

ORANGE COUNTY

Audit Report

RACIAL AND IDENTITY PROFILING PROGRAM

Chapter 466, Statutes of 2015;
and Chapter 328, Statutes of 2017

July 1, 2018, through June 30, 2023



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 2025



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 17, 2025

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Mr. Salvador Lopez, Chief Deputy Auditor-Controller
Orange County
1770 North Broadway
Santa Ana, CA 92706

Dear Mr. Lopez:

The State Controller's Office audited the costs claimed by Orange County (the county) for the legislatively mandated Racial and Identity Profiling Program for the period of July 1, 2018, through June 30, 2023.

The county claimed and was paid \$757,738 for costs of the mandated program. Our audit found that \$307,902 is allowable and \$449,836 is unallowable. The costs are unallowable primarily because the county overstated costs for collecting and reporting stop data, overstated costs for training, and claimed unallowable related indirect costs.

Following issuance of this audit report, the Local Government Programs and Services Division of the State Controller's Office will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

If you have any questions regarding this report, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138. Thank you.

Sincerely,

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

KAT/ac

Mr. Salvador Lopez

October 17, 2025

Page 2 of 2

Copy: The Honorable Doug Chaffee, Chairman
Orange County Board of Supervisors
Noma Crook, Director
Financial/Administrative Services Division
Orange County Sheriff's Department
Linh Vuong, Audit Manager
Financial/Administrative Services Division
Orange County Sheriff's Department
Tobin Anderson, Sergeant
Strategy, Accountability, Focus, and Evaluation Division
Orange County Sheriff's Department
Chris Hill, Principal Program Budget Analyst
Local Government Unit
California Department of Finance
Kaily Yap, Finance Budget Analyst
Local Government Unit
California Department of Finance
Darryl Mar, Manager
Local Reimbursements Section
State Controller's Office
Everett Luc, Supervisor
Local Reimbursements Section
State Controller's Office

Contents

Audit Report

Summary	1
Background	1
Audit Authority.....	2
Objective, Scope, and Methodology	3
Conclusion	4
Follow-up on Prior Audit Findings.....	5
Views of Responsible Officials.....	5
Restricted Use	5
Schedule—Summary of Program Costs	6
Finding and Recommendation	9
Attachment—Orange County Sheriff’s Department’s Response to Draft Audit Report	

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Orange County (the county) for the legislatively mandated Racial and Identity Profiling Program for the period of July 1, 2018, through June 30, 2023.

The county claimed and was paid \$757,738 for costs of the mandated program. Our audit found that \$307,902 is allowable and \$449,836 is unallowable. The costs are unallowable primarily because the county overstated costs for collecting and reporting stop data, overstated costs for training, and claimed unallowable related indirect costs.

Background

Government Code (GC) section 12525.5, as added and amended by the Statutes of 2015, Chapter 466 and the Statutes of 2017, Chapter 328; and Title 11, California Code of Regulations, sections 999.224 through 999.229 established the state-mandated Racial and Identity Profiling Program.

The program requires a local law enforcement agency that employs peace officers—or that contracts for peace officers from another city or county for police protection services—to electronically report to the Attorney General, on an annual basis, data on all “stops” conducted within its jurisdiction. For purposes of the program, “peace officer” does not include probation officers or officers in custodial settings.

On May 22, 2020, the Commission on State Mandates found that GC section 12525.5 constitutes a reimbursable state-mandated program, beginning November 7, 2017, for local law enforcement agencies.

The Commission on State Mandates determined that each claimant is allowed to claim and be reimbursed for the following activities identified in the parameters and guidelines (Section IV., “Reimbursable Activities”):

A. One-Time Activities

1. One-time training per peace officer employee and supervisor assigned to perform the reimbursable activities listed in section IV.B. of these Parameters and Guidelines.
2. One-time installation and testing of software necessary to comply with the state-mandated requirements for the collection and reporting of data on all applicable stops.

B. Ongoing Activities

1. Identification of the peace officers required to report stops, and maintenance of a system to match individual officers to their Officer I.D. number. . . .
2. Collection and reporting data on all stops, as defined, conducted by that agency's peace officers for the preceding calendar year in accordance with sections 999.226(a) and 999.227 of the regulations. . . .
3. Electronic submission of data to DOJ and retention of stop data collected. . . .

4. Audits and validation of data collected. . . .
5. For stop data collected, ensure that the name, address, social security number, or other unique personally identifiable information of the individual stopped, searched, or subjected to property seizure, and the badge number or other unique identifying information of the peace officer involved is not transmitted to the Attorney General in an open text field. . . .

The parameters and guidelines describe the 16 types of stop data and all applicable data elements, data fields, and narrative explanation fields that peace officers must collect for every stop.

The following stops are not reportable:

- Interactions with passengers in a stopped vehicle who have not been observed or suspected of violating the law;
- Stops made during public safety mass evacuations;
- Stops made during active shooter incidents;
- Stops resulting from routine security screenings to enter a building or special event;
- Interactions during traffic control of vehicles due to a traffic accident or emergency, crowd control requiring pedestrians to remain in a fixed location for public safety reasons, persons detained at residences so that officers can check for proof of age while investigating underage drinking, and checkpoints and roadblocks where officers detain a person as the result of regulatory activity that is general and not based on individualized suspicion or personal characteristics;
- Interactions with a person who is subject to a warrant or search condition at his or her residence;
- Interactions with a person who is subject to home detention or house arrest;
- Stops in a custodial setting; and
- Stops that occur while an officer is off-duty.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* to assist local agencies in claiming mandated program reimbursable costs.

Audit Authority

We conducted this performance audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the county's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

Objective, Scope, and Methodology

The objective of our audit was to determine whether claimed costs represent increased costs resulting from the legislatively mandated Racial and Identity Profiling Program. Specifically, we conducted this audit to determine whether claimed costs were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was July 1, 2018, through June 30, 2023.

To achieve our objective, we performed the following procedures:

- We reviewed the annual mandated cost claims filed by the county for the audit period and identified the significant cost components of each claim as salaries, benefits, and indirect costs. We determined whether there were any errors or unusual or unexpected variances from year to year. We reviewed the claimed activities to determine whether they adhered to the SCO's *Mandated Cost Manual* and the program's parameters and guidelines.
- We completed an internal control questionnaire by interviewing key county staff. We discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used.
- We assessed the reliability of data (stop data, productive hourly rate [PHR] support, and expenditure records) generated by the county's records management system by interviewing key county staff members and examining the supporting documentation. We determined that the data provided was sufficiently reliable to address the audit objective.
- We obtained the county's system-generated lists of stop data—which the county had collected and reported to the Department of Justice (DOJ)—from its Racial and Identity Profiling Act (RIPA) application to verify the existence, completeness, and accuracy of counts for each fiscal year of the audit period. We recalculated the costs based on the allowable number of stops reported for each fiscal year in the audit period.
- We designed a statistical sampling plan to test salary and benefit costs claimed under the collection and reporting of data cost category of the county's claims for each year of the audit period, based on a moderate level of detection (audit) risk. We describe the sampling plan in the Finding and Recommendation section.
- We used a random number table to select 295 out of 35,093 stops reported by the county for the two fiscal years sampled. We tested the stop data as follows:
 - We determined whether each stop included all of the required elements to be reported to the DOJ according to the program's parameters and guidelines.
 - We determined whether stops were performed by peace officers who were covered by a law enforcement services agreement, other

- memorandum of understanding, or funded by an outside funding source.
- We determined whether any stops occurred at the residence of a known felon with an outstanding arrest warrant; and
- We obtained employee ID numbers and ranks of peace officers from the stop data documenting who performed the reimbursable activities. We then compared the employee classifications obtained from the stop data to those that the county claimed.
- We obtained updated average time spent performing the reimbursable activities calculated from the county's RIPA application.
- We projected the audit results of the two years tested by multiplying the allowable count of stops by the audited average time increments needed to perform the reimbursable activities and multiplied the product by the PHRs of the county employees who performed them.
- We reviewed the county's Single Audit Reports to identify any offsetting savings or reimbursements from federal or pass-through programs applicable to the Racial and Identity Profiling Program. We identified several such programs and discussed them with the county. A county representative confirmed that the county did not receive offsetting revenues applicable to this mandated program during the audit period.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Conclusion

As a result of performing the audit procedures, we found an instance of noncompliance with the requirements described in our audit objective. We did not find that the county claimed costs that were funded by other sources; however, we did find that it claimed unsupported and ineligible costs, as quantified in the Schedule and described in the Finding and Recommendation section of this audit report.

For the audit period, the county claimed and was paid \$757,738 for costs of the legislatively mandated Racial and Identity Profiling Program. Our audit found that \$307,902 is allowable and \$449,836 is unallowable.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

**Follow-up on
Prior Audit
Findings**

We have not previously conducted an audit of the county's legislatively mandated Racial and Identity Profiling Program.

**Views of
Responsible
Officials**

We issued a draft audit report on August 29, 2025. The county's representative responded by letter dated September 5, 2025, agreeing with the audit results. This final audit report includes the county's response as an attachment.

Restricted Use

This audit report is solely for the information and use of the county, the California Department of Finance, and the SCO; it is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

October 17, 2025

Schedule—
Summary of Program Costs
July 1, 2018, through June 30, 2023

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2018, through June 30, 2019</u>			
Direct costs:			
Salaries and benefits:			
Train peace officers and supervisors	\$ 40,246	\$ 12,898	\$ (27,348)
Collect and report data	63,217	31,226	(31,991)
Submit to DOJ and retain data collected	-	-	-
Audit and validate data	-	-	-
Subtotal: salaries and benefits	103,463	44,124	(59,339)
Contract services:			
Submit to DOJ and retain data collected	-	-	-
Total direct costs	103,463	44,124	(59,339)
Indirect costs	33,356	14,226	(19,130)
Total program costs	<u>\$ 136,819</u>	58,350	<u>\$ (78,469)</u>
Less amount paid by the State ²		(136,819)	
Allowable costs claimed in excess of amount paid		<u>\$ (78,469)</u>	
<u>July 1, 2019, through June 30, 2020</u>			
Direct costs:			
Salaries and benefits:			
Train peace officers and supervisors	\$ 2,728	\$ 2,491	(237)
Collect and report data	50,300	25,026	(25,274)
Submit to DOJ and retain data collected	5,299	1,766	(3,533)
Audit and validate data	-	1,766	1,766
Subtotal: salaries and benefits	58,327	31,049	(27,278)
Contract services:			
Submit to DOJ and retain data collected	-	-	-
Total direct costs	58,327	31,049	(27,278)
Indirect costs	28,656	15,254	(13,402)
Total program costs	<u>\$ 86,983</u>	46,303	<u>\$ (40,680)</u>
Less amount paid by the State ²		(86,983)	
Allowable costs claimed in excess of amount paid		<u>\$ (40,680)</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2020, through June 30, 2021</u>			
Direct costs:			
Salaries and benefits:			
Train peace officers and supervisors	\$ 2,203	\$ 2,081	\$ (122)
Collect and report data	101,846	46,996	(54,850)
Submit to DOJ and retain data collected	13,800	3,460	(10,340)
Audit and validate data	8,344	2,504	(5,840)
Subtotal: salaries and benefits	126,193	55,041	(71,152)
Contract services:			
Submit to DOJ and retain data collected	1,882	-	(1,882)
Total direct costs	128,075	55,041	(73,034)
Indirect costs	60,421	26,354	(34,067)
Total program costs	<u>\$ 188,496</u>	81,395	<u>\$ (107,101)</u>
Less amount paid by the State ²		(188,496)	
Allowable costs claimed in excess of amount paid		<u>\$ (107,101)</u>	
<u>July 1, 2021, through June 30, 2022</u>			
Direct costs:			
Salaries and benefits:			
Train peace officers and supervisors	\$ 15,329	\$ -	\$ (15,329)
Collect and report data	71,749	35,681	(36,068)
Submit to DOJ and retain data collected	9,203	1,852	(7,351)
Audit and validate data	15,798	878	(14,920)
Subtotal: salaries and benefits	112,079	38,411	(73,668)
Contract services:			
Submit to DOJ and retain data collected	1,648	-	(1,648)
Total direct costs	113,727	38,411	(75,316)
Indirect costs	52,599	18,026	(34,573)
Total program costs	<u>\$ 166,326</u>	56,437	<u>\$ (109,889)</u>
Less amount paid by the State ²		(166,326)	
Allowable costs claimed in excess of amount paid		<u>\$ (109,889)</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2022, through June 30, 2023</u>			
Direct costs:			
Salaries and benefits:			
Train peace officers and supervisors	\$ 18,615	\$ -	\$ (18,615)
Collect and report data	82,295	40,639	(41,656)
Submit to DOJ and retain data collected	8,968	4,336	(4,632)
Audit and validate data	15,221	922	(14,299)
Subtotal: salaries and benefits	125,099	45,897	(79,202)
Contract services:			
Submit to DOJ and retain data collected	810	-	(810)
Total direct costs	125,909	45,897	(80,012)
Indirect costs	53,205	19,520	(33,685)
Total program costs	<u>\$ 179,114</u>	65,417	<u>\$ (113,697)</u>
Less amount paid by the State ²		(179,114)	
Allowable costs claimed in excess of amount paid		<u>\$ (113,697)</u>	
<u>Summary: July 1, 2018, through June 30, 2023</u>			
Direct costs:			
Salaries and benefits	\$ 525,161	\$ 214,522	\$ (310,639)
Contract services	4,340	-	(4,340)
Total direct costs	529,501	214,522	(314,979)
Indirect costs	228,237	93,380	(134,857)
Total program costs	<u>\$ 757,738</u>	307,902	<u>\$ (449,836)</u>
Less amount paid by the State ²		(757,738)	
Allowable costs claimed in excess of amount paid		<u>\$ (449,836)</u>	

¹ See the Finding and Recommendation section.

² Payment amount current as of September 15, 2025.

Finding and Recommendation

FINDING— Overstated Racial and Identity Profiling Program costs

The county claimed and was paid \$757,738 for the mandated program. We found that \$307,902 is allowable and \$449,836 is unallowable.

The costs are unallowable primarily because the county overstated costs for collecting and reporting stop data, overstated costs for training, and claimed unallowable related indirect costs.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year for the audit period:

Fiscal Year	Direct Costs			Related Indirect Cost Adjustment	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2018-19	\$ 103,463	\$ 44,124	\$ (59,339)	\$ (19,130)	\$ (78,469)
2019-20	58,327	31,049	(27,278)	(13,402)	(40,680)
2020-21	128,075	55,041	(73,034)	(34,067)	(107,101)
2021-22	113,727	38,411	(75,316)	(34,573)	(109,889)
2022-23	125,909	45,897	(80,012)	(33,685)	(113,697)
Total	<u>\$ 529,501</u>	<u>\$ 214,522</u>	<u>\$ (314,979)</u>	<u>\$ (134,857)</u>	<u>\$ (449,836)</u>

One-time Activities

The parameters and guidelines identify the following one-time activities:

- Activity A.1. – One-time training for each peace officer employee and supervisor assigned to perform the reimbursable activities; and
- Activity A.2. – One-time installation and testing of software necessary to comply with the requirements for collecting and reporting stop data.

Training

The county claimed salary and benefit costs totaling \$79,121 for one-time staff training. We found that \$17,470 is allowable and \$61,651 is unallowable. The costs are unallowable because the county claimed training costs that are either unsupported or duplicated.

Patrol Station Training

The county's claims included training that occurred at Orange County Sheriff's Department (OCSD) patrol stations. The county claimed that its officers were trained on the requirements of the RIPA at 43 briefing sessions which were documented on watchlists. During the audit, the OCSD provided 17 patrol station watchlists for fiscal year (FY) 2018-19 that supported 30 minutes of RIPA training for 72 peace officers (18 Sergeants, 51 Deputy Sheriffs, and three Investigators).

The county did not provide the remaining 26 patrol station watchlists to support RIPA training costs during FY 2018-19 for 60 peace officers (25 Sergeants, 33 Deputy Sheriffs, and two Investigators). As these training sessions were all unsupported by documentation, they are unallowable.

One-on-One Training

The county's claims also included one-on-one RIPA training sessions, which occurred while officers were in the field. As there were no watchlists available to support the claimed costs for one-on-one RIPA training with a Field Training Officer, we requested the following additional information:

- Employee ID numbers of the trainers and trainees;
- Assigned patrol station;
- Unincorporated or contract city assignment within patrol station;
- Type of training received (briefing at patrol station or one-on-one with Field Training Officer); and
- Job classification of trainer.

The county provided the requested information that supported its claim of 30-minute training for 98 OCSD employees in the Deputy Sheriff II (DSII) classification—16 in FY 2018-19, 46 in FY 2019-20, and 36 in FY 2020-21. We found that 92 DSIIIs were eligible for training and six were ineligible for training. The ineligible training included sessions in FY 2019-20 for four DSIIIs who were employed in custody operations, and sessions in FY 2020-21 for two DSIIIs previously identified as trainers.

The OCSD also provided the requested information to support FY 2021-22 and FY 2022-23 training costs for 261 DSIIIs (119 in FY 2021-22 and 142 in FY 2022-23). However, the names of the trainees had been redacted and the training time claimed had been increased from 30 minutes to 60 minutes. The county did not provide an explanation or support for doubling the time claimed for training. Due to the redacted trainee names, we also could not verify whether the OCSD staff listed had already received the one-time RIPA training.

Preparation of Training Video

The county claimed costs for preparing a short RIPA training video. The OCSD provided a summary recap of hours spent to support its claim of 333 hours for RIPA training video production (160 hours for the video producer, 148 hours for six DSIIIs, and 25 hours for five Deputy Sheriff Trainees [DST] as actors). However, the supporting document claimed 293 of the 333 total hours using the same date, July 11, 2018, as follows:

- Five hours for each of the five DSTs (25 hours total),
- 20 hours for each of the five DSIIIs (100 hours total),

- 48 hours for one DSII; and
- 120 hours for the video producer.

The remaining 40 hours claimed were for a video producer on August 6, 2018.

We asked county representatives how they determined the number of hours claimed and requested actual dates when the mandated activities were performed to support the total hours claimed. Instead, we received the same summary information on three occasions that the county had previously provided to us. Therefore, we determined that the time claimed was based on estimates of time spent performing the mandated activities.

In the meantime, we verified the existence of the RIPA training video by watching it and noted that it has a duration of 6.5 minutes. Based on this evidence, we determined that eight hours for each of the DSII's (40 hours total), 16 hours for the video producer, and 25 hours for the DSTs are allowable. Therefore, 81 hours are allowable, and 252 hours are unsupported.

The following table presents the claimed, allowable, and audit adjustment amounts for Activity A.1. by fiscal year:

Fiscal Year	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Audit Adjustment
2018-19	\$ 40,246	\$ 12,898	\$ (27,348)
2019-20	2,728	2,491	(237)
2020-21	2,203	2,081	(122)
2021-22	15,329	-	(15,329)
2022-23	18,615	-	(18,615)
Totals	<u>\$ 79,121</u>	<u>\$ 17,470</u>	<u>\$ (61,651)</u>

Ongoing Activities

The parameters and guidelines identify the following ongoing activities:

- Activity B.1. – Identifying the peace officers required to report stops, and maintaining a system to match individual officers to their Officer ID numbers;
- Activity B.2. – Collecting and reporting data on all reportable stops;
- Activity B.3. – Submitting electronic stop data to the DOJ and retaining collected stop data;
- Activity B.4. – Audits and validation of data collected; and
- Activity B.5. – Ensuring that personally identifiable information of the individuals stopped, and unique identifying information of the peace officers involved are not transmitted to the DOJ in an open text field.

Collecting and Reporting Data

The county claimed salary and benefit costs totaling \$369,407 for collecting and reporting stop data (Activity B.2.). We found that \$179,568 is allowable and \$189,839 is unallowable. The costs are unallowable because the county claimed costs based on unsupported time increments to report stops; and claimed stops performed by officers assigned in jurisdictions covered by law enforcement services agreements or funded by federal or state grants, as well as stops performed at residences of known felons with outstanding arrest warrants, which are unallowable.

We reviewed the county's claims to determine whether the claimed salary and benefit costs were related to the mandate and were properly supported.

Number of Stops Reported

The county reported 35,865 stops in its claims during the audit period (6,573 stops during FY 2018-19; 5,089 stops during FY 2019-20; 9,986 stops during FY 2020-21; 6,684 stops during FY 2021-22; and 7,533 stops during FY 2022-23).

During the audit we requested, and the county generated, Excel spreadsheets showing stop data downloaded from its RIPA application to support the number of stops. These spreadsheets contained the following information:

- Stop ID number,
- Stop date and time,
- Officer ID number, and
- City where the stop occurred.

The spreadsheets supported 35,093 stops during the audit period (6,573 stops during FY 2018-19; 5,089 stops during FY 2019-20; 9,214 stops during FY 2020-21; 6,684 stops during FY 2021-22; and 7,533 stops during FY 2022-23).

We verified the accuracy of the stop data recorded in the RIPA application by determining whether each stop:

- Included all required elements according to the program's parameters and guidelines;
- Was not performed by a peace officer in a jurisdiction covered by a law enforcement-services agreement or other agreement, or funded by outside funding sources such as federal grants; and
- Did not occur at the residence of a known felon with an outstanding arrest warrant.

For FY 2020-21 and FY 2022-23, we selected a statistical sample of stop data from the documented number of stops reported by the county (the adjusted unduplicated population) based on a 95% confidence level, a

precision rate of $\pm 8\%$, and an expected error rate of 50%. We used statistical sampling in order to project the results to the population for each fiscal year. We randomly selected 295 out of 16,747 reported stops for those two years.

Our review of the sampled stop data disclosed the following circumstances.

FY 2020-21

We found that seven of 148 reported stops occurred in an adjacent county, just over the county line. However, an OCSD representative explained that these stops began in Orange County and that the officers involved crossed the county line in order to complete the stops. Therefore, we did not identify these seven stops as exceptions. However, 772 of the stops claimed for FY 2020-21 are unallowable due to the difference between the 9,986 stops claimed and the audited population of 9,214 stops.

FY 2022-23

We found that two of 147 reported stops are unallowable for the following reasons:

- One stop was performed in Imperial County, which is not a county adjacent to Orange County; and
- One stop occurred at the residence of a known felon with an outstanding arrest warrant.

We calculated an error rate of 1.36% for FY 2022-23 and multiplied the audited population of 7,533 by the error rate to arrive at 102 unallowable stops and 7,431 allowable stops.

The following table summarizes the count of claimed, supported, and allowable stops, and the audit adjustment by fiscal year:

	(A)	(B)	(C)	(D)=(C)-(A)
		Stops		
Fiscal Year	Claimed Stops	Conducted per DOJ	Allowable Stops	Audit Adjustment
2018-19	6,573	6,573	6,528	(45)
2019-20	5,089	5,089	5,054	(35)
2020-21	9,986	9,214	9,214	(772)
2021-22	6,684	6,684	6,639	(45)
2022-23	7,533	7,533	7,431	(102)
Total stops	35,865	35,093	34,866	(999)

Time Increments

The county reported in its claims that officers spent an average of five minutes per stop during the audit period.

During the audit, the county provided an email from an OCSD Commander stating that a Captain verbally notified him on March 5, 2021, that five minutes was the average time for the completion of a RIPA stop. He further stated that another Captain had looked for physical documentation to support this assertion but was not successful.

The county also provided a time-study prepared on October 4, 2024, which disclosed an average of three minutes to collect and report stop data. The county recorded time spent collecting and reporting stop data for 36 undated stops. Eight of the stops occurred in an OCSD jurisdiction (six from the North Patrol station and two in the county's unincorporated area); the other 28 stops occurred in contract cities. The RIPA time study was prepared after the initiation of this audit and the time study's results can only be applied prospectively.

The test claim for this mandated program identified a DOJ field study conducted by eight Southern California law enforcement agencies—including OCSD—and the California Highway Patrol. The field study concluded that 2.5 minutes was the appropriate average time to complete a RIPA data form. We asked an OCSD representative about the field study; the representative agreed that 2.5 minutes is the correct average time to use for the county's stops. Therefore, we applied 2.5 minutes to the population of audited stops for the audit period.

Job Classifications

The county's claims indicated that the employee classification of DSII performed Activity B.2. The program's parameters and guidelines state that sworn peace officers are required to perform the reimbursable activities. To determine which employee classifications performed the reimbursable activities, we:

- Reviewed the lists of allowable stop data from our sample selections to determine the actual rank and job classification of the peace officers who performed Activity B.2.; and
- Calculated the percentage of involvement for each peace officer employee classification that performed Activity B.2.

Our review revealed that the county's DSII's performed a significant majority of the reimbursable activities, as the number of stops performed by other employee classifications were immaterial. Therefore, we agree that 100% of this mandated activity was performed by the county's DSII's.

We obtained the PHRs and related benefit rates for the county's DSII's for all years of the audit period to calculate allowable salary and benefit costs. We then multiplied the audited counts of stops by the allowable PHRs and benefit rates for the county's DSII's and multiplied the product by the average time required to perform Activity B.2.

The following table summarizes how we calculated allowable costs for Activity B.2. by fiscal year:

Employee Classification	PHR (a)	Number of Stops (b)	Time Increment (c)	Total Minutes (d) = (b) × (c)	Hours (e) = (d) ÷ 60	Allowable Salaries (f) = (a) × (e)	Benefit Rates (g)	Allowable Benefits (h) = (f) × (g)	Total Allowable Costs (i) = (f) + (h)
<u>FY 2018-19</u>									
Deputy Sheriff II	\$ 61.38	6,528	2.5	16,320	272	\$ 16,695	87.04%	\$ 14,531	\$ 31,226
<u>FY 2019-20</u>									
Deputy Sheriff II	63.19	5,054	2.5	12,635	211	13,333	87.70%	11,693	25,026
<u>FY 2020-21</u>									
Deputy Sheriff II	65.12	9,214	2.5	23,035	384	25,006	87.94%	21,990	46,996
<u>FY 2021-22</u>									
Deputy Sheriff II	67.47	6,639	2.5	16,598	277	18,689	90.92%	16,992	35,681
<u>FY 2022-23</u>									
Deputy Sheriff II	69.72	7,431	2.5	18,578	310	21,613	88.03%	19,026	40,639

The following table presents the claimed and allowable amounts for salaries and benefits and the audit adjustment by fiscal year:

Fiscal Year	Claimed			Allowable			Audit Adjustment
	Salaries	Benefits	Total	Salaries	Benefits	Total	
2018-19	\$ 33,621	\$ 29,596	\$ 63,217	\$ 16,695	\$ 14,531	\$ 31,226	\$ (31,991)
2019-20	26,798	23,502	50,300	13,333	11,693	25,026	(25,274)
2020-21	54,191	47,655	101,846	25,006	21,990	46,996	(54,850)
2021-22	37,581	34,168	71,749	18,689	16,992	35,681	(36,068)
2022-23	43,767	38,528	82,295	21,613	19,026	40,639	(41,656)
Totals	\$ 195,958	\$ 173,449	\$ 369,407	\$ 95,336	\$ 84,232	\$ 179,568	\$ (189,839)

Electronic Submission to the DOJ and Retention of Stop Data Collected

The county claimed \$37,270 (\$19,755 in salary costs and \$17,515 in related benefits) for electronic submission of stop data to the DOJ and the retention of stop data collected (Activity B.3.). We found that \$11,413 is allowable and \$25,857 is unallowable. The costs are unallowable because the county claimed costs based on unsupported time.

The county provided the following documentation with its claims to support the costs for submitting electronic stop data to the DOJ and retaining collected stop data:

- For FY 2019-20, the IT Supervisor's declaration of time for 42 hours spent by date describing the activities performed.
- For FY 2020-21, FY 2021-22, and FY 2022-23, lists of estimated time spent by month and year by the IT Supervisor and the Applications Developer.

During the audit, the county provided system-generated contemporaneous data submission logs for the audit period. These logs provided the following information:

- Start date and end date of stop reports;
- Status (“Resubmit,” “Pending Fixes,” or “Finished”);
- Log file date (electronic submission);
- Total processed;
- Total success;
- Total rejected;
- Total with errors; and
- Total HTTP errors.

We used these logs to test the validity of the dates and times claimed for the electronic submission of data to the DOJ. Allowable costs are for those instances when the dates on the data transmission logs matched the dates on the supporting documentation provided.

The following table presents the claimed and allowable hours and amounts for salaries and benefits and the audit adjustment by fiscal year.

Fiscal Year	Claimed		Allowable		Audit Adjustment
	Hours	Salaries and Benefits	Hours	Salaries and Benefits	
2019-20	42	\$ 5,299	14	\$ 1,766	\$ (3,533)
2020-21	95	13,800	25	3,460	(10,340)
2021-22	63	9,203	13	1,852	(7,351)
2022-23	59	8,968	29	4,335	(4,633)
Total	259	\$ 37,270	81	\$ 11,413	\$ (25,857)

Audits and Validation of Data Collected

The county claimed \$39,363 (\$20,810 in salary costs and \$18,553 in related benefits) for audits and validation of data collected (Activity B.4.). We found that \$6,070 is allowable and \$33,293 is unallowable. The costs are unallowable because the county claimed costs based on unsupported time.

The county provided the following documentation with its claims to support the costs for audits and validation of data collected:

- For FY 2019-20, the county did not claim any costs for this activity.
- For FY 2020-21 and FY 2021-22, emails from a Sergeant in OCSD’s Strategy, Accountability, Focus, and Evaluation (SAFE) Division that listed estimated “RIPA time,” described as Senate Bill 90 qualifying hours spent by two Deputies and a Sergeant performing Activity B.4.

- For FY 2022-23, a declaration of estimated time spent by two Deputies, a Sergeant, and a Research Analyst performing Activity B.4 for OCSD, which was certified by an OCSD Captain and a Sergeant. However, the descriptions of the activities performed were for designing and reviewing audit graphs for RIPA reports; updating RIPA policies; and drafting, entering data, and auditing the reports. The Research Analyst stated clearly that the hours declared were based on her best estimates of time spent on RIPA policies and reports.

OCSD's SAFE Division publishes an annual RIPA Report, a current version of which can be seen at www.ocsheriff.gov/sites/ocsd/files/2025-05/2024%20OCSD%20Annual%20RIPA%20Statistical%20Report_0.pdf. The report is neither a mandated report nor a reimbursable activity for this program. Therefore, all hours estimated for SAFE Division staff claimed as "RIPA time" were potentially not related to the mandated activity of audits and validation of errors in stop data that had been electronically transmitted to the DOJ.

During the audit, the county provided additional support for the time spent by an IT Supervisor to correct and resubmit errors from previous submissions of stop data sent to the DOJ. Based on the time spent and the number of errors corrected, we determined an average of 1.93 minutes to resubmit each stop report that had errors. We applied that time increment based on the resubmitted stop reports for all years of the audit period.

The following table presents the claimed and allowable costs for salaries and benefits and the audit adjustment by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2019-20	\$ -	\$ 1,766	\$ 1,766
2020-21	8,344	2,504	(5,840)
2021-22	15,798	878	(14,920)
2022-23	15,221	922	(14,299)
Total	<u>\$ 39,363</u>	<u>\$ 6,070</u>	<u>\$ (33,293)</u>

Indirect Costs

The county's Indirect Cost Rate Proposals adequately supported its indirect cost rates for the audit period. Using those rates, the county claimed related indirect costs totaling \$228,237 for the audit period, based on \$425,161 in claimed salaries and benefits. We found that \$93,380 is allowable and \$134,857 is unallowable. The costs are unallowable because they are based on unallowable salaries and benefits for each year of the audit period. To recalculate indirect costs, we applied the claimed indirect cost rates to the corresponding eligible direct costs.

The following table summarizes the claimed, allowable, and audit adjustments for indirect costs by fiscal year:

Fiscal Year	Salaries and Benefits Claimed	Salaries and Benefits Allowable	Indirect Cost Rate	Indirect Costs Claimed	Indirect Costs Allowable	Audit Adjustment
2018-19	\$ 103,463	\$ 44,124	32.24%	\$ 33,356	\$ 14,226	\$ (19,130)
2019-20	58,327	31,049	49.13%	28,656	15,254	(13,402)
2020-21	126,193	55,041	47.88%	60,421	26,354	(34,067)
2021-22	112,079	38,411	46.93%	52,599	18,026	(34,573)
2022-23	125,099	45,897	42.53%	53,205	19,520	(33,685)
Totals				<u>\$ 228,237</u>	<u>\$ 93,380</u>	<u>\$ (134,857)</u>

Criteria

Section II, “Eligible Claimants,” of the parameters and guidelines states, in part:

. . . Cities and counties may not claim the costs of their peace officer employees that are incurred while they are assigned out to work for other government or private entities based on a contract or memorandum of understanding.

Item 1 of Section III., “Period of Reimbursement,” of the parameters and guidelines states that “Actual costs for one fiscal year shall be included in each claim.”

Section IV., “Reimbursable Activities,” of the parameters and guidelines begins:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheet, invoices, and receipts.

Section V.A.1., “Salaries and Benefits,” of the parameters and guidelines states:

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Section V.A.5, “Training,” of the parameters and guidelines states, in part:

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name

and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. . . .

Section V.B., “Indirect Cost Rates,” of the parameters and guidelines states, in part:

. . . Indirect costs may include both: (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan. . . .

Section VII, “Offsetting Revenues and Reimbursements,” of the parameters and guidelines states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

Recommendation

We recommend that the county:

- Adhere to the program’s parameters and guidelines and the SCO’s *Mandated Cost Manual* when claiming reimbursement for mandated costs; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County’s Response

The Orange County Sheriff Department (OCSA) received the Racial and Identity Profiling Act (RIPA) Program Draft Audit Report on August 29, 2025, and acknowledges the findings presented in the draft report.

In response to the draft audit report, OCSA would like to note that the RIPA program existed prior to reimbursement being allowed. In April 2021, OCSA submitted claims for FY 2018-19 through FY 2020-21. OCSA was made aware of State’s approval for cost reimbursement on the RIPA program after services had been rendered. Therefore, the claims submitted were based on the best information available at that time. OCSA concurs with the audit findings and will implement processes to ensure that allowable claim activities are properly supported. Below are OCSA’s plan for corrective action:

- A course outline with list of attendees will be provided for all RIPA trainings
- Provide a job number for RIPA activities coding
- Conduct periodic time studies on repetitive activities

**Attachment—
Orange County Sheriff's Department's
Response to Draft Audit Report**



ORANGE COUNTY SHERIFF'S DEPARTMENT

SHERIFF-CORONER DON BARNES

September 5, 2025

Lisa Kurokawa, Chief, Compliance Audits Bureau
Division of Audits
State Controller's Office
Post Office Box 942850
Sacramento, CA 94250

Dear Ms. Kurokawa,

The Orange County Sheriff Department (OCSD) received the Racial and Identity Profiling Act (RIPA) Program Draft Audit Report on August 29, 2025, and acknowledges the findings presented in the draft report.

In response to the draft audit report, OCSD would like to note that the RIPA program existed prior to reimbursement being allowed. In April 2021, OCSD submitted claims for FY 2018-19 through FY 2020-21. OCSD was made aware of State's approval for cost reimbursement on the RIPA program after services had been rendered. Therefore, the claims submitted were based on the best information available at that time. OCSD concurs with the audit findings and will implement processes to ensure that allowable claim activities are properly supported. Below are OCSD's plan for corrective action:

- A course outline with list of attendees will be provided for all RIPA trainings
- Provide a job number for RIPA activities coding
- Conduct periodic time studies on repetitive activities

If you have any questions, I can be reached at (714) 834-6681.

Sincerely,

A handwritten signature in black ink that reads "Noma M. Crook".

Director Noma M. Crook
Financial/Administrative Services
Orange County Sheriff's Department

- c: Executive Director Brian Wayt, Orange County Sheriff's Department
 Salvador Lopez, Chief Deputy Auditor-Controller, Orange County Auditor-Controller
 Linh Vuong, Business Services Manager, Senior, Orange County Sheriff's Department
 Agnes Arcos, Business Services Administrator, Orange County Sheriff's Department
 Tobin Anderson, Sergeant, SAFE Division, Orange County Sheriff's Department

www.ocsheriff.gov

Integrity without compromise | Service above self | Professionalism in the performance of duty | Vigilance in safeguarding our community

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

www.sco.ca.gov