

Press Reports and Audits on Governmental Waste, Fraud and Mismanagement

Compiled by the California Taxpayers' Association

Telecommunications

Tardy L.A. Phone Bills

Dollar Amount: \$517,000

Los Angeles city officials are fuming in the wake of auditors' discovery that the city had to pay \$517,000 in late fees on telephone bills last year, more than double the usual amount in recent years. City Controller Rick Tuttle says the Information Technology Agency also has failed to develop a system to prevent improper use of city telephones. An example of misuse: A phone was left behind while City Hall was renovated two years ago. It was used for \$900 in collect phone calls from England and other faraway places. An audit found dozens of "mystery" phones that were never authorized. Furthermore, the city has been paying \$7,000 a month for directory assistance. According to newspaper reports, Mayor Richard Riordan said the late fees were "appalling." Councilman Michael Feuer said, "Incurring any late fees at all is a scandalous waste of taxpayer money."

Region: So. California

Jurisdiction: City

Source: Audit - 1999

L.A. County: \$86,000 in Overseas Calls

Dollar Amount: \$86,000

In the past three months, Los Angeles County Auditor-Controller J. Tyler McCauley's 14 investigators substantiated 35 cases of fraud or abuse by county employees. The case that the Los Angeles Times featured in its October 22, 2004 article: a social worker with the county Department of Children and Family Services charged \$86,000 in calls to Thailand on his county calling card. The calls were made before and after he resigned in 2002. Also: A county health department employee used false medical leave paperwork to hide the fact that he was in jail. Two other health department employees and a probation employee were thought to be on extended medical leave, when, in fact, they were deceased. Other cases involved forged timecards, use of county computers to watch porn, or stealing from the petty cash fund. Mr. McCauley: "It is outrageous. That's why it's called fraud."

Region: So. California

Jurisdiction: County

Source: Los Angeles Times - Oct. 22, 2004

City Cell Phone Abuse

Dollar Amount: \$7,000

Two probationary Los Angeles sanitation truck drivers ran up \$7,000 in calls from city-owned cell phones. They were properly chastised but not fired, according to the Los Angeles Daily News (December 6, 2004), in part because their supervisors neglected to educate them on proper usage of city phones. Also, this case caused the city to provide as much as \$75 a month for sanitation truck drivers for cell phones. The two young drivers had their wages garnished to pay back the city for the calls made between May and October.

Region: So. California

Jurisdiction: City

Source: LA Daily News - Dec. 6, 2004

LA Cell Phone Costs Rise

Dollar Amount:

Since 1996, the number of Los Angeles city employees with taxpayer-funded cell phones has more than tripled, and the 4,105 users' bill totaled \$1.5 million in 2002, the Los Angeles Times reported June 22, 2003. Since reforms were implemented in 1996, designed to prevent waste or inappropriate use of the phones, the city's phone bill has increased 72 percent. And some top officials still ring up bills of \$500 to \$800 a month. Mayor James Hahn, whose bills are about \$120 a month, has called for a review of the city's policies by the Information Technology Agency, which may recommend additional reforms. Questions to be answered include whether use of cell phones increases productivity. Council Member Ruth Galanter, whose bills average just \$37 a month, said, "Cell phone use is expensive and this is the people's money, so I try not to use the cell phone for calls that can wait for my return to the office."

Region: So. California

Jurisdiction: City

Source: LA Times - June 22, 2003
