

Office of the Auditor-Controller
Contra Costa County

Robert R. Campbell
Auditor-Controller



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March 14, 2019

TO: David Twa, County Administrator

FROM: Robert R. Campbell, Auditor-Controller
By: Joanne Bohren, CPA, Auditor-Controller Division Manager

A handwritten signature in blue ink, appearing to be "Joanne Bohren", is written over the name of the Auditor-Controller Division Manager.

SUBJECT: Department of Health Services-Pubic Health Division Report of \$348.67 Shortage

In accordance with Administrative Bulletin 207.7, Section VI.C *Relief of Shortages and Account Collections – For Shortages Greater than \$250*, the attached copy of the subject report is being forwarded for your review and presentation to the Board of Supervisors for action.

The Office of the Auditor-Controller has verified and concurs with the contents of the report. Upon the Board's approval, the requested relief shall be authorized.

RRC/sb

Cc: Bud DeCesare, Director of Fiscal Compliance

Anna Roth, MA, MPH
Health Services Director

Dan Peddycord, RN, MPA/HA
Director of Public Health



CONTRA COSTA
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July 25, 2018

Re: CW&PP Gift Card Theft: Relief of Shortage Request

To: Robert R. Campbell, Auditor Controller
Attn: Sandra Bewley, Acting Accounting Supervisor ✓

From: Cedrita Claiborne, CW&PP Director

In a memorandum dated July, 3, 2018, Joshua Sullivan, the Director of Administrative and Support Services, for the Contra Costa Public Health Division provided a detailed summary of the actions taken after the discovery of the loss of county assets not caused by gross negligence, but through the theft of Target gift cards by a worker employed through a temp agency - Apple One.

As a follow up to the July 3rd memo, which was submitted along with duplicate copies of the materials that were compiled and delivered to the District Attorney's office, as well as a copy of the report that was filed with the Martinez Police Department, this memorandum serves as a request to County Auditor-Controller for a relief of shortage, without the replenishment, of the 36 Target gift cards stolen in the amount totaling \$348.67.

Incident Background

In November 2016 a temporary employee was hired through an outside agency to support the Tobacco Prevention Program (TPP) in the absence of the Senior Level Clerk who was on medical leave. The Target gift cards were secured in a locked cabinet, per the protocol set in place by the program. The temporary employee had access to the gift cards as it correlated to her role of supporting the TPP.

The incidences of theft took place between 1/29/17-2/18/17. The theft was discovered in March 2017 after the temporary employee's employment ended with the project. It was at this time that TPP staff found that Target gift cards that had been issued to them by the Senior Clerk to purchase items for the program had a \$0 balance, although there had been no documentation supporting authorization of their usage.

Program Response

Immediately after the above incident, the Senior Clerk and TPP staff conducted an audit of the gift cards and found that additional Target gift cards that hadn't been authorized for use had \$0 balance. From March 2017 to May 2017 the Senior Clerk and TPP staff also worked with the Target Corporation to confirm that the cards had been used, ascertain what was purchased, and identify the store locations for the purchases.

In response to the discovery, Public Health investigated the incident, cataloged and reported lost assets, and TTP staff and the Community Wellness & Prevention Program (CW&PP) Director filed a report with the Martinez Police Department (MPD) on May 23, 2017. The MPD investigation yielded a confession of the theft by the temporary employee. In addition, it is our understanding that the individual offered to make restitution for the theft. Public Health Finance was informed of the conclusion of the MPD investigation. Additionally, the Senior Clerk, TPP staff, and the CW&PP finance team worked with Public Health Finance to strengthen existing controls and protocols for the gift cards, which included a separation of duties, and the development of more stringent tracking mechanisms.

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Public Health worked with Finance, Risk Management and County Counsel to explore the means by which restitution could be obtained from the individual responsible for the theft. The report from the MPD was ultimately presented to the Contra Costa Legal Counsel and District Attorney's office for review of a criminal complaint.

Additionally, CCHS Personnel contacted the agency that hired the temporary employee and informed them of the employee's actions. CCHS Personnel also noted in its files that this employee is ineligible for future employment in the county system as a result of their conduct.


To date, Public Health's interest in recovery of lost funds remains unsatisfied, despite the individual offering to repay the funds. Public Health had consulted with Contra Costa County Risk Management, CCHS Personnel and County Counsel, about the request for restitution, and each indicated that their departments were not in a position to pursue restitution. Public Health also inquired with MPD who indicated that it was inappropriate to pursue this course of action during the investigation. Public Health continues to be interested in restitution, but is unaware of any mechanisms that have been put in place to secure the repayment. Therefore, Public Health requests that the Auditor's Office draft a protocol, or offer written guidance for reclaiming restitution in the event that such an incident occurs again.

Addendum

On Monday, September 17, 2018 the Public Health Administrator met with the DA who has been assigned to review the case. This meeting yielded the additional information outlined below:

- ◆ The review of the Martinez Police Department's Request for Prosecution was completed in June of 2018 with a NCF (No Charges Filed) determination. Although the documents prepared and delivered to the DA's office by Public Health in March of 2017 proved to be valuable, a request for prosecution must come directly from an investigating entity, which in this case is the Martinez Police Department.
- ◆ It was the perspective of the DA that not accepting a civil remedy to date is appropriate as accepting civil restitution can impeded pending criminal investigations. Additionally, the DA is requesting that no action be taken at this time; the DA would like to revisit the case notes and consider reopening the case for potential criminal charges as the stolen funds originated from grants from other governmental agencies.
- ◆ Should the conclusion of the criminal investigation result in a final NCF, the DA has informed Public Health that a civil remedy can be pursued, and that Public Health should encourage County Counsel to contact the DA who is willing to provide recommendations for restitution.

This incident occurred during the tenure of the former CW&PP Director, Tracey Rattray and TPP Manager, Denice Dennis, both of whom are no longer employed by Contra Costa Health Services. Both the former CW&PP Director and TPP Manager were interviewed by MPD and provided the information for the report compiled by the MPD. As the current CW&PP Director my involvement with this matter has primarily been subsequent to the event itself, compiled reports, and MPD interviews. I verify, under penalty of perjury, that the statements are true to the best of my recollection, based on the facts that have been presented to me and the reports and documentation that I have been privy to related to the incident.


Cedrita Claiborne, CW&PP Director


Daniel Peddycord, Public Health Director, Department Head

