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## **ADMINISTRATIVE COMMITTEE**

The Administrative Committee investigated the following boards, departments and agencies:

Arrowhead Regional Medical Center

Board of Supervisors

County Ethics Office

Human Resources

Purchasing

Superintendent of Schools

Three committee members regularly attended the Board of Supervisor meetings. They also attended a Chiefs of Staff meeting.

The Administrative committee would like to thank the members of the Board of Supervisors and the County Administrative Officer for their cooperation and support. We especially thank all the county personnel we spoke with for their valuable time and limitless patience with our requests for information.

The actions of the Administrative Committee resulted in the following report.

# **ARROWHEAD REGIONAL MEDICAL CENTER (ARMC)**

## **EMERGENCY ROOM OVERCROWDING**

### **BACKGROUND**

Arrowhead Regional Medical Center (ARMC) moved into its present facility in 1999. It has 373 beds and with the remodel of the sixth floor it will gain an additional 84 beds. On an average day the facility is 97% occupied. The Emergency Room at the Medical Center is the busiest in the state. It is 100% full 100% of the time and is considered the ultimate safety net for the area. ARMC is self-sustaining and receives no General Funds from the County but it does have \$30 million in reserve.

In San Bernardino County, 270,000 people have no medical insurance. ARMC's current patient mix as a whole is: 25% have no insurance of any kind; 13% are covered under the Medically Indigent Adult program (MIA); 11% have Medicare; 10% have commercial insurance; 38% have Medi-Cal and 3% are county prisoners. The Emergency Department uninsured numbers are a little higher at 51%. Though the hospital is not paid for all its services provided to patients who cannot pay, it does receive some "Disproportionate Share Hospital Funds" from the federal government and safety net care pool dollars from the state government to help off-set some of the uncompensated care. ARMC also receives financial assistance from the federal government for certain emergency health services provided to undocumented immigrants.

### **FINDINGS**

California has the largest number of uninsured patients in the nation. As a result, hospitals ERs are often utilized as the medical office of first resort. In 2007, the Emergency Department at ARMC saw 110,000 patients. In February 2008, the Governor of California signed into law a total of \$1.2 billion in cuts to the Medi-Cal program. Traditionally, the Medi-Cal program has been under-funded. As it stands now, Medi-Cal covers 78% of the costs that hospitals incur in caring for these patients. Many doctors no longer treat Medi-Cal patients because of the programs low payment rates. When Medi-Cal and other patients cannot find doctors to care for them, they rely on their local ERs for basic health care services. This is adding to the consistent overcrowding in the ERs. Seventy-eight percent of patients admitted to ARMC come in through the Emergency Room doors. Patients experience long wait times in order to be seen by a physician. It was the issue of already overcrowded ERs that the Grand Jury was concerned about. With the new budget cuts, the overcrowding will become a more critical issue.

Several Grand Jury members met with the hospital CEO and voiced their concerns. We learned of their new Emergency Department Access and Triage Re-design program called Rapid Medical Emergency Treatment (RMET). This program funnels the

non-acute patients to an area where they can be treated quickly. They still go through triage, but by a nurse in the waiting room; not behind a window. There is no huge work-up done. The staffing for this area is still 1 nurse for every 4 patients (as required in the ER area). This RMET plan has moved the process in the ER along to the point where the average wait is now 31 minutes. The ambulance diversion hours (that time when the ER was filled and could not take any patients) have also dropped tremendously while the visits to the ER have increased. In 2002, the annual visits to the ER were 58,000; in 2007, the annual visits were 110,000. In April 2007 the monthly ambulance diversion hours were 183; in April of 2008 the hours were 96. In 2002, the wait time in the ER was approximately 240 minutes; in 2007 it was 50-60 minutes. With this re-designed flow plan the wait time is 31 minutes. In 2002, 20% of those patients in the ER left without being seen. In 2008, so far only 1% of patients have left without being seen. The overcrowding issue, thought to be critical, is being resolved with a well thought out and implemented plan.

### **COMMENDATION**

Members of the Grand Jury visited the facility twice, once in November of 2007 and once in May of 2008. The changes made in the Emergency Department were overwhelming. The use of metal detectors and highly visible security personnel added a sense of well-being and seriousness of purpose. The remodeling of the sixth floor and the re-design of the patient flow in the Emergency Room are excellent examples of forward thinking by the executive staff and the efforts of the physicians and nursing staff are beyond reproach. They are dedicated and devoted to their responsibilities.

The Grand Jury would like to commend the administrators, and the physician and nursing staff at Arrowhead Regional Medical Center, for their progressive thinking and complete dedication to their patients' well being. San Bernardino County can be very proud of this facility.

# AUDIT/FISCAL COMMITTEE

Kraig Westra, Chairman

Ed Brittain

Nanette Deffina

Dick Abraham

Susan Brewster

Cliff Burke

Skip Burt

Jim Cook

Kent Fogleman

David Gunther

Dory Hegdahl

BJ Jones

Wayne King

Bill Sommers

Dave Van Buren



## **AUDIT/FISCAL COMMITTEE**

The Audit/Fiscal Committee is responsible for the following county departments:

Assessor

Auditor/Controller-Recorder/County Clerk

Treasurer-Tax Collector/Public Administrator

The Assessor Subcommittee performed a thorough review of the Assessor function. As part of this process, 25 subpoenas were issued and 29 interviews were conducted. Thousands of documents were reviewed.

The Audit/Expense Subcommittee did extensive work in reviewing expenses and credit cards. Many interviews were conducted and thousands of expense records were reviewed.

The committee wishes to thank the many dedicated county employees who aided in our investigations. Their many hours of extra work are sincerely appreciated.

The following reports give a summary of our findings.

# ASSESSOR

## SAN BERNARDINO COUNTY TAX ASSESSOR FUNCTION

### BACKGROUND

The current Assessor took office in January 2007. Before assuming the Assessors position, while he was still Chairman of the Board of Supervisors, that body approved several new positions for the Assessors Office and additional budget amounts to fund them. The new positions included Communications Officer, Intergovernmental Relations Officer, Two Special Assistants, Facilities/Safety Manager, Project Administrator, Executive Secretary and Office Specialist.

According to the 2006-2007 San Bernardino County Final Budgets, The Board approved an appropriation increase of \$1,803,900 for 28.0 positions and their corresponding services and support costs.

The final approved 2006-2007 San Bernardino County Budget and the 2007-2008 San Bernardino County Budget for the Assessors Office show the increases in salaries and personnel for the Assessors Office:

	<u>2005-2006</u>	<u>2006-2007</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries and Benefits Actual	\$11,971,812	\$13,267,033	\$1,295,221	10.82%
Staff County Budget	175.6	204.5	+28.9	16%

Under the current Assessor, the Assessors office was reorganized to absorb a portion of the newly created positions in a new administrative level called the “Executive Support Staff”. These positions were not found in the previous Assessors organization charts. The resulting structure is a two-tiered bureaucracy: The Operations staff, managed by a newly appointed Assistant Assessor with 200+ employees, that does the property valuation function, and the Executive Support staff, managed by a second newly appointed Assistant Assessor with 8+ employees that reports directly to the Assessor.

### INVESTIGATION

The function of the Executive Support staff was the main focus of our investigation. The Grand Jury interviewed 17 current employees and former employees of the Assessors Office, an Assessors Office consultant, and the current Assessor. The Grand Jury reviewed several thousand emails from the Assessors Office; Executive Support staff expense records; Executive Support staff weekly meeting minutes; Executive Support staff payroll records; educational reimbursement records for university attendance; a separation agreement between the former Assistant Assessor in charge of

Operations and the Assessors Office; and Purchase order # Z3073, dated July 13, 2007 for consulting services.

The Grand Jury also reviewed San Bernardino County policies for Purchase Order agreements; use of County email systems; separation agreements and tuition reimbursement. Any references to “Assistant Assessor” within the report refers to individuals originally appointed to those positions when the current Assessor was elected and does not refer to individuals who were subsequently appointed to the position of Assistant Assessor as the result of changes in office personnel.

## **FINDINGS**

The reorganization of the Assessors Office created two distinct management groups within the Assessors office. The Grand Jury found striking contrast in the level of management expertise, technical knowledge, and productive contributions to the duties and responsibilities between the two management groups. The Grand Jury found that these two management groups had very little interaction.

The Operations managers oversee the day-to-day operations of the Assessors Office. These managers are currently career employees who provide departmental competency and expertise. They have high levels of experience, training and education and are indispensable to the everyday operations of the Assessors Office. These managers report directly to the Assistant Assessor for Operations.

As part of the reorganization, the current Assessor reclassified key operational management positions from “civil service protected” to “at-will.” Testimony from Assessor’s employees indicated career employees may be reluctant to give up their civil service status for an “at will” political appointment. The reclassification of these top positions from “civil service protected” to “at will” threatens the professionalism and competency of those positions. These reclassifications could make these positions vulnerable to political cronyism or undue influence from administrative political appointees.

The Executive Support staff was created when the current Assessor took office in January 2007. In contrast to the Operations managers, the individuals appointed to the positions in the Executive Support staff lacked experience or training directly associated with assessor work. The lack of management and assessor function experience of the two Assistant Assessors originally appointed by the Assessor caused the Grand Jury great concern. According to the Revenue & Taxation Code, within 30 days of appointment, the Assistant Assessor must hold a valid temporary appraiser’s certificate issued by the Board of Equalization. A four-year college degree or a high school degree and relevant work experience is a requirement for receiving a temporary appraiser’s certificate. The Assistant Assessor for Executive Support did not meet these requirements, but a waiver was obtained from the Board of Equalization.

Most of the Executive Support staff is made up of individuals with previous associations with the Assessor when he was on the Board of Supervisors and/or was Republican Central Committee Chairman.

In order to determine the purpose and work activities of the Executive Support Staff, the Grand Jury elicited testimony from employees of the Assessors Office regarding their own projects and their knowledge of tasks assigned to other employees. The Grand Jury also reviewed the minutes from the weekly meetings held by the Executive Support Staff. Based on this information, the Grand Jury determined that staff members used considerable time on planning and implementing such projects as completing and publishing the annual Assessors Office report, creating website links, and planning outreach meetings. Such projects are at best “public image” work and determined to be generally peripheral to the core activities of the Assessors Office. This assessment was confirmed by the testimony of individuals from the Assessors Office that the Executive Support Staff had little impact on the everyday operations of the office.

The increase in personnel and funding to staff the new bureaucracy group appears unjustified based on the contribution of this group to the office in terms of expertise, education, training and work product. It is important to note the former Assessor did not have a two-tiered management staff. Under the previous assessor, the operations staff and two executive secretaries performed many of functions listed for the current Executive Support Staff.

During the investigation, the Grand Jury reviewed thousands of emails sent and received in the County email system by the Executive Support staff members. There is evidence from emails and testimony that the Executive Support Staff members have been engaged in political activities for various national, state, and local political candidates during normal working hours.

Numerous emails were political in content. Examples of such content were arranging of political meetings, solicitations for campaign contributions, instructions to move monies from one campaign fund to another, solicitation of political proxies, and activity on and discussions of a Republican Party website called redcounty.com. A sampling of email received by the Assistant Assessor for the Executive Support Staff over a two-week period in the year 2008, on the county email system, revealed 91 emails sent by campaign organizations for national political candidates. The use of the county email system to send or receive messages with political content violates County Policy #14-01 on email use by county employees.

In July of 2007, the Assessors Office entered into an agreement, in the form of a purchase order, for consulting services. According to San Bernardino County policy, a purchase order of \$50,000 or more must receive Board of Supervisors approval. The valuation of the purchase order just below the amount requiring Board of Supervisors review raised concerns that the Assessors Office intended to circumvent policy and avoid board review. The purchase order was originally valued at \$49,992. This was later reduced to \$49,200. By valuing the purchase order \$800 below the value requiring

Board of Supervisors review, the Assessors Office circumvented county policy in the hiring of the consultant. When interviewed, the current Assessor could not explain how the original amount of \$49,992 was determined or why the amount was later reduced to \$49,200. The consultant was never asked to make a proposal specifying fees, hourly rates or projects. The Assessors Office did not solicit for consulting services through the Request for Proposal (RFP) process, which would have allowed for competitive bidding by qualified consultants.

The consultant was not required to provide detailed invoices to show work done but was instructed to submit monthly invoices for \$4100. Under the purchase order, the consultant was to provide the Assessors Office bi-weekly reports. The Grand Jury found no evidence that written reports were ever generated. The consultant was not on the distribution list for the “executive” staff’s weekly meetings, and did not regularly attend them. While in the Assessors employ, the consultant continued to perform political work for a number of Republican candidates in California. The most significant work produced by the consultant was assisting others in producing the annual Assessors Report, created a program to hand out certificates when the Assessor and taxpayer advocates attended events, and tracking all legislation that affected the Assessors Office. The Grand Jury found very little results from this contract that benefited the Assessor’s function and that the work product failed to justify the cost of the contract.

Article 7 of the County Employee Exempt Compensation plan provides for two educational benefits for exempt employees regarding tuition reimbursement. The first benefit allows employees to be compensated up to \$1,000 per fiscal year for tuition expenses incurred for job-related education or career development. The second benefit allows for department heads, within their discretion, to reimburse employees for expenses related to obtaining advance degrees which will advance the employee’s career in service to the county. Such advance degrees must be obtained outside regular work hours.

Pursuant to Article 7, the current Assessor used his discretion to reimburse the tuition expense of the Assistant Assessor for Executive Support in the amount of \$8,280. The reimbursement covered tuition for classes the employee attended while pursuing an undergraduate degree. The term “advance degree” is generally defined as degrees conferred upon the completion of a master’s or doctorate program, not a degree conferred upon completion of an undergraduate program. Furthermore, the total amount of tuition reimbursement far exceeded the amounts provided to other county employees.

The Assessors Office’s use of discretion to reimburse an employee in the amount of \$8,280 for undergraduate classes violated the spirit and intent of Article 7. Such expenses related to classes taken for an undergraduate degree may only be reimbursed up to \$1,000 per fiscal year and must be incurred for job-related education or career development.

The Assessors Office also approved tuition reimbursement for another employee for undergraduate classes. The reimbursement for this employee was limited to \$1,000 per fiscal year. However, the reimbursed expenses were for history classes unrelated to

the employee's county job. The approval of reimbursement for classes not job related violated Article 7.

Review of this employee's payroll and school records indicated that he was allowed to use absence without pay and other leave time to facilitate his attendance at scheduled classes. The use of such leave time regularly reduced the employee's work attendance to almost half a forty-hour work week. A review of the class schedule indicated that these classes were scheduled during county work hours.

Although Article 7 only addresses the attendance of classes outside regular work hours for advanced degrees, the intent of the policy is plain on its face and should have been applied to undergraduate degrees. The Assessors Office approval of extensive employee leave of absence for the purpose of class attendance during work hours was an abuse of managerial discretion.

The former Assistant Assessor for Operations resigned his position after a disagreement with the Assessor. Soon after, the current assessor entered into a separation agreement that allowed the employee to be placed on a six-month paid administrative leave. This separation agreement, amounting to more than \$63,000 plus benefits was agreed to by the Assessors Office for the employee after only 10 months of employment. The interested parties of the separation agreement were unable to justify the contractual terms. The Grand Jury was unable find an instance in the County of a separation agreement longer than 4 months. The separation agreement was excessive for the time served in the position.

## **RECOMMENDATIONS**

- 08-01            Review Executive Support staff requirements in the Assessors Office for potential consolidation of positions to increase efficiency.
- 08-02            Reclassify Operations management positions to civil service protected.
- 08-03            Enact policy that requires competitive bidding for consulting services.
- 08-04            Revise the education reimbursement policy to limit discretionary reimbursement for exempt employees. It is ambiguous and open to broad interpretation. Require employees receiving tuition assistance while working towards a college degree, guarantee the county that they will remain in its employ for a fixed period after graduating.
- 08-05            Enact policies for separation agreements of County employees that link the length of employment with terms of severance.
- 08-06            Require that County email system have automatic firewalls in place to preclude all political email from being accessed on the County email system and equipment.

# **AUDITOR/CONTROLLER-RECORDER AND PURCHASING DEPARTMENT**

## **CREDIT CARD PROCEDURES AND CONTROLS WITHIN THE SAN BERNARDINO COUNTY SYSTEM**

### **BACKGROUND**

During this year's Grand Jury term, there have been many public concerns regarding the use of credit cards within the San Bernardino County system. The popular refrain has been that credit card utilization could foster misuse of county funds. Consequently, this Grand Jury has opted to examine the controls and policies in place for use of county credit cards.

### **FINDINGS**

The Grand Jury's review encompassed the types of credit cards, the department responsible for their issuance, control, and control procedures.

#### **Cal Cards – Issuing Department, Purchasing**

Cal Cards are "brand name" Visa cards issued through U.S. Bank, the current contractor for San Bernardino County. Cal Cards are utilized in all 58 counties within California. Currently there are approximately 725 Cal Cards that have been issued to employees of San Bernardino County.

When employees are to be issued a Cal Card (they are issued in the cardholder's name), a "Procurement Card Request" must be filed with the Purchasing Department (Attachment A). This form, while requesting needed information in order to establish a new account, more importantly lists allowable, dollar limit, and non-allowable credit card transactions. Additionally, the Procurement Card Program Procedures Manual lists restricted uses of the Cal Card and disciplinary actions for unauthorized use of the card (Attachment B).

#### **Temporary Credit Cards – Issuing Department, Auditor/Controller-Recorder**

This is a credit card that may be checked out from the Auditor/Controller-Recorder, with appropriate departmental authorization, by employees who have an infrequent need to use a credit card in the course of conducting county business. The same control procedures apply for temporary cards as for Cal Cards.

### Vendor Credit Cards

These cards were obtained from various merchants without authorization from the Auditor/Controller-Recorder or the Purchasing Department. They were, in effect, unauthorized use of the county's credit. Once it was determined that these vendor cards existed, the Auditor/Controller-Recorder took immediate and effective steps to terminate their use. After the termination of vendor cards, the use of credit cards within the county system are monitored closely and competently monitored by the Auditor/Controller-Recorder.

After examining the use of credit cards within the county system, the Grand Jury has found that credit card transaction controls are stringent and effective. All credit card purchases are reviewed at the department level and then again at the Auditor/Controller-Recorder's Office. Additionally, all credit card purchases in excess of \$3,000 are reviewed at the County Administrative Office level.

Consequently, the public concern should not be the use of credit cards as they are simply the currency vehicles for the transactions. It is the expenditures that must be planned, justified and closely reviewed.

### **COMMENDATION**

The Purchasing Department and the Auditor/Controller-Recorder are to be commended for implementing strict controls over the use of credit cards within the county system.



**COUNTY OF SAN BERNARDINO  
PROCUREMENT CARD PROGRAM**

**PROCUREMENT CARD REQUEST**

New       Change in Credit Limit       Reissue       Change in Card Holder Info

Accounting Codes				CARDHOLDER NAME	
Fund	Dept	Org	GRC		
Cardholder Title			Department		Telephone
Cardholder Address			E-mail Address		Fax Number

**CARD LIMITS: (choose one)**

**Other \$ Limits**

Single Purchase Limit (Required)	# of Transactions (Check one only)		30 Day Dollar Limit (Required)	Weekly
	<input type="checkbox"/> Per Day (Up to 9)	<input type="checkbox"/> Per Month		Quarterly
<input type="checkbox"/> \$250			\$2,500	<input type="checkbox"/>
<input type="checkbox"/> \$1,000			\$10,000	<input type="checkbox"/>
<input type="checkbox"/> \$3,000			\$15,000	<input type="checkbox"/>
<input type="checkbox"/> Other (please specify) \$ _____	_____		\$ _____	\$ _____

**ALLOWED MERCHANT CATEGORY CODE: (check all that apply)**

- A Airlines, Airports
- B Vehicle Rental, Gasoline
- C Hotel, Motel
- D Misc. Transportation (R.R., Taxi, Bus, Freight)
- E Telephone
- G Catalog Orders, Telephone Purchases
- H Food/Dairy Stores, Sundries
- I Restaurants, Caterers-Food Only (no set-up or service charges)
- J Discount/Department/Variety Stores, Misc. General Merchandise
- K Misc. & Specialty Retail Stores – Lumber/Hardware, Lawn, Garden, Clothing, Household Appliances, Government Services, Not Elsewhere Classified
- M Camps, Camp Sites, Amusement Parks
- R Membership Organizations (work-related)
- T Postage
- U Government-to-Government Sales



# PROCUREMENT CARD REQUEST

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CARDHOLDER NAME: \_\_\_\_\_

Approving Official Name	Approving Official Title	Telephone
Department	Approving Official Address	Fax Number
Contact Person	Telephone	Email Address

CARD PURPOSE (required): (Attach additional information as necessary)

**REMINDER: NO FIXED ASSETS OR SERVICES MAY BE PURCHASED WITH COUNTY PROCUREMENT CARDS.**

The Department will be responsible for monitoring and reviewing the use of Procurement Cards issued to the Department. Approving Official(s) and Cardholder(s) will ensure that sound fiscal practices are maintained utilizing the established procedures and available reports.

Department or Agency Director <i>(Print and Sign)</i>	DATE
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# PROCUREMENT CARD REQUEST

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## PROCUREMENT CARD REQUEST – REVIEW AND APPROVAL

**County Program Administrator:**

<b>COUNTY PROGRAM ADMINISTRATOR (PRINT &amp; SIGN)</b>	<b>Date</b>
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**CAL-Card Committee Approval:**

<input type="checkbox"/> Approved	<b>Comments:</b>
<input type="checkbox"/> Denied	

**CAO ANALYST APPROVAL:** (Single Purchase limit over \$3,000 or referral from CAL-Card Committee)

<input type="checkbox"/> Approved	<b>Comments:</b>
<input type="checkbox"/> Denied	
<b>CAO Analyst (Print &amp; Sign))</b>	<b>Date</b>

*Purchasing Office Use Only*

Date Dept Notified	Date Card Received	Card Number	Date Card Issued	Date Account Setup Form to Bank



County of San Bernardino  
PROCUREMENT CARD PROGRAM  
PROCEDURES MANUAL

### USE POLICIES

Use of the card requires the cardholder to adhere to all County of San Bernardino and Agency/Department acquisition regulations, policies, and procedures, including competitive procurement requirements. The following conditions must be met when using the card.

1. Cardholders must follow their Agency/Department administrative procedures to ensure that sufficient appropriations are available prior to making a purchase.
2. As with any purchase, at least three (3) competitive quotes should be obtained. A record of the quotes should be maintained by the department.
3. Use of the procurement card is not intended to replace effective procurement planning which enables volume discounts.
4. Each single purchase may be composed of multiple items, but the total transaction cannot exceed the single purchase dollar limit on the procurement card.
5. When purchases exceed the limit established by the Agency/Department, the standard requisition and purchase order process must be followed or a payment request (PR) number requested.
6. Purchases must not be split to circumvent procurement regulations.
7. Procurement card must not be used for purchases which would violate County Policy 11-02 - Procurement Code of Ethics ("To avoid engagement in any transaction that might conflict with the proper discharge of our employment duties by reason of a financial interest, family relationship, or any other circumstance causing a breach of confidence in the acquisition process.")

### RESTRICTED USES

The procurement card is intended to be used for small dollar purchases. **The procurement card is not to be used for services.** In addition, the procurement card must not be used to purchase the following items:

- Alcohol or alcohol products
- Alcoholic beverages
- Ammunition and weapons
- Automotive repairs or maintenance
- Cash advances through bank tellers or teller machines
- Catering (use a low value purchasing authorization for catering that includes setup and services)
- Chemicals and hazardous materials
- Consultants, instructors, or speakers
- Drugs and narcotics
- Fixed asset purchases (equipment with a unit valuation of \$5,000 or more)
- Gift cards
- Insurance
- Items available through Internal Service departments (i.e., Fleet Management, Information Services, Purchasing/Printing Services, etc.)
- Legal fees
- Maintenance contracts and service
- Material requiring a license to purchase and/or use
- Non-approved merchant type codes
- Operated and maintained equipment rentals (i.e., trucks, tractors, and heavy equipment)
- Rental, lease, or purchase of real property
- Systems office furniture
- Telecommunications equipment
- Work performed on County property by outside contractors

County of San Bernardino  
PROCUREMENT CARD PROGRAM  
PROCEDURES MANUAL

Agency/department specific regulations may restrict purchases further. Questions regarding the procurement card or program procedures should be directed to Purchasing at 909.386.8046.

### **DISCIPLINARY ACTIONS**

Any unauthorized use of the procurement card or failure to adhere to the program procedures will result in the following:

1. Unauthorized charges will be considered a personal liability and, therefore, will be subject to immediate collection.
2. Failure to adhere to the program procedures will result in termination of card privileges.
3. Abuse in the use of this card will result in an immediate termination of card privileges.
4. Repeated and/or flagrant violation of the authorized use of the procurement card by the cardholder will result in disciplinary action up to and including termination of employment.
5. Fraudulent use of the procurement card may be referred to a law enforcement agency.

### **AREAS OF RESPONSIBILITY**

#### **US Bank Government Services**

1. Issue VISA credit cards to the County Program Administrator for distribution.
2. Make changes as requested by the County Program Administrator.
3. Have available on line, the day after the end of the billing cycle, the Cardholder Statement of Account and the Corporate Account Summary.

#### **CAL-Card Committee**

1. Review applications for procurement cards received from County Program Administrator.
2. Determine need and appropriateness of requests.
3. Approve requests for procurement cards.
4. Forward to appropriate County Administrative Analyst for additional approval, if single purchase limit exceeds \$3,000.
5. Provide administrative oversight to procurement card program.
6. Assist in monitoring program in conjunction with Purchasing, County Program Administrator, and Auditor/Controller-Recorder.

#### **County Program Administrator**

1. Establish and maintain County of San Bernardino Procurement Card Program Procedures.
2. Set up accounts with US Bank and maintain changes.
3. Request and obtain procurement cards.
4. Provide Auditor/Controller-Recorder a weekly report of canceled cards. Report should include card number, cardholder name, and date of cancellation.
5. Review monthly and quarterly reports for compliance with policies and procedures.
6. Develop program training materials and provide training to cardholders and approving officials.
7. Audit program in conjunction with Auditor/Controller-Recorder.
8. Follow up and document any suspected inappropriate use of the procurement card and/or failure to follow program procedures.
9. Ensure and document destruction of unneeded and canceled cards.

#### **Auditor/Controller-Recorder**

1. Review procurement payment package received from the department accounting office.
2. Adjust Statement of Account for disputed transactions as directed by cardholder.
3. Ensure all purchases are appropriately charged to the procurement card accounting codes.
4. Ensure that department's claim for unbilled sales and use taxes are paid to the State.
5. Authorize payment of invoices to US Bank.

# **ECONOMIC DEVELOPMENT DEPARTMENT AND LEGISLATIVE LIAISON**

## **REVIEW OF DEPARTMENT TRAVEL AND MISCELLANEOUS EXPENDITURES**

### **BACKGROUND**

When reviewing the effectiveness of an organization, there are two primary functions to be examined. The first is how that entity utilized its financial resources, with the second being operational efficiency. This Grand Jury elected to review that segment of financial data consisting of the travel and miscellaneous expenditures of the Economic Development and Legislative Liaison Departments.

The mission of the Economic Development Department is multi-faceted:

1. The facilitation of new and higher paying jobs within the county,
2. The expansion, growth, development and retention of small businesses, and
3. The enhancement of international marketing and trade.

The mission of the Legislative Liaison Department is to assist San Bernardino County by developing and supporting legislation that is beneficial to the county.

### **FINDINGS**

While travel and miscellaneous expenditures may be reasonable costs in the attainment of mission goals, they must be carefully planned and executed. During the investigation, the Grand Jury found a lack of written expenditure guidelines for achieving those project goals. Following are examples, in excess of a quarter of a million dollars total, which the Grand Jury questions as to the effective rate of return for county taxpayers, because the expenditures do not seem to be part of a cohesive, objective-directed strategic plan.

	<b><u>ECONOMIC DEVELOPMENT DEPARTMENT (EDD)</u></b> <b>Expense</b>	<b>Expenditure</b>
1	Corenet Global Summit – Orlando, FL 2 attendees and presentation booth Payment requests to Auditor/Controller 11/06-2/07	\$ 8,825.31
2	Promotional Items – EDA Business Golf Tournament Payment request to Auditor/Controller 10/06	\$ 2,422.23
3	Interviewee for Director of Economic Development Paid for travel for one person Payment request to Auditor/Controller 6/06	\$ 718.70
4	Corenet Conference – Philadelphia, PA 4 attendees and presentation booth Payment requests to Auditor/Controller 3/06-5/06	\$15,854.55
5	International Council of Shopping Centers Conference - Las Vegas, NV 11 attendees, includes some elected officials, staff members and key department heads Payment requests to Auditor/Controller 3/06-6/06	\$42,552.14
6	Virtual One Stop Training Conference - Clearwater, FL 2 attendees Payment request to Auditor/Controller 5/06	\$ 3,698.79
7	National Rapid Response Conference - St. Louis, MO 2 attendees Payment request to Auditor/Controller 5/06	\$ 3,497.41
8	NACO Conference - Washington, DC 11 attendees, some elected officials and staff Payment requests to Auditor/Controller 2/06-3/06	\$49,500.99
9	NACO Legislative Conference - Sacramento, CA 15 attendees, some elected officials and staff Payment request to Auditor/Controller 2/06	\$ 5,443.36
10	Air Freight Asia 2006 Conference – Shanghai, China 1 attendee Payment request to Auditor/Controller 2/06	\$ 1,745.21
11	Environmental Assessment Workshop – Los Angeles, CA 4 attendees Payment request to Auditor/Controller 3/06	\$ 1,602.81
12	CSAC Conference – Sacramento, CA 3 attendees and hospitality suite Payment request to Auditor/Controller 3/06	\$ 6,653.33
13	Limousine Service – Orange, CA Payment request to Auditor/Controller 12/06	\$ 503.55
14	Men’s Warehouse – San Bernardino, CA Payment request to Auditor/Controller 12/06	\$ 284.33
15	International Council Shopping Centers – Western Division Conference – San Diego, CA	\$ 3,610.88

	3 attendees and business dinner Payment request to Auditor/Controller 10/06	
16	Building Industry Association – Rancho Cucamonga, CA Table of 10 (attendees) – Installation dinner and awards Payment request to Auditor/Controller 10/06	\$ 1,250.00
17	At International Council Shopping Centers Conference – San Diego, CA (September 2007) 2 attendees stayed at US Grant Hotel 1 attendee stayed at Sheraton Payment request to Auditor/Controller 10/07 (why did they not all stay at the less expensive Sheraton?)	\$ 9,623.66
18	Corenet Global Summit – Denver, CO 2 attendees and presentation booth Payment requests to Auditor/Controller 4/07-5/07	\$12,723.60
19	40” TV for EDA Director’s monitor Payment request to Auditor/Controller 8/07	\$ 1,453.83
20	Economic Development Advisory Council – Flemings Steakhouse – Rancho Cucamonga, CA 17 attendees – cost per attendee \$148.90 Payment request to Auditor/Controller 8/07	\$ 2,531.29
21	Economic Development Advisory Council – Flemings Steakhouse – Rancho Cucamonga, CA 18 attendees – cost per attendee \$146.76 Payment request to Auditor/Controller 4/07	\$ 2,641.74
22	Lunch meeting with employee – San Bernardino, CA 2 attendees (why do taxpayers pay for lunch in San Bernardino?) Payment request to Auditor/Controller 8/07	\$ 22.88
23	International Council of Shopping Centers Conference – Las Vegas, NV 16 attendees, includes some elected officials, staff members, and key department heads Payment requests to Auditor/Controller 4/07-5/07	\$44,687.69
24	Investigative Reporters and Editors Conference, Phoenix, AZ 1 attendee Payment request to Auditor/Controller 5/07	\$ 2,708.43
25	Interviewee for Director of Community Development and Housing Paid for travel for one person being interviewed Payment request to Auditor/Controller 5/07 Note: individual has since left county employment	\$ 1,366.50
26	Two Classes (over 7 days) – San Diego, CA a. Governmental Financial Management and Control b. Governmental Accounting, Financial Reporting and Budgeting	\$ 2,446.32

	1 attendee Payment request to Auditor/Controller 4/07	
	<b><u>LEGISLATIVE LIAISON DEPARTMENT</u></b> <b>Expense</b>	<b>Expenditure</b>
27	California State Association of Counties 113 <sup>th</sup> Annual Conference 11/13/07 through 11/16/07 – Oakland, CA 6 attendees Payment requests to Auditor/Controller 10/07 – 11/07	\$18,679.92
28	NACO Conference – Washington, DC 3 attendees Payment request to Auditor/Controller 3/07	\$ 9,967.19

NOTE: Attention should be directed to the following points:

- Amounts expended – examples 4, 5, 8, 23, 27
- Location of conferences – examples 1, 4, 18
- Number of attendees at conferences – examples 5, 8, 9, 20, 21, 23
- Purpose or effectiveness of all example expenditures

As it is difficult for taxpayers to determine the value of these expenditures to the county in general, and to themselves in particular, the Grand Jury would make the following recommendations.

**RECOMMENDATIONS**

- 08-07      At the time the EDA and Legislative Liaison budgets are established, a “Plan, Justification and Implementation Report” should be generated for each project (each conference, show, class or trip should be an individual project).
- 08-08      For ease of tracking, each project should be assigned a case number. This case number should be used on all documentation pertaining to that project.
- 08-09      The total of attendees to conferences, shows, classes or trips should be limited to only the most cost-effective number (see examples 5, 8, 9, 20, 21, 23 and 27). The Grand Jury questions the value to taxpayers of the numbers of officials and employees attending some of the above noted functions.
- 08-10      The relevance of the location of the conference to San Bernardino County must be taken into account (see examples 1, 4, 6, 7, 10 and 18).

- 08-11        The type of conference or class should return value to the county for tax dollars invested. Therefore, both EDD and Legislative Liaison proposed spending should be examined closely during the annual budget preparation process. Proposed expenditures should be justified on a “return on investment” basis.
- 08-12        Once the project is completed, a “goal attainment” report should be filed with the Board of Supervisors. The report should reiterate the strategic or tactical objective of the project, the cost, number of persons attending, if the goal was accomplished, or if not, corrective action to be taken, and finally, the value of the project to the county and the taxpayers.
- 08-13        As examples 5, 8 and 23 illustrate, elected officials attend some of these conferences. In order to provide clarity to the taxpayers for such expenditures, the Grand Jury recommends that all county elected officials file a quarterly “Expense Accountability Report.” This report would be comprised of “overnight travel” expenses and “out of state” travel expenses, with appropriate justification. These reports should be presented to the public as part of the Board of Supervisors’ agenda.

# COMPLAINTS COMMITTEE

Bill Sommers, Chairman

David Gunther

Dan Jeffs

BJ Jones

Wayne King

Dave Van Buren



## **COMPLAINTS COMMITTEE**

The function of the Complaints Committee is to review all complaints received by the Grand Jury on an official complaint form. The forms are available by request or through the internet. Complaints may be referred by the District Attorney's Office. The committee determines if the complaints are valid. If the complaint is valid and meets criteria, it is referred to the proper committee.

The 2007-2008 Grand Jury received 38 complaints between July 1, 2007, and May 15, 2008. Four of these complaints were referred to the Law and Justice Committee, one to Public Support Committee, one to Human Services Committee, one to Administrative Committee, and one complaint was referred to the Audit/Fiscal Committee. Four other complaints were referred to the District Attorney's Office. Twenty-one complaints resulted in no action taken by the Complaints Committee. The remaining five complaints are still awaiting additional information and will remain on file for the 2008-2009 Grand Jury's review.

Any complaints received after May 15, 2008 will be processed by the 2008-2009 Grand Jury.

# ECONOMIC DEVELOPMENT COMMITTEE

Ed Brittain, Chairman

Dick Abraham

Cliff Burke

Jim Cook

BJ Jones

Wayne King

Kraig Westra



## **ECONOMIC DEVELOPMENT COMMITTEE**

The Economic Development Committee had oversight and review responsibility for the following departments within the Economic Development Agency:

Economic Development  
Community Development and Housing  
Redevelopment Agency  
Workforce Development

Subcommittees were formed and the following functions were reviewed:

Foreign Trade  
High Desert Infrastructure  
Senior Home Repair

Findings and recommendations from the reviews are detailed in the final report.

## **DEPARTMENT OF COMMUNITY HOUSING AND DEVELOPMENT**

### **SENIOR HOME REPAIR PROGRAM AND SINGLE FAMILY REHABILITATION PROGRAM**

#### **BACKGROUND**

The County of San Bernardino currently administers two programs, which are available to senior residents (60 years of age) or disabled homeowners of the county. These programs are Senior Home Repair Program and Single Family Rehabilitation Program.

#### **Senior Home Repair Program**

The Senior Home Repair Program has been in existence for 33 years. The program provides grants (up to a maximum of \$5,000) for the applicants to have repairs done to their home. This figure is self imposed for the program to reach more home owners. The work is usually performed by two-man teams, usually county employees, but a licensed contractor or vendor can be hired if necessary. At the time of the interview, September 2007, \$829,000 remained in the fiscal budget.

#### **Single Family Rehabilitation Program**

The Single Family Rehabilitation Program has been in existence since 1982. The program provides for a loan to be given to the homeowner with a beginning amount of \$3,000 and a maximum of \$60,000. In this program the homeowners deals directly with the contractor or contractors who are doing the work. The county in effect acts as a lender and disburses the funds as the work is completed. At the time of the interview, the program had an unencumbered balance of \$1.2 million generated by repayment of previous loans. In addition, there is an outstanding portfolio of approximately \$2 million.

Both programs have income limitations. In order to qualify, the applicant must have an income no higher than 80% of the median income for the county. The income figures are established by United States Department of Housing and Urban Development (HUD) and updated on a yearly basis. The funding for both programs is achieved through the use of a Federal Community Development Block Grant (CDBG) administered by HUD.

#### **FINDINGS**

The Senior Home Repair Program is initiated by the homeowner completing the application (Attachment A), and sending it to the Department of Community

Development and Housing. Once the application is received, it is handled on a first in, first out basis. The next step in the process is the visitation by a Housing Technician, where the necessary repairs are discussed. Members of the Grand Jury accompanied a Housing Technician on two initial calls to discuss the application and the work that was being requested. The first thing that the technician did was verify that the applicant was able to participate in the program. The ownership of the home was verified, as well as the annual income of the applicant. The technician reviewed the requested work to be done and assisted the applicant in prioritizing the work, due to the \$5,000 limitation that is imposed on each application. This limitation is in place so that the greatest number of homeowners can participate in the program. The first home owner prioritized the work as follows:

1. Repair, replace back stairs
2. Electrical – light over sink and light switch
3. Plumbing problems such as leaking faucets, front toilet
4. Smoke detector

The applicant was informed by the technician that the smoke detector is higher priority, because it is a safety issue. The applicant was informed of other agencies that may be able to help obtain additional benefits.

It was verified that the second applicant also met the requirements to participate in the program. The work that was being requested was as follows:

1. Repair, replace motor of furnace
2. Repair, replace broken window in door
3. Replace plastic windows in patio
4. Repair lock on sliding glass door
5. Repair, replace window cranks
6. Smoke detector

The same information was shared with the second applicant, as had been the first. For example, the smoke detector was a safety issue and would be a higher priority. The applicant became aware of the program because of work done at an acquaintance's home.

Both applicants were informed of a waiting period before work could be done, which is approximately four to six weeks.

The Grand Jury next accompanied the field supervisor to inspect two homes where the work had been completed. The first home had the following work done:

1. Reseal the roof
2. Replace a window
3. Replace a door
4. Rebuild front entry stairs

The owner was extremely pleased with the work and the personnel who performed the work. The second home had the following work done:

1. Reseal the roof
2. Replace a 30-gallon water heater
3. Repair, replace the laundry room door
4. Repair, replace a bathtub faucet

The owner of the second home was not present, however the replacement of the water heater was inspected as access to it was outside. It was apparent from the work order that the owner had changed the priority of the work to be done. Replacing the faucet had taken the place of working on the stairs. In viewing the stairs, both front and back, there was no safety issue and both appeared able to remain in use.

It should be noted that both units had work performed on the roof. The field inspector did not climb up on the roof to inspect the work. It is unknown if the roofs had been inspected previously or if it was planned to inspect them at some future time.

In discussing the programs with the department representatives, it was determined that the cost of each completed project was \$4,530 and \$3,183 respectively. As previously stated, the work for this program is usually done by county employees. The county has seven dedicated employees that perform the work and are supervised under the direction of County Facilities Management Department. Two-man teams do the work and the costs are computed at the rate of \$45 per hour per employee. The billing starts at the beginning of the day and lasts until the employee returns to the county facility. The second part of the computation is the cost of all material used to complete the work and mileage (62 cents per mile).

The county will accept complaints and perform any valid work corrections for a period of six months. The county is self-insured and there has never been an incident of the county being accused of faulty repairs.

The Grand Jury received a report for the last three fiscal years, showing the number of applications received and the number actually completed (Attachment B). Note that the applications designated as “rehab” refer to the Single Family Rehabilitation Loan Program. In analyzing the report, it becomes apparent that a large number of applications are not completed. This is true even after initial screening. (See section titled Total Termined After Opening – Attachment B).

	Fiscal Year 05/06	Fiscal Year 06/07	Fiscal Year 07/08
Total open and loaded on system	479	383	337
Total termed contracts/not completed after being loaded on system	234	200	94

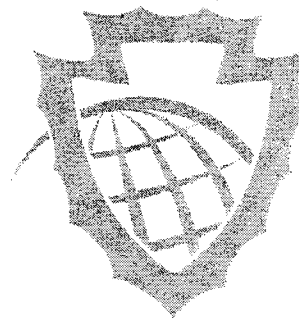
The program is administered by dedicated employees and serves the residents of the county.

**RECOMMENDATIONS**

- 08-14        Reconsider the amount available for the Senior Home Repair Program from \$5,000 to \$7,500 in order to qualify more people for the program.
- 08-15        Improve current application procedures to identify applicants that do not meet the program's requirements.
- 08-16        Review the necessity of routinely sending two-man teams to each project.

# REPAIR SERVICE PROGRAM FOR SENIOR HOMEOWNERS

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## HOMEOWNERS

Enrolled in this program will receive a **ONE TIME GRANT** in the form of **LABOR & MATERIALS** for the purpose of making minor repairs to their homes. (*Unable to provide assistance with swamp coolers or air conditioners*).

## LEAD BASED PAINT NOTIFICATION

Effective September 15, 2000, work involving unstable Lead Based Paint or work disrupting Lead Based Paint must adhere to HUD regulations. This may involve the homeowner vacating the premises and removal of furnishings, at owner's expense, until a clearance has been obtained.

## GRANTS

Are available throughout the County of San Bernardino and all cities, **EXCLUDING THE CITIES** of Chino, Chino Hills, Fontana, Hesperia, Ontario, Rancho Cucamonga, Rialto, San Bernardino, Victorville, Upland, or the Town of Apple Valley. Upon completion send application to:

**DEPARTMENT OF COMMUNITY DEVELOPMENT AND HOUSING**  
**290 NORTH "D" STREET, 6TH FLOOR**  
**SAN BERNARDINO, CA 92415-0040**  
**(909) 388-0925**

## TO BE ELIGIBLE YOU MUST

1. Be an owner occupant of a single-family dwelling or mobile home at the time of application and have lived in the property for the last 12 consecutive months or more and the **HOME IS NOT FOR SALE**; and
2. Be an individual of 60 years of age or older, or permanently disabled, or a permanently disabled member from the immediate family residing full time in the residence; and
3. Have a maximum total family income (including all members of the household and all sources of income) of no more than

1 Person Household	\$33,150 Annual Gross Income
2 Person Household	\$37,900 Annual Gross Income
3 Person Household	\$42,600 Annual Gross Income
4 Person Household	\$47,350 Annual Gross Income



EQUAL HOUSING  
OPPORTUNITY

# NEED SOME HELP FIXING MINOR HOME REPAIRS?



PLEASE ANSWER EVERY QUESTION, OR YOUR APPLICATION WILL BE RETURNED TO YOU

(1) Applicant: _____ Co-Applicant: _____		<b>OFFICE USE ONLY</b>
(2) Address: _____ _____ _____ City State Zip Code Mailing Address _____		ID# _____ Date App Received _____ Area Code _____ OPR# _____ Input Date _____ REP _____
(3) Applicant's Social Security # _____	Co-Applicant's Social Security # _____	
(4) What is the age of the head of your household? (please list date & check only one box) Applicant's Birth Date: ____/____/____ 1 <input type="checkbox"/> Under 18 years      2 <input type="checkbox"/> 18 to 24 years      3 <input type="checkbox"/> 25 to 44 years 4 <input type="checkbox"/> 45 to 59 years      5 <input type="checkbox"/> 60 to 64 years      6 <input type="checkbox"/> 65 or older		
(5) Yearly gross income \$ _____		
(6) If you have grant income, is it: 1 <input type="checkbox"/> Old Age Security      2 <input type="checkbox"/> Aid to Totally Disabled      3 <input type="checkbox"/> Aid to the Blind 4 <input type="checkbox"/> AFDC      5 <input type="checkbox"/> Social Security (SSI)      6 <input type="checkbox"/> Combination of Several		
(7) What is the sex of the head of your household?      1 <input type="checkbox"/> Male      2 <input type="checkbox"/> Female		
(8) Marital Status:      1 <input type="checkbox"/> Married      2 <input type="checkbox"/> Separated      3 <input type="checkbox"/> Unmarried		
(9) What is the race/ethnicity of the head of your household? (please check only <u>one</u> Race box, <u>one</u> Ethnicity box & <u>one</u> Language box)  (a) Race:      4 <input type="checkbox"/> Asian      8 <input type="checkbox"/> Black/African American & White 1 <input type="checkbox"/> White      5 <input type="checkbox"/> Native Hawaiian/Other Pacific Islander      9 <input type="checkbox"/> Amer. Indian/Alaskan Native & Black/African Amer. 2 <input type="checkbox"/> Black/African American      6 <input type="checkbox"/> Amer. Indian/Alaskan Native & White 3 <input type="checkbox"/> American Indian/Alaskan Native      7 <input type="checkbox"/> Asian & White      10 <input type="checkbox"/> Balance/Other  (b) Ethnicity: <input type="checkbox"/> Hispanic <input type="checkbox"/> Non-Hispanic      (c) Language: 1 <input type="checkbox"/> English    2 <input type="checkbox"/> Spanish    3 <input type="checkbox"/> Other		
(10) Is the head of the household handicapped or disabled and receiving disability payments? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(11) Are you an owner-occupant of the property to be repaired? <input type="checkbox"/> Yes <input type="checkbox"/> No 1 <input type="checkbox"/> Less than 1 year      2 <input type="checkbox"/> 1 to 5 years      3 <input type="checkbox"/> Over 5 years      4 <input type="checkbox"/> Not an owner-occupant		
(12) Total number of persons in household: _____		
(13) How did you first hear of this program? (please check only one box) 1 <input type="checkbox"/> Referral from Public Housing waiting list      6 <input type="checkbox"/> Radio 2 <input type="checkbox"/> Referral from another agency      7 <input type="checkbox"/> Printed Pamphlet 3 <input type="checkbox"/> Friend or relative      8 <input type="checkbox"/> Community Bulletin Board 4 <input type="checkbox"/> TV      9 <input type="checkbox"/> At a Meeting 5 <input type="checkbox"/> Newspaper      10 <input type="checkbox"/> Other (specify) _____		
(14) What year was your house built? _____ What year did you buy it? _____		
(15) Have you ever had this service before? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS CORRECT AND ACCURATE</b>		
_____ Applicant's Signature	_____ Co-Applicant's Signature	_____ Date

FY 05/06		FY 06/07		ATTACHMENT B FY 07/08	
<b>Total Received</b>		<b>Total Received</b>		<b>Total Received</b>	
Rehab	108	Rehab	96	Rehab	64
Repair	360	Repair	407	Repair	429
<b>Termed Prior to Opening</b>		<b>Termed Prior to Opening</b>		<b>Termed Prior to Opening</b>	
Rehab	24	Rehab	21	Rehab	23
Repair	69	Repair	100	Repair	87
<b>Total Opened</b>		<b>Total Opened</b>		<b>Total Opened</b>	
Rehab	86	Rehab	74	Rehab	46
Repair	393	Repair	308	Repair	291
<b>Total Termed after Opening</b>		<b>Total Termed after Opening</b>		<b>Total Termed after Opening</b>	
Rehab	81	Rehab	63	Rehab	25
Repair	153	Repair	137	Repair	69
<b>Total Completions</b>		<b>Total Completions</b>		<b>Total Completions</b>	
Rehab	16	Rehab	17	Rehab	12
Repair	252	Repair	256	Repair	101

Total received is the total applications that we received into our office for that fiscal year.

Termed prior to opening is the number of applications that we received in that fiscal year that were termed before we input them into the database because the applications did not meet the requirements.

Total opened is the number of approved applications that we input into the database for that fiscal year, there is overlap between fiscal years.

Total termed after opening is the number of applications that were terminated for various reasons after we input them into the database.

Total completions is the number of applications that work was completed on and the case closed in that fiscal year.

# **ECONOMIC DEVELOPMENT AGENCY**

## **CHINA TRADE MISSION**

### **BACKGROUND**

In 2002, the State of California ceased to have, sponsor or pay for foreign trade delegations. In an attempt to promote the County of San Bernardino, the Board of Supervisors authorized the reorganization of the Economic Development Department into the Economic Development Agency (2005/2006). A new administrator was hired to lead the agency. The agency's mission is to "foster sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The Department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development."

One of the ways chosen to promote the county was to sponsor, promote, and lead trade delegations (representing San Bernardino businesses) to China. The purpose of the trips was two-fold: First, to promote exportation of products from San Bernardino County, and second, to promote San Bernardino County as a natural distribution center for the products that are imported from China. This method of promotion was also recommended by a study prepared by California Policy Institute at Claremont, Claremont, California, December 2006.

### **FINDINGS**

The 2007-2008 Grand Jury first became aware of the China Trade Mission when a presentation was made by the Economic Development Agency to the County Board of Supervisors. In its presentation, the agency projected as much as a \$65,000,000 gain for the county from its China Trip. The Grand Jury decided to investigate the cost of the trip and determine the actual benefit that the county was receiving from the trips. Interviews were with the administrator and other representatives of the San Bernardino Economic Development Agency (SBEDA), the County Administrative Officer, and Dr. Levitt, a professor at California State University, San Bernardino, who was asked to evaluate the trade mission.

The information regarding the recruitment, presentations and selection of the delegates was reviewed. There were two trips to China. The first in November of 2006 and the second in October of 2007. A survey was prepared by the Grand Jury and sent to the fourteen businesses that went on the 2006 trip (see copy of the letter "Attachment A" and survey "Attachment B"). Seven replies were received. The Economic Development Agency also provided copies of the surveys they had received from the participating businesses for both China trips. In reviewing all the information, two recurring

complaints were noted. First that more time needed to be taken to learn what the participating companies manufacture or promote, so that appropriate matches could be made with their Chinese counterparts. Second that the interpreters be more qualified to facilitate better communication. The following facts are being presented as a comparison between the two China Trade Trips:

<b>2006 China Trade Trip</b>	<b>2007 China Trade Trip</b>
Number of people attending: 17	Number of people attending: 14
Representing 14 businesses	Representing 14 businesses
Number of out-of-county businesses: 2	Number of out-of-county businesses: 5
Not applicable	Repeat businesses from 2006: 5
County employees attending: 5	County employees attending: 5
Elected officials attending: 3	Elected officials attending: 3
Staff of officials attending: 5	Staff of officials attending: 3
Cost of trip only: \$41,494	Cost of trip only: \$45,995
Total cost: \$70,425	Total cost: \$89,108

The Economic Development Agency is to be commended for hiring Dr. Levitt to accompany the China Trade Mission (2007) to evaluate the program and make recommendations for its improvement. Dr. Levitt’s report is attached (see “Attachment D”) in its entirety.

The actual cost of the China Trade Mission is higher than the number shown in the report when the cost of salaries and other fixed costs are included.

It became apparent to the Grand Jury that the administrator of SBEDA had no clear person of authority to whom he was accountable. The administrator dealt with the Board of Supervisors more as a courtesy than a requirement.

**RECOMMENDATIONS**

- 08-17 Adopt Dr. Levitt’s recommendations to improve and enhance the China Trade Mission, and continue to act as a consultant to assist the County in implementing her recommendations. (See attachment for specific recommendations)
- 08-18 SBEDA Administrator needs to be accountable to the County Administrative Officer.
- 08-19 Allow a maximum of two elected officials with one staff member each to accompany any Trade Mission.
- 08-20 Match the participating businesses with their foreign counterparts.
- 08-21 Hire skilled interpreters to enhance communication.

**Attachment A**

September 11, 2007

Name  
Company  
Address  
City, State, Zip

Dear \_\_\_\_\_:

RE: China Trade Mission, November 2006

Your company participated in the Foreign Trade Mission to China in November of 2006. The 2007-2008 San Bernardino County Grand Jury is trying to determine the effectiveness of the county's efforts to bring additional economic growth to the county.

We are asking that you take a few minutes to evaluate the trip and its result for your business. After completing the attached questionnaire, please return it in the enclosed envelope. Be advised that all information provided will be held in complete confidence.

If you have any questions, please contact me at (909) 387-3820. Your cooperation is appreciated.

Sincerely,

GWENN PEREZ  
2007-2008 Grand Jury Foreperson

GP/CB/mav

Attachment

**Attachment B**

Name of Company: \_\_\_\_\_

Date Completed: \_\_\_\_\_

Foreign Trade Mission – China  
November 2006

**BUSINESS QUESTIONNAIRE**

1. Project sales and contracts proposed during delegation.
  
2. Actual sales completed to date.
  
3. Has your company increased the number of employees as a result of the trip?  
If so, by how many?
  
4. Are you still generating sales from the contacts you made through the trade  
delegation? If so, amount of sales from January 2007 through June 2007.
  
5. Do you consider the trade delegation a success? Please explain your answer.
  
6. Would you participate in future trade delegations? Please explain your  
answer.

Please attach additional pages if necessary.  
This document is held in confidence. Thank you for your response.

## Attachment C

### **Summary of Dr. Levitt's Recommendations**

- Purpose statements be developed and publicized from perspective of both the county and its delegates. (page 2)
- Delegates be recruited explicitly for facilitating business growth for the county. Match making be done to expand exports and SBEDA should develop relationships with the municipal governments to insure their appropriate match. (page 3)
- Clear and direct statements be translated to Chinese, and from Chinese to English for their partners. Statements written would become basis for selection for trip. (page 4)
- Supervisors have a separate schedule to meet local Chinese government officials to promote long-term business growth in San Bernardino County. (page 5)
- Use of consultants be focused and minimized. Any consultants, travel agents, etc., used should be located in the County of San Bernardino if possible. (page 6)
- Pre-mission surveys focus on desired goals and be translated to Chinese. Post surveys may still cover travel questions, but should be expanded to obtain what was learned. These surveys serve as a base for future surveys conducted weeks/months later to determine actual goal accomplishments. (page 8)

NOTE: Permission has been granted by Dr. Levitt to include a copy of her 2007 China Trade Mission evaluation in this report.

# 2007 San Bernardino County China Trade Mission



**Audit provided to**

Economic Development Agency

County of San Bernardino

**by**

College of Business & Public Administration

California State University, San Bernardino

February 11, 2008

February 11, 2008

Moises Cisneros  
International Trade Manager  
County of San Bernardino, Economic Development Department  
215 N. "D" Street, Suite 201  
San Bernardino, CA 92415

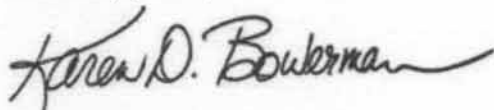
Dear Mr. Cisneros,

We share your vision that the economic growth of our region is closely tied to international trade. Your office's facilitation of two-way trade between County of San Bernardino businesses and their counterparts in China has enormous potential for impact on the economy. Various faculty from CSUSB's College of Business and Public Administration have attended your international trade seminars and found them to be informative. In addition, it was a pleasure to send Dr. Catherine Levitt on your second trade mission to China, October 6-14, 2007, so that she would be familiar with this County economic development program by immersion. Because she is an expert on international trade in China [see Appendix A], she was asked to prepare the content for an audit of the program.

The enclosed report is to fulfill the arrangement for CSUSB's audit in accordance with Phase I of the agreement signed on December 7, 2007. On December 29, 2007, CSUSB's College of Business and Public Administration provided a draft audit to Brian McGowan, then Director of the County of San Bernardino Economic Development Agency. We invited your Department's response, to be added to the final bound report. Your Department then submitted an opening statement that introduces this report, found on the following page. Your suggestions for the main report were incorporated into the body of the report, largely pointing out the fact that the CSUSB auditor went on the China Trade Mission and became involved in time for only a couple of pre-trip meetings with participants, rather than being engaged during the design phase.

The style of this report is intended to provide a basis for the strategic plan that follows. The audit is not written for the purpose of celebrating the trip, but rather for providing a solid base for a follow-up strategic plan to make future trade mission trips even more valuable and cost-effective. Therefore, it does not give ardent praise for the fact that a second China Trade Mission was arranged by the San Bernardino Economic Development Agency. This letter is to let it be known that we applaud you and the office staff for stepping out to address the challenge of setting up meaningful trade missions to China. Furthermore, taking the measure to have an impartial and objective outside party complete an audit is admirable. We also look forward to authorization for beginning work on Phase II [see Appendix B] which will provide Economic Development staff with practical steps to take for implementation of the strategic plan.

Sincerely yours,



Karen Dill Bowerman, Ph.D.  
Dean

Jack H. Brown Hall • 909.537.5700 • fax: 909.537.7026

5500 UNIVERSITY PARKWAY, SAN BERNARDINO, CA 92407-2393

## **PURPOSE OF OBSERVATION: PHASE I**

Leadership at the California State San Bernardino (CSUSB) selected Dr. Catherine Levitt to serve as the principal observer for the County's second trade mission to China in 2007. Given her background in international trade and China in particular, she was asked to complete this report to identify opportunities to improve the program, increase its effectiveness and measure results. This initial phase of the report is based on her one-week observation while traveling with County staff and trade mission delegates to China. She observed the one-on-one meetings held in each city and drew her conclusions for the report based on these observations, informal chats and documents generally available to all participants.

The primary purpose of Phase I was to initiate a query of the County of San Bernardino's second trade mission to China, including the purpose of the trade mission, recruitment, participation by County offices, use of consultants and what the delegates brought back to the U.S. as the basis for increasing trade with China. This management first-glance evaluation opens discussions on the effectiveness and suitability of underlying procedures and methods. The final report will serve as the base for development of a solid strategic plan that can bring both cost savings and higher levels of international trade resulting from subsequent trade missions.

With the initial observations in this Phase I, County staff will work with trade advisors and others to develop a valuable audit of the program. Phase II will utilize results of the completed report. As established in Phase I, Dr. Catherine Levitt, Associate Dean for Graduate and International Programs Frank Lin, Associate Dean for Administration Otto Chang and Dean Karen Dill Bowerman will team together to carry out Phase II, pending a final consulting contract with the University. As an addition to this portion of the audit methods are explored for the County of San Bernardino to partner with CSUSB in order to carry out the strategic plan. We appreciate the CSUSB team for their insights and efforts at forging stronger international connections in our region.

County of San Bernardino

Economic Development Department

## INTRODUCTION

The primary purpose of Phase I is to audit the County of San Bernardino's second trade mission to China. This management audit evaluates the effectiveness and suitability of underlying procedures and methods. The audit is a useful evaluation method because it serves as the base for development of a solid strategic plan (Phase II) that can bring both cost savings and higher levels of international trade resulting from subsequent trade missions.

In a partnership with the County, CSUSB's College of Business and Public Administration looks forward to implementation of programs of mutual interest in expanding export and enhancing business opportunities for the Inland Empire. An example of such a program may be a Global Leader Exchange Program as highlighted for part of the County's international trade office draft plan. Funded by grants, sponsorships, and County seed money, the County envisions an exchange of about four weeks, sending two government leaders from San Bernardino County abroad annually, and hosting two of their counterparts annually. Following development of the strategic plan in Phase II, the College will propose specific means by which its continuing involvement and partnership can contribute to implementation of the plan. Internships, class projects, faculty participation, grants, etc. can all be used to help achieve our mutual objective of economic development for the County.

This audit assesses the following areas:

- Purpose of the trade mission
- Recruitment of U.S. and Chinese companies to participate in the trade mission
- Preparation of U.S. and Chinese companies for their participation in the trade mission
- Participation by County officials
- Use of consultants
  - Value of appointments made for U.S. companies by consultants
  - Destination points of Hong Kong, Suzhou & Shanghai
- What delegates brought back to the U.S. as the basis for increasing trade with China
- Pre and post surveys conducted with delegates

## AUDIT REPORT

### SBEDA Trade Mission to China

#### Purpose of the Trade Mission

There is no clear, concise and direct statement of the purpose of the Trade Mission in any of the promotional literature. The Trade Mission is part of Phase 1 Global Scout Mission, as stated in the San Bernardino Economic Development Agency (SBEDA) Strategic Plan. This Strategic Plan announced the following goals:

1. **Branding:** Promote our overseas connections, infrastructure and understanding of global markets to attract companies from throughout the U.S. and abroad.
2. **Facilitate Business Development Growth:** Provide County area companies with business development opportunities abroad and educate businesses on how to take advantage of export/import markets.
3. **Education:** Educate the general public, students and elected officials about the benefits of fostering a 21<sup>st</sup> Century, global business, free-trade environment.
4. **Partner:** When appropriate, the below should be built with partners from within local, state and federal entities to leverage existing resources, create stronger programs and raise awareness.

It is assumed that the Trade Mission 2007 to China was intended to foster these goals.

For future trade missions, it is suggested that purpose statements be developed and publicized from the perspectives of both the County and the delegates.

#### Recruitment of U.S. and Chinese Companies to Participate in the Trade Mission

The Trade Mission was promoted to potential U.S. participants through established channels including media, print and word of mouth. It was also promoted through the websites of the County and the travel agent. There was a screening process for applicants. Precisely what criteria were used to determine acceptance is unclear following initial observations by the auditor, as the participants were largely drawn from areas of Southern California outside the Inland Empire or San Bernardino County. Several of the participants had been on the 2006 Trade Mission to China and were

hoping to do better in 2007. Some participants were established entrepreneurs. Some were employees designated to participate by their company. Some were independent, potential entrepreneurs currently in some other profession. Most had limited experience outside their local area. All but one were more interested/only interested in importing (rather than in exporting). The one person interested in export was more interested in attracting Chinese investment than in exporting products. It should be noted that the direct favorable impact to local economies is many times greater when participants in the local economy are exporting rather than when they are importing. The advantage of first-mover in importing from China is gone. China has been exporting to firms in the U.S. for 24 years. The import advantage which continues to be available is based on economies of scale and there is no possibility that small business will reap the Wal-Mart advantage.

The selection of Chinese participants was left to a variety of consultants and the travel agent. There was no apparent, direct contact between county employees and Chinese participants prior to the meeting times. There was demonstrable familiarity between the consultants and the county employees. There were significant changes to the list of Chinese participants (both companies and their designated employee/consultant participant) and the timing of individual meetings. These changes required constant schedule revisions on the part of the county employees and an incredible amount of last minute clerical work.

It should be noted that the use of U.S.-based consultants to facilitate these matchmaking sessions added layers of cost, and circumvented the usual Chinese practice and protocol.

It should be noted that only one of the consultant groups had a direct connection with San Bernardino County (he is the representative for the City of Ontario in China). It is doubtful that any of the fees paid to consultants or travel agency would repatriate to San Bernardino County. The selection process for consultants is not obvious to the auditor upon observation.

For future trade missions, it is suggested that delegates be recruited explicitly for purpose of facilitating business development growth of the County. Matchmaking sessions for the primary purpose of expanding exports to China from the County would be set up for delegates utilizing methods consistent with the usual Chinese practice and protocol. This would mean that the SBEDA would need to develop relationships with the municipal governments most appropriate to the import/export match and would work with their counterparts to assure the accuracy of the matches. This would also mean that the SBEDA would need an in-depth understanding of the county participant companies and their products.

## Preparation of U.S. and Chinese Companies for Their Participation in the Trade Mission

It appeared to the auditor, following initial observation, that there was a great effort expended by the Economic Development Agency to video tape each US participant explaining their goals for the trip and specifics about their import interests. These were then translated into Chinese and distributed to the consultants. It is unknown to the auditor how many of the Chinese participants had seen these tapes prior to the meetings. The statements of the participants were not as clear and direct as they might have been as many had less than specific interests, and some were highly technical or field specific. The translations were less clear than the original English.

It was unclear to the auditor if the U.S. participants had sufficient information about the Chinese counterpart prior to the meeting. They, however, did meet and develop some level of communication with each of the consulting groups. This may work well for the consulting groups' new client development.

Communication of trade mission and delegates' goals and objectives to the Chinese participants was handled by the travel agent and the consultants, usually through intermediaries.

For future trade missions, it is suggested that clear and direct delegate statements be developed well in advance so that translations are prepared with precision by Chinese-speaking representatives for the County. Cross translation would be essential. Matchmaking would be accomplished on the basis of those statements, with in-depth information provided to delegates before leaving the U.S. The SBEDA would need to be in possession of similar information from the Chinese match companies before departure.

## Participation by County Officials

Two County Supervisors accompanied the Trade Mission along with a member from each of their staffs. A third Supervisor sent an official representative who was accompanied by his spouse. One of the Supervisors was ill for most of the trip and unable to attend meetings. The other Supervisor left the trip early. They made a number of taping sessions introducing the county which may have been aired on local television or used in promotion of the Hong Kong Forums. They had a different schedule and agenda than the other participants. They did not have as many appointments with Chinese government officials as would have been expected.

The consensus of participants was that the participation of the Supervisors was welcome and significant to their perception of the County of San Bernardino. They felt that the trip offered each of them an opportunity to develop a closer relationship not only with elected officials but with each other as well.

There were five Economic Development employees on the Trade Mission. Two arrived four days early to do advance work and make final arrangements. Two of these SBEDA employees spent very long hours (perhaps 12 per day each) managing the appointment schedule, facilitating the changes and seeing that the participants' needs were met. Two seemed to oversee the general arrangements, handle the public relations for the County and facilitate the consultants. One seemed to accompany the Supervisors but seemed unclear as to what her job with Economic Development would be as she had just been hired.

For future trade missions, it is suggested that any participating Supervisor has a special schedule with many Chinese government officials for the purpose of facilitating long-term business growth in the County of San Bernardino and supporting the goals of delegates for increased trade.

### Use of Consultants

The use of consultants was an effort made to simplify the process and handle cross-cultural differences. The use of consultants added layers of cost without benefit, distanced the County officials from their counterparts in China (the usual source of trade information and matchmaking in a formerly socialist environment) and provided mismatches for the participants.

First to be explored in this audit is the value of appointments made for U.S. companies by the consultants. The consensus of participants was that most of the appointments were mismatches. Several felt that they had one match with good potential. Most felt that they had learned important lessons about international trade and about China. Most felt they would go back or pursue other opportunities for trade in China. Several felt they would take their families to China. The post survey asked the participants to quantify what this potential good match would mean if realized. Most responded to this question but said they had no idea when they might realize this potential. It should be recognized that the question is couched in such a fashion as to call for a volume of trade response, rather than how much profit or community reinvestment or job growth would be generated in San Bernardino. This can be very misleading when dealing with imports.

Second, the destination points of Hong Kong, Suzhou & Shanghai selected by consultants are evaluated. Hong Kong and Shanghai are both commercial centers rather than manufacturing centers. Since the location of the manufacturing centers are at some significant distance from the commercial trade centers, most of the appointments made in Shanghai and Hong Kong were with yet another layer of intermediaries rather than with principles of manufacturing companies. Suzhou is famous for high tech firms and garment manufacturers. Most of the high tech firms are strategic partnerships with Japanese, Singaporean or Western multinationals or provide OEM for these firms on contract or license basis. Most of the garment and textile firms are joint ventures with European or U.S. multinationals or provide contract manufacturing for such firms. Only two of the participants were involved in either of these industries and neither is interested in outsourcing to these firms...they are interested in buying finished goods in limited quantities. The other participants would have been better served by visits to areas where the products they are interested in are manufactured. Most of the U.S. participants are very hands-on members of their particular industries. They were looking for the opportunity to meet their counterparts. That did not happen for most. Three participants did arrange their own side trip from Hong Kong to a manufacturing area outside Shen Zhen. They were very satisfied with this site visit.

The primary reason for the selection of Hong Kong seems to be based on the travel agent's belief that the Hong Kong Forum would be a good entrance for the group and because of its reputation as the gateway to China (no longer true). Shanghai seems to have been selected because several of the consultants have offices there and because of its appeal as a cosmopolitan, world city. Suzhou is one hour from Shanghai. This would be an easy mission trip to package at reasonable cost.

For future trade missions, it is suggested that any use of consultants be focused and minimized. SBEDA should be working to position themselves as the only middleman the participants need. Methods should be identified for the County to assume "ownership" of selection of destination points and appointments made for delegates.

#### What Delegates Brought Back to the U.S. as the Basis for Increasing Trade With China

- Greater familiarity with and appreciation of China and Chinese people
- Loss of fear factors related to international trade and travel
- Realization that they need to do more research on suppliers in their field

- Greater appreciation of the efforts made for them by the Economic Development Agency in San Bernardino (they feel they can call a friend)

Future trade missions must retain the above benefits that were gleaned. Added to these results, it is suggested that delegates return to the U.S. with an informed action plan toward accomplishing their original goals that has been developed mutually with County officials and Chinese counterparts.

### Pre and Post Surveys Conducted with Delegates

Surveys conducted before leaving the U.S. paralleled the form that would be used before a tour as opposed to a trade mission.

The post surveys provided an estimate of anticipated trade that would result from the contacts, and were served as a survey of satisfaction with the travel and accommodation. Specifically, delegates were asked to submit a one-page survey of four questions immediately following the visit to each of the three cities – Shanghai, Hong Kong, and Suzhou. With regard to the one-on-one meetings, delegates were asked: “Of the companies you met, which one(s) will you continue to have a working relationship with? Project the potential value of the relationship/transaction(s) for the next 12 and 60 months.” Those projections became the quantifiable estimate of trade results to be accomplished from the trade mission. Second, delegates were asked to describe how what they learned on that leg of the trip may affect their future development and planning. Third, delegates were asked to rate their overall experience on a scale of five: from the Suzhou visit, they rated dinner at the Shangri-La; from the Shanghai visit, they rated the reception at Le Meridian Royal Hotel; and from the Hong Kong visit, they rated the morning briefing, the Hong Kong Forum breakout session, the Victoria Peak dinner, and the dinner cruise. Last, delegates were asked to “tell us what we can do to make future trade missions a greater success.”

From informal discussions with participants, it was found that most participants did not feel comfortable making negative comments about goal accomplishment because such questions were not asked and/or questions were couched in a manner so as to elicit only positive responses. Most came away feeling that their own (pre-trip) expectations were unrealistic. Several felt that they would do more business with other U.S. participants who happened to be delegates on this trade mission than they would with China.

In general, the evaluation process should always begin with a measurement of participant reaction, as do the surveys currently in use. It is then valuable to find out in

follow-up surveys what the participants learned from their experience. The survey attempts to evaluate the extent to which the newly acquired knowledge and understanding about China is being used or applied in order to achieve original goals. Finally, there is an effort to go to "the bottom line" to measure the dollar amount of trade generated, or other quantifiable measures of original goals. From a business perspective, this "bottom line" justifies the County expenditure of time and resources on the program, even though for internationally-sophisticated participants, the cause-and-effect results are elusive to identify.

For future trade mission trips, it is suggested that pre-mission surveys focus on desired goals in anticipation of the delegate statements to be translated for Chinese counterparts. Immediate reaction post surveys may still cover satisfaction with activities and accommodations, but should be expanded to serve as a survey of what was learned. In turn, results from the immediate post surveys should serve as the base for follow-up surveys that are conducted weeks and months out from the mission and get to actual goal accomplishment and the bottom line as described above.

## APPENDIX A

### BIOGRAPHICAL BACKGROUND OF THE AUDITOR

Dr. Catherine Levitt was asked to serve as the principal investigator for completion of this audit. She became informed on this particular trade mission by immersion in the County's second trade mission to China, October 6-14, 2007 [Hong Kong, Suzhou & Shanghai] and she learned more about delegates by serving as coach to some. Catherine Levitt holds a B.A. magna cum laude in French and Philosophy from John Carroll University, a Master's degree in International Business from Pepperdine University, and a Doctorate in Business Administration in Strategic Management from United States International University. Dr. Levitt also holds another graduate degree in Southeast Asian Studies and Vietnamese Language and is a certified Commercial Contracts Negotiator. Dr. Levitt has more than 15 years of private industry experience at an executive level as well as several years with Department of Defense.

Dr. Levitt has lived, worked and taught in China, Vietnam, Taiwan, Japan, France, Germany and the Czech Republic. Her particular area of interest and expertise is in the privatization process that accompanies the transition from a command economy to free-market practice. Integral to this research, is study of the changing mindset and cultural change that accompanies and underpins economic change. Interested in languages, art and cultural formation, Dr. Levitt speaks English, German, French, Japanese, Vietnamese and Chinese well and can participate in conversations in a few other languages. She reads Spanish and Italian.

Currently, Catherine Levitt continues as Director of the Center for East-West Entrepreneurial Studies in Southern California and does consulting on privatizing industries in transitional economies. Dr. Levitt is the Representative at Large for the Americas to the Executive Council of the International Association for Chinese Management Research. She was Provost of Golden Gate University's Southern California Region from 1998-2000. Dr. Levitt was a nominee for the PriceWaterhouseCoopers' Ansoff Prize in Strategic Management, 2000.

## APPENDIX B

### PHASE II

Building on the audit conducted in Phase I of this work, Phase II utilizes results of the audit to plan for the future. As established in Phase I, Dr. Catherine Levitt is both informed on this particular trade mission and is an expert on international trade in China. She, Associate Dean for Graduate and International Programs Frank Lin, Associate Dean for Administration Otto Chang and Dean Karen Dill Bowerman team together to carry out Phase II. As an addition to this portion of the audit, and of course at no cost to the County, methods are explored for the County of San Bernardino to partner with CSUSB in order to carry out the strategic plan. It should be noted that CSUSB is the only four-year public university within the County.

It is proposed that there are two primary outcomes of Phase II – to identify means for determining actual trade results, and to develop a strategic plan for future trade missions.

- 1) Surveys to determine trade that resulted from trade missions #1 and #2
  - a) Surveys are designed and implemented for the two groups of delegates
  - b) Results are reported
  - c) Instruments are designed and recommended for future trade missions
- 2) Strategic plan developed for the future trade missions
  - a) Objectives of trade missions
  - b) Responsibility for results
  - c) Obtaining value by holding down cost
  - d) Organization of roles both pre-trip and during the trip
  - e) Marketing of program and recruitment of delegates
  - f) Preparation of delegates for trade and for the trade mission
  - g) Communication with Chinese for meaningful appointments
  - h) Ongoing support of delegates upon return to U.S. for results in trade

# HUMAN SERVICES COMMITTEE

Dawn Molumphy, Chairman

Susan Brewster

Cliff Burke

Jim Cook

Nanette Deffina

Dory Hegdahl

BJ Jones

Adele Kyle

Dave Van Buren



## **HUMAN SERVICES COMMITTEE**

The Human Services Committee had the responsibility of reviewing and investigating the departments within the Human Services Group. The committee also was able to investigate two divisions and programs in the Administrative Support Division of the Human Services Group.

The committee would like to thank each of these departments for their cooperation. All department heads and staff we encountered were professional, dedicated and cooperative.

The following departments and divisions were visited:

Aging and Adult Services  
Children's Services  
First 5  
Foster Care Program  
Independent Living Program  
Preschool Services  
Transitional Aged Youth Program  
Transitional Assistance  
Veteran's Affairs

The following Administrative Units were reviewed and investigated:

Administrative Service Division  
Program Integrity Division

The Human Services Committee submits the following findings and recommendations.

# **HUMAN SERVICES DEPARTMENT**

## **PROGRAM INTEGRITY DIVISION**

### **BACKGROUND**

The Program Integrity Division (PID) is devoted to providing quality service to the Human Services departments it serves, and is committed to ensuring that welfare programs are administered fairly, equally, and without system abuse. It provides supportive services to the three social service departments: Transitional Assistance Department (TAD), Department of Children's Services (DCS), and the Department of Aging and Adult Services (DAAS).

PID is comprised of four different units with unique functions that support Human Services departments. The Case Review Unit (CRU) conducts specialized case reviews at the direction of County Counsel. The Quality Review Unit (QRU) is responsible for the review and reconciliation of reports, cash aid overpayment calculations and collections, CalWORK work participation rate and Food Stamp quality control case reviews. The Appeals Unit represents the County in administrative hearings in which public assistance case decisions are disputed by the clients, and receives and resolves or refers elsewhere for resolution complaints about how cases are handled by workers. Also, the Fraud Investigation Unit (FIU) which is required to prevent, identify, investigate and prepare for prosecution cases involving abuse of the welfare system.

### **FINDINGS**

San Bernardino County is rated second in the state for the number of welfare cases. Currently, San Bernardino County has 30,000 cash assistance cases and 55,000 Food Stamp cases. The interviews conducted by the Grand Jury concentrated on the issue of welfare fraud.

There has been a steady decline in the number of fraud investigators within the Public Integrity Department. When asked by the Grand Jury what the fraud rate was currently, or the amount of money lost to the county by fraudulent claims, the department answered "The definition of "fraud" found in the California Manual of Policy and Procedures is that a person must receive benefits they were not entitled to receive. We do not currently collect data that meets this definition." When asked what percent of referrals are referred to collections the departments answer was "The Special Investigations Unit (SIU) does not track the number of referrals submitted for collections." The PID is supposed to be the main checks and balances between the County and the taxpayer.

When an application for assistance is received, a Quality Review Specialist (QRS) is sent to the home within ten days to verify the information given. There are 12 QRSs who make approximately 900 home visits a month. Some of these visits reveal suspicions of fraud before any benefits are distributed. This information is then referred to the Fraud Investigation Unit. Examples of fraud would be a child or children reported to be in the home but in actuality are not, unreported income, altered or phony pay stubs, living in another county or state and filing here in San Bernardino County, "lost" Electronic Benefit Transaction (EBT) cards (an indication of possible fraud), using more than one social security number, and not reporting a wage earner living in the home. EBT cards are automatically loaded with income for both cash and Food Stamps. Photographs on the cards are not required. When asked why not, it was stated that "retailers are not the police; they wouldn't ask to see the picture anyway; all they want is to make the sale." Subsequently, as it was stated to the Grand Jury, EBT card fraud is very active. **Note:** Photographs would have to be approved by the State and implemented State wide. The state requires assistance applicants to be fingerprinted within one year. The PID tries to fingerprint them within a month, before benefits are given. Applicants used to sign the application form yearly in front of the case worker; now it can be mailed in, therefore not signed before a witness. The D.A.'s office no longer prosecutes clients for perjury. Nor does it prosecute any referral below \$2500.

Within the Public Integrity Department the number of Quality Review Specialists (Home Callers) has been increased, while the numbers of Fraud Investigators have been decreased. Many of the investigative duties have been given to the Home Callers even though they are not allowed to do some of the duties of the fraud investigators because of confidentiality issues. Home Call workers have taken over the job of background investigations but cannot make collateral contacts to detect fraud; for example, talking to neighbors of the applicant, friends, and schools. It is felt within the department that it is cheaper to have the Home Callers do more work than keep fraud investigators on the payroll. A new tier of investigators, below Law Enforcement Investigators but above Home Callers who have limited authority, that are not part of law enforcement, could be implemented to handle these duties and other collateral checks to detect fraud. This new position would give the investigators the latitude to do a thorough review of applicants. When fraud is detected, the case would then be transferred to the Fraud Unit for final review prior to going to the D.A.

A client report used to be generated on a monthly basis, whereby each voucher for assistance was looked at for changes in circumstances. The state has now made that a quarterly report. The client is no longer required to notify the office of any financial changes, or changes in family dynamics, until the new quarter starts. If the client's income changes on January 2 that increase does not have to be reported until April 1. What ordinarily would be an overpayment of benefits to the client in a monthly report is no longer considered an "overpayment" in the quarterly report. The Grand Jury asked about the effects of the quarterly reporting system. Would this not lead to more fraud that would go undetected? This is taxpayer money. It was agreed that it might, but its intent was to ease the workload. It is the system that the state mandates. It was expressed to the grand jury that it is the desire of the PID to change the quarterly reporting system

to a semi-annual system. It would be “easier and more beneficial”. However, for the taxpayer it means any overpayment, because of unreported changes, would not be discovered until 6 months have gone by. This “overpayment” would not be considered fraud, or a loss to the county.

One of the goals of PID for this fiscal year is to expand the Case Review Unit database and reporting capabilities and enhance reporting to customers by providing quarterly and annual reports. The goal for the Fraud Investigation Unit is to develop proactive internal and external detection systems to curb fraud in public assistance programs and increase by 33% the number of referrals to the D.A. for prosecution. But the number of attorneys assigned to prosecute fraud cases has decreased. PID was asked about the number of fraud investigators employed in the last five years:

June of 2002 - 49 investigators

June of 2003 - 45 investigators

June of 2004 - 33.5 investigators

June of 2005 - 30.5 investigators

June of 2006 - 28.4 investigators

June of 2007 - 26 investigators

As of the date of this interview there were 23 investigators, with the unit to lose three more in January 2008. In 2007, there were a total of 68,789 applications for assistance. From that, there were 20,179 fraud referrals to the FIU. But there were only 160 convictions by the D.A.’s office. In 2005 there were a total of 63,990 applications for assistance with 12,206 fraud referrals. At that time they had 30.5 investigators. There has been a steady decline in fraud investigators. The state standards are one investigator for every 1,000 cases. By this standard there should be 34 fraud investigators.

Forty percent of the referrals made by eligibility workers contain fraud of some kind. It was stated that the greatest amount of fraud is in childcare cases. State eligibility standards are too lax. This program is easily defrauded and takes longer to work. Most investigators do not have the time or experience, and the cost to the county of a thorough investigation is significant. If the department cracks down on ongoing fraud, and payments to applicants decrease, the state budget process cuts the monies. If all the money in the budget is not used, less money will be budgeted in the future. This initiative to minimize leads to a fraud problem. It was suggested that the FIU do random, cold call, childcare inspections.

According to the FIU, even though the development of proactive programs is a goal for the current year, the proactive enforcement programs that were being done have been stopped. There are no fraud “sweeps”, no “dinner with daddy” an after-hours home inspection for an unlisted wage earner in the home; there is no longer any collaboration with local law enforcement. Nothing is in place to allow the Fraud Unit to seize assets.

The Fraud Unit used to be well respected in the law enforcement community; now their poor reputation has led to a morale problem, which seems to equal less productivity, leading to more fraud. There is a need for more of a law enforcement oriented type approach to dealing with welfare fraud.

There appears to be a tug of war going on between the benefits side of the PID and the fraud investigation side. These are very different, competing interests under one umbrella. The benefits side wants the applicants to receive what they need. The fraud side is looking to make sure that no benefits are received that are not warranted. This dysfunction was obvious to the grand jury through our many interviews. The cause of this dissention may be related to work relations, low pay, staffing, and/or the work environment. The Sheriff's Association, the Performance, Education, & Resource Center (PERC), and Human Resources have been asked to come into the Division and do an assessment as to what is creating the low morale problem. They will speak with both supervisory and staff personnel and when the facts are gathered all will believe they got due process. Human Services management will be proactive and there is the belief that it will lead to a positive change in the management style; if not a change in management personnel. If the PID is motivated and correctly led, welfare fraud will decrease.

### **RECOMMENDATIONS**

- 08-22            Transfer the Fraud Investigation Unit out of Human Services and place it under the D.A.'s office.
  
- 08-23            Create a new tier of investigators that are not part of law enforcement. They would work under the Human Services Department.
  
- 08-24            Create and maintain a report regarding welfare fraud rate and the cost to the county.
  
- 08-25            Have County Counsel look into "asset forfeiture" regarding properties purchased with illegally obtained welfare money.

# LAW AND JUSTICE COMMITTEE

Kent Fogleman, Chairman

Susan Brewster

Skip Burt

Nanette Deffina

Dan Jeffs

Dory Hegdahl

Wayne King

Dawn Molumphy

Bill Sommers

Dave Van Buren

Kraig Westra



## LAW AND JUSTICE COMMITTEE

The Law and Justice Committee completed a busy and productive year. More than 53 interviews were conducted, and over 36 visitations reports were written. Moreover, the following departments were investigated:

District Attorney  
Gang Unit Enforcement &  
San Bernardino Movement Against Street Hoodlums (SMASH)  
Major Accident Investigation Team (MAIT)  
Probation  
Public Defender  
Sheriff/Coroner  
Sheriff's Academy  
Sheriff's Communication System  
Sheriff's Scientific Investigations Division

Additionally, the following jail facilities were inspected:

West Valley Detention Center	Big Bear Sheriff's Station
Central Detention Center	Twin Peaks Station
Adelanto Detention Center	Barstow Sheriff's Station
Glen Helen Rehabilitation Center	Colorado River Station
Victorville Sheriff's Station	Juvenile Detention Center (Apple Valley)

Visitation reports were written on each of the above facilities and incorporated in a matrix form for clarity and brevity. Final reports with recommendations were completed on two of the larger facilities; West Valley Detention Center and Central Detention Center. Many of the smaller facilities listed in the matrix have needed more space and more personnel for some time.

Final reports with recommendations were also prepared on the following departments:

Major Accident Investigation Team (MAIT)  
Public Defender  
Scientific Investigations Division  
Sheriff's Academy Training Center  
Sheriff/Coroner – Coroner's Division  
SMASH/Gang Unit

The committee wishes to thank all department heads for their cooperation during our term. Their full support made our efforts worthwhile.

What follows are the combined results of the Law & Justice Committee.

## **PUBLIC DEFENDER**

### **BACKGROUND**

All persons accused of a crime are entitled to a defense; this is provided in the Constitution of the United States of America. Anyone not having the financial means to hire an attorney will be assigned one by the court. The County Public Defenders office has the responsibility of representing indigent clients. The office provides defense services to both adults and juveniles accused of felonies, misdemeanors and violations of probation. In cases where the possibility of a conflict may exist between a client and a Public Defender the court contracts these cases to outside law firms through Request for Proposal (RFP) process.

### **FINDINGS**

The Public Defender currently has 116 Deputy Public Defender positions, all of which are filled at this time. In comparison to the District Attorney's caseload, the Public Defender's office is currently handling 78% of the number of cases the District Attorney's office handles with only 51% of the trial lawyer staffing. In 2007, the San Bernardino County Deputy Public Defenders' average caseload was 560, whereas the San Bernardino Deputy District Attorneys handled an average of 352. San Bernardino County Deputy Public Defenders' average caseload also was much higher than neighboring counties with Orange County handling an average of 352 and Riverside 335.

The Department of Justice National Advisory Commission recommends a caseload standard of no more than 150 assigned felonies per attorney per year, or no more than 400 assigned misdemeanors per attorney per year, or no more 200 assigned juvenile cases per attorney per year.

San Bernardino County has 5.5% of California's population and only 1.3% of the State Bar membership and has no law schools. Attorneys are most often recruited from outside the county. Counties in Arizona with similar problems recruiting and retaining highly qualified personnel have documented the advantages of initiating a loan repayment program. The average law student graduates with \$83,000 in student loans. A loan repayment program would put monies aside to help new attorneys with their student loans. This program would help the County recruit and retain qualified attorneys, saving time and money by reducing the need for more frequent hiring and providing a significant amount of new-hire training. The cost of this program would be approximately \$5,250 annually per attorney qualifying for this program. Riverside County has recently instituted a loan repayment program that is viewed favorably.

The Public Defender's Office also operates with a lower percentage of investigators than the District Attorney's office. Supervising investigators are responsible for both management and non-management level duties taking them away

from their primary job. By creating a second tier of investigators, workload could be delegated so that the Supervising Investigators could focus more on management responsibilities. A tier system of investigators is currently in place in Orange, Riverside, Los Angeles and San Diego Counties.

**RECOMMENDATIONS**

- 08-26            Increase the number of Deputy Public Defenders to align with the Department of Justice's caseload standards.
  
- 08-27            Institute a loan repayment program to support the recruitment and retention of qualified personnel.
  
- 08-28            Increase the Public Defenders investigative staff, creating a Level II investigator position.

# **SHERIFF-CORONER**

## **CORONER DIVISION**

### **BACKGROUND**

The 2002-2003 Grand Jury's report on the Coroner's function found that the main county facility in San Bernardino was in an unacceptable condition. Bodies were stacked three or four high and an extremely bad odor existed throughout. In January 2005, the Coroner function merged into the Sheriff's Department and the Sheriff became the Sheriff/Coroner. Under the strong leadership of the Board of Supervisors, community leaders, and the County Administrative Officer, the Sheriff/Coroner Department developed a plan to improve the Coroner function. The 2006-2007 County Grand Jury report found that progress had been made, implementing plans that the Board of Supervisors approved in February 2006.

Those plans included:

Seven additional deputy coroner investigators for a total of 21

Five additional autopsy assistants for a total of eight

\$3.5 million to remodel the morgue in San Bernardino

Two service specialist positions

One new pathologist and two part-time pathologists

In February 2007, the Board of Supervisors approved the relocation and remodel of the High Desert Coroner's facility.

### **FINDINGS**

The Coroner's subcommittee met with the Captain and his key assistants and toured the facilities in San Bernardino and Apple Valley. Both were clean and well organized. There was adequate refrigeration/freezer storage capacity and the autopsy stations in San Bernardino facility were in good condition. In 2006, the Coroner reviewed 9,566 reportable deaths and performed 744 autopsies. In 2008, projections indicate that 11,500 reportable deaths will be reviewed with over 1,200 autopsies. These projections show a significant increase in Coroner activity. Over the next two to three years, there will be an increased need for morgue personnel. The Coroner projects that an additional four coroner investigators, two additional autopsy assistants, and one supervisor will be needed.

All autopsies are performed at the San Bernardino facility where the staff is dedicated to creating an atmosphere where relatives and friends of the deceased are

treated with dignity and respect. The Coroner utilizes the Riverside County Coroner for any officer involved shooting deaths, jail deaths, or other high-risk autopsies.

There are significant security issues at both facilities. The High Desert facility needs a perimeter fence to secure the entire property, as it is located in a business area where traffic is able to use the driveway as a shortcut to another street. In addition, there are no outside cameras to survey the area to protect Coroner equipment and personnel. The San Bernardino facility needs a more enhanced security system that will provide a video camera, alarm and keyless entry system that will provide comprehensive protection for all equipment, evidence, and decedents at the facility. This additional security at both facilities may cost between \$90,000 and \$111,000.

The San Bernardino morgue needs a new x-ray machine. This piece of analogue equipment is used daily for autopsies and was purchased in 1996 at a cost of \$40,000. The cost to replace the existing x-ray bulb is \$14,000; a new machine with basic capabilities would cost \$100,000, and a new digital system with enhanced capabilities and portability would cost \$225,000.

With the remodel of the Coroner's facility in San Bernardino and the increase in the number of pathologists, the Coroner is now in a position to obtain certification from the National Association of Medical Examiners. This certification will help attract qualified personnel and lend greater credibility to testimony that the medical examiner must give in legal proceedings. The cost of this certification is \$3,000.

San Bernardino County is the largest county in the continental United States covering an area of over 20,160 square miles with a population exceeding two million. Four major traffic arteries cross the county. The Sheriff's Department has five deputy sheriffs who are also trained and qualified as deputy coroners. These deputies are located in Baker, Barstow and Needles. The demands on these five deputy sheriffs to cover this large area are significant. There is also a need for a new full-time deputy coroner position in Needles, which is currently served by a part-time employee. In 2007, 254 death investigations were conducted in the Colorado River Basin area.

The Coroner contracts with four outside firms to transport bodies from outlying areas of the county. These are not county employees. While economical, this procedure could expose the county to potential legal risks. These providers need to be closely monitored and controlled.

### **COMMENDATION**

The 2007-2008 Grand Jury commends the Board of Supervisors, the County Administrative Officer, and the Sheriff/Coroner for their hard work and diligence in bringing the Coroner function to a high standard of excellence.

### **RECOMMENDATIONS**

08-29            Appropriate funds for needed x-ray equipment and security systems.

- 08-30 Add five deputy sheriff's, cross-trained as deputy coroners.
- 08-31 Reinstatement of the position of a full-time deputy coroner position in Needles.
- 08-32 Obtain certification by the National Association of Medical Examiners.
- 08-33 Increase morgue staffing during the next two or three years as demands increase.

## JAIL FACILITIES

### JAIL MATRIX

JAIL	ZIP CODE	ADDRESS	PHONE	COMMENTS
Adelanto Detention Center	92301	9428 Commerce Way, Adelanto	760-530-9300	This is a well run, Type II** facility with 706 beds and is self-sufficient. Staff includes a full-time nurse. There are plans to expand. Budgeted to include 2,074 beds by 2010. All areas clean, well staffed and safe.
Barstow Station	92311	220 E. Mountain View, Barstow	760-256-3531	Built in 1950s but in excellent condition and well maintained.
Big Bear Station	92315	477 Summit Blvd, Big Bear Lake	909-866-0100	This is an old Type I* facility. It has 24 beds, is very clean and well maintained.
Central Detention Center	92415	630 E. Rialto Ave, San Bernardino	909-386-0969	See report on Page 37.
Colorado River Station	92363	1111 Bailey Avenue, Needles	760-326-9200	Neat, clean, well maintained. Thirty beds.
Glen Helen Rehabilitation Center	92407	18000 W. Institution Road, San Bernardino	909-473-3616	Facility is extremely well run, very clean and orderly. This facility was built in 1962, with the women's facility added in 1988. Hallways and grounds are immaculate; physical plant in very good condition.
Juvenile Detention Center	92301	21101 Dale Evans Parkway, Apple Valley	760-961-6711	Clean, orderly, and well maintained.
Twin Peaks Station	92391	26010 Highway 189, Twin Peaks	909-336-0600	No longer a functioning jail - it housed prisoners for very limited period of time. There are no beds. It is clean and well maintained.
Victorville Station	92392	14200 Amargosa Road, Victorville	760-341-3911	Clean and well maintained. There are 80 beds.
West Valley Detention Center	91739	9500 Etiwanda Ave, Rancho Cucamonga	909-463-5000	See report on Page 39.

\* Type I facility - Can only hold prisoners a maximum of 96 hours

\*\* Type II facility - Has a medical facility and can hold prisoners for an unlimited number of years

## **CENTRAL DETENTION CENTER**

### **BACKGROUND**

Central Detention Center (CDC) opened in 1971 and was the main county jail for over 20 years. Overcrowding in the 1980's resulted in the building of the West Valley Detention Center (WVDC), which opened in 1991. CDC closed for a few years due to budgetary constraints, but eventually reopened in 1994 when the Sheriff negotiated a contract with the U.S. Marshal's Service to house federal prisoners. Since 1994, CDC has been the primary booking facility for the police and sheriff's stations operating in the East valley area.

### **FINDINGS**

This Class II facility (has a medical facility and can hold prisoners for an unlimited number of years) averages between 70 and 80 bookings per day. It presently houses about 890-1000 prisoners and has a bed capacity of 1049. Female inmates number about 170. Of this total number of prisoners, there are about 350 federal inmates and it is the hub for the Federal Marshal's Service. The county receives about \$80 per day to handle federal prisoners. Normal bookings cost about \$58. When an undocumented alien is booked, the file is flagged, but there is no Immigration and Customs Enforcement agent on site. They do have a gang recognition expert on duty and the members of specific gangs are kept apart.

A staff of 7 sergeants, 54 deputies, 20 Correctional Specialists, and 39 other civilian employees handles the prison population. Excessive overtime is a constant concern. The average range of overtime in a pay period was 1800 to 1990 hours. Recently, because of cutbacks, this figure is now about 800 to 900 hours per pay period. Adding additional deputies would further reduce the reliance on overtime.

The interior of the facility is linear style with long rows of cells. It is difficult to see inmates at times, and compared to the more modern WVDC, it is more labor-intensive for the guards who have to do the majority of their work by moving from one location to another just to open cells, climbing stairs to reach the upper tier. There are a total of 70 cameras mounted in the building but none are located in the cells or other areas that demand a modicum of privacy.

Serious problems such as fights and/or assaults on staff are rare. The staff reportedly maintains a non-confrontational approach towards the inmates. There is generally no yelling and/or pushing an inmate and this has had a quieting effect on the jail population.

There are several programs/classes offered at CDC. They have classes to obtain the GED, cooking classes, supply classes, health classes, etc. A nurse is on duty 24/7 but no doctor. Any inmate with a significant medical problem is sent to WVDC.

In the past year, CDC has not had any suicides or attempted suicides, no escapes and only one assault on staff.

Present staffing of deputies is 54. About 10 years ago, a study recommended a staffing of 77 deputies. The need for additional deputies is apparent. The 2008-2009 budget calls for 1 sergeant and 13 additional deputies for Central Detention Center.

**RECOMMENDATIONS**

08-34            Add additional deputies to bring the staffing to an acceptable and manageable number.

## **WEST VALLEY DETENTION CENTER**

### **BACKGROUND**

The West Valley Detention Center (WVDC) opened in 1991 and is a modern facility that offers state of the art services in medical, culinary, support, transportation and housing. It is the largest low-rise detention center in California and is recognized world wide as a flagship facility. The complex covers over 20 acres and presently houses approximately 3,000 inmates. This includes about 400 female inmates. The number of female inmates is on the increase in this facility, as well as most other jail facilities. WVDC is the primary booking facility for San Bernardino County and averages about 5,000 bookings per month. About 500 employees are used to manage and control the inmates during their stay. Approximately 180 sworn deputies are on 12-hour shifts each day to accommodate all security aspects of the operation.

### **FINDINGS**

Although there are 3,000 beds at WVDC, the facility is not overcrowded. When overcrowding becomes a concern, there are a few programs in place to alleviate this. Own Recognizance (OR) or bail releases are used on a daily basis. Inmates can be transported to other county facilities, such as Central Detention Center, Glen Helen Rehabilitation Center, and Adelanto Detention Center. Moreover, WVDC routinely initiates a Cite Release Program, whereby they book and release inmates whose bail is \$500,000 or less and their arrest was for non-violent felonies. This bail amount changes depending on jail population, and it is set by the Deputy Chief of Jails. On average, 400 inmates per month are transported from WVDC to other facilities.

About 18 months ago, working with Immigration and Customs Enforcement (ICE), WVDC started a program to check citizenship on all new inmates. If an inmate is determined to be an illegal immigrant, that person's file is flagged and when they have completed their sentence, they are turned over to immigration authorities at the ICE office in San Bernardino. There are between 200-300 flagged files at any given time.

The most pressing problem this facility faces is inmate medical problems. The number of medical problems plaguing inmates has increased dramatically in the past few years. In February 2008, there were 1,210 physician appointments, 4,400 nursing appointments, and 250 inmates were transported off site for specialized medical care. A year ago, there were about 950 to 1,000 inmates seeking medical care each month. There is currently 167 health care staff, which includes doctors, nurses, assistants, etc.

The medical department at WVDC is impressive. The ratio of medical staff to inmates ensures high quality medical care for the inmates. They have the capability of handling inmates with AIDS, inmates on dialysis, and those with cancer. Three to five deputies can be off the premises at any given time, accompanying inmates to local hospitals for highly specialized treatment. This is both expensive and time consuming.

Inmates that commit a crime at Patton State Hospital are transported to WVDC to await the disposition of charges. Their stay at WVDC can run into months or even years.

Deaths occur mainly through normal causes, but occasionally by inmate violence. The last death resulting from violence was about one year ago. Suicide threats are not uncommon, and are taken very seriously by the staff. Separation from the general population is immediate and a “suicide watch” is implemented. Inmates are checked at 15-minute intervals. There are cameras on them allowing for constant surveillance. Most suicide-watch cases last a day or two and then the inmate is released back into the general population, usually at the request of the inmate.

Staffing is a constant concern at WVDC. The facility is short about eight deputies on a daily basis. Excessive overtime is paid because of the staffing deficiency. The average amount of overtime during a pay period was 6,000 hours, but has lowered to 3,300 hours per pay period. Overtime is voluntary and the deputies request overtime by signing up ahead of time.

West Valley Detention Center is located in a rather remote area far removed from public transportation. When an inmate is released from custody, there is no provision made to assist in getting transportation. Inmates are released on a 24-hour basis. If released late at night or early in the morning, they are allowed to wait in the lobby until daylight. A non-profit organization called “Restorative Justice Group” recently contacted WVDC and started a program during evening hours whereby they assist released inmates who do not have financial resources. The group provides travel assistance and travel vouchers. Health care staff insures that the inmates with mental health issues get transportation. Without the involvement of Restorative Justice, there would be no means to assist a homeless inmate.

## **RECOMMENDATIONS**

- 08-35 Hire additional deputies to bring the staffing to an acceptable number.
- 08-36 Implement a responsive release policy, initiated by the sheriff’s department, with a stronger role in release assistance.

## **MAJOR ACCIDENT INVESTIGATION TEAM (M.A.I.T.)**

### **BACKGROUND**

The Sheriff's Major Accident Investigation Team (M.A.I.T) is one of the Sheriff's specialty investigation services. The M.A.I.T. team investigates some of the fatal traffic accidents that occur in the various contract cities, and some of the injury traffic accidents involving Sheriff's personnel and equipment. Accidents that occur in other jurisdictions are investigated by the law enforcement agency that is responsible for enforcement in that particular area.

### **FINDINGS**

M.A.I.T was called to duty 5 times (less than 20% of incidents) in 2007. There were 26 fatal accidents with 27 persons killed in Region II, not including Big Bear City, the Morongo Valley, or Needles. Statistics for Region I, which encompasses the San Bernardino-Chino-Ontario valley areas, were not available. Due to the problem of deputies being dispatched from so many places, reports are sometimes not completed in a timely manner.

Region I M.A.I.T. covers the contract cities below Cajon Pass, and Region II handles all of the contract cities from Cajon Pass to the Colorado River. In unincorporated areas, the California Highway Patrol (CHP) will investigate traffic accidents. The CHP also assists the M.A.I.T. when semi-tractor trailers need an inspection.

Each individual station commander selects deputies for appointment to M.A.I.T.. There is no testing procedure, and no minimum standards are required, except for training that any deputy can receive through courses approved by the California Commission for Peace Officer Standards and Training (POST). Since there is no county funding of M.A.I.T., and since any funding is dependent upon what each city can afford, the training level available to the deputies is not uniform, not advanced, and there is no continuing education requirement. Region I and Region II do not train together.

Training for M.A.I.T personnel consists of the attendance of the Basic 40-hour class, the 40-hour class for skid marks (primarily the physics of sliding objects), and an 80-hour class that addresses advanced time-distance math, and an introduction to physics such as conservation of momentum and energy. Beyond these classes, there are reconstruction classes that range from 40 to 80 hours. These classes, however do not certify, or accredit an investigator as an Accident Reconstructionist; that can be done only by Accreditation Committee for Traffic Accident Reconstruction (ACTAR). There are also Special Problems In Accident Reconstruction classes, Auto-Pedestrian Crash classes, Articulated Vehicle classes, as well as other classes. M.A.I.T personnel have not attended these specialized classes except for one Hesperia detective who is not ACTAR accredited.

ACTAR is an organization that was founded at the behest of the Federal Department Of Transportation (D.O.T.). D.O.T wanted to standardize, and create minimum performance standards for people who work as Accident Reconstructionists. ACTAR is comprised of police agencies, universities, engineering groups, and research scientists who have created a matrix by which Accident Reconstructionists can be accredited. The matrix consists of a six-page application, which must meet review standards, and a two-part, eight-hour test in which a candidate demonstrates his/her abilities. The San Bernardino County Sheriff has no accident investigator currently accredited by ACTAR.

The Sheriff's department has no mission statement for its M.A.I.T. division, and they have no multidisciplinary approach to investigations. The Los Angeles Sheriff uses Bio-Mechanists, and the California Highway Patrol uses highway engineers and automotive component experts, in addition to accredited Reconstructionists.

Los Angeles Sheriff operates county wide out of a centralized location. The San Bernardino Sheriff's M.A.I.T. deputies are dispatched from either their regular duties, or from home if off duty. There are no uniform software used by the various offices, and it is not uncommon for two deputies to arrive on the scene who are not familiar with the equipment used by the other deputy. There are no joint training exercises, and Region I and Region II M.A.I.T do not communicate with one another.

A problem faced by supervisory personnel is the transitory nature of M.A.I.T. service. Just when the supervisors get a deputy to the point that he/she is proficient at the job, they are either transferred, or promoted. The budget does not allow for the continual specialized training of personnel. ACTAR requires a minimum of 80 hours of continuing education. The ACTAR person then either submits the proof of training, or must face re-testing. M.A.I.T has no training budget for continuing education, and has no requirement for it.

The federal government has mandated that all passenger vehicles have an Event Data Recorder (EDR), a "Black Box", after 2012, and many have had it since 1994. This device allows an investigator to plug a Crash Data Recorder (CDR) into the car's wiring system, to determine the speed, engine speed, and condition of the brakes and seat belt. The Sheriff has some of the equipment at some stations, but they do not have any of the later modules needed to use their equipment on newer vehicles. No deputies have attended the technician or analyst courses.

Due to the rapid technological developments in automobiles and accident reconstruction, several of the update classes each year must be taken by personnel. Also mandated by the federal government, is a vehicle part called an Electronic Stability Control (ESC). This reduces rollover accidents. This device, however, makes specific marks on the roadway, and an investigator must account for its use in determining a vehicle's speed. No M.A.I.T. deputy has been ACTAR trained on this new automotive development.

Articulated vehicles (semi-tractor trailer rigs) require their own accident reconstruction physics and investigation. No M.A.I.T. deputy has been ACTAR trained in articulated vehicle crashes.

M.A.I.T. does have some technical equipment, which is used to make precision measurements of accident scenes. This equipment can also be used to make very precise, scale drawings of other crime scenes. The problem is that the equipment is not consistent from station to station as the software for each piece of equipment is different.

**RECOMMENDATIONS**

- 08-37            Increase training and educational opportunities for M.A.I.T. personnel for the purpose of achieving ACTAR certification.
- 08-38            Standardize equipment, training, and software throughout the county.
- 08-39            Fund continuing education for M.A.I.T. personnel.
- 08-40            Encourage ACTAR certification for all M.A.I.T. personnel.
- 08-41            Provide M.A.I.T. investigators with multi-disciplinary specialists to consult on fatal accident investigations.
- 08-42            Use technical equipment and mapmaking skills to assist other divisions.

## **REGIONAL GANG UNIT/SAN BERNARDINO COUNTY MOVEMENT AGAINST STREET HOODLUMS**

### **BACKGROUND**

#### **SMASH (San Bernardino County Movement Against Street Hoodlums) Regional Gang Unit**

The San Bernardino County Sheriff's Department's Regional Gang Unit consists of two Gang Enforcement Teams. These teams operate as a countywide gang suppression effort. Each team consists of four Sheriff's Deputies, one Sheriff's Corporal, one Sheriff's Sergeant, one Probation Officer and one California Highway Patrol Officer.

The teams' focus is on identifying existing and newly emerging street gangs and gang members, tracking criminal gang activities, and assisting in the prosecution of gang members. Aside from their daily operations, the teams are actively involved in assisting the Department's Homicide Division and allied agencies with gang related homicides and shootings.

The County's revitalization of S.M.A.S.H. and aggressive gang suppression efforts by the San Bernardino County Sheriff's Department and local law enforcement agencies has resulted in an increased number of identified gangs and gang members. Currently, there are 719 identified active gangs and 16,000 identified active gang members in San Bernardino County.

S.M.A.S.H. is a joint effort by local, state and federal law enforcement agencies to suppress criminal gang activity in San Bernardino County. S.M.A.S.H. operations target gang members that participate in criminal activities and whom have active arrest warrants and are currently on parole or probation status. Although emphasis of S.M.A.S.H. is on criminal gang activity, arrests do not reflect solely gang related crimes.

Law enforcement participation in S.M.A.S.H. has increased considerably, averaging approximately 100 sworn officers per operation.

S.M.A.S.H. conducts approximately one to three operations monthly, alternating between the valley and the desert areas.

### **FINDINGS**

The SMASH/Regional Gang Unit is under the command of the Sheriff's Deputy Chief in charge of the Specialized Operations Division. The Special Enforcement Division is under the direction of a Sheriff's Captain. Deputies assigned to SMASH/Gang are hand picked and must meet stringent guidelines. New members undergo a comprehensive 40-hour training course, which includes gang histories, profiles and current updates on gangs. SMASH/Gang deputies are also members of the S.W.A.T.

(Special Weapons Assault Tactics) Team. Each police department in the County has an MOU (Memorandum of Understanding) with the Sheriff's Department to provide police personnel to SMASH. This report deals primarily with gang enforcement in the Desert Region under Sheriff's control.

The Sheriff's Special Enforcement Division Desert Regional Gang Enforcement Team – SMASH consists of one probation officer, one California Highway Patrol Officer and six sheriff's deputies. The team is headquartered at the Adelanto Police Department. The Victorville Police Department gang team has nine officers, the Apple Valley Police Department has two officers assigned to SMASH, and the Hesperia Police Department has two officers assigned to SMASH.

San Bernardino County has been described by the SMASH/Gang Unit commander as being a "turf-free zone" for organized Los Angeles gangs. Since there are no declared "turfs" to defend, Los Angeles gangs who are enemies engage in cooperative criminal ventures in San Bernardino County.

According to the Desert Team commander and a highly qualified probation officer gang expert and team member, there are currently 66 gangs with about 2,100 members in the Desert Region. The increasing population of gang members has been attributed to members escaping injunctions in the Los Angeles area, HUD Section 8 and other affordable housing, anonymity, and African American gang members being forced out of areas by growing Hispanic gangs.

African American and Hispanic gangs are criminal enterprises controlled by "shot-callers" in California prisons. Northern California Hispanic gangs ("Nortenos") are controlled by the Nuestra Familia prison gang, designated by the number 14 (14<sup>th</sup> letter of the alphabet, "N") and the color red. Southern California Hispanic gangs ("Surenos") are controlled by the Mexican Mafia prison gang, designated by the number 13 (13<sup>th</sup> letter of the alphabet, "M") and the color blue. Gang members are identified by letter and number tattoos, and number of dots indicating a member's rank. The cutoff area is Bakersfield. MS-13 is a separate gang. Unsettled gang members in the desert areas are called "Black Rags" and wear the colors red, white and blue. White supremacist gangs are controlled by the Aryan Brotherhood (AB), which consists of the "Nazi Low-Riders" (NLR). The most active white prison gang is the "Public Enemy #1" (PEN-1) or USA's gang.

The chain of command in gangs is strictly enforced. The chain of command runs from the prison shot-callers to county gangs, to city gangs and area gangs. All proceeds from drug dealing and other crimes are taxed by gang leaders.

Initiation into gangs often requires a new member to be physically beaten by existing gang members. Initiation can also include committing a serious crime, up to and including murder. There are gang members in training called the "Pee Wee's," who are 9 to 12 years of age. Female members are called the "Queens," who are initiated by having sex with all members. Female members who contract the AIDS virus are required to have sex with rival gang members, which is called the "HIV War." Gang graffiti is a deadly

serious form of establishing territories, communicating threats, and challenges between gangs and members.

The City of Victorville contracts with the San Bernardino County Sheriff's Department for police department law enforcement services, as do the cities of Adelanto, Apple Valley and Hesperia. Each city funds a SMASH/gang unit.

According to the Victorville Police commander, the unique rise in the number of gang members was caused by the housing boom of the past few years, wherein families with young males and some gang members left gang-infested areas of Los Angeles County for more affordable housing in the Victor Valley and to escape the dangers of gang violence. Once they settled, many of the young males were encouraged by local gang members to join their gangs. Hybrid gangs were formed consisting of both Crip and Blood members, and various Hispanic gangs did the same. Multi-racial gangs were also formed. In a recent robbery/murder that occurred at the 7/11 store in Apple Valley, the crimes were committed by a Crip gang member and a Blood gang member.

The Victorville Police department has the largest SMASH/gang unit consisting of a sergeant, a corporal and five deputies. The Desert Regional SMASH/gang unit of seven deputies is located at the Adelanto Police Department under the command of a Sheriff's Sergeant. The regional unit covers Victor Valley, Barstow and the unincorporated areas. When area sweeps are conducted, County probation officers are assigned to accompany the unit.

Deputies assigned to SMASH/gang unit are well-trained and committed to their duties. Two deputies are on-call for field deputies who suspect they are dealing with gang members. Once it is determined that a gang member is involved, the gang unit assumes responsibility for the case. Many of the cases against gang members involve criminal conspiracy to commit crimes. SMASH/gang unit members attend shift change briefings regularly and conduct in-service training with field deputies. Field deputies are well aware of local gang activity, and the Victorville unit shares information with other area units and the regional unit. SMASH/gang units work together in joint operations throughout the area, which includes the unincorporated areas.

The City of Victorville is committed to combating gang problems in the city and has been very supportive and generous with funding for personnel and equipment. The City recently purchased four surveillance vehicles for the unit. Two additional deputies will soon be added to the unit, along with two probation officers. The cost of cleaning up gang graffiti in Victorville amounts to between \$150,000 and \$200,000 per year.

San Bernardino County requested \$1.6 million in grants from the State for gang-related law enforcement and training grants. The County received about \$700,000. The desert area will receive little, if any, funds from the grants.

There are two Deputy District Attorneys assigned to gang prosecutions in the desert area. They have obtained gang injunctions in Victorville, which resulted in gang

members moving their activities to surrounding cities. The injunctions were then expanded to cover the entire valley. Gang injunctions have proven to have an effective impact on gangs. However, more resources are necessary to obtain time-consuming injunctions. Political interference has proven detrimental to injunction practices which are not approved of by some.

The District Attorney team is doing a good job. Gang conspiracy cases are worked-up against gang members, which has been very effective in prosecutions. However, the team is often overwhelmed with gang prosecutions. The desert area could certainly use additional specialized deputy district attorneys and support staff.

Penal Code Section 186.22 gang enhancement charges are supporting longer jail terms. The code section states that “any person who actively participates in any criminal street gang with knowledge that its members engage in or have engaged in a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in a county jail for a period not to exceed one year, or by imprisonment in the state prison for 16 months, or two or three years.”

Penal Code Sections 186.20 through 186.33 is known as the "California Street Terrorism Enforcement and Prevention Act." The Legislature found that “the State of California is in a state of crisis which has been caused by violent street gangs whose members threaten, terrorize, and commit a multitude of crimes against the peaceful citizens of their neighborhoods. These activities, both individually and collectively, present a clear and present danger to public order and safety and are not constitutionally protected. It is the intent of the Legislature in enacting this chapter to seek the eradication of criminal activity by street gangs by focusing upon patterns of criminal gang activity and upon the organized nature of street gangs, which together, are the chief source of terror created by street gangs.”

According the Desert Team commander, a potentially groundbreaking gang enhancement prosecution is currently underway that involves a “Surenos” gang member who allegedly crashed a party, engaged in a fight with a non-gang member, 17 year-old male and lost the fight. The gang member left, enlisted the help of gang members from San Bernardino, Los Angeles and the desert, returned to the party and murdered the 17 year-old with a shotgun.

The City of Victorville area has been exposed to a growing gang problem, which has been responded to by increased gang personnel. The hot spot in the Victor Valley is in the City of Adelanto, wherein the Hispanic “Brown Pride” gang has been growing since 1993. The MS-13 gang is also of growing concern, with between 50 and 100 members in the desert region. “Below Underground” is a desert region hybrid gang recently involved in a double murder at the Victorville Wal-Mart parking lot. There are about 100 members in hybrid gangs. And there are growing hostilities between the Brown Pride gang and African-American gangs.

The Desert Regional Gang Enforcement Team currently occupies a single office at the Adelanto Police Department. Minimal clerical support staff is furnished by Adelanto PD. The Desert Team Commander indicated that there is an urgent need to move the team to a separate facility, with support staff to accommodate the team. The team shares three computers, and they have a limited number of vehicles and equipment. There is a need to upgrade equipment on existing vehicles, and a need for photographic and surveillance equipment. Because of the limitations, both the Valley and Desert Gang Teams are required to share equipment. Some team members use their own cameras and cell phones. Both teams access and input gang information to the California Gangs computer database, and there is a definite need for each member to have a laptop computer. With the exception of the Probation Officer and CHP Officer members, there is no dedicated budget account for overtime.

Ongoing training is needed to maintain gang team members as “gang experts.” All members benefit from membership in the California Gang Investigators Association, and should be able to attend seminars provided by the association.

The SMASH/Regional Gang Unit Commanders, team commanders, gang specialist Probation Officers and gang specialist Deputy District Attorneys agree that additional gang suppression and prosecution personnel, adequate overtime and equipment are needed to catch up with and stay ahead of gang growth and criminal activity, particularly in the Desert Region. Criminal gangs are responsible for the majority of crime in the Desert Region. Combining city Gang/SMASH personnel with regional teams for special operations and more street presence would add to effective suppression efforts.

Criminal gangs create a hostile environment of terrorism throughout any and all areas that they inhabit or prey upon, causing people to live in fear. There is a strong indication that substantially increased gang suppression and prosecution efforts can improve Valley areas and save the Desert by making San Bernardino County undesirable to criminal gangs.

## **RECOMMENDATIONS**

- 08-43            Increase the number of SMASH/Gang Unit personnel to catch up with and stay ahead of gang growth and criminal activity, particularly in the desert region.
- 08-44            Provide a separate strategically located facility and support staff to accommodate the desert regional gang team.
- 08-45            Add SMASH/gang enforcement personnel to the Victorville County Station, the Town of Apple Valley, the City of Adelanto, and the City of Hesperia.
- 08-46            Provide ample overtime to meet regional team needs.

- 08-47        Combine city Gang/SMASH personnel with regional teams for special operations and more street presence.
- 08-48        Add Gang Specialist County Probation Officers to meet regional team needs.
- 08-49        Provide additional vehicles and equipment, and photographic and surveillance equipment as needed.
- 08-50        Provide each gang team member with a laptop computer to access and input gang information to the California Gang Database.
- 08-51        Provide ongoing specialty gang training to team members, along with membership/seminar attendance with the California Gang Investigators Association to maintain “Gang Expert” status.

## **SCIENTIFIC INVESTIGATIONS DIVISION**

### **BACKGROUND**

The Sheriff's Scientific Investigations Division (SID) provides the resources and expertise to investigate crimes committed in San Bernardino County. This division of the Sheriff's Department has become much more visible to the general populace due to the increased DNA publicity and several primetime television shows (CSI). The SID assists investigations in several ways including taking photos, ballistics testing, doing chemical analysis, evidence gathering/monitoring, processing finger prints and processing DNA samples. The SID not only puts the evidence together to put criminals in jail but also helps bring very important closure to victims and their families.

### **FINDINGS**

The Scientific Investigation Division is in serious need of resources if it is expected to catch up and maintain the needs of the county. The problems facing SID are complex. At this time, if the critically needed personnel were provided, there is no space to put them.

The FBI recommends the minimum work area per analyst be 1,000 square feet. In 2005/06 the San Bernardino County SID had 386 square feet per analyst and in 2006/07 had 330 square feet per analyst. The current number is 218 square feet per analyst. Due to the building requirements for a crime lab, purchasing an existing building and retrofitting it would actually cost more than constructing a new building. The longer construction is delayed, the more the cost rises and the larger the case backlog becomes.

San Bernardino County has an area of 20,105 square miles with an estimated population of over 2,000,000 and increasing daily. The county has only 12 Crime Scene Investigators (CSI). Currently, the investigators are divided into three teams of four. Every third week a team is on call 24/7. The teams not on call are busy processing their findings, doing reports and other collateral duties. Burnout is an ongoing concern since the workload is constantly increasing and the backlog continues to grow.

When it became evident there was a need for additional DNA labs, the district US Representative suggested that due to the physical requirement and expense of constructing these labs, funds be given to San Bernardino County to construct a facility that can handle both San Bernardino County and Riverside County DNA analysis requirements. This suggestion was adopted and is currently in effect. The Regional Access Network Board (RAN Board) provided some funding for this collaboration. The RAN Board receives its funds from local police departments and funding is limited. This means that SID is doing the work for two counties with space that is inadequate for one.

DNA profiles are worked by priority. Priority I are cases that the District Attorney has promised to prosecute and are generally already in the trial stage. Priority I cases are

homicides, violent rapes and officer involved shootings. The DNA lab is currently just keeping up with these cases. Priority II cases are those such as burglary and rape that have an identified victim and suspect. There are approximately 1,000 cases on backlog and the number is increasing. The current DNA analysis staff can only perform 240 DNA work ups per year. Priority III cases are the cold cases. Currently, with the present number of analysts and the space needed, cold cases have the lowest priority.

In addition to Crime Scene Investigators and DNA analysts, SID needs Forensic Analysts who, in essence, are training to become DNA Analysts. These positions can be tiered to include DNA Analysts and Forensic Analysts I-III.

### **RECOMMENDATIONS**

- 08-52            Provide additional workspace for the Sheriff's Scientific Investigation Division taking into account the growth of the county.
- 08-53            Increase the number of Crime Scene Investigators from 12 to 24.
- 08-54            Increase the number of DNA/Forensic Analysts from 10 to 20.

## **TRAINING CENTER / ACADEMY**

### **BACKGROUND**

The California Commission on Peace Officer Standards and Training (POST) was established by the Legislature in 1959 to set minimum selection and training standards for California law enforcement.

The San Bernardino County Sheriff's POST certified Regional Law Enforcement Training Center facility and firing range was constructed and established in 1973. The training building contains two classrooms, an assembly courtyard, a physical training room, a supply room, a tactical staff office, locker rooms, restrooms and academy administrative offices. Subsequently, the two classrooms were combined into one large classroom and the firing range was enlarged.

### **FINDINGS**

POST funding comes from the Peace Officers' Training Fund (POTF). The POTF receives monies from the State Penalty Assessment Fund, which in turn receives monies from penalty assessments on criminal and traffic fines. Therefore, the POST program is funded primarily by persons who violate the laws that peace officers are trained to enforce. No tax dollars are used to fund the POST program.

The POST program is voluntary and incentive-based. Participating agencies agree to abide by the standards established by POST. The more than 600 agencies in the POST program are eligible to receive the Commission's services and benefits, such as job-related assessment tools, research into improved officer selection standards, management counseling services, the development of new training courses, reimbursement for training, and quality leadership training programs. POST also awards professional certificates to recognize peace officer achievement and proficiency.

Training programs at the Center include a POST Basic Academy, a Reserve Officer Training unit, an Advanced Officer Training Unit, a Mounted Enforcement Unit, a high school Public Safety Internship Academy, firing range training, a Reserve Firearms Training Unit, a Use of Force Unit, and a yearly program consisting of 24 hours of training updates for existing law enforcement officers. According to Academy Commander, a constant priority is placed on enhancing Use of Force training for safety purposes and to reduce liability exposure to the County.

Basic Academy class sizes average 40 or more officers from all participating law enforcement agencies, with two or three staggered classes being held simultaneously. Law enforcement growth required the addition of portable classrooms remotely located from the training building, and the occupation of the former Verdmont Boys Ranch for the Advanced Officer Training Unit. The academy complex includes additional firing range training facilities, explosive training, scenario, situation and "Simunition"

(simulated use of firearms scenarios) training facilities, and an extensive training area for the Emergency Vehicle Operations Center.

The Training Center qualifies for portions of POST Plan II and Plan III reimbursements, which includes travel, lodging, meals and other expenses incurred by Academy staff. No student tuition is reimbursed by POST. The current cost per student is \$1,160.00. The current operating budget for the Training Center is about \$7 million, with about \$1.6 million in offsets. Approximately \$1 million per year is generated by the Emergency Vehicle Operations Center (EVOC), by training students from agencies throughout Southern California. Approximately \$600,000 per year is generated from a contract with the San Bernardino Community College District, which reimburses student attendance at training courses certified by San Bernardino Valley College.

The complex is widely spread over a number of acres on varying grades and levels of land some distance away from the main training facility. Other than the firing ranges, explosives training ground, scenario-training area and the Emergency Vehicle Operations Center, the Basic Academy and Advanced Officer portable classrooms are unreasonably remote from the main facility.

According to the Academy commander, the training division has only recently been able to bring a recurring mold and mildew problem among the portable classrooms under control. The age and condition of the buildings have also created an ongoing maintenance and repair problem. The Academy commander added that the remoteness of the classrooms inhibit or prohibit the use of shared Training Center staff.

The Training Center's 24-week Basic Academy program consists of 923 hours of training, well beyond POST's basic course academy, which requires a minimum of 664 hours with a curriculum of 43 specific training specifications.

POST has recognized the need for peace officers to have strong values of leadership, ethics and community policing. A strong foundation for officers is needed at entry level. POST designated the Training Center as the lead pilot program in developing the standard for all other basic academy programs in California.

Access to the Training Center was previously restricted to the same access to the Glen Helen Rehabilitation Center from a road connecting to Interstate 215 to the East. A second access road is available and near completion northwest from the Training Center to the Glen Helen Parkway traffic ramps on Interstate 15.

To meet current and future training demands, the Sheriff, his staff, and the Academy commander's assessment of overall training needs requires the construction of a new centralized facility to more effectively meet increasing public safety demands and the public's continued need for the well-trained quality law enforcement. The academy has enjoyed a good reputation for meeting and exceeding POST training standards. The current facilities have been outgrown, which places a strain on maintaining those high

standards. It should be noted that lack of law enforcement training could result in costly lawsuits and judgments that are paid from public funds.

A request was submitted to provide the committee with documentation supporting the assessment and cost analysis for the construction of a centralized training facility. The committee received a detailed proposal, which includes a design narrative, the program, aerial photographs of the site, a site analysis, the existing site, an adjacency study, the site plan, a 3D diagram, perspectives and elevations.

The total proposed program consists of a 93,000 square foot training facility located south of the existing shooting ranges. The facility will include an administration area, basic and advance training areas, and a use of force training area. Proposed parking areas will be located between the training facility and the shooting facilities. The shooting ranges, the practice-training course and the armory will remain. The existing administration and training building will be demolished after the new structure is completed and the area will be used for additional parking. Other major areas of construction will include a retaining wall between the lower parking and upper level shooting ranges to compensate for the 20-foot elevation difference. The wall will be used in part as a “wall of honor” and the focus of the entrance to the facility. The shooting ranges will be lined with a heavy landscape of tall trees and berms along the masonry walls to mitigate noise. The proposed facility addresses the need to be adjacent to the ranges, while maintaining an appropriate environment for classrooms and training. The initial cost estimate for the proposed training center is \$78,801,662, which includes \$37,977,466 for the main building, \$1,269,500 for various outbuildings, \$23,794,364 for building site work, and \$15,760,332 in “soft costs” including permits, design and management. The site work cost includes demolition of the current facility, paving for access roads and parking, plus landscaping and utilities for the site.

### **RECOMMENDATION**

08-55            Construct a 93,000 square foot centralized Sheriff’s Training Academy.

# **PUBLIC & SUPPORT SERVICES COMMITTEE**

David Gunther, Chairman

Dick Abraham

Ed Brittain

Skip Burt

Kent Fogleman

Dory Hegdahl

Dan Jeffs

Wayne King

Adele Kyle



## **PUBLIC AND SUPPORT SERVICES COMMITTEE**

The Public and Support Services Committee investigated several departments and issues confronting the County.

A timely investigation regarding bridge inspection and repair of bridges controlled by the County was conducted and a report issued.

The committee made a thorough investigation of various water providers in the County and has made recommendations about future cooperation between the providers as water resources come under further pressure.

Solid Waste management was reviewed and a report was made.

Facilities Management was investigated, and although late in our tenure, it was determined to make a short report on our findings and refer further investigation of this department to the next Grand Jury.

The committee also reviewed the Chino Valley Agricultural Preserve, the Chino Valley Airport and Fleet Management with no reports issued.

The Public and Support Services Committee would like to thank everyone interviewed for their cooperation and dedication to their work and the County in general.

## **FACILITIES MANAGEMENT**

### **BACKGROUND**

The Facilities Management Department is responsible for the maintenance and custodial services of county owned and leased buildings and parking facilities. The County employs approximately 150 workers and outsources approximately 150 more. Contract vendors that successfully bid and are awarded the contract, provide the contract workers.

### **FINDINGS**

The Grand Jury investigated only one area of Facilities Management Department; Custodial Contracts and their compliance. The committee requested a sampling of a typical custodial contract and received one that included the cleaning maintenance of the Redlands Courthouse. After a thorough review of the contract, the committee requested and was granted a visitation to the work site (Redlands Courthouse) to talk with both Facility Management personnel and the contract worker. The worker let the committee into the Courthouse with her set of keys. She was accompanied by an interpreter that was neither a county employee nor an employee of the contractor. One provision of the contract was that there be a site supervisor available. The committee was informed the “site supervisor” was the contract owner who resides in Las Vegas, NV.

On further investigation it was found that there were several items of the contract that were not in compliance. The most troubling of these was the contract worker we had met with, currently servicing the Redlands Courthouse, did not have the required background check by the District Attorney. Also, the Contract Corporation did not have the required Redlands business license, and its corporate license (Nevada) had been revoked permanently in February of 2008. The Grand Jury doesn’t know the reason for the revocation; however any change in the license status should be reported to the county.

The Facilities Management Department has failed to enforce contractual terms and has failed to ensure appropriate site supervision.

### **RECOMMENDATIONS**

- 08-56 Provide adequate staffing to monitor contract compliance in the workplace, paying particular attention to background checks.
- 08-57 Complete periodic reviews of existing contracts, checking license status.
- 08-58 Establish a reasonable distance that a “site supervisor” can be from a site to effectively supervise that site.

## **PUBLIC WORKS**

### **BRIDGES**

#### **BACKGROUND**

The subcommittee met with four Professional Engineers from the Department of Public Works. The Department of Public Works is under the Assistant County Administrator for Economic Development and Public Services Group.

They answered all our questions that were proposed openly with candor and completeness. The Grand Jury concentrated on the 189 bridges that are under the county responsibility. These bridges are separated into two different categories: 1) Mountains and Valley, 52 bridges are over 20 feet in length, and 2) Desert, 137 bridges are over 20 feet in length.

One hundred twenty of these bridges are located between Daggett and Mountain Springs on National Trails Highway, which parallels Interstate 40. These bridges have low traffic counts of 90 to 800 vehicles per day. They run a higher volume only during the rare times that Interstate 40 is restricted or closed for a traffic problem.

#### **FINDINGS**

The state inspects and reports on the bridges conditions every two years. They accomplish this on a rotating basis and reports are received on a constant timeline. The State and Federal government have funding programs that support the repairs on bridges over 20 feet in length. Sixty-seven bridges qualify for this type of funding. Bridges that are not covered under State and Federal funding are eligible for repairs under the State gas tax funding.

Load restrictions are posted on 70 bridges throughout the county. This is a self-regulated restriction and is only enforceable if viewed by the CHP. There are no electronic devices, such as cameras and/or electronic contacts that would alert the CHP of weight violations.

Caltrans has a strong program for emergency inspections when earthquakes occur with a magnitude of three or more. After inspection, the bridges found with defects are reported to the county for repairs. A quake with a magnitude of four is 10 times stronger than a magnitude of three and these extrapolations are carried throughout the Richter scale.

Bridge repairs and replacement fall under two separate categories.

Repairs:

Repairs are considered by safety factors and traffic counts, and are given a priority. Repairs are generally completed within the year that the repair order was issued.

Replacement:

Bridge replacement includes a two- to three-year environmental approval by Caltrans. Environmental considerations for all projects follow the requirements of the National Historic Registry, Bureau of Land Management (BLM), and U.S. Fish and Wildlife. Federal funding requires National Environmental Protection Act (NEPA) procedures rather than California Environmental Quality Act (CEQA). Along with these requirements, all regulatory permits are required before the bidding process begins.

Funding for all bridge construction and repairs comes from one of the following sources: Gas Tax, Measure I, AB 2928, Proposition 1B, and Federal Funds.

They have indirect communications with the county supervisors, but are pleased with their budget and systems of support from the county. The communication with Caltrans, the subcommittee felt could be stronger, but it is adequate to meet their goals. Working with the Caltrans and Federal funding just takes time and rushing the systems is not recommended. Their budget is not derived from the general fund, but from Gas Tax and Federal programs, so the majority of the budget varies and is controlled by these funding mechanisms.

The repairs that are not on track due to lack of funding at this time are the bridges in Yermo, Baker Boulevard and the National Trails Highway.

A great deal of time and monies are spent on county bridges that have very limited traffic and services a limited number of county residences. This is an important service in their daily life. Perhaps an alternative concept of a ditch paved over instead of an actual bridge would be more economical, with little inconvenience to local residences.

This department is well staffed and seems to perform their duties on bridges in a competent manner within the complicated and fragmented system that they must work.

**RECOMMENDATIONS**

- 08-59 Fund all pending bridge repairs at Yermo, Baker Boulevard and the National Trails Highway.
- 08-60 The County Board of Supervisors takes a more active role in funding County bridge repair and bridge safety programs.

- 08-61        The County Board of Supervisors should concentrate efforts to increase interactions with Caltrans to insure our share of the available funding for bridge replacements and repairs.
  
- 08-62        Prepare a cost analysis covering the last ten years to show the effectiveness of paving over the ditches, as opposed to bridge repairs and replacements.

## **COUNTY WATER RESOURCES/FLOOD CONTROL**

### **BACKGROUND**

San Bernardino County water supplies consist of local groundwater supplemented primarily by water imported from Northern California by means of the California Water Project. In 1960, California voters approved \$1.75 billion in general obligation bonds to finance construction of the State Water Project. Water supply contracts were signed between the state and public agencies stretching from counties in the north, to the San Francisco Bay area, through the San Joaquin Valley, and into Southern California. Water deliveries from the project began in 1965. By 1997, 27 public agencies throughout California were serving 22 million people and one million acres of farmland.

Under the contracts signed between the state and public agencies (known as the State Water Contractors), it was agreed that the agencies would receive specified amounts of water each year from the State Water Project. In return, the agencies agreed to repay the full cost, including interest, of financing, building, operating and maintaining the water delivery system.

The State Water Project (SWP) is operated and maintained by the California Department of Water Resources. Its pumping plants move the water through canals, underground pipelines, siphons, and tunnels, including the 444-mile California Aqueduct.

The State Water Project's water supply capability depends on rainfall, snow pack, runoff, reservoir storage, and pumping capacity from the Sacramento Delta. Water deliveries have ranged from 1.4 million acre-feet in dry years to almost 4.0 million acre-feet in wet years. Given there is no assured or "guaranteed" annual water supply, local State Water Contractor agencies have worked hard to develop additional local water supplies.

Today, there are 29 member agencies of the State Water Contractors that purchase water from the State Water Project. Water from the project serves more than 25 million residents, businesses and farms throughout California, irrigates more than 750,000 acres of prime agricultural lands and directly sustains \$400 billion of the statewide economy.

### **FINDINGS**

San Bernardino County residents and businesses rely substantially upon imported water from the State Water Project (SWP). Total precipitation is below normal this season. In addition, a recent environmental habitat federal court decision mandated a SWP water supply cutback of 30 percent.

There are three State Water Contractors in San Bernardino County. Each contractor agency is governed by elected district board members. The Mojave Water Agency services the high deserts areas of Victor Valley, Barstow, Yucca Valley and

Joshua Tree. The San Bernardino Valley Municipal Water District services the areas of San Bernardino, Redlands, Loma Linda, Rialto, Colton, Highland, Grand Terrace and Yucaipa. The Crestline Lake Arrowhead Water Agency services a portion of the San Bernardino Mountains. In addition, the Inland Empire Utilities Agency purchases State Water Project water from State Water Project Contractor, the Metropolitan Water District.

**The Mojave Water Agency (MWA)** was formed in 1959 by an act of the California Legislature and was activated by a vote of the residents in 1960 to manage declining groundwater levels in the Mojave Basin Area, Lucerne Valley and El Mirage Basin. The Morongo Basin and Johnson Valley areas were annexed in 1965.

The Agency imports water through the California Aqueduct to recharge groundwater from which local water companies and well owners derive well water for all uses including domestic, agriculture and industrial. Current MWA usage of SWP water amounts to about 15 percent of overall water consumption. Two pipelines directly from the California Aqueduct were constructed to service the water needs of the Barstow area and the Morongo Basin area including the Joshua Basin. All water runoff from streams above Silverwood Lake are metered by the SWP, and the exact amount of water from runoff into the lake is metered out of the lake into the Mojave River basin.

The MWA has an annual contract for up to 75,800 acre-feet of water from the State Water Project (SWP), although due to variability in deliveries of SWP water, the average annual supply available is currently estimated to be 58,400 acre feet. Pursuant to long-term planning, in order to balance the basin by the year 2025, it will be necessary for MWA to utilize its full SWP supply. The MWA has purchased and banked about 120,000 acre feet of water from the SWP California Aqueduct over that past three years, which is recharged into the water basins for future use. Because of cutbacks in state water supplies from the aqueduct, and in keeping with long-range planning to maintain adequate water supplies, the MWA Board has mandated that the Agency seek new supplies of water.

The MWA often meets with other water professionals, and is willing to meet regularly with San Bernardino County Flood Control and other water agencies to further the goals of ensuring water supplies and promote conservation for the area and the county.

**The Inland Empire Utilities Agency (IEUA)**, originally named the Chino Basin Municipal Water District, was formed in 1950 to supply supplemental water to the region. Since its formation, the Agency has expanded to areas of responsibility to a regional wastewater treatment agency with domestic and industrial disposal systems and energy recovery/production facilities.

The Chino Groundwater Basin was adjudicated in 1978. The IEUA Board of Directors served as the governing board for the Chino Basin Watermaster until 1998 when the Superior Court modified the governing board to be an appointed 9 member

board. On July 1, 1998, the water district officially became the Inland Empire Utilities Agency.

The IEUA serves as the Santa Ana River Watermaster, along with the San Bernardino Valley Municipal Water District, the Western Municipal Water District, and the Orange County Water District. The Santa Ana River adjudication was approved by the Superior Court in 1969 and approves an annual report each year on water usage and rights consistent with the 1969 judgment.

The IEUA's 242 square mile service area is located in the southwest corner of San Bernardino County, and provides regional wastewater service and imported water deliveries to eight contracting agencies, which include the cities of Chino, Chino Hills, Fontana, Montclair, Ontario and Upland, and the Cucamonga Valley and Monte Vista water districts. The five elected IEUA board members represent the listed cities and portions of Rialto and Bloomington.

A considerable portion of the Chino Basin area consists of agriculture, dairies and industrial/commercial areas. When agriculture and dairy land goes to other development such as housing, the water rights go to cities and water districts.

In addition, the IEUA has become a recycled water purveyor, a biosolids/fertilizer treatment provider, and continues as a leader in water supply salt management for protecting the regions vital groundwater supplies.

Chino basin water supplies come from about 60 percent groundwater, 5 percent mountain streams, 10 percent recycled water, and 25-30 percent purchased from the Metropolitan Water District (MWD). The MWD water supplies are derived from a combination of California Water Project water and Colorado River aqueduct water pipelines, which is metered out to the IEUA from the MWD facility in La Verne.

The IEUA works regularly with San Bernardino County Flood Control, and is willing to meet regularly with San Bernardino County Flood Control and other water agencies to further the goals of ensuring water supplies and promote conservation for the area and throughout San Bernardino County.

**The Crestline-Lake Arrowhead Water Agency (CLAWA)** is a public agency created in 1962 by a special act of the California State legislature to provide supplemental water to a portion of the San Bernardino Mountains.

As a State Contractor, CLAWA sells imported water wholesale to approximately 25 retail water purveyors for domestic use and fire protection purposes. The Agency's sole source of supply is surface water from Silverwood Lake, which is processed through the Agency's treatment plant. The maximum system design capacity of the CLAWA's transmission system is 15 cubic feet per second (6,750 gallons per minute). CLAWA's maximum entitlement for SWP water is 5,800 acre-feet per year. Up to 1,302 additional

acre-feet per year can be appropriated from Houston Creek, which is a tributary to Silverwood Lake.

The community of Lake Arrowhead was not included when the CLAWA was formed. Recently, the Lake Arrowhead Community Services District reached a 15-year agreement to purchase 7,600 acre-feet of SWP water from the San Bernardino Valley Municipal Water District through the CLAWA. The agreement allows the District to supplement its water supply with an average of 500 acre-feet of water per year.

The CLAWA is willing to meet regularly with San Bernardino County Flood Control and other water agencies to further the goals of ensuring water supplies and promote conservation for the area and the county.

**The San Bernardino Valley Municipal Water District** (Valley District) was formed in 1954 as a regional agency to plan a long-range water supply for San Bernardino Valley. It imports water into its service area through participation in the State Water Project (SWP) and manages groundwater storage within its boundaries.

The Valley District covers about 350 square miles in southwestern San Bernardino County, spans the eastern two-thirds of San Bernardino Valley, the Crafton Hills, and a portion of Yucaipa Valley, and includes the cities and communities of San Bernardino, Colton, Loma Linda, Redlands, Rialto, Bloomington, Highland, East Highland, Mentone, Grand Terrace and Yucaipa.

Valley District's primary source of water is from the SWP through the East Branch of the State Aqueduct via Lake Silverwood. The Valley District and Western Municipal Water District have filed water right applications with the State Water Resources Control Board to obtain authorization to divert water from the Santa Ana River.

Valley District is the fifth largest of 29 contractors who are part of the California State Water Project. Valley District's maximum annual entitlement to SWP water is 102,600 acre-feet. Valley District supplies both local and SWP water for direct delivery to retail water agencies. In addition, Valley District is responsible for recharging certain groundwater basins to ensure that the basins have adequate water supplies to meet the needs of retail water agencies and residents within San Bernardino Valley Municipal Water District.

The San Bernardino Valley Municipal Water District is willing to meet regularly with San Bernardino County Flood Control and other water agencies to further the goals of ensuring water supplies and promote conservation for the area and the county.

**The San Bernardino County Flood Control District** (Flood Control District) maintains 14 water basins and water lines of basin networks in the Chino Basin area of the County. Storm waters are directed to Inline basins during storm events. Flood Control Debris basins are located throughout the foothill areas of the valleys. When

storm flows are not captured for groundwater recharge, they are allowed to flow to the Santa Ana River and eventually to Prado Dam.

The Seven Oaks Dam is a single-purpose flood control project constructed by the Army Corps of Engineers in 1999 and turned over to local sponsors in 2002. The major sponsor is the Orange County Flood Control District, along with the Riverside Flood Control and Water Conservation District, and the San Bernardino County Flood Control District. The dam is the largest earth dam in the United States, with a capacity of 145,600 acre-feet of water. Dam reservoir regulation is performed by Orange County Flood Control District staff. Daily operations are performed by San Bernardino County Flood Control District staff. The purpose of the dam reservoir is to prevent flooding during wet seasons and to recharge groundwater during dry seasons.

The Flood Control District works with the Inland Empire Utilities Agency (IEUA), which deals with the Chino Basin. Flood Control also works with all water companies and agencies in the desert and mountain areas of the County. The relationship between the Flood Control District and private or public water entities is a result of issuing permits to perform work on Flood Control lands and easements. Further relationships are formed to assist water entities in recharging water basins.

The Flood Control District faces challenges in maintaining unrestricted flood control areas mired in environmental regulations that cause excessive water and bank vegetation restricting the flow of floodwaters. The District also suffers from a high vacancy rate in qualified engineer positions, which reduces the expertise and effectiveness of the Flood Control District.

One of the Flood Control District's strategic goals is to increase groundwater recharge services at flood control facilities in support of maintaining adequate water supplies for the people of San Bernardino County.

The Flood Control District is willing to take the lead in creating and improving relationships with water entities throughout the County in terms of hosting regular meetings to further the goals of ensuring water supplies and to promote conservation for each area and the County.

**The California Department of Water Resources** conducted a 2008 winter snow survey, which indicates that the snow pack water content is near normal this year. Despite this fact, the news is not good for water deliveries. Although there has been a return to average snow pack figures, State Water Project (SWP) deliveries remain near record lows because of the federal court ruling restricting Delta Pumping to protect Delta smelt.

Currently, the SWP is projected to deliver only 35 percent of requested amounts this year to communities, farmers and businesses in the Bay Area, Central Valley and Southern California.

**The Association of California Water Agencies (ACWA)**, a coalition of 450 public water agencies, has launched a statewide effort and website ([calwatercrisis.org](http://calwatercrisis.org)), entitled “California’s Water: A Crisis We Can’t Ignore,” to educate Californians about critical challenges now confronting the state’s water supply and delivery system.

**RECOMMENDATIONS**

- 08-63            The San Bernardino County Flood Control District host regularly scheduled meetings with State Water Contractors and all other water agencies within the County, to discuss immediate and long term water concerns.
  
- 08-64            Recruit qualified engineers to fill vacant positions to meet immediate and future Flood Control District needs.

## **SOLID WASTE MANAGEMENT**

### **BACKGROUND**

The Solid Waste Management Division (SWMD) is responsible for the planning and disposal of the daily accumulation of waste generated by the County's growing population. The facilities for this disposal are landfills, transfer stations, and community collection centers located throughout the County. Each facility has a different function but all contribute to the same goals of waste reduction and eradication.

### **FINDINGS**

Two levels of government, the State and the County, are involved with the County's solid waste program. The State regulates financial and operational details of the disposal sites and specifies the enforcement agency. It mandates financial assurances from the County for site maintenances and closures and designates the enforcement agent for their permits and inspections. For San Bernardino County, that agent is Environmental Health Services under the Department of Public Health. At the County level, the Solid Waste Management Division (SWMD) oversees the actual operation of the solid waste program through a contract operator. The operator's contract was reviewed with SWMD staff. It was detailed and voluminous. The contract was signed in 2001 and has been extended continuously with an expiration date of 2012. It has 25 amendments reflecting adjustments to changing facility conditions and requirements during the contract period.

Solid Waste programs are financed through funds based on an enterprise system. In this system, charges from users of the waste facilities offset expenses resulting in self-financed operations. There are five funds for solid waste: Operations, Site Closure and Maintenance, Site Enhancement and Inspection, Environmental, and Environmental Mitigation. These five funds collectively are known as "enterprise funds."

The Operations Fund is the largest of the solid waste funds. It is equal to almost 70% of the five funds in appropriations and revenues, and finances the contract operator for the day-to-day activities of waste collection and disposal. The cost of the contract operator is included in the Services and Supplies budget entry of \$39,807,980. Even though it is 70% of the cost, it is not identified as a single line item in the budget.

The enterprise funds appear to be secure and independent from outside support. This is due in part to revenue from the landfills, interest from investment accounts and financial assurances the County must pledge in responding to State solid waste legislation. These funds could have potential problems as their financial condition is sensitive to several factors; the efficiency of the contract operator, validity of estimates for current and future site planning, the speculative nature of environmental conditions,

and the financial stability of the County. Serious County deficits could affect the degree to which the County is able to provide the financial assurances mandated by the State.

Landfills have a limited capacity. Forecasting costs for future landfill capacities and post maintenance needs is speculative due to such unknowns, as whether landfill tonnage will increase or decrease, and the reliability and amounts of funds available for operations. The site Closure and Maintenance Fund finances these costs. To date, 27 landfills have been closed with future landfill site closures scheduled as late as 2059. The Site Enhancement, Expansion and Acquisition Fund finances both improvements to current sites and acquisitions for future sites. Revenues for this are from interest earned on reserve accounts and funds transferred from deposits established to assure guarantees according to State regulations.

Activity at landfills has a potential for creating environmental problems. The Environmental Fund has a direct involvement in site activity as it funds gas extraction and groundwater drainage for health and safety measures. The Environmental Mitigation Fund has a broader application. The County, through various agreements, has a commitment to pay communities for adverse environmental conditions, which are caused by active, closed or partially closed landfills.

### **RECOMMENDATIONS**

- 08-65            Enter the contract operators' cost in the Public Works budget as a separate line item entry.
  
- 08-66            Review financial options in the event the County cannot support enterprise funding for solid waste.