^b See Appendix E for details of missing cash receipts.

^c See Appendix F for details of airline tickets paid by the LAO for other than state business.

^d This amount includes \$484.12 paid to Hertz Systems, Inc. for car rental agreements made by the employee.

LEGISLATIVE ANALYST'S OFFICE
UNAUTHORIZED PAYMENTS FROM THE REVOLVING FUND

Warrant Number	Warrant Date	Payee Name on Warrant	Payee Name in Ledger	Amount on Warrant	Amount in Ledger	Endorsement	Explanation on Warrant
<u>Warrants Issued to or for Travel Agent</u>							
4858	01/01/89	Travel Agent	Hoover Inst. Press	\$ 3,250.00	\$ 32.50	Travel Agent	Consulting fees
4871	03/08/89	Travel Agent	Universal Press	3,250.00	32.50	Travel Agent	Consulting fees
4888	03/23/89	Travel Agent	VOID	3,250.00	VOID	Travel Agent	Consulting fees
4944	04/19/89	Travel Agent	Comm of CA St. Govt. Fin.	2,500.00	25.00	Travel Agent	Consulting fees
4962	05/30/89	Travel Agent	Universal Press	3,250.00	32.50	Travel Agent	Costing workshops
4992	07/05/89	Travel Agent	Craig Cornett	3,250.00	122.00	Travel Agent	Consulting fees
4998	07/10/89	Travel Agent	Comm. on CA Pub. Trade Pol.	2,500.00	25.00	Travel Agent	NONE
5046	08/15/89	Travel Agent	Calif. Journal	1,450.00	14.50	Travel Agent	Workshop
5055	08/17/89	Travel Agent	Missing from ledger	1,450.00	NONE	Travel Agent	Workshop
5083	09/05/89	Travel Agent	CA Family Support	3,250.00	32.50	Travel Agent	Workshop
5353	12/08/89	Travel Agent	Progressive Architect	1,900.00	19.00	Travel Agent	Workshop
5331	11/28/89	Davis Travel	National Chamber Found.	152.00	35.69	Davis Travel	Airfare ^b
5348	12/05/89	Davis Travel	Davis Travel	231.00	330.00	Davis Travel	Airfare
4934	04/01/89	Hyatt	Michael Duckworth	105.93	667.00	Hyatt Lake Tahoe	Hotel
Total Issues to or for Travel Agent				<u>\$29,788.93</u>			

Warrant Number	Warrant Date	Payee Name on Warrant	Payee Name in Ledger	Amount on Warrant	Amount in Ledger	Endorsement	Explanation on Warrant
<u>Warrants Issued to or for Sister and Sister's Husband</u>							
5013	07/24/89	Sister	CA Journal	1,650.00	16.50	Sister	Workshop
5032	08/04/89	Sister	Hertz	4,350.00	452.18	Sister	Workshop
5079	09/01/89	Sister	Child Welfare League	1,750.00	17.50	Sister	Facilities planning
5099	09/12/89	Sister	Postmaster	500.00	500.00	Sister	NONE
5150	10/02/89	Sister	Cato Institute	4,500.00	45.00	Sister	Workshop
5235	10/27/89	Sister	CA Law Bulletin	500.00	50.00	Sister	NONE
5251	11/01/89	Sister	CA Hospitals Assoc.	4,500.00	42.50	Sister	Workshop
5278	11/09/89	Sister	Double Tree Inn	1,500.00	135.00	Sister	Workshop
5340	12/01/89	Sister	Craig Cornett	4,500.00	136.50	Sister	Consulting fees
5376	01/02/90	Sister	School Facilities App.	5,000.00	50.00	Sister	Workshop
5255	11/02/89	The Hertz Corp.	The Hertz Corporation	104.84	65.56	Sister, Inc.	Account number ^c
5048	08/15/89	Hilton	Nicholas Gustilo	350.00	51.00	Hilton	Hotel
5277	11/09/89	Hilton	Chuck Nicol	135.00	286.00	Hilton	Hotel
5012	07/24/89	U.S. Sprint	Children's Defense Fund	641.19	64.19	U.S. Sprint	Phone calls
Total Issues to or for Sister and Sister's Husband				<u>\$29,981.03</u>			

Footnotes are presented on page 79.

Appendix D continued on next page

Warrant Number	Warrant Date	Payee Name on Warrant	Payee Name in Ledger	Amount on Warrant	Amount in Ledger	Endorsement	Explanation on Warrant
Warrants Issued to or for Employee							
4052	10/20/87	Employee	Employee	\$ 500.00	\$500.00	Employee	Pay advance
4175	12/29/87	Employee	Charles Hobbs	500.00	500.00	Employee	Pay advance
4197	01/19/88	Employee	CA Assessor's Assoc.	350.00	350.00	Employee	Pay advance
4206	01/28/88	Employee	Government Fin. Assoc.	67.00	67.00	Employee	Pay advance
4211	02/05/88	Employee	NCSL	450.00	450.00	Employee	Pay advance
4249	03/01/88	Employee	Charles Hobb	500.00	500.00	Employee	Pay advance
4267	03/11/88	Employee	NCSL	430.00	430.00	Employee	Pay advance
4313	03/24/88	Employee	NCSL	270.00	270.00	Employee	Travel advance
4339	04/08/88	Employee	Andrea Kane	212.00	212.00	Account number	None
4362	04/22/88	Employee	Charles Hobb	420.00	420.00	Employee	Pay advance
4378	05/18/88	Employee	UC Regents	212.00	212.00	Employee	None
4382	05/31/88	Employee	American Express	400.00	400.00	Employee	Pay advance
4386	05/25/88	Employee	UC Regents	500.00	500.00	Employee	Pay advance
4393	06/16/88	Employee	American Express	800.00	800.00	Employee	Pay advance
4403	06/28/88	Employee	NCSL	450.00	450.00	Account number	None
4416	07/08/88	Employee	Ann Kuhns	512.00	512.00	Account number	Travel advance
4432	07/13/88	Employee	Postmaster	500.00	500.00	Account number	Pay advance
4446	07/19/88	Employee	NCSL	200.00	200.00	Account number	Pay advance
4459	07/27/88	Employee	Daniel Alvarez	282.00	282.00	Account number	Travel advance
4480	08/16/88	Employee	CA Policy Seminar	675.24	675.00	Employee	Over time pay
4494	08/25/88	Employee	Davis Travel	580.00	580.00	Employee	Ticket Reimburs.
4532	09/12/88	Employee	Postmaster	500.00	82.00	Employee	Pay advance
4644	10/17/88	Employee	D. Alvarez	500.00	82.00	Employee	Pay advance
4674	10/25/88	Employee	Bay Area Urban Transit	500.00	50.00	Employee	Pay advance
4775	11/28/88	Employee	NCSL	800.00	80.00	Employee	Pay advance
4802	12/16/88	Employee	CAPCOA	500.00	50.00	Employee	Pay advance
4804	12/19/88	Employee	NCCE	315.00	31.00	Employee	Travel advance
4818	01/23/89	Employee	Bay Area Urban Transit	500.00	50.00	Employee	Travel advance
4991	07/05/89	Employee	Laura Carter	500.00	122.00	Employee	Pay advance
5023	07/28/89	Employee	University of Chicago	641.50	641.50	Employee	Airfare reimburs.
5307	11/16/89	Employee	School Facilities Inst.	1,200.00	12.00	Employee	Pay advance
5326	11/27/89	Employee	Northlake Tower	686.12	68.00	Employee	Travel advance
5365	12/15/89	Employee	US GPO	1,000.00	10.00	Employee	Pay advance
5378	01/10/90	Employee	US Dept. of Commerce	1,800.00	18.00	Employee	Advance
5255	11/02/89	The Hertz Corporation	The Hertz Corporation	395.33	65.56	Employee	Account number ^C
4388	06/13/88	Anaheim Hilton	Anaheim Hilton	408.70	408.70	Hertz Inc.	Hotel
4389	06/13/88	Anaheim Hilton	Anaheim Hilton	393.70	393.70	Anaheim Hilton	Hotel
4932	04/12/89	Hilton	Catamaran Hotel	667.00	105.93	Hilton	Hotel
4933	04/12/89	Hilton	Michael Duckworth	667.00	667.00	Hilton	Hotel
4701	11/02/88	Davis Travel Agency	Davis Travel	440.00	440.00	Davis Travel	None
4717	11/08/88	Davis Travel	Davis Travel	601.60	601.60	Davis Travel	None
5331	11/28/89	Davis Travel	National Chamber Found.	3,417.00	35.69	Davis Travel	Airfare ^a
4465	08/03/88	Hvatt Regency Sac.	APHA Housing Bureau	169.40	169.40	Hvatt Regency Sac.	Hotel
4826	01/27/89	Monterey Beach Hotel	Monterey Beach Hotel	750.00	75.00	Monterey Beach Hotel	Hotel
Total Issued to or for Employee				\$26,162.59			

Total Issued to or for Employee

\$26,162.59

Appendix D continued

Warrant Number	Warrant Date	Payee Name on Warrant	Payee Name in Ledger	Amount on Warrant	Amount in Ledger	Endorsement	Explanation on Warrant
<u>Revolving Fund Misappropriations (Beneficiaries Unknown)</u>							
4727	11/08/88	Ranch House Hotel	Ranch House Hotel	\$ 308.80	\$308.80	Ranch House Hotel	Hotel
5348	12/05/89	Davis Travel	Davis Travel	99.00	330.00	Davis Travel	Airfare ^b
4965	06/05/89	Davis Travel	Robert Sainz	105.00	300.00	Davis Travel	Refund error
Total Misappropriations (Beneficiaries Unknown)				512.80			
75 Total Disbursements (72 Warrants)				\$86,445.35			

Summary of Unauthorized Payees

Payee	Number of Warrants	Amount on Warrant
Employee	34	\$18,252.86
Travel Agent	11	29,300.00
Sister	10	28,750.00
Davis Travel	5	5,045.60
Other Vendors	12	5,096.89
Total	72	\$86,445.35

^a Warrant number 5331, totaling \$3,569, was used to purchase six airline tickets. Three of these tickets, totaling \$152, were for the benefit of the travel agent, and three tickets, totaling \$3,417, were for the benefit of the employee.

^b Warrant number 5348, totaling \$330, was used to purchase three airline tickets. Two of these tickets, totaling \$231, were for the benefit of the travel agent; the remaining \$99 ticket was for an unknown beneficiary.

^c Warrant number 5255, totaling \$2,265.56, included unauthorized rental car charges incurred by the sister's husband and the employee. Charges incurred by the sister's husband totaled \$104.84, while charges incurred by the employee totaled \$395.33. The remaining charges, totaling \$1,765.39, were for valid expenditures of the Legislative Analyst's Office.

LEGISLATIVE ANALYST'S OFFICE
 SUMMARY OF CASH RECEIPTS MISSING
FROM REVOLVING FUND DEPOSITS

<u>Date of Receipt</u>	<u>Amount of Cash Receipt</u>	<u>Receipt Number (if Available)</u>	<u>Deposit Number</u>	<u>Date of Deposit</u>	<u>Amount Deposited per Bank</u>	<u>Deposit Amount per Ledger</u>	<u>Shortage</u>
08/31/88	\$150.00	N/A	853732	09/08/88	\$ 4,814.50	\$ 4,964.50	\$ 150.00
09/30/88	100.00	N/A	853734	09/30/88	13,164.93	13,264.93	100.00
01/31/89	100.00	N/A	853741	02/24/89	11,305.06	11,405.06	100.00
03/31/89	80.00	N/A	853743	04/19/89	8,057.03	8,137.03	80.00
07/31/89	350.00	2986	853751				
08/17/89	<u>300.00</u>	2988	853751				
Total	650.00			08/28/89	6,257.99	6,907.99	650.00
08/31/89	320.00	2991	853753				
09/28/89	<u>80.00</u>	N/A	853753				
Total	530.00			09/11/89	11,650.00	12,180.00	530.00
09/29/89	670.00	2996	853755/57/59				
09/29/89	80.00	N/A	853755/57/59				
10/18/89	<u>144.00</u>	N/A	853755/57/59				
Total	894.00			10/02/89	22,981.57	23,875.57 ^a	894.00
11/29/89	500.00	3005	853763				
11/30/89	<u>100.00</u>	N/A	853763	12/01/89	12,385.19	12,985.19	600.00
Total	600.00			12/01/89	12,385.19	12,985.19	600.00
09/30/88	70.00	2978	-----Not Deposited or Recorded in the Ledger-----				70.00
Unknown	500.00	N/A	-No Receipt, No Deposit, and No Entries in Ledger-				500.00
12/29/89	100.00	3006	-----No Deposits Made After December 1, 1989-----				<u>100.00</u>
Total Cash Receipts Missing and Not Deposited							<u>\$3,774.00</u>

^a Items for these deposits are scrambled in the ledger. Some items deposited are not recorded in the ledger. Some items in the ledger are recorded on more than one deposit slip, and deposit #853759 was never made to the bank. Although deposit #853759 was never made to the bank, the items on the deposit slip were made on the other two deposits.

LEGISLATIVE ANALYST'S OFFICE
SCHEDULE OF AIRLINE TICKETS PURCHASED AND
CARS RENTED FOR OTHER THAN STATE BUSINESS

<u>Ticket Number</u>	<u>Date Issued</u>	<u>Ticket Amount</u>	<u>Claim Schedule/ Revolving Fund Check Number</u>	<u>Amount Paid per Claim</u>	<u>Revolving Fund Payments</u>	<u>Date of Payment</u>
Unauthorized Airline Tickets Issued in the Name of the Employee, Her Family, and Her Friends						
4018538035143	03/22/89	\$ 189.00	B21119	\$ 189.00		04/24/89
0068538035144	03/22/89	194.00	B21119	194.00		04/24/89
0161459841512	07/19/89	438.00	Offsets credit ^a	438.00		07/17/89
4011449033028	03/08/89	338.00	B21119	338.00		04/24/89
0161459841513	07/19/89	438.00	Offsets credit ^a	438.00		07/17/89
0377437605236	07/08/88	76.00	B20014	76.00		08/24/88
0161450094588	03/23/89	29.00	B21119	29.00		04/24/89
4011457350348	06/21/89	336.00	Offsets credit ^a	336.00		07/17/89
4011450094587	03/23/89	169.00	B21119	169.00		04/24/89
0061466740825	10/10/89	80.00	B30092X	80.00		12/12/89
0061466740824	10/10/89	80.00	B30092X	80.00		12/12/89
0061466740822	10/10/89	80.00	B30092X	80.00		12/12/89
0371465064030	09/22/89	80.00	B30073	80.00		10/31/89
0061466740823	10/10/89	80.00	B30092X	80.00		12/12/89
0061466740821	10/10/89	80.00	B30092X	80.00		12/12/89
0161451637603	04/13/89	89.00	B21142	89.00		05/25/89
0161451637604	04/13/89	89.00	B21142	89.00		05/25/89
0161451637600	04/13/89	89.00	B21142	89.00		05/25/89
0161451637602	04/13/89	89.00	B21142	89.00		05/25/89
0161451637601	04/13/89	89.00	B21142	89.00		05/25/89
0161448045314	02/27/89	420.00	B21119	420.00		04/24/89
0011454865108	05/18/89	356.00	B21188	356.00		07/17/89
0011453685664	05/10/89	1,178.00	B21188	1,178.00		07/17/89
0161455314621	05/26/89	1,139.00	5331		\$1,139.00	11/28/89
0161452038750	04/25/89	610.00	B21165	610.00		06/27/89
0161452038747	04/25/89	488.00	B21165	488.00		06/27/89
0161452038746	04/25/89	488.00	B21165	488.00		06/27/89
0161452038748	04/25/89	610.00	B21165	610.00		06/27/89
0011453685665	05/10/89	1,178.00	B21165	1,178.00		06/27/89
0161455314620	05/26/89	1,139.00	5331		1,139.00	11/28/89
0161455314619	05/26/89	1,139.00	5331		1,139.00	11/28/89
0011454865109	05/18/89	356.00	B21188	356.00		07/17/89
0377437605231	07/08/88	76.00	B20014	76.00		08/24/88
0161451637606	04/13/89	80.00	B21142	80.00		05/25/89
0011458776442	07/07/89	72.00	Offsets credit ^a	72.00		07/17/89
0011458776444	07/07/89	40.00	Offsets credit ^a	40.00		07/17/89
0011458776443	07/07/89	40.00	Offsets credit ^a	40.00		07/17/89
0377437605232	07/08/88	76.00	B20014	76.00		08/24/88
0161451637607	04/13/89	80.00	B21142	80.00		05/25/89
0377432565471	05/12/88	108.50	B19245	108.50		07/14/88
0161453685825	05/16/89	335.59	B21188	335.59		07/17/89
0377432565470	05/12/88	108.50	B19245	108.50		07/14/88
0161453685826	05/16/89	335.59	B21188	335.59		07/17/89
0161451637608	04/13/89	80.00	B21142	80.00		05/25/89
0377437605233	07/08/88	76.00	B20014	76.00		08/24/88
0377437605230	07/08/88	76.00	B20014	76.00		08/24/88
0011454865107	05/18/89	356.00	B21188	356.00		07/17/89
0371460471278	08/04/89	40.00	Offsets credit ^a	40.00		07/17/89
0161451637605	04/13/89	80.00	B21142	80.00		05/25/89
0011454865110	05/18/89	356.00	B21188	356.00		07/17/89
0377432565469	05/12/88	108.50	B19245	108.50		07/14/88
Total Employee, Family, and Friends		<u>\$14,757.68</u>		<u>\$11,340.68</u>	<u>\$3,417.00</u>	

Appendix F, Continued

<u>Ticket Number</u>	<u>Date Issued</u>	<u>Ticket Amount</u>	<u>Claim Schedule/ Revolving Fund Check Number</u>	<u>Amount Paid per Claim</u>	<u>Revolving Fund Payments</u>	<u>Date of Payment</u>
<u>Unauthorized Airline Tickets Issued in the Name of Travel Agent and Her Family</u>						
0011453253311	05/04/89	\$ 976.00	B21165	\$ 976.00		06/27/89
0011453253313	05/04/89	976.00	B21165	976.00		06/27/89
0011453253312	05/04/89	976.00	B21165	976.00		06/27/89
0061452038837	04/30/89	272.00	B21165	272.00		06/27/89
0161452038681	04/21/89	1,139.00	B21142	1,139.00		05/25/89
0061447077193	02/13/89	154.00	5348		\$ 154.00	12/05/89
0061447438528	02/16/89	77.00	5348		77.00	12/05/89
0371449560800	03/17/89	38.00	B21119	38.00		04/24/89
0371451184941	04/07/89	76.00	B21142	76.00		05/25/89
0371449033118	03/13/89	38.00	B21119	38.00		04/24/89
0161457726988	06/23/89	38.00	Offsets credit ^a	38.00		07/17/89
0061451184942	04/23/89	38.00	B21142	38.00		05/25/89
0161449560821	03/19/89	38.00	B21119	38.00		04/24/89
0371457726941	06/21/89	38.00	Offsets credit ^a	38.00		07/17/89
0161446526244	02/08/89	76.00	5331		76.00	11/28/89
0371450719338	04/03/89	38.00	B21142	38.00		05/25/89
0371453685675	05/10/89	38.00	B21165	38.00		06/27/89
0371449560845	03/21/89	38.00	B21119	38.00		04/24/89
0371448552840	03/07/89	76.00	B21119	76.00		04/24/89
0371452038689	04/21/89	45.00	B21142	45.00		05/25/89
0161455514636	05/30/89	45.00	B21188	45.00		07/17/89
0161447438518	02/15/89	38.00	5331		38.00	11/28/89
0161447438583	02/19/89	38.00	5331		38.00	11/28/89
Total Travel Agent and Family		<u>\$ 5,306.00</u>		<u>\$ 4,923.00</u>	<u>\$ 383.00</u>	

Unauthorized Airline Tickets Issued in the
Name of the Employee's Sister or Sister's Husband

0371469535970	11/09/89	\$ 40.00	B30143	\$ 40.00		01/18/90
0378449930458	08/15/89	80.00	Offsets credit ^a	80.00		09/08/89
0371469535968	11/09/89	40.00	B30143	40.00		01/18/90
0371469535969	11/09/89	40.00	B30143	40.00		01/18/90
0378449930457	08/15/89	80.00	Offsets credit ^a	80.00		09/08/89
0371469535967	11/09/89	40.00	B30143	40.00		01/18/90
Total Sister or Sister's Husband		<u>\$ 320.00</u>		<u>\$ 320.00</u>	<u>\$ 0.00</u>	

Unauthorized Airline Tickets Issued for
Traveler Unknown to the LAO (Beneficiary Unknown)

0161453253245	05/02/89	\$ 76.00	B21165	\$ 76.00		06/27/89
0018449930429	04/24/89	90.00	B21165	90.00		06/27/89
0018449920430	04/24/89	90.00	B21165	90.00		06/27/89
0011451184923	04/07/89	428.00	B21142	428.00		05/25/89
0011460471294	08/04/89	80.00	Offsets credit ^a	80.00		07/17/89
0378449930412	03/29/89	80.00	B21142	80.00		05/25/89
0011453685700	05/11/89	214.00	B21165	214.00		06/27/89
0371458215039	06/30/89	80.00	Offsets credit ^a	80.00		07/17/89
0161448552837	03/06/89	268.18	B21119	268.18		07/17/89
0371460471297	08/04/89	40.00	Offsets credit ^a	40.00		07/17/89

Appendix F, Continued

<u>Ticket Number</u>	<u>Date Issued</u>	<u>Ticket Amount</u>	<u>Claim Schedule/ Revolving Fund Check Number</u>	<u>Amount Paid per Claim</u>	<u>Revolving Fund Payments</u>	<u>Date of Payment</u>
Unauthorized Airline Tickets Issued for Traveler Unknown to the LAO (Beneficiary Unknown) (continued)						
0371457727007	06/26/89	50.00	Offsets credit ^a	\$ 50.00		07/17/89
0371457727006	06/26/89	100.00	Offsets credit ^a	100.00		07/17/89
0161449033002	03/08/89	100.00	B21119	100.00		04/24/89
0371457727005	06/26/89	100.00	Iffsets credit ^a	100.00		07/17/89
0371450094558	03/22/89	40.00	B21119	40.00		04/24/89
0161451184882	04/05/89	298.00	B21142	298.00		05/25/89
0011456268340	06/06/89	80.00	B21188	80.00		07/17/89
0161451637615	04/13/89	76.00	B21142	76.00		05/25/89
0061457350313	06/20/89	38.00	Offsets credit ^a	38.00		07/17/89
0011461715217	08/11/89	174.00	Offsets credit ^a	174.00		07/17/89
0161457727038	06/27/89	38.00	Offsets credit ^a	38.00		07/17/89
0161468877512	10/30/89	80.00	B30117	80.00		12/28/89
0011457350316	06/20/89	78.00	Offsets credit ^a	78.00		07/17/89
0161470521794	11/16/89	138.00	B30143	138.00		01/18/90
0061459243713	07/18/89	358.00	Offsets credit ^a	358.00		07/17/89
0061459243712	07/18/89	358.00	Offsets credit ^a	358.00		07/17/89
0371453685774	05/15/89	80.00	B21188	80.00		07/17/89
0011470521908	11/27/89	80.00	B30143	80.00		01/18/90
0371451184952	04/10/89	80.00	B21142	80.00		05/25/89
0371459243681	07/17/89	80.00	Offsets credit ^a	80.00		07/17/89
0161461715326	08/18/89	80.00	Offsets credit ^a	80.00		09/08/89
0161449560819	03/19/89	38.00	B21119	38.00		04/24/89
0371449033116	03/13/89	38.00	B21119	38.00		04/24/89
0371449560801	03/17/89	38.00	B21119	38.00		04/24/89
0371449560802	03/17/89	38.00	B21119	38.00		04/24/89
0161449560820	03/19/89	38.00	B21119	38.00		04/24/89
0371449033117	03/13/89	38.00	B21119	38.00		04/24/89
0161449033001	03/08/89	100.00	B21119	100.00		04/24/89
0371457727004	06/26/89	100.00	Offsets credit ^a	100.00		07/17/89
0371452038632	04/20/89	80.00	b21142	80.00		05/25/89
0011456268339	06/06/89	80.00	b21188	80.00		07/17/89
0371453685581	05/05/89	80.00	B21165	80.00		06/27/89
0371455514673	05/31/89	100.00	B21188	100.00		07/17/89
0121453253264	05/03/89	358.00	B21165	358.00		06/27/89
0161469535957	11/09/89	148.00	B30143	148.00		01/18/90
0371458215040	06/30/89	80.00	Offsets credit ^a	80.00		07/17/89
0011453685676	05/10/89	98.00	B21165	98.00		06/27/89
0011453685637	05/08/89	98.00	B21165	98.00		06/27/89
0061456268390	06/08/90	129.00	Offsets credit ^a	129.00		07/17/89
4011462783363	08/24/89	99.00	5348		\$99.00	12/05/89
0371452038631	04/20/89	80.00	B21142	80.00		05/25/89
0051470521873	11/21/89	285.00	B30143	285.00		01/18/90
0168449109883	03/03/89	38.00	B21119	38.00		04/24/89
0161456268315	06/05/89	65.00	B21188	76.00		07/17/89
0161453685595	05/05/89	66.00	B21165	76.00		06/27/89
0371451184953	04/10/89	80.00	B21142	80.00		05/25/89
0061459841649	07/27/89	80.00	Offsets credit ^a	80.00		07/17/89
0371448552842	03/07/89	80.00	B21119	80.00		04/24/89
Total Traveler Unknown (Beneficiary Unknown)		\$ 6,525.18		\$ 6,426.18	\$ 99.00	

Appendix F, Continued

<u>Ticket Number</u>	<u>Date Issued</u>	<u>Ticket Amount</u>	<u>Claim Schedule/ Revolving Fund Check Number</u>	<u>Amount Paid per Claim</u>	<u>Revolving Fund Payments</u>	<u>Date of Payment</u>
<u>Unauthorized Airline Tickets Issued in the Name of LAO Employees (Beneficiary Unknown)</u>						
0068960368030	07/24/89	\$ 77.00	Offsets credit ^a	\$ 77.00		09/08/89
0161451637596	04/13/89	98.00	B21142	98.00		05/25/89
0168965157863	08/04/89	38.00	Offsets credit ^a	38.00		09/08/89
0168965157366	07/17/89	76.00	Offsets credit ^a	76.00		09/08/89
0018960355951	07/06/89	72.59	Offsets credit ^a	72.59		09/08/89
0378960947552	07/06/89	80.00	Offsets credit ^a	80.00		07/17/89
0378960947631	07/16/89	138.00	Offsets credit ^a	138.00		07/17/89
0378960947615	07/06/89	80.00	Offsets credit ^a	80.00		07/17/89
0160023341036	07/12/89	215.96	Offsets credit ^a	215.96		07/17/89
0378960946842	05/22/89	100.00	Offsets credit ^a	100.00		07/17/89
0378960946843	05/22/89	100.00	Offsets credit ^a	100.00		07/17/89
0371444559773	06/19/89	80.00	Offsets credit ^a	80.00		07/17/89
5261443192835	06/28/89	158.00	Offsets credit ^a	158.00		07/17/89
0168965157326	07/17/89	38.00	Offsets credit ^a	38.00		09/08/89
5268960051513	07/26/89	154.00	B30073	154.00		10/09/89
0168965157327	07/17/89	38.00	Offsets credit ^a	38.00		09/08/89
5268960051512	07/27/89	154.00	B30073	154.00		10/09/89
0168965157864	08/04/89	38.00	Offsets credit ^a	38.00		09/08/89
4011465063974	12/01/89	258.00	Offsets credit ^a	258.00		12/28/89
0370000000000	12/01/89	50.00	Offsets credit ^a	50.00		12/28/89
0370000000000	12/01/89	78.00	Offsets credit ^a	78.00		12/28/89
0370000000000	12/01/89	138.00	Offsets credit ^a	138.00		12/28/89
0078865804350	12/19/89	179.00	Offsets credit ^a	179.00		12/28/89
0018960500700	12/06/89	<u>2,928.00</u>	Offsets credit ^a	<u>2,928.00</u>	<u>\$ 0.00</u>	12/28/89
Total - LAO Employees (Beneficiary Unknown)		<u>\$ 5,366.55</u>		<u>\$ 5,366.55</u>	<u>\$ 0.00</u>	
Total - Beneficiary Unknown)		<u>\$11,891.73</u>		<u>\$11,792.73</u>	<u>\$ 99.00</u>	
Total Unauthorized Tickets Paid by the LAO		<u>\$32,275.41</u>		<u>\$28,376.41</u>	<u>\$3,899.00</u>	

HERTZ CAR RENTALS BILLED TO THE
LAO FOR OTHER THAN STATE BUSINESS

<u>Driver</u>	<u>Rental Agreement Number</u>	<u>Agreement Date</u>	<u>Claim Schedule/ Revolving Fund Check Number</u>	<u>Amount Paid per Claim</u>	<u>Revolving Fund Payments</u>	<u>Date of Payment</u>
Employee	22529141	07/17/88	B20037	\$ 110.10		09/20/88
Employee	32165157	09/04/88	B20058	263.01		10/19/88
Employee	22914608	11/06/88	B21008	111.01		12/19/88
Employee Sister's	32287709	08/17/89	5255		\$ 395.33	11/02/89
Husband	25021927	08/18/89	5255	\$	104.84	11/02/89
Total Car Rentals Paid for Other Than State Business				<u>\$ 484.12</u>	<u>500.17</u>	
Grand Totals				<u>\$28,860.53</u>	<u>\$4,399.17^b</u>	

^a At the time of the charge, the United Airlines Travel Plan invoice showed a credit balance. The LAO did not issue a payment for this charge. The charge was offset against the credit balance.

^b Revolving fund warrants supporting this total are also included in Appendix B.

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cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps