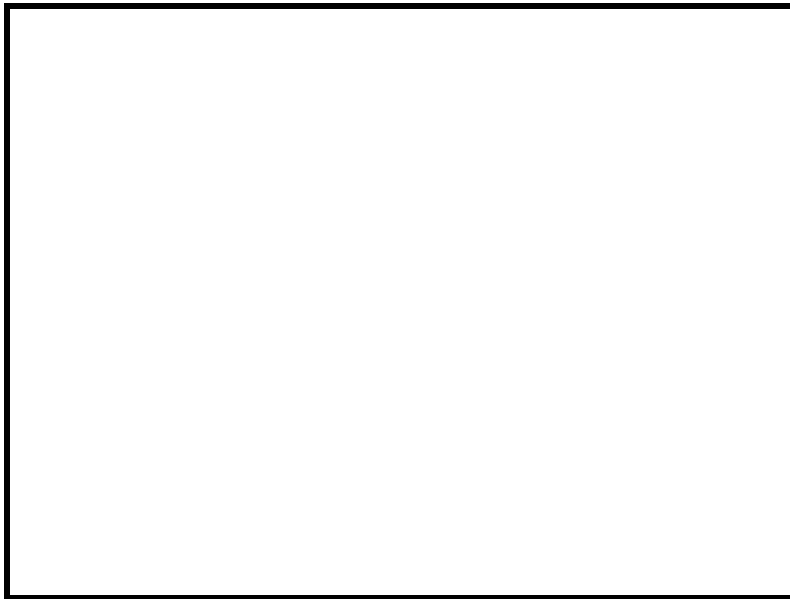


**Final Report
Of the
Grand Jury of Modoc County
Fiscal Year 2007 – 2008**



**In and for the Superior Court of
Modoc County, June 30, 2008**

Modoc County Superior Court

ROBERT A. BARCLAY JUSTICE CENTER

205 South East Street, Alturas, CA 96101

www.modocsuperiorcourt.ca.gov

(530)233-6233

FRANCIS W. BARCLAY
PRESIDING JUDGE

LINDA OSTOJA
EXECUTIVE OFFICER

July 03, 2007

To: Grand Jury Members

Dear Ladies and Gentlemen:

I want to take this opportunity to express my appreciation and the appreciation of the Superior Court to all of the members of the 2007-2008 Modoc County Grand Jury for a job well done. Your diligence, dedication and hard work is reflected in this year's report and the revised and updated Grand Jury Procedures Manual you prepared.

I want to specifically recognize and extend an individual thank you to Nancy Gardner for her outstanding leadership as this year's Foreperson. In particular, I would like to commend the Foreperson and all members of this year's Grand Jury for their innovations in format and approach resulting in an exceptional report this year.

I also want to specifically recognize the exceptional efforts of Jerry Ennenga and all members of the Procedure Manual Sub Committee for their efforts in creating a manual that will serve the needs of our Grand Jury members for years to come.

Finally, I want to recognize and thank the Modoc County Sheriff's Department for providing our Grand Jury with excellent meeting room facilities that greatly assist the jurors in performing their duties.

Serving as a Grand Juror is not an easy task and I commend each and every one of you for your sincere effort and commitment to addressing the complex, varied and sensitive issues presented to you.

Thanks once again for a job well done and especially to those of you that are completing your second term and to those of you that have agreed to serve a second term, as your extra service provides valuable guidance and lends necessary continuity to the process.

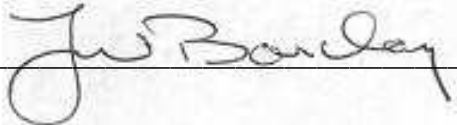
Sincerely,

Francis W. Barclay

Presiding Superior Court Judge

Superior Court Judge Francis W. Barclay

I certify that the Modoc County Grand Jury Final Report complies with Title Four of the California Penal Code and direct the Court Executive Officer to accept and file the final report as a public document.

/s/  , date 07/03/2008

This report, past reports and responses and other grand jury information may be found at the following site: <http://gsmall.us/GJ>.

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Preface

To the Community

The California Legislature authorizes and requires grand juries of each county to inquire each year into the books, records, accounts, methods, systems and procedures of designated local governments. By diligently completing its civil function your grand jury encourages local government officials to use your tax dollars fairly and effectively. Although the Legislature does not allow grand juries to manage local government, many local government officials carefully review and sometimes implement the findings and recommendations in grand jury reports.

To Presiding Judge

Your grand jury's final report about local government issues this year is 28 pages long. It contains many findings and recommendations that directly concern each taxpayer and citizen. Following your approval, copies of the entire report will be made available for review on the internet <http://gsmall.us/GJ> and from local public libraries. The report will be produced in tabloid format for distribution through the local newspaper. *Copyright permission by Dr. Bruce Olson, American Grand Jury Association.*

About this report

The 2007-2008 Modoc County Grand Jury was impaneled in July, 2007 following the initial selection of the twenty-three names (19 jury and 4 alternates) by Judge Francis Barclay. The jury had two full days of training with Dr. Bruce Olson, American Grand Jury Association.

To fulfill its civic duties the jury began work by developing an investigation matrix that included all local governments in Modoc County; this led to the formation of various committees to cover the aspects of the jury's purview. The committees included: audit and finance, city and county governments, criminal justice and public safety, education and library, health and hospital, special districts, grand jury procedure's manual, and editorial. Committee members were responsible to investigate assigned issues and report monthly to the grand jury for discussion and further direction. Each member was assigned to at least one committee and most members had two committees. The foreperson was an ex-officio member of each committee.

Grand jury workload included investigating five citizen complaints and conducting eight local government reviews. Two reviews uncovered surprising facts and took an enormous amount of time.

Grand jury members followed voting procedures in penal code in finalizing findings and recommendations. The procedure's manual committee worked hard to produce a document that is user-friendly, incorporates new information and includes current penal and government codes. The result is a separate document.

The grand jury has made some recommendations that should help departments and districts be more cost efficient and improve safety and working conditions for public and employees. It also recommends funding a new position to cover increasing law enforcement problems.

This final report was approved June 17, 2008 by fourteen members present as defined in the penal code at the final grand jury meeting. The report was forwarded to the presiding judge for review.

Grand Jury Roster 2007 – 2008

Gary Bagnaschi, Alturas
Thomas Bernhard, Cedarville
Larry Dunn, Alturas
Jerry Ennenga, Alturas
Bill Hamby, Alturas
Nancy Gardner, Davis Creek
Susan Jost, Cedarville
Karen Kendall, Canby
Roy Moore, Alturas
Alanna Orr, Lookout
David Pinkham, Fort Bidwell
Corbyn Pomeroy, Tulelake
Donald Prather, Adin
Terry Reedy, Alturas
Marilyn Reeves, Alturas
Shirley Swallow, Canby
Robin Teuscher, Cedarville
Phil Vermillion, Alturas
Ed Ward, Adin
Dereda Eades, Alturas

Acknowledgements

The Grand Jury wishes to acknowledge the help of Judge Francis Barclay during the year in dealing with various issues, both legal and practical, and District Attorney Gary Woolverton and County Counsel John Kenny for attention and guidance to specific issues.

The jury recognizes Linda Ostoja, Modoc Superior Court Executive Officer, for professional and prompt response to Grand Jury needs. Ms. Ostoja organized and secured the grand jury office and filing room which is located in the Court House.

The jury extends appreciation to county and city department heads and employees for their cooperation and assistance in its investigations.

The jury extends special thanks to the Modoc County Sheriff's office and staff for providing the meeting room for regular and committee meetings.

And finally the Modoc County Grand Jury recognizes the training of Bruce T. Olson, American Grand Jury Foundation.

Functions of the Grand Jury

The Grand Jury is part of the judicial branch of the government, mandated by the California Constitution, and is an arm of the Superior Court. The primary function of the Grand Jury is to examine local government. The Penal Code states the Grand Jury is specifically:

Mandated to conduct civil investigations and audits of City and County Government, to insure efficient and proper operation of all local government, and to detect and expose fraud and malfeasance.

The Grand Jury addresses citizen complaints and conducts investigations to act as a "watchdog" for the citizens of Modoc County. The Grand Jury is appointed and sworn in early July of each year and serves until June 30 of the next year.

The Grand Jury reviews and evaluates the performance of local government officials and entities, focusing on *procedures, methods and systems* (not policies), to determine if more efficient and economical measures might be employed and if procedures are being followed.

The Grand Jury has three ways to exercise its powers:

1. Reports - Published reports evaluating local government conditions, generally addressing specific issues, with findings and recommendations. The County Board of Supervisors, City Council or affected agency must comment on each recommendation as per Penal Code 933.05. (When crimes are not charged but suspected, special reports with documentation may refer specific issues to other authority.)
2. Accusations - Formal written complaints accusing a government official or employee of misconduct. (Conviction would result in removal from office/duties rather than criminal penalties.)
3. Indictments - Formally charging a person with a crime.

Under its review authority, the Grand Jury is specifically authorized to:

- Inspect and audit local entity records, insuring proper and legal accountings of public record.
- Investigate and report on performance of special districts or commissions.
- Evaluate conditions of jails and detention centers within the county.
- Investigate charges of misconduct by public officials or employees.
- Investigate and report on "questionable practices" of such agencies or officials.
- Request subpoenas.

The Grand Jury also receives complaints from citizens alleging mistreatment by officials, suspicions of misconduct, or government inefficiencies. While keeping all complaints confidential, each is acknowledged and considered by the panel. Those accepted under Grand Jury jurisdiction are investigated carefully before any action is taken.

Modoc County Grand Jury Activity Report

The following is a list of 2007 – 2008 grand jury activities.

- Held 14 official meetings of the full grand jury (per diem/mileage claimed)
- Held more than 36 committee meetings (volunteer time)
- Traveled 5,000 miles to attend committee meetings and conduct interviews (volunteer mileage)
- Completed 16 hours formal training and 2 hours informal training
- Received 11 citizen complaints (multiple citizens regarding 1 issue)
 - Investigated 5
 - Referred 1 to District Attorney
 - Referred 0 to other counties
 - Declined 4
 - Referred 1 to the Modoc County Sheriff
- Met with complainants and others
- Toured local government facilities
- Reviewed 6 local government agencies
- Reviewed 11 Special Districts and 1 State facility
- Issued 1 final report
- Revised the Modoc County Grand Jury Procedures Manual
- Reviewed budgets and financial statements of the City of Alturas, Modoc County, Modoc Medical Center, Charter School, Special Districts, Surprise Valley District Hospital
- Mailed 20 letters of request for information
- Mailed 6 certified 2nd letters of request for information; Alturas Rural Fire Protection District refused the letter
- Requested two subpoenas
- Reviewed responses to recommendations in the 2006 – 2007 grand jury final report; Noted Modoc County Board of Supervisors did not respond
- Grand jury budgeted \$10,500 by Board of Supervisors: publication, mileage & per diem for official meetings, training, office supplies

REPORT TO THE MODOC COUNTY BOARD OF SUPERVISORS

Penal Code 928, *the grand jury shall investigate and report upon the needs of all county officers. A copy of the report will be given to each member of the Board of Supervisors.*

NEEDS OF COUNTY OFFICES

Modoc County Probation Department

1. Fund safety and security measures for the department.

- There is no observation camera in the holding area, and there is not a “Panic Button” for staff to use in an emergency.

Modoc County District Attorney’s Office

1. Hire a full-time investigator

- The district attorney’s office shares the investigator with the Modoc Department of Social Services. Ten percent of the investigator’s time is allotted to the district attorney.
- Timely involvement into the Charter School issues are being hampered by lack of investigator.

2. Allow the district attorney’s office to utilize available space for interview rooms and improved working conditions.

- District attorney’s office space is limited with no interview room available for attorneys or law enforcement.

Modoc County Auditor’s Office

1. Board of Supervisors impress upon the department and division heads as well as travel coordinators to use an order to draw warrant instead of a credit card.

- Due to lack of planning by the departments/divisions, credit cards intended for emergency use only, are being used outside the scope of the program’s policies and procedures.
- The unnecessary use of these credit cards has added extra hours to process and reconcile the credit card statements.

REVIEW OF CHARTER SCHOOL MODOC COUNTY

AREA OF STUDY

Modoc County Alternative Schools

ISSUES AND/OR COMPLAINTS

- Periodic review of Modoc Charter School (MCS)
- In August 2005, MCS made two supplemental payrolls totaling \$430,202 to all employees and attempted to accrue these expenses back to the previous fiscal year ending in June 2005
- MCS mismanaged a bank account for petty cash

GENERAL

A charter school is a private institution, albeit non-profit. Funding comes from the California Department of Education. A charter school must have a sponsoring institution and in the case of MCS, that sponsor is Modoc Joint Unified School District (MJUSD). The MCS pays MJUSD for oversight to make sure that it complies with laws and regulations. Non-classroom based charter schools are required to expend 80% of monies received on *instruction*. A local board of directors oversees the MCS.

METHOD OF INVESTIGATION

- Reviewed administrative and fiscal documentation and fiscal records.
- Visited the school's main office in Alturas.
- Interviewed the interim director.
- Interviewed selected members of the MCS Board of Directors.
- Contacted head of the Charter School Division of the California Department of Education in Sacramento.

FINDINGS

1. MCS determined in August of 2005 that it had not expended enough on *instruction* to satisfy the 80% requirement. The attempted remedy was to issue supplemental payrolls. The interim director stated that this was a common occurrence in school accounting systems; however, this was contradicted by Charter School department head in Sacramento who stated that supplemental payrolls were not a common occurrence.
2. Board policies and procedures were not followed. The matter of supplemental payrolls was not brought before the board of directors for approval until after the fact. Required two signatures procedure on checks was not followed.
3. The MJUSD representative on the MCS Board of Directors did not provide adequate oversight regarding fiscal and legal responsibilities.
4. In reviewing documentation for *petty cash* bank account, warrants for checks drawn on that account were found for employees' utility bills and house payments.
5. Grand jury felt it had discovered possible criminal activity and turned the matter over to the Modoc County District Attorney. The district attorney agreed that the matter required further follow-up, but due to inadequate investigative resources, recommended that the grand jury issue recommendations to correct deficiencies.

RECOMMENDATIONS

1. Modoc Charter School (MCS) institute an accounting system and a system of policies and procedures that gives the MCS Board of Directors better control over potential mismanagement of funds.
2. MJUSD Board of Directors reviews the existing Memorandum of Understanding with the Modoc Charter School (MCS) and establishes procedures and policies to ensure MCS accountability for statutory and contractual obligations.
3. Modoc County Board of Supervisors review district attorney's investigative resources and take actions to correct any deficiencies found.

FORMAL RESPONSE REQUIRED

Modoc Charter School Board of Directors (recommendation #1, findings #1,2 and 4)
Modoc Joint Unified School District Board of Directors (recommendation #2, finding #3)
Modoc County Board of Supervisors (recommendation #3, finding #5)

***Responses submitted following publication of the report
to Superior Court Judge Francis W. Barclay pursuant to Penal Code 933 ©
found in the end of the final report (notice to respondents).***

REVIEW OF CITY OF ALTURAS POLICE DEPARTMENT

AREA OF STUDY

Alturas Police Department (APD)

ISSUES AND/OR COMPLAINTS

Annual Inspection
Animal control policy

GENERAL

Based on recommendations of the fiscal year 2006-2007 Grand Jury, major improvements were made in the evidence locker. The Alturas Police Department had a wall moved to expand the evidence locker. The department is currently setting up a system to record all evidence stored there.

METHOD OF INVESTIGATION

- Met with the Alturas Police Chief (Chief) and discussed last year's work load.
- Toured facilities.

FINDINGS

1. The APD had 51 accidents reported to them. They issued 301 traffic citations. Forty-six drivers were arrested and booked for driving under the influence.
2. The APD investigated 186 felony cases and 651 misdemeanor cases.
3. The department is down by two staff members at this time, but has new prospective officers in the police academy.
4. The Chief said all training was up to date.
5. The building and grounds looked good.
6. The evidence locker was neat and orderly.
7. The Chief stated the city has one animal control officer.

RECOMMENDATIONS

None

FORMAL RESPONSE REQUIRED

None

COMMENDATION

The Grand Jury commends the Alturas Police Department for implementing the recommendations made by the 2006 – 2007 Grand Jury.

REVIEW OF DEVIL'S GARDEN CONSERVATION CAMP #40

AREA OF STUDY

Devil's Garden Conservation Camp #40

ISSUES AND/OR COMPLAINTS

Interview and Inspection

GENERAL

The camp is operated by the California Department of Corrections and Rehabilitations and Cal Fire. This camp houses 120 low risk inmates. While in camp, inmates are under the authority of the CDCR. CAL Fire supervises inmates out of camp while performing conservation work for local communities. Inmates also provide emergency response for fire fighting and natural disaster work.

METHOD OF INVESTIGATION

- The grand jury toured the Devil's Garden Conservation Camp.
- Reviewed documentation.

FINDINGS

1. During the year 2007 the Devil's Garden crews provided local communities with 26,408 hours of conservation work. State agencies received 2,840 hours and Federal conservation agencies received 50,920 hours. This included 28,808 hours for Bureau of Land Management and 22,112 hours Forest Service.
2. Inmate crews responded to 53 fires contributing 108,977 hours in fire fighting.
3. The office, kitchen facility, barracks, all out buildings and grounds were found to be very clean and in exceptional condition for a camp that was built 20 years ago.

RECOMMENDATIONS

None

FORMAL RESPONSE

None

COMMENDATIONS

The camp is commended for all the community services it provides.

REVIEW OF MODOC COUNTY DISTRICT ATTORNEY'S OFFICE

AREA OF STUDY

Modoc County District Attorney's Office

ISSUES OR COMPLAINTS

Periodic review of the Modoc County District Attorney's Office
Review investigation and interview capabilities

GENERAL

Modoc County District Attorney's Office investigation and interview capabilities were reviewed.

METHOD OF INVESTIGATION

- Met with district attorney (DA)
- Reviewed caseload statistics
- Toured office

FINDINGS

1. For the month of January, 2008, cases filed were: 17 felonies, 47 misdemeanors, one juvenile and three DA cite hearings.
2. At the time of this investigation, the caseload was 232 cases.
3. The district attorney's office shares an investigator with the Modoc Department of Social Services. (90% Social Services and 10% DA.)
4. Investigations are hampered by lack of investigator time.
5. Office space is very limited and small and staff is working in close, cramped quarters.
6. No interview rooms are available for attorneys or law enforcement.

RECOMMENDATIONS

1. The Modoc County Board of Supervisors provides funding to hire a full time investigator for the district attorney's office.
2. Allow the district attorney's office to utilize available space for interview rooms and improved working conditions.

FORMAL RESPONSE REQUIRED

Modoc County Board of Supervisors (recommendation #1, findings #3 and 4)

Modoc County Board of Supervisors (recommendation #2, findings # 5 and 6)

***Responses submitted following publication of the report
to Superior Court Judge Francis W. Barclay pursuant to Penal Code 933 c
found in the end of the final report (notice to respondents).***

REVIEW OF MODOC COUNTY PROBATION DEPARTMENT

AREA OF STUDY

Modoc County Probation Department

ISSUES AND/OR COMPLAINTS

Periodic grand jury review

GENERAL

Modoc County Probation Office monitors people who have been put on probation by the court system. They make sentencing recommendations to the court.

METHOD OF INVESTIGATION

Interview and inspection

FINDINGS

1. The department is at full staff and every one in the office is cross trained to work on any and all cases.
2. The probation department monitored 200 drug cases last year; 170 adult and 30 juvenile.
3. The jury toured the facility; it was clean and in good condition.
4. There was no observation camera in the holding area, and there was not a "Panic Button" for staff to use in case of an emergency.
5. The probation department is concerned that they do not have the ability to monitor and house people with mental health issues.

RECOMMENDATIONS

The Modoc County Board of Supervisors fund safety and security measures needed in this office.

FORMAL RESPONSE REQUIRED

Modoc County Board of Supervisors (recommendation#1, finding 4)

***Responses submitted following publication of the report
to Superior Court Judge Francis W. Barclay pursuant to Penal Code 933 c
found in the end of the final report (notice to respondents).***

REVIEW OF MODOC COUNTY SHERIFF'S OFFICE

AREA OF STUDY

Modoc County Sheriff's Office

ISSUES AND/OR COMPLAINTS

Required Annual Jail Inspection

GENERAL

The Modoc County Sheriff's Office and jail are located in Alturas adjacent to the Modoc County Court House. Funds from Department of Homeland Security have brought new changes to the sheriff's office and jail. These include new concrete barriers, new chain-link fencing and new closed circuit T.V.

METHOD OF INVESTIGATION

- Met and interviewed sheriff and under sheriff.
- Toured the facility including the jail, dispatch, and evidence locker.
- Reviewed documents

FINDINGS

1. The jail has a housing capacity of 72 inmates, with this year's average of 27 inmates per month.
2. The sheriff's office handled 1280 cases last year, including 137 felony cases. There were a total of 727 people booked into the jail.
3. Evidence locker was clean and orderly. New computer logging and filing system is in place.
4. Buildings and grounds are in good shape.
5. New training continues and is up to date.

RECOMMENDATIONS

None

FORMAL RESPONSE REQUIRED

None

COMMENDATION

The Grand Jury commends the Modoc County Sheriff's Department for implementing the recommendations made by the 2006 – 2007 Grand Jury.

REVIEW OF MODOC COUNTY MODOC MEDICAL CENTER

AREA OF STUDY

Modoc Medical Center (MMC)

ISSUES AND/OR COMPLAINTS

- Ongoing review of MMC
- Financial Instability and rising debt
- Employee Morale
- Need for qualified permanent Chief Executive Officer (CEO)
- Critical Access Designation

GENERAL

MMC consists of the: acute care hospital, Warnerview Skilled Nursing Facility (SNF), Modoc Medical Clinic, and emergency services. MMC is and has been financially unstable for many years. In spite of the increasing debt, the grand jury found that there are signs of improvement. Employee morale has improved and community involvement has increased. Two experienced interim CEOs have been guiding MMC through many improvements while the Board of Supervisors (BOS) is trying to obtain a permanent CEO.

METHOD OF INVESTIGATION

- Researched historic records of previous grand jury findings.
- Toured Surprise Valley Health Care District (SVHCD) for reference.
- Toured MMC, Skilled Nursing Facility, clinic and Emergency facilities
- Interviewed Modoc County Chief Administrative Officer (CAO), MMC's interim CEOs, chief of staff and various department heads.
- Reviewed past and current audited financial statements, current revenue and expenditure statements, latest state surveys, and hospital staff bylaws.
- Monitored community support.

FINDINGS

1. There will be far reaching health, economic and safety consequences if the Modoc Medical Center is forced to close its doors.
2. There are numerous employees functioning as "Acting" in various departments throughout the facility. Due to staff turnover, it was difficult for the grand jury to fully evaluate the situation.
3. SVHCD appeared clean and well run, however outdated. This is a much smaller facility than MMC and run as a district hospital rather than a county hospital. This hospital also runs at a deficit, utilizing property tax assessments, donations and grants for non-operating expenses as the main source of revenue. Hospital morale appeared high.
4. All MMC facilities toured appeared clean and adequately staffed.
5. Revenues will be improved with the acquisition of a CT scanner made possible by a generous private donation.
6. The SNF and clinic are the closest to breaking even financially. The acute hospital and ER continue to lose money. The ER is mandatory for acute hospital and critical access hospital designations.

7. The lab appears to be efficiently run with a good portion of the work done in-house.
8. All parties interviewed have a great desire for MMC to succeed.
9. Having a permanent qualified CEO should improve employee morale.
10. In order to comply with the requirements of an acute care and/or critical access hospital, the ER is now being covered by four rotating doctors under contract which will ensure that the ER will be covered adequately.
11. A large portion of the hospital debt that is being reported consists of interest being charged by the county which continues to compound monthly. Although the debt is increasing, both the county CAO and the hospital CEO indicate that MMC hopes to considerably improve its financial status by December 2008.
12. The goal of the business office is to have a 60 day turn around on accounts receivables.
13. The critical access application has been completed and sent to the state.
14. The community appears to be more involved in trying to ensure the continuation of the hospital. Numerous grass roots groups have been formed.

RECOMMENDATIONS

The grand jury strongly suggests the 2008 – 2009 grand jury continue to monitor MMC's progress (findings #1 and 4 – 13.)

FORMAL RESPONSE REQUIRED

None

REVIEW OF SPECIAL DISTRICTS RURAL FIRE PROTECTION DISTRICTS

AREA OF STUDY

Modoc County Rural Fire Protection Districts: Adin, Alturas Rural, Canby, Cedarville, Davis Creek, Eagleville, Ft. Bidwell, Likely, Lookout, New Pine Creek/Willow Ranch, Tulelake Multi-County

ISSUES AND/OR COMPLAINTS

A citizen complaint regarding the Lookout Fire Protection District triggered the grand jury to investigate the operations, accounts, and records of all special rural fire protection districts in the county.

GENERAL

This investigation focused on the board of directors of the fire protection districts and the practices the board is to follow according to law.

The authority for organization and powers of the fire protection districts is the Fire Protection Law of 1961 and subsequent law in January, 1988. The California legislature has given broad authority to local communities to organize districts to meet local needs. District management is spelled out in CA Health and Safety Codes beginning in Section 13860 and CA Government Codes beginning in Section 54950.5, commonly known as the Brown Act.

The power to manage a district is given to the fire district board of directors who are elected by the local community or appointed by the board of supervisors. The directors are responsible: to adopt and manage the budget; to establish and enforce rules and regulations for administration; to notify the public; to keep records of transactions; to authorize training; and the general operation and maintenance of the fire protection departments. The fire chief receives direction from the elected board of directors. Volunteer fire departments in Modoc County often have separate organizations from that of the district.

County tax dollars are collected and apportioned to the appropriate rural fire protection districts. Money from other sources including State of California, federal grants, etc. also is sent to the County for distribution to the district. Many fire protection districts also hold local fund raising events.

METHOD OF INVESTIGATION

- Mailed letters of inquiry to eleven rural fire protection districts requesting documentation regarding: rules governing the department; mission statement; organizational chart; documentation of firefighter training; a list of training requirements set by law.
- Interviewed complainant to the Lookout Fire Protection District
- Interviewed chairperson of the Lookout Fire District Board of Directors
- Interviewed the President of the Modoc County Fire Chief's Association
- Reviewed applicable penal codes.
- Reviewed responses to inquiry letters
- Issued certified letters of inquiry to non-respondents
- Reviewed accounting records held by the Modoc County Auditor

FINDINGS

1. The Modoc County Sheriff is fire coordinator for all fire protection districts.
2. There is big confusion between the roles of fire protection districts and volunteer fire departments, which are two different entities.
3. Elections of board of directors of individual districts do not appear on ballots when unopposed.
4. There is a disparity of training among firefighters from district to district.
5. There is no oversight/audit on special district finances. The county fiscal records for the year ending June 2007 shows:

	Revenues	Expenditures	Salaries&Benefits
Adin	\$ 102,105.00	\$ 60,402.00	\$ 7,325.00
Alturas	\$ 149,270.00	\$ 92,918.00	\$ 10,691.00
Ft. Bidwell	\$ 15,704.00	\$ 8,683.00	\$ 2,618.00
Canby	\$ 22,943.00	\$ 23,189.00	\$ 5,552.00
Cedarville	\$ 59,525.00	\$ 33,624.00	\$ 4,917.00
Davis Creek	\$ 2,001.00	\$ 7,654.00	\$ 2,653.00
Eagleville	\$ 17,420.00	\$ 5,120.00	\$ 837.00
Lake City	\$ (24,333.00)	\$ 10,252.00	\$ 4,411.00
Likely	\$ 63,576.00	\$ 24,019.00	\$ 21,769.00
Lookout	\$ 19,277.00	\$ 11,087.00	\$ 1,901.00
Willow Ranch	\$ 6,848.00	\$ 11,411.00	\$ 4,808.00
	\$ 444,336.00	\$ 288,359.00	\$ 67,482.00

6. There are more questions than answers.

RECOMMENDATIONS

1. The fire coordinator to communicate with all fire protection districts boards of directors and explains their responsibilities and the distinction between the districts and the volunteer fire department entities.
2. The eleven fire protection district board of directors report to the fire coordinator regarding readiness of their equipment and personnel.
3. All fire protection districts comply with state election laws. Unopposed candidates should appear on the ballot with provisions for write in candidates.
4. Vacancies should be adequately advertised as per California law, and interim appointments should be publicized and subjected to the electoral process.
5. The BOS provide oversight for the county funds collected and expended for the fire protection districts.
6. Because this investigation is Incomplete the grand jury highly recommends the 2008 – 2009 grand continue the review.

FORMAL RESPONSE REQUIRED

Modoc County Sheriff (recommendation #1, finding #2)

Fire Protection District Board of Directors (recommendation #2, findings #2 and 4) and
(recommendations #3 and 4, finding #3)

Adin, Alturas Rural, Canby, Cedarville, Davis Creek,

Eagleville, Ft. Bidwell, Likely, Lookout,

New Pine Creek/Willow Ranch, Tulelake Multi-County

Modoc County Board of Supervisors (recommendation #5, finding #5)

***Responses submitted following publication of the report
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COMMENDATIONS

The grand jury recognizes the hard work and dedication of the volunteers who serve within the Rural Volunteer Fire Departments. Volunteers are the backbone of the communities and it is the responsibility of the Directors to assure their safety and that of the community.

COMPLAINT CITY OF ALTURAS SEWER AND WATER PROJECT

AREA OF STUDY

Alturas City Council
Alturas Department of Public Works (Sewer and Water)

ISSUES AND/OR COMPLAINTS

Apparent misuse of funds set aside for repair and upgrade of Water and Sewer System

GENERAL

The grand jury received a citizen inquiry asking if the City Council can take funds from a special account set up for the water and sewer system a few years ago and use them in the general fund. What happened to those funds?

METHOD OF INVESTIGATION

- Pursuant to penal codes 888 and 925a, the grand jury attended a City Council meeting and workshop January 2, 2008

FINDINGS

1. City Council information confirms proposed upgrades to the present Water and Sewer system as well as proposed rate increases needed in the near future.
2. Council confirms that funds set aside for Water and Sewer system were not identified as “restricted use only” (special account); therefore, placed in the general fund.
3. When an emergency arose, i.e. two Alturas city wells went down at the same time; general funds were used to cover the cost of replacement.
4. Since the City of Alturas had not previously designated the funds as restricted use only, the grand jury concluded there was no mishandling or inappropriate use of funds.

RECOMMENDATIONS

None

FORMAL RESPONSE REQUIRED

None

COMPLAINT MODOC COUNTY MEDICAL CENTER LOBBY TILE

AREA OF STUDY

Modoc Medical Center (MMC)
Clinic

ISSUES AND/OR COMPLAINTS

Excessive purchase and misuse of tile purchased for MMC lobby and clinic lobby

GENERAL

The Grand Jury received a citizen complaint December 6, 2007 alleging the appearance of an excessive amount of tile purchased to remodel the MMC and clinic lobby areas; and some of the tile was used in the private residence of a member of the Modoc County Board of Supervisors (BOS).

METHOD OF INVESTIGATION

- Pursuant to penal code 914.1 grand jury met with the MMC Chief Financial Officer on December 18, 2007.
- The jury reviewed and verified purchase receipts; walked the areas in question and estimated and accounted for approximately 850 square feet of flooring.
- The jury reviewed the method of installation.

FINDINGS

1. Member of the BOS purchased the tile from Home Depot, Redding. Member paid by personal check and transported the tile to MMC. Total purchase price was \$2,046.42 (\$1,677.58 for tile, \$368.84 for tiling supplies). Each tile was 18" square. Cost per tile was \$1.85 per square foot.
2. The County Supervisor was reimbursed by MMC.
3. Most tiles were used to tile the Hospital lobby and the Clinic lobby including 6" border around both lobbies. The balance of the tiles could be accounted for in tiles broken during installation and tiles saved for future repairs.
4. The tiles were installed in both lobby areas by employees of MMC maintenance department and volunteers, who were not compensated. Cost of installation was zero.
5. The grand jury concluded no evidence revealed that excessive tiles were purchased or that there was misuse of any left over tiles.

RECOMMENDATIONS

None

FORMAL RESPONSE REQUIRED

None

COMPLAINTS MODOC COUNTY MEDICAL CENTER MISMANAGEMENT

AREA OF STUDY

Modoc Medical Center (MMC)

ISSUES AND/OR COMPLAINTS

- Mismanagement of hospital and personnel
- Unfair and unlawful practices by administration

GENERAL

Grand jury received an investigation request (IR) dated June, 2007, signed by eight (8) former employees, two (2) former contract doctors and one (1) current employee. The report focused mainly on the former chief executive officer (CEO) and his wife who, as a volunteer at MMC, was acting as a designee in compiling information for the mock survey for the hospital's Critical Access designation. The former CEO has since resigned from the hospital. The CEO and his wife no longer live in the area.

METHOD OF INVESTIGATION

- Historical research of MMC previous grand jury findings.
- Reviewed 2006-2007 grand jury required response from former MMC CEO.
- Interviewed Modoc County Chief Administrative Officer (CAO).
- Contacted Modoc County District Attorney and MMC union representative.
- Interviewed MMC human resources manager (HR) and requested to review personnel records of complainants.
- Interviewed chief of staff and medical records supervisor.
- Sent inquiry letters to signers of investigation request (IR).

FINDINGS

1. The basis for the IR was to have the CEO removed from his position. As far as can be determined, no laws were broken and no Health Insurance Portability and Accountability Act (HIPAA) violations existed.
2. The Modoc County District Attorney advised the grand jury that there were no legal actions pending against the former CEO or his wife.
3. The union representative advised the grand jury that of two grievances filed, one was withdrawn while the other is still pending.
4. The subject of the pending grievance was contacted via letter and asked to give the grand jury permission to discuss this grievance with the union representative. This request was not answered or returned.
5. The grand jury contacted MMC HR and was advised that no personnel information could be released without a subpoena.
6. The responses to the inquiry letters yielded new information on one aspect of the complaint. This aspect alleged falsified documents resulting in the termination of a former MMC employee. This additional information will be forwarded to Judge Barclay for determination if further investigation is required.

RECOMMENDATIONS

1. Continue to pursue grievance issue with union.
2. Highly suggests the 2008-2009 grand jury continue to investigate the original IR in light of the additional information.
3. Highly suggests 2008-2009 grand jury to pursue the request for subpoenas for personnel files of signers of original request.

FORMAL RESPONSE REQUIRED

Incomplete investigation.

COMPLAINT MODOC COUNTY TRAVEL CREDIT CARD MISUSE

AREA OF STUDY

Modoc County Auditor's Office

ISSUES OR COMPLAINTS

American Express Credit Card Program for Travel

GENERAL

The grand jury received a verbal inquiry asking if the American Express Credit Card Program for Travel is being used correctly. Also, is this costing the County of Modoc money for late fees and the added expense of time and paper work in the auditor's office for misuse of the credit cards?

METHOD OF INVESTIGATION

- Personal interview with Modoc County Auditor
- Personal interview with complainant
- Grand jury review of Policy and Procedure Manual

FINDINGS

1. The program was implemented in January, 2007, for the emergency use by Modoc County personnel.
2. The auditor's office is facilitating this program.
3. There are 38 American Express credit cards issued to departments/divisions.
4. When travel requirements are known in advance, as is the norm, use of the order-to-draw warrant eliminates the extra time and paper work required by the auditor's office to process credit cards.
5. Due to lack of planning by the departments/divisions, these credit cards are being used outside the scope of the program's policies and procedures.
6. The unnecessary use of these credit cards has added extra hours to process and reconcile the credit card statements.
7. No late fees have ever been charged by American Express.

RECOMMENDATIONS

The grand jury recommends the auditor, with the help of the Modoc County Board of Supervisors, impress upon the department and division heads as well as travel coordinators to use an order to draw warrant instead of a credit card.

- This would also eliminate the extra time expended by the auditor's office for callbacks to users in order to get all the required paper work.
- This would allow the auditor to complete the process in a timely manner and avoid any late fee penalties.

FORMAL RESPONSE

None.

COMPLAINT SPECIAL DISTRICT LOOKOUT FIRE PROTECTION DISTRICT

AREA OF STUDY

Special Districts - Lookout Fire Protection District

ISSUES AND/OR COMPLAINTS

- Alleged Brown Act violations
- Misuse and misallocation of funds
- Lack of proper volunteer training
- Lack of sufficient volunteer response to requests for additional information

GENERAL

The grand jury received a written complaint alleging mismanagement and illegal activities associated with the Lookout Fire Protection District.

METHOD OF INVESTIGATION

- On January 15, 2008, the grand jury met with the individual filing the citizen complaint.
- On February 27, 2008, the grand jury met with the current chairperson of the Lookout Fire Protection District Board of Directors.
- The grand jury issued letters of inquiry requesting additional information.

FINDINGS

1. There are no records available from the prior board to review thus not able to address alleged past misuse or illegal use of funds.
2. Brown Act rules and regulations regarding posting of agendas are currently being met.
3. Fire district funds and money raised by volunteer groups are no longer commingled.
4. Money earned through mutual aid contracts and grants awarded to the fire protection district is deposited with the Modoc County Auditor.
5. New Lookout Fire Chief is addressing training and response concerns and is working with the Adin Fire Department in a cooperative effort to improve operations.

RECOMMENDATIONS

1. Recommend that the Lookout Fire Protection District Board of Directors author and provide a standardized written procedure manual.
2. Procedure manual to include a contact list for applicable state and federal agencies.
3. Board of Directors conduct annual reviews of all records including fiscal and training.

FORMAL RESPONSE REQUIRED

Lookout Fire Protection Board of Directors (recommendations #1,2,3; findings #2 – 5)

***Responses submitted following publication of the report
to Superior Court Judge Francis W. Barclay pursuant to Penal Code 933 c
found in the end of the final report (notice to respondents).***

Notice to Respondents **Response Requirements**

On January 1, 1997, an extensive change in the legal requirements affecting respondents and responses to the Grand Jury Findings and Recommendations took effect (California Penal Code Section 933.05). Each respondent identified in this report should become familiar with the law and, if in doubt, should consult legal counsel before responding.

How to Respond to Findings

For the assistance of all respondents, California Penal Code Section 933.05 is summarized as follows:

The Respondent (person or entity) must respond to Findings in one of two (2) ways, stating that:

1. You agree with the Finding.
2. You disagree wholly or partially with the Finding; in which case, the response shall specify the portions(s) of the Finding that is disputed, and shall include an explanation of the reasons for the disagreement.

How to Report Action in Response to Recommendations

Recommendations by the Grand Jury require action(s). The Respondent must identify action(s) on all recommendations in one of four (4) ways, stating that the recommendation:

1. Has been implemented, with a summary of implemented activities.
2. Has not yet been implemented, but will be implemented in the future, with activities and time frames for implementation.
3. Requires further analysis or study. In such case, the law requires a detailed outline of the analysis and time frame not to exceed six (6) months. Further, the complete analysis or study must be submitted to the officer, director or governing board of the entity being investigated.
4. Will not be implemented because it is either unwarranted or unreasonable with an explanation(s) and supporting facts.

Timing of Responses and Actions to Findings and Recommendations:

As stated in Penal Code Section 933(c), No later than 90 days after the grand jury submits a final report on the operations of any public agency, the governing body of any public agency subject to grand jury reviewing authority, shall comment to the presiding judge of the superior court on findings and recommendations. Every elected official or agency head for which the grand jury has responsibility shall comment within 60 days to the judge of the superior court with a copy sent to the Board of Supervisors. For 45 days after the end of the term, the Grand Jury foreperson or designees shall, upon reasonable notice, be available to clarify recommendations in the report.

