

TEHAMA COUNTY

Audit Report

CUSTODY OF MINORS – CHILD ABDUCTION AND RECOVERY PROGRAM

Chapter 1399, Statutes of 1976;
Chapter 162, Statutes of 1992;
and Chapter 988, Statutes of 1996

July 1, 2019, through June 30, 2022



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

November 2024



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

November 14, 2024

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

The Honorable Krista Peterson, Auditor-Controller
Tehama County
444 Oak Street, Room J
Red Bluff, CA 96080

Dear Auditor-Controller Peterson:

The State Controller's Office audited the costs claimed by Tehama County (the county) for the legislatively mandated Custody of Minors – Child Abduction and Recovery Program for the period of July 1, 2019, through June 30, 2022.

The county claimed and was paid \$291,475 for the mandated program. Our audit found that none of the claimed costs are allowable, primarily because the county did not provide contemporaneous source documentation supporting the mandated functions performed or the actual number of hours devoted to each function.

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.

This final audit report contains an adjustment to costs claimed by the county. If you disagree with the audit finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to the Commission's regulations, outlined in Title 2, California Code of Regulations, section 1185.1, subdivision (c), an IRC challenging these adjustments must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. IRC information is available on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

Ms. Krista Peterson
November 14, 2024
Page 2 of 2

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/rs

Copy: Matthew Rogers, District Attorney
Tehama County
Chris Hill, Principal Program Budget Analyst
Local Government Unit
California Department of Finance
Ted Doan, 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	2
Conclusion	3
Follow-up on Prior Audit Findings.....	3
Views of Responsible Officials.....	3
Restricted Use	3
Schedule—Summary of Program Costs	4
Finding and Recommendation	6
Attachment—County’s Response to Draft Audit Report	

Audit Report

Summary

The State Controller’s Office (SCO) audited the costs claimed by Tehama County (the county) for the legislatively mandated Custody of Minors – Child Abduction and Recovery (CAR) Program for the period of July 1, 2019, through June 30, 2022.

The county claimed and was paid \$291,475 for costs of the mandated program. Our audit found that the claimed costs are unallowable, primarily because the county did not provide contemporaneous source documentation supporting the mandated functions performed or the actual number of hours devoted to each function.

Background

Chapter 1399, Statutes of 1976, established the mandated CAR Program, based on the following laws:

- Civil Code section 4600.1 (repealed and added as Family Code sections 3060 through 3064 by Chapter 162, Statutes of 1992);
- Penal Code (PC) sections 278 and 278.5 (repealed and added as PC sections 277, 278, and 278.5 by Chapter 988, Statutes of 1996); and
- Welfare and Institutions Code section 11478.5 (repealed and added as Family Code section 17506 by Chapter 478, Statutes of 1999; last amended by Chapter 759, Statutes of 2002).

These laws require the District Attorney’s (DA’s) Office to assist persons having legal custody of a child in:

- Locating their children when they are unlawfully taken away;
- Gaining enforcement of custody and visitation decrees and orders to appear;
- Defraying expenses related to the return of an illegally detained, abducted, or concealed child;
- Civil court action proceedings; and
- Guaranteeing the appearance of offenders and minors in court actions.

On September 19, 1979, the State Board of Control (now the Commission on State Mandates) determined that this legislation imposed a state mandate reimbursable under Government Code (GC) section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission on State Mandates adopted the parameters and guidelines on January 21, 1981; they were last amended on October 30, 2009. In compliance with GC section 17558, the SCO issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* for mandated programs to assist local agencies in claiming 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 CAR 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.

Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

The audit period was July 1, 2019, through June 30, 2022.

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 related 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 members. We discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used.
- We reviewed payroll records for claimed employees. We noted various issues with the time records that we reviewed; the records provided as support for the claimed costs did not meet the requirements of the program's parameters and guidelines (see the Finding).
- We interviewed county personnel and reviewed the county's single audit and revenue reports to identify potential sources of offsetting revenues and reimbursements from federal or pass-through programs applicable to this mandated program. We found that the county did not receive offsetting revenue for this mandate 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 the county claimed unsupported costs, as quantified in the Schedule and described in the Finding and Recommendation section. The costs claimed by the county that were not supported by appropriate source documents are also unreasonable and/or excessive.

For the audit period, the county claimed and was paid \$291,475 for costs of the legislatively mandated CAR Program. Our audit found that the entire amount 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 CAR Program.

**Views of
Responsible
Officials**

We issued a draft report on August 7, 2024. The county's representative responded by letter dated August 15, 2024, disagreeing 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 will be available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA
Chief, Division of Audits

November 14, 2024

Schedule—
Summary of Program Costs
July 1, 2019, through June 30, 2022

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2019, through June 30, 2020</u>			
Direct costs:			
Salaries and benefits ²	\$ 76,527	\$ -	\$ (76,527)
Total direct costs	76,527	-	(76,527)
Indirect costs	29,276	-	(29,276)
Total direct and indirect costs	105,803	-	(105,803)
Less offsetting revenue	-	-	-
Total program costs	<u>\$ 105,803</u>	-	<u>\$ (105,803)</u>
Less amount paid by the State ³		<u>(105,803)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ (105,803)</u>	
<u>July 1, 2020, through June 30, 2021</u>			
Direct costs:			
Salaries and benefits	\$ 71,841	\$ -	\$ (71,841)
Total direct costs	71,841	-	(71,841)
Indirect costs	15,263	-	(15,263)
Total direct and indirect costs	87,104	-	(87,104)
Less offsetting revenue	-	-	-
Total program costs	<u>\$ 87,104</u>	-	<u>\$ (87,104)</u>
Less amount paid by the State ³		<u>(87,104)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ (87,104)</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2021, through June 30, 2022</u>			
Direct costs:			
Salaries and benefits	\$ 77,953	\$ -	\$ (77,953)
Total direct costs	77,953	-	(77,953)
Indirect costs	20,615	-	(20,615)
Total direct and indirect costs	98,568	-	(98,568)
Less offsetting revenue	-	-	-
Total program costs	<u>\$ 98,568</u>	-	<u>\$ (98,568)</u>
Less amount paid by the State ³		(98,568)	
Amount paid in excess of allowable costs claimed		<u>\$ (98,568)</u>	
<u>Summary: July 1, 2019, through June 30, 2022</u>			
Direct costs:			
Salaries and benefits	\$ 226,321	\$ -	\$ (226,321)
Total direct costs	226,321	-	(226,321)
Indirect costs	65,154	-	(65,154)
Total direct and indirect costs	291,475	-	(291,475)
Less offsetting revenue	-	-	-
Total program costs	<u>\$ 291,475</u>	-	<u>\$ (291,475)</u>
Less amount paid by the State ³		(291,475)	
Amount paid in excess of allowable costs claimed		<u>\$ (291,475)</u>	

¹ See the Finding and Recommendation section.

² Adjusted for rounding errors.

³ Payment amount current as of June 26, 2024.

Finding and Recommendation

FINDING— Unsupported salaries, benefits, and related indirect costs

The county claimed \$226,321 in salaries and benefits for the audit period. We determined that the entire amount is unallowable. The related unallowable indirect costs total \$65,154, for total unallowable costs of \$291,475. The costs are unallowable primarily because the county did not provide contemporaneous source documentation supporting the mandated functions performed nor the actual number of hours devoted to each function.

The following is a summary of the unallowable salaries and benefits, the related indirect costs, and the audit adjustment:

Cost Elements		Fiscal Year			Total
		2019-20	2020-21	2021-22	
Total unallowable salaries	A	(45,390)	(41,817)	(45,507)	(132,714)
Total unallowable benefits	B	(31,137)	(30,024)	(32,446)	(93,607)
Total unallowable salaries and benefits [A+B]	C	(76,527)	(71,841)	(77,953)	(226,321)
Claimed indirect cost rate	D	64.50%	36.50%	45.30%	
Related indirect costs [A×D] ¹	E	(29,276)	(15,263)	(20,615)	(65,154)
Audit Adjustment [C+E]	F	\$ (105,803)	\$ (87,104)	\$ (98,568)	\$ (291,475)

¹ Immaterial adjustment due to rounding

The county claimed two cost components (Compliance with Court Orders and Return of Children to Custodian) for fiscal year (FY) 2019-20 and FY 2020-21 and one cost component (Compliance with Court Orders) for FY 2021-22. The county claimed two DA Investigators for FY 2019-20 and one DA Investigator for FY 2020-21 and FY 2021-22.

To support the hours claimed, the county provided bi-weekly timesheets that are completed by employees to document total hours worked for different assignments. The timesheets list the pay period, name of employee, title of employee, table of assignments with overtime delineated, and different leave types (workers' compensation, management leave, leave without pay, vacation, compensatory time, holiday, or family/sick leave).

For all fiscal years in the audit period, the timesheets provided to support hours claimed do not reconcile to the mandated cost claims filed. After discussions with DA's Office staff members, we determined that DA Investigators estimate their hours on their timesheets based on the program budgeted salary indicated on their Personnel Action Form. The DA Investigators claimed for each fiscal year are budgeted 50% to the Child Abduction assignment and 50% to a different assignment (e.g., Welfare Fraud, Auto Insurance, etc.). DA staff members also explained that claimed hours include non-productive leave types such as workers' compensation, management leave, leave without pay, vacation, compensatory time, holiday, and family/sick leave. As evidenced in the timesheets, there is no breakdown within the child abduction assignment that shows how much time was spent on specific mandated activities.

The county provided child abduction case logs identifying incidents in which agencies contacted parties about compliance with court orders involving children and/or child custody disputes. Child abduction case names and numbers are logged in the child abduction case log and an activity code (e.g., 1. Compliance with Court Order; 2a. Out-of-Jurisdiction Order USA; 2b. Out of Jurisdiction International; 3. Secure Offender Appearance; 4. Return of Children to Custodian) is also identified. The case logs do not provide dates or a breakdown within the activity to show how much time was spent on specific mandated activities.

Furthermore, after discussions with DA's Office staff, we noted that DA Investigators also take on "good cause" cases. DA Investigators work on approximately 70% to 80% of the "good cause" cases that the DA's Office receives. Time spent on activities related to "good cause" cases is unallowable because the parameters and guidelines do not identify such cases as reimbursable. The parameters and guidelines incorporate requirements of PC sections 278 and 278.5 as amended by Chapter 988, Statutes of 1996. This law, known as the Parental Kidnapping Prevention Act, also added PC section 278.7. However, PC section 278.7 was not incorporated into the parameters and guidelines; therefore, any costs claimed under this section are not reimbursable.

During our fieldwork, the county provided a sample of child abduction case files for the audit period. Case files include a standardized intake form on which the assigned DA Investigator manually enters the action taken, date, time, activity type, parties of the case, and case tracking number. DA Investigators use the form to summarize the actions taken—typically phone calls or field visits—and note the date and time of the call or visit and the results. However, the child abduction case files do not describe the mandated functions performed or specify the actual number of hours devoted to each function.

Section V., "Reimbursable Costs," 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 sheets, invoices, and receipts.

Section VI.A, "Non-Reimbursable Costs," of the parameters and guidelines states:

Costs associated with criminal prosecution, commencing with the defendant's first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

Section VII.A.1., “Salary and Employees’ Benefits” of the parameters and guidelines states, in part:

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. . . .

Recommendation

We recommend that the county:

- Follow the SCO’s *Mandated Cost Manual* and the mandated program’s parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs are actual costs and supported by source documentation.

County’s Response

This Office is in receipt of the above-referenced draft report, wherein the audit found that all costs claimed by this Office are unallowable. This Office respectfully, but completely, disagrees with the findings and conclusions of the audit.

For context, the Tehama County District Attorney’s Office started our Child Abduction and Recovery Program (“CAR”) reimbursement program reluctantly and with great trepidation, based on prior negative experiences with SB90 reimbursement programs. We were assured that the CAR programs were receiving reimbursement in a timely manner and that we would have the same experience with state reimbursement. Contemporaneously with the aforementioned assurances, this Office also prosecuted a heinous double homicide which was based in large part on child custody issues, wherein the murderer did not want to comply with a court-ordered custody agreement.

We recognized both a need and an opportunity to start a more robust, CAR reimbursable program and did so as modestly as possible by funding only one-half of an Investigator and attendant expenses. The program was a success and provided support to allied law enforcement agencies while at the same time taking a proactive approach to CAR issues. We truly believe that our program prevented crime and kept children safer.

In the same vein, to clarify a point at page six of the draft, the Tehama County District Attorney’s Office only assigned one Investigator to work on the CAR program for 50% of their time. The wording of the draft audit at page six could be interpreted to indicate that we had multiple Investigators in the CAR assignment, which was never done.

Our disagreement with the audit’s findings was made clear to the audit team during our exit interview. The draft audit states at several points, such as at page six, that “The costs are unallowable primarily because the county did not provide contemporaneous source documentation supporting the mandated functions performed nor the actual number of hours devoted to each function.” We disagree with this assertion, but in order to avoid belaboring the point, will simply summarize our process:

- A full-time Investigator was assigned to the CAR program at 50% as reflected on Tehama County Personnel Action Forms.
- The assigned Investigator worked in the CAR program 50% of the time as directed.
- The assigned Investigator maintained their County timecards to reflect their 50% assignment.
- The assigned Investigator maintained CAR case logs and authored reports to document CAR activities.

This Office fails to see how the above-referenced documentation does not comport with Section V of the parameters and guidelines, as referenced at page seven of the draft report. Section V defines source documentation:

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 sheets, invoices, and receipts.

Clearly, the aforementioned documents fall into Section V's delineated categories and were created at or near the same time the actual cost was incurred. The draft report acknowledges as much at page six,

Case files include a standardized intake form on which the assigned DA Investigator manually enters the action taken, date, time, activity type, parties of the case, and case tracking number. DA Investigators use the form to summarize the actions taken – typically phone calls or field visits – and note the date and time of the call or visit and the results.

The draft audit report then reaches a conclusion not supported by its own previous summary by stating, “However, the child abduction case files do not describe the mandated functions performed or specify the actual number of hours devoted to each function.” The conclusion as quoted does not logically follow the summary recited just one sentence before.

The draft audit report attempts to impose a standard of record keeping not required by Section V and which, quite frankly, is likely unattainable in programs such as this. The level of record keeping suggested by the draft audit may be realistic for an assignment that does not require field work or interaction with the public but is completely unrealistic for an assignment such as this that necessitates field work, travel and interaction with upset and difficult individuals, just to name a few essential functions. We were informed during our exit conference that this audit team had performed “six to eight” similar audits of CAR programs and that all had negative findings such as ours that disallowed all claimed expenses. This Office finds that statement striking and clearly indicative of a serious problem with both the SB90 program and the corresponding audits.

Further, the draft audit asserted that Investigators' work on “good cause” cases is not reimbursable, but this assertion is flawed. “Good cause” cases refer to a parent with physical custody of a child, pursuant to a lawful court order, who wishes to withhold the child from the other parent out of fear for the child's safety. The parent reporting to the District Attorney's Office that they are withholding their child is to say that they are not stealing or kidnapping the child, but are keeping the

child for the safety of the child. This activity falls squarely within Compliance with Court Order, a reimbursable activity, because the court order governing child custody is being violated by the withholding parent.

This Office takes issue with the draft audit's assertion that non-productive leave is an unallowable expense, but at page eight quotes parameters and guidelines, Section VII.A.1, to include, "...related benefits..." Leave time is a negotiated, contractual benefit earned by an employee during the course of their employment and this Office disagrees with the assertion that leave time is non-reimbursable.

The audit team repeatedly indicated that they believe we did the work with respect to the CAR program and that they do not doubt that the work was done. A conclusion that no costs were allowable - no salary, no benefits and no attendant expenses - flies in the face of the audit team's statements and is unsupported by the thorough documentation provided by this Office.

Should the draft report become final and the county be required to reimburse the state \$291,475 for 100% of the costs of three years of the CAR program the District Attorney's Office will not continue the CAR program in its current form, an unfortunate reality which will spell the end of a successful program that has enhanced the safety of children in Tehama County.

SCO's Response

Our finding and recommendation remain unchanged. We will address the county's comments in the order in which they appear in the county's draft report response.

On page 2, the county summarizes its CAR Program process as follows:

- A full-time Investigator was assigned to the CAR program at 50% as reflected on Tehama County Personnel Action Forms.
- The assigned Investigator worked in the CAR program 50% of the time as directed.
- The assigned Investigator maintained their County timecards to reflect their 50% assignment.
- The assigned Investigator maintained CAR case logs and authored reports to document CAR activities.

This Office fails to see how the above-referenced documentation does not comport with Section V of the parameters and guidelines, as referenced at page seven of the draft report. Section V defines source documentation:

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 sheets, invoices, and receipts.

The county prepared timesheets using predetermined percentages on the Personnel Action Forms to report the time that employees worked on mandate-related activities. Because the county determined these percentages before the employees performed the activities, the

percentages do not reflect actual hours worked on the mandated program as required by the parameters and guidelines.

The county's response states on page 2:

Clearly, the aforementioned documents fall into Section V's delineated categories and were created at or near the same time the actual cost was incurred. The draft report acknowledges as much at page six,

Case files include a standardized intake form on which the assigned DA Investigator manually enters the action taken, date, time, activity type, parties of the case, and case tracking number. DA Investigators use the form to summarize the actions taken – typically phone calls or field visits – and note the date and time of the call or visit and the results.

As discussed previously, the timesheets provided by the county are not adequate source documentation. We reviewed the county's timesheets, case logs, and case files, and determined that the documents did not—separately or in conjunction with one another—describe (or specify) the actual number of hours devoted to each reimbursable activity or function. The county stated to us on several occasions that the time increments claimed were estimated, not actual.

The county's response also states:

Further, the draft audit asserted that Investigators' work on "good cause" cases is not reimbursable, but this assertion is flawed. "Good cause" cases refer to a parent with physical custody of a child, pursuant to a lawful court order, who wishes to withhold the child from the other parent out of fear for the child's safety. The parent reporting to the District Attorney's Office that they are withholding their child is to say that they are not stealing or kidnapping the child, but are keeping the child for the safety of the child. This activity falls squarely within Compliance with Court Order, a reimbursable activity, because the court order governing child custody is being violated by the withholding parent.

We disagree. Activities performed related to PC section 278.7, commonly referred to as "good cause cases," are not considered reimbursable mandated activities. Furthermore, the documentation provided as support for the claims did not contain the detail required to determine the mandated functions performed or identify employees' time spent on activities related to cases under PC section 278.7.

On page 3 of its response, the county states:

This Office takes issue with the draft audit's assertion that non-productive leave is an unallowable expense, but at page eight quotes parameters and guidelines, Section VII.A.1, to include, "...related benefits..." Leave time is a negotiated, contractual benefit earned by an employee during the course of their employment and this Office disagrees with the assertion that leave time is non-reimbursable.

We disagree. Section V. of the parameters and guidelines states, in part:

The claimant is only allowed to claim and be reimbursed for increased costs for the reimbursable activities...increased cost is limited to the cost

of an activity that the claimant is required to incur as a result of the mandate.

Non-productive leave earned by an employee under contract with the county is not a reimbursable cost. Only increased costs actually incurred as a result of this mandate are eligible for reimbursement. The county previously stated that hours claimed included non-productive leave hours; those non-productive hours cannot be claimed for reimbursement, as they are not an increased cost required by the mandate.

**Attachment—
County’s Response to Draft Audit Report**

COURTHOUSE ANNEX
444 OAK ST., RM "L"
P.O. BOX 519
RED BLUFF, CA 96080

HOURS
8 A.M. - 5 P.M.

FAX
(530) 527-4735

District Attorney
County of Tehama



CRIMINAL DIVISION
(530) 527-3053

VICTIM/WITNESS DIVISION
(530) 527-4296

BUREAU OF INVESTIGATION
(530) 529-3590

August 15, 2024

MATTHEW D. ROGERS

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

Re: Response to Draft Audit Findings: Tehama County Custody of Minors – Child Abduction and Recovery Program

Dear Chief Kurokawa,

This Office is in receipt of the above-referenced draft report, wherein the audit found that all costs claimed by this Office are unallowable. This Office respectfully, but completely, disagrees with the findings and conclusions of the audit.

For context, the Tehama County District Attorney's Office started our Child Abduction and Recovery Program ("CAR") reimbursement program reluctantly and with great trepidation, based on prior negative experiences with SB90 reimbursement programs. We were assured that the CAR programs were receiving reimbursement in a timely manner and that we would have the same experience with state reimbursement. Contemporaneously with the aforementioned assurances, this Office also prosecuted a heinous double homicide which was based in large part on child custody issues, wherein the murderer did not want to comply with a court-ordered custody agreement.

We recognized both a need and an opportunity to start a more robust, CAR reimbursable program and did so as modestly as possible by funding only one-half of an Investigator and attendant expenses. The program was a success and provided support to allied law enforcement agencies while at the same time taking a proactive approach to CAR issues. We truly believe that our program prevented crime and kept children safer.

In the same vein, to clarify a point at page six of the draft, the Tehama County District Attorney's Office only assigned one Investigator to work on the CAR program for 50% of their time. The wording of the draft audit at page six could be interpreted to indicate that we had multiple Investigators in the CAR assignment, which was never done.

Our disagreement with the audit's findings was made clear to the audit team during our exit interview. The draft audit states at several points, such as at page six, that "The costs are unallowable primarily because the county did not provide contemporaneous source documentation supporting the mandated functions performed nor the actual number of hours devoted to each function." We disagree with this assertion, but in order to avoid belaboring the point, will simply summarize our process:

- A full-time Investigator was assigned to the CAR program at 50% as reflected on Tehama County Personnel Action Forms.
- The assigned Investigator worked in the CAR program 50% of the time as directed.
- The assigned Investigator maintained their County timecards to reflect their 50% assignment.
- The assigned Investigator maintained CAR case logs and authored reports to document CAR activities.

This Office fails to see how the above-referenced documentation does not comport with Section V of the parameters and guidelines, as referenced at page seven of the draft report. Section V defines source documentation:

"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 sheets, invoices, and receipts."

Clearly, the aforementioned documents fall into Section V's delineated categories and were created at or near the same time the actual cost was incurred. The draft report acknowledges as much at page six,

"Case files include a standardized intake form on which the assigned DA Investigator manually enters the action taken, date, time, activity type, parties of the case, and case tracking number. DA Investigators use the form to summarize the actions taken – typically phone calls or field visits – and note the date and time of the call or visit and the results."

The draft audit report then reaches a conclusion not supported by its own previous summary by stating, "However, the child abduction case files do not describe the mandated functions performed or specify the actual number of hours devoted to each function." The conclusion as quoted does not logically follow the summary recited just one sentence before.

The draft audit report attempts to impose a standard of record keeping not required by Section V and which, quite frankly, is likely unattainable in programs such as this. The level of record keeping suggested by the draft audit may be realistic for an assignment that does not require field work or interaction with the public but is completely unrealistic for an assignment such as this that necessitates field work, travel and interaction with upset

and difficult individuals, just to name a few essential functions. We were informed during our exit conference that this audit team had performed "six to eight" similar audits of CAR programs and that all had negative findings such as ours that disallowed all claimed expenses. This Office finds that statement striking and clearly indicative of a serious problem with both the SB90 program and the corresponding audits.

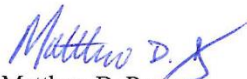
Further, the draft audit asserted that Investigators' work on "good cause" cases is not reimbursable, but this assertion is flawed. "Good cause" cases refer to a parent with physical custody of a child, pursuant to a lawful court order, who wishes to withhold the child from the other parent out of fear for the child's safety. The parent reporting to the District Attorney's Office that they are withholding their child is to say that they are not stealing or kidnapping the child, but are keeping the child for the safety of the child. This activity falls squarely within Compliance with Court Order, a reimbursable activity, because the court order governing child custody is being violated by the withholding parent.

This Office takes issue with the draft audit's assertion that non-productive leave, is an unallowable expense, but at page eight quotes parameters and guidelines, Section VII.A.1, to include, "...related benefits..." Leave time is a negotiated, contractual benefit earned by an employee during the course of their employment and this Office disagrees with the assertion that leave time is non-reimbursable.

The audit team repeatedly indicated that they believe we did the work with respect to the CAR program and that they do not doubt that the work was done. A conclusion that no costs were allowable - no salary, no benefits and no attendant expenses - flies in the face of the audit team's statements and is unsupported by the thorough documentation provided by this Office.

Should the draft report become final and the county be required to reimburse the state \$291,475 for 100% of the costs of three years of the CAR program the District Attorney's Office will not continue the CAR program in its current form, an unfortunate reality which will spell the end of a successful program that has enhanced the safety of children in Tehama County.

Sincerely,



Matthew D. Rogers
District Attorney

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

www.sco.ca.gov