



# COUNTY OF YOLO

Office of the County Administrator

*Patrick S. Blacklock*  
County Administrator

625 Court Street, Room 202 Woodland, CA 95695  
(530) 666-8150 FAX (530) 668-4029  
www.yolocounty.org

To: Honorable Judge Daniel P. Maguire  
Superior Court of California, County of Yolo  
725 Court Street, Department 16  
Woodland, CA 95695

December 11, 2012

To: Yolo County Grand Jury via e-mail: grand-jury@sbcglobal.net

RE: Yolo County Grand Jury Report  
Yolo County Probation Department: A Troubling Contract, Questionable Ethics

Honorably Judge Maguire:

The following is the response to the 2012/2013 Grand Jury Report entitled "Yolo County Probation Department: A Troubling Contract, Questionable Ethics" from the Yolo County Board of Supervisors, County Administrator, County Counsel, Human Resources and the Interim Chief Probation Officer. The Yolo County Auditor-Controller's response came under separate cover on November 8, 2012. For purposes of readability, we have included the Grand Jury's findings recommendations in **bold**.

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**F1 YCPD is supportive of "Evidence Based Practice" through the use of ADC's assessment tools.**

Interim Chief Probation Officer response: The respondent agrees with the finding.

**F2 ADC is the sole provider of assessment tools used by YCPD.**

County response: The respondents disagree with the finding. YCPD has also made use of the Ohio Pre-Trial Risk Assessment Tool for several years, which is available to the Probation community without the requirement of a contract and at no cost.

Auditor-Controller response sent under separate cover on November 8, 2012: We agree partially. ADC is the sole paid provider of assessment tools used by YCPD. The Interim Probation Chief Officer informs that the department has also used Ohio Pre-Trial Risk Assessment Tool which was available at no cost. Our upcoming audit of contract practices at the Probation Department will clarify this finding.

**F3 The YCPD manager was the sole contract administrator of ADC.**

County response: The respondents partially agree with the finding. The YCPD manager, as the Department Head, was ultimately responsible for the administration of contracts within the Probation Department. With respect to the ADC contract, the YCPD manager assured implementation of contract performance, approved invoices for payment which were then processed through department fiscal and County Auditor-Controller staff per normal County practice.

In April 2012, the YCPD manager transferred administration of the ADC contract to the Assistant Chief Probation Officer. No invoices were received between April 2012 and the resignation of the YCPD manager.

Auditor-Controller response sent under separate cover on November 8, 2012: We agree partially. The YCPD manager in question was a department head who had overall authority and responsibility on the contract; however, our preliminary review indicates that contract payments were processed in the normal manner, involving approval of finance staff in the Probation Department as well as staff in the Auditor-Controller Department.

**F4 The YCPD manager had a dual relationship with the CEO of ADC.**

County response: The respondents agree there was a relationship between the YCPD manager and the CEO of ADC beyond a typical business relationship with a contractor. The County currently has no evidence of a financial conflict of interest, but an audit of procurement practices is underway.

Auditor-Controller response sent under separate cover on November 8, 2012: We agree with the finding, based on information obtained from the County Administrator's office.

**F5 ADC invoices were received and approved solely by the YCPD manager.**

County response: The respondents partially agree with the finding as described in the County's response to F3.

Auditor-Controller response sent under separate cover on November 8, 2012: We do not agree with the finding. Our preliminary review indicates that some invoices were received and approved by other finance staff in accordance with countywide procedures.

**F6 YCPD management exhibited questionable ethical conduct.**

County response: The County agrees that the YCPD manager's relationship with the ADC CEO created the perception of a possible conflict and breach of ethical standards. The County currently has no evidence of a financial conflict of interest or related unethical conduct, but an audit of procurement practices is underway. Further, there is no evidence that any other YCPD management engaged in questionable ethical conduct related to this contract.

**F7 The YCPD manager did not disclose a personal relationship with the CEO of ADC in a timely manner.**

County response: The County partially agrees with this finding. The YCPD manager disclosed at the time of her original hiring with the YCPD, and later when she was appointed as the Chief Probation Officer, that she had a personal acquaintance with the CEO of ADC, and had worked with him in the past. It was not until April of 2012, that the YCPD manager disclosed that she had a greater involvement including efforts to get the CEO of ADC to obtain treatment for substance abuse issues.

**F8 The YCPD manager traveled from Sacramento to other states to intervene in the CEO's substance abuse.**

County response: The respondents agree with the finding.

**F9 The YCPD manager used airline credits earned as a Yolo County employee to travel from Sacramento to Utah and Arizona on non-county business.**

County response: The respondents agree with the finding. The County also notes that there is no State law or County policy that prohibits the personal use of airline credits earned on County business travel. The issue of reward bonus programs has been examined by the State and many local public entities and the complexities involved in instituting and enforcing any such prohibition have generally argued against such a prohibition.

Auditor-Controller response sent under separate cover on November 8, 2012: We cannot confirm this finding since we have no access to the manager's private travel records. We note that there is no county policy prohibiting such usage of airline credit.
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**F10 The YCPD manager did not disclose the CEO’s substance abuse to Yolo County administrators in a timely manner.**

County response: The respondents partially agree with the finding. The duty to disclose personal medical information of non-County personnel only arises if there is an impact on the provision of services or other performance under the contract. The County is continuing its investigation and the audit of procurement practices to determine the extent to which services or performance due to the County may have been impacted.

**F11 The YCPD manager guided ADC in completing invoices for payment despite having a dual relationship with the CEO.**

County response: The respondents agree that the YCPD manager provided advice to ADC in completing invoices for payment. It is not uncommon for County personnel to assist vendors in the preparation of invoices to ensure proper payment is made for services that are actually made under a contract. The procurement practices audit will assist the County in confirming whether payments made to ADC were for services or product actually received. The County currently has no evidence of a financial conflict of interest.

Auditor-Controller response sent under separate cover on November 8, 2012: We cannot confirm this finding at this time, but note that it is not an unusual business practice for a contract administrator to guide a vendor in the completion of invoices to be submitted to the county to ensure that they comply with the county requirements. Our upcoming audit will clarify this finding.

**F12 The YCPD manager authorized a strategically complex pay package for MIT trainers.**

County response: The respondents disagree with the finding. The YCPD manager agreed to a complex procedure for MIT trainers to record their working hours for training which included payment for preparation time and post-training session time.

Auditor-Controller response sent under separate cover on November 8, 2012: We do not agree with the finding. The YCPD manager might have instructed trainers to improperly record time in such a way as to increase their pay, but would not be able to “authorize a strategically complex pay package” due to established internal control in the payroll and HR system. Our upcoming audit will clarify this finding.

**F13 The method of compensation for MIT trainers was not approved by Yolo County Human Resources (YCHR).**

County response: The respondents partially agree with the finding. The “method of compensation” was payment of work hours, the management of which is within the discretion of a Department Head subject to any requirements of a labor collective bargaining agreement. Yolo County Human Resources did not specifically approve the arrangements the YCPD manager made with the MIT trainers.

Auditor-Controller response sent under separate cover on November 8, 2012: We agree with the finding. Our preliminary review indicates that the enhanced compensation to MIT trainers was not specifically authorized by the Human Resources Division.

**F14 Some trainers were directed to falsify timesheets.**

County response: The County is unable to substantiate this finding prior to completion of a payroll audit. A payroll audit has been initiated and is expected to be completed by December 28, 2012. The audit could, however, continue into 2013 depending on the Yolo County Auditor-Controller’s findings. There are circumstances in which County employees are paid for hours not actually worked pursuant to agreements reached in labor collective bargaining agreements, for example, a guarantee of minimum paid hours for call-back or other special duties.

Auditor-Controller response sent under separate cover on November 8, 2012: We cannot confirm this finding until our upcoming audit is completed.

**F15 Timecards were submitted improperly.**

County response: The County is unable to substantiate this finding prior to completion of a payroll audit. A payroll audit has been initiated and is expected to be completed by December 28, 2012. The audit could, however, continue into 2013 depending on the Yolo County Auditor-Controller’s findings. There are circumstances in which County employees are paid for hours not actually worked pursuant to agreements reached in labor collective bargaining agreements, for example, a guarantee of minimum paid hours for call-back or other special duties.

Auditor-Controller response sent under separate cover on November 8, 2012: We cannot confirm this finding until our upcoming audit is completed.

**F16 There are no agreements for other counties to reimburse Yolo County for MIT training conducted by the Yolo County staff.**

County response: The respondents wholly disagree with the finding. Agreements are in place with Santa Cruz, Yuba and Alameda counties.

Auditor-Controller response sent under separate cover on November 8, 2012: We do not agree with this finding. Our preliminary review indicates that there were agreements with Alameda, Santa Cruz and Yuba counties to reimburse Yolo County for MIT training costs. Our upcoming audit of contracting process will clarify this finding.

**F17 No invoices have been submitted by YCPD to other counties for training reimbursement and no reimbursements have been received by Yolo County.**

County response: The respondents wholly disagree with the finding. Payment for training has been received from Santa Cruz and Alameda counties. Reciprocal training has been provided by Yuba County for Yolo County Probation Department employees in exchange for training provided to Yuba County probation employees.

Auditor-Controller response sent under separate cover on November 8, 2012: We do not agree with this finding. Our preliminary review indicates that some reimbursements have been received from the partner counties: as of 10/31/12, \$4,116.04 paid by Alameda County was recorded on 9/20/12 and \$8,584.67 paid by Santa Cruz County was recorded on 10/12/12; a further \$10,114.32 are receivable from these two counties. Our upcoming audit of contracting process will clarify this finding.

**F18 Yolo County has no code of conduct or professional code of ethics for high level management employees to follow.**

County response: The respondents disagree with the finding. A Code of Ethics for Procurement has been part of the County's Policies and Procedures Manual since June 18, 2002. County elected and management employees are required to take the AB 1234 ethics training bi-annually. In addition to the County's Code of Ethics for Procurement and general State conflict of interest laws, many individual departments have departmental and professional codes of ethics that govern individual employees in those areas. Areas to further strengthen the County's Policies and Procedures Manual will be considered including the development of a general ethics policy directed at high level management employees. A draft code of ethics policy was considered during the December 11, 2012 Board of Supervisors meeting and an ad hoc Board subcommittee was formed work further on the policy.

Auditor-Controller response sent under separate cover on November 8, 2012: We partially agree with this finding. While the Yolo County Administrative Policy Manual contains a Code of Ethics for Procurement that is relevant to this case, the County does not have a general code of ethics applicable to upper management employees.

- R1 The ADC contract should be reviewed by Yolo County Counsel and the County Administrative Officer to determine by December 28, 2012 the operational fitness and financial viability of ADC.**

County response: This recommendation will be implemented by December 28, 2012. The last active contract between the County and ADC expires January 1, 2013.

Auditor-Controller response sent under separate cover on November 8, 2012: The County Administrator and the County Counsel have informed that this recommendation will be implemented.

- R2 Yolo County should develop and implement a code of conduct, clarifying professional protocol for high level management employees to avoid dual relationships, conflicts of interest, improprieties or the appearance of impropriety by December 28, 2012**

County response: The County will develop a general code of conduct for high level management employees to be considered by the Board of Supervisors by the end of fiscal year 2012-13. The additional time is required to allow for employee participation in development of such a policy.

- R3 The MIT compensation package should be reviewed by December 28, 2012 to determine if YCPD management has the authority to authorize a compensation package.**

County response: An audit of payroll practices is expected to be completed by December 28, 2012, but could take longer depending on the Yolo County Auditor-Controller's findings.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be implemented in conjunction with our upcoming audit of payroll practices at the Probation Department by the end of December 2012.

**R4 The scheduling of MIT training on days not at work should be reviewed by December 28, 2012 to determine if this is a violation of the MOU.**

County response: This recommendation will be implemented by December 28, 2012 as part of the audit of payroll practices.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be implemented in conjunction with our upcoming audit of payroll practices at the Probation Department by the end of December 2012.

**R5 No single Yolo County manager should have singular authority over the development and implementation of a contract or vendor.**

County response: Under current County policies and procedures, although Department Heads have ultimate responsibility for selection of vendors and the award of contracts within their department, the contracting process usually involves fiscal staff in the department, the County Purchasing Officer, and in many cases, Board of Supervisors approval. Larger contracts usually involve an RFP or bidding process with many individuals in the decision process. Similarly, the payment approval process, in addition to authorization from the Department Head or his or her designee, passes through the County Auditor-Controller's Office for verification of the existence of a contract or other payment obligation to ensure funds are available to be encumbered for the payment. The Grand Jury's findings raise the question whether additional procedures can be put in place to ensure services or products are actually received prior to payment authorization. With guidance from the County Auditor-Controller, based on the findings from the procurement practices audit, scheduled to be completed by December 28, 2012, the County will develop enhancements to internal control standards to address any weaknesses disclosed in the audit, particularly with respect to situations in which a single individual may be primarily responsible for the administration of a contract with an outside provider.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation requires further analysis and will be fully considered after completion of the upcoming audit of contract practices at the Probation Department by the end of December 2012.

**R6 The timesheets for MIT trainers should be audited and overpayments should be recovered by December 28, 2012.**

County response: This recommendation will be implemented by December 28, 2012 as part of the audit of payroll practices.



Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be partially implemented: the audit will be completed by the end of December but recovery of overpayments may extend into 2013.

**R7 Yolo County should closely monitor YCPD to ensure no dual relationship exist between employees and outside contractors.**

County response: The existing Code of Ethics for Procurement Policy already prohibits relationships or circumstances, such as dual relationships, that cause a breach of confidence in the acquisition (contracting) process. The County will review the policy for possible improvements following the procurement practices audit.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be fully considered after completion of the upcoming audit of contract practices by the end of December 2012.

**R8 Yolo County should perform an audit of payments to ADC and determine if any payment irregularities occurred and recoup funds as necessary by December 28, 2012.**

County response: This recommendation will be implemented by the Interim Chief Probation Officer and Director of **General Services** by December 28, 2012.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be implemented.

**R9 Any agreements and/or payments for reimbursement for MIT training from other counties should be reviewed for compliance with Yolo County's financial policies and procedures.**

County response: This recommendation will be implemented by the Interim Chief Probation Officer by December 28, 2012.

Auditor-Controller response sent under separate cover on November 8, 2012: This recommendation will be implemented.

Note: Following the audits conducted by the Auditor-Controller, Interim Chief Probation Officer and Director of **General Services** as referenced above, a report of findings will be provided to the Board of Supervisors in early 2013.