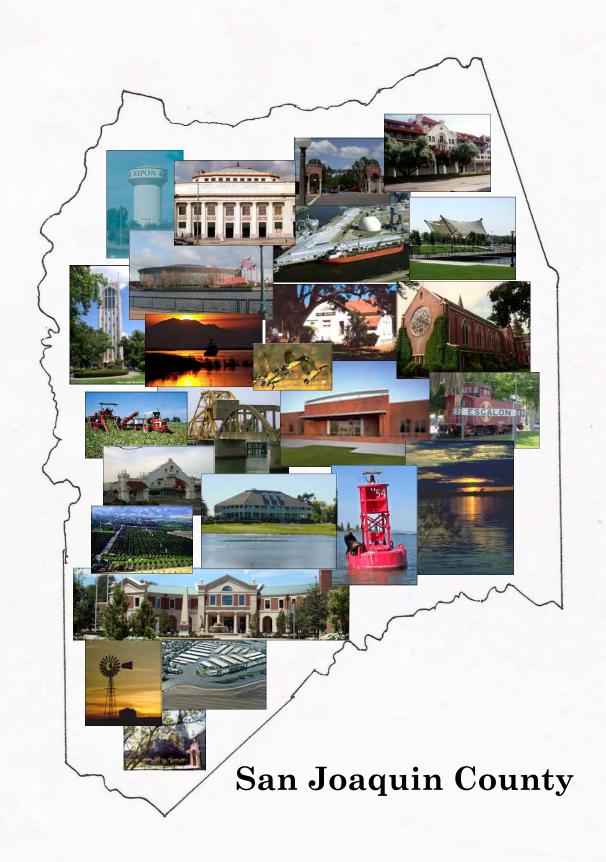
SAN JOAQUIN COUNTY



FINAL REPORT 2008-2009



SAN JOAQUIN COUNTY





2008-2009 FINAL REPORT

www.stocktoncourt.org

WHAT IS A GRAND JUROR?

JAMES H. ALLEN

DOUGLAS BREWER

OREASER BROWN JR

PAUL BURDICK

JERRELL CROSKREY

SHERRY DEAN

DANIEL FLORES

YVONNE GOODMAN

JANICE IVEY SMITH

Someone who wants to make a difference

Someone who believes in honesty

Someone who asks Why

Someone who knows the meaning of confidentiality

Someone whose reports will live longer than they do

Someone who can work with people they don't agree with

Someone who can intellectually defend his or her position

Someone who learns there really are two sides to every story

Someone who realizes they will never do all they want to do in a year

Someone who knows they can accomplish more in a group than they can alone

Someone who feels good about the work they produce

Someone who is fed up with people who only complain about how things are

Someone who asks questions no one wants to answer

Someone who realizes that no grand juror is more important than the grand jury

Someone who realizes that no grand jury is more important than the grand jury system

Someone who will make meaningful friends with a common unique bond for life

RALPH KERR

PATRICIA MEINTASIS

JOSEPH MURPHY

DAVID RENISON

GERALD SCHIPPERS

GENE SHIBATA

DAVID SIMPSON

DIANNE TIMAN

ROBERT R. WALSH



2008-2009 GRAND JURY



2008-2009 SAN JOAQUIN COUNTY GRAND JURY REPORT

TABLE OF CONTENTS

Letter from Grand Jury Foreman	
Letter from Presiding Judge	
Roster of Grand Jurors	
Photo of Grand Jurors / Membership	
The Grand Jury Process and Organization	
Structure and Function of the Grand Jury	
Qualifications	
Commitment, Selection and Application	
Complaint Procedure	
Complaint Form	
Contact Information	
Law and Justice	
Authority and Overview	1
Stockton Police Department	3
Deuel Vocational Institution	5
San Joaquin County Jail and Sheriff's Office	8
Follow-Up Reports	
San Joaquin Regional Transit District (Case 01-08A)	10
San Joaquin Delta Community College (Case 01-08B)	13
Lincoln Unified School District (Case 01-08C)	18
Central Parking District (Case 01-08D)	20
Stockton Unified School District (Case 01-08E)	2

Final Reports

Site	Tours	80
	ting Speakers	
T	Tracy Unified School District – Student Truancy Report (Case 11-08C)	74
S	Stockton Unified School District – Student Truancy Report (Case 11-08B)	69
L	Lodi Unified School District – Student Truancy Report (Case 11-08A)	64
S	San Joaquin County Human Resources Department (Case 09-08)	60
T	The Housing Authority of the County of San Joaquin (Case 08-08)	55
C	City of Stockton Neighborhood Services / Code Enforcement (Case 07-08)	49
5	San Joaquin County District Attorney (Case 06-08)	46
5	Stockton – San Joaquin County Library (Case 05-08)	41
lı	nformation Technology Security: SJ County and Cities (Case 03-08)	31



San Joaquin County Grand Jury 2008/2009

June 15, 2009

Hon. George J. Abdallah, Jr.

Stockton, California 95202

Judge of the Superior Court Advisor Judge to the San Joaquin County Grand Juries The Superior Court 222 East Weber Avenue, Room 303 Hon. William J. Murray, Jr. Presiding Judge of the Superior Court The Superior Court 222 East Weber Avenue, Room 303 Stockton, California 95202

Dear Judge Abdallah and Judge Murray:

I am honored to present the Final Report of the 2008/2009 San Joaquin County Grand Jury. The investigative reports that follow are fair, accurate and valuable to the citizens of San Joaquin County.

Citizens identified areas of interest to the Grand Jury by submitting written complaints. When a complaint was evaluated and approved for action, the matter was assigned to investigative committees. In addition to citizen complaints, the Grand Jury chose to investigate matters of concern on behalf of County residents. When there was a possible conflict of interest, jurors did not participate in the investigation, as noted in the reports.

Forty-six complaints were submitted by citizens this year and all were reviewed. We also continued with five investigations originating with the 2007/2008 Grand Jury and reports were drafted by a committee responsible for analyzing prior-year responses. Five complaints were not within the scope of grand jury authority. Four preliminary investigations were eventually closed. Twelve matters were assigned case numbers and the investigations continued. Two cases were submitted to the District Attorney and two were forwarded to the 2009/2010 Grand Jury for consideration.

Grand Jurors have an incredible responsibility and we served San Joaquin County at the highest level of integrity. When we focused on misconduct, we did so without contemplating what someone's response might be. People holding positions that influence the lives of others must be able to defend their conduct, apologize when necessary and take responsibility for their actions.

in two school districts as a result of key findings and the subsequent voter elections following the release of the 2007/2008 Grand Jury Report.

This Report also identifies several models of governmental efficiency and accountability within

For example, the 2008/2009 Grand Jury Report cites the fundamental reformation that took place

our community. I express my appreciation to city, county and school administrators who arranged site tours and presentations that provided insight into the history, operations and goals of their respective departments. Citizens of San Joaquin County can be proud of many trusted elected officials, qualified administrators and dedicated employees of city, county and school government.

I thank the residents of San Joaquin County who brought attention to issues they considered to be of concern to fellow citizens. I acknowledge those who gave time and testimony in their appearances before the Grand Jury.

Wooten for guidance and legal advice.

My primary responsibility was to make sure the Grand Jury was effective. To this end, I made every effort to preside with integrity and consideration for each member. To the diligent and

committed members of this Grand Jury, thank you so much. I have enjoyed wonderful support

I appreciate the assistance I received from Trisa Martinez, Judicial Secretary/Grand Jury Staff Secretary. Thank you, Chief Deputy District Attorney Scott Fichtner and County Counsel David

It has been my privilege to serve as Grand Jury Foreman for two years. I utilized this incredible opportunity to gain further knowledge of our governments and the communities they serve.

The 2008/2009 San Joaquin County Grand Jury submits findings for consideration and

respectfully anticipates implementation of recommendations designed to promote greater efficiency and accountability in government.

Thank you for the opportunity to serve the Court and the citizens of San Joaquin County.

David Renison

Sincerely

Foreman 2008/2009 San Joaquin County Grand Jury

and it was a pleasure to work with you.



The Superior Court

222 E. WEBER AVENUE, ROOM 303 STOCKTON, CALIFORNIA 95202 George J. Abdallah, Jr. Judge of the Superior Court TELEPHONE (209) 468-2827

June 8, 2009

The Superior Court of California, County of San Joaquin thanks and commends the 2008-2009 Civil Grand Jurors for their conscientious efforts on behalf of all San Joaquin County citizens. Guided by experienced leadership of Foreperson David Renison, the Jurors undertook and completed their duties with great industry, intelligence and care in the service of their fellow citizens.

The Civil Grand Jury is composed of qualified individuals drawn at random from the community and those nominated by community leaders. The chosen citizens serve as an independent body under the court's authority. The 2008-2009 San Joaquin County Civil Grand Jury now takes its place in a long history of citizen involvement in civic life which was born in the English Common Law of 1166, adopted during the American Colonial period and codified in California in the 1880's. The 2008-2009 Civil Grand Jurors' thoughtful and constructive recommendations will help ensure the highest quality civic life to which all citizens are entitled.

As the Judge Advisor, it has been my privilege to review the work of the 2008-2009 Civil Grand Jury. This committed group of citizens delved into a broad range of issues which touch the lives of citizens throughout our communities. Additionally, the Grand Jurors made diligent efforts to follow through the work of their predecessors thereby assuring their fellow citizens that the San Joaquin County Civil Grand Jury as an institution has a continuity that strengthens its role and operations from year to year.

The time, energy, efforts and commitment of these devoted citizens has and will continue to better the civic life of all San Joaquin County residents. To each member of the 2008-2009 San Joaquin County Civil Grand Jury, for your many accomplishments the Superior Court extends its gratitude and congratulations.

Sincerely

Hon. George J. Abdallah, Jr.

Judge of the Superior Court

Advisor to the San Joaquin County Grand Juries

THE COUNTY OF SAN JOAQUIN 2008-2009 GRAND JURY ROSTER



DAVID RENISON, FOREMAN Stockton

RALPH KERR, PRO TEM Stockton

YVONNE GOODMAN, SECRETARY Stockton

JAMES H. ALLEN

TRACY

DOUGLAS BREWER

STOCKTON

OREASER BROWN, JR.

STOCKTON

PAUL BURDICK

STOCKTON

JERRELL CROSKREY

STOCKTON

SHERRY DEAN

STOCKTON

DANIEL FLORES

STOCKTON

JANICE IVEY SMITH

STOCKTON

PATRICIA MEINTASIS

STOCKTON

JOSEPH MURPHY

TRACY

GERALD SCHIPPERS

STOCKTON

GENE SHIBATA

STOCKTON

DAVID SIMPSON

Lodi

DIANNE TIMAN

TRACY

ROBERT R. WALSH

STOCKTON





(back row) James H. Allen - Gerald Schippers - Jerrell Croskrey - Douglas Brewer - Oreaser Brown, Jr. - Daniel Flores (middle row) Robert R. Walsh - David Renison - Joseph Murphy - Ralph Kerr - Gene Shibata - Paul Burdick - David Simpson (seated) Janice Ivey Smith - Sherry Dean - Patricia Meintasis - Yvonne Goodman - Dianne Timan

2008/2009 Grand Jurors have a great deal of experience in finance and real estate, education, banking, law enforcement, office administration, clergy, counseling, agriculture, governmental policy, labor relations, telecommunications, computer engineering and human resources management.



STRUCTURE AND FUNCTION OF THE GRAND JURY

California Constitution, Article I, Section 23, provides that "One or more grand juries shall be drawn and summoned at least once a year in each county." The law governing Grand Jury formation, authority, powers and proceedings, is found in Part 2, Title 4, of the California Penal Code, Sections 888-939.91

The presiding judge of the Superior Court of San Joaquin County impanels nineteen citizens every year to conduct civil investigations of county and city government; a body of people who are independent of any political or special interest group.

The judge appoints a foreperson to preside over the Grand Jury. The foreperson selects the vice-foreperson and secretary with approval of the Grand Jury and standing committees and/or ad-hoc committees are formed. Each juror may serve on several committees and this is where the investigative work is done throughout the year. A general meeting is held weekly to coordinate activity and conduct business.

This Grand Jury serves in an independent oversight and investigative role for the County of San Joaquin. It serves to investigate allegations of misconduct of public officials and to determine whether to present formal accusations for nonfeasance, misfeasance or malfeasance. It will objectively investigate, audit or examine all aspects of County government, and its cities, to insure that these bodies are being effectively governed and that public monies are being judiciously handled.

The Grand Jury may subpoena persons and documents to obtain information on subjects under investigation. The Grand Jury acts in the public's interest by investigating and reporting on the operation, management and fiscal affairs of local government in the county. It may review and evaluate procedures, methods and systems used by county and city governments to determine whether more efficient and economical programs may be used. The Grand Jury is also mandated to inspect prisons, jails and other detention facilities in the county.

The Grand Jury reviews complaints submitted by citizens alleging misconduct by officials or other concerns of government inefficiencies. Complaints are acknowledged and investigated for their validity. Jurors are sworn to strict confidentiality pertaining to complaints, witnesses or content of investigative matters. They may not disclose any information they receive within the confines of the jury or the identity of anyone appearing before them.

The Grand Jury is an independent entity and it serves a democracy in which individuals can be involved for civil service on behalf of their community.

QUALIFICATIONS

A grand juror must meet all of the following qualifications:

- be a citizen of the United States
- be at least 18 years old be a resident of California and San Joaquin County for at least one year immediately prior to selection
- possess ordinary intelligence, sound judgment, and good character
- possess sufficient knowledge of the English language to communicate both orally and in writing

A grand juror cannot:

- be serving as a trial juror in any California court
- have been discharged as a grand juror in any California court within one year of the beginning date of service, July 1
- have been convicted of malfeasance in office, any felony or other high crime
- be serving as an elected public officer

Other desirable qualities:

- good health
- open-mindedness
- sensitivity to and concern for the views of others
- skill in working with others in a group setting
- interest in and knowledge of community affairs
- skill and experience in fact finding
- skill and experience in report writing
- working knowledge of computers
- general knowledge of the responsibilities, functions and authority of county and city governments

COMMITMENT

Nominees selected for grand jury service must commit to serving at least one day each week for the period July 1 through June 30. Also, considerable time each week will be spent for investigative and report-writing assignments.

SELECTION

Applications will be reviewed and forwarded to the Presiding Judge for consideration and an interview will be scheduled with the judge if you are considered.

Grand Jury members are selected from the judicial districts of the county in proportion to the number of inhabitants in each district. In June, random drawings are conducted under the supervision of the Presiding Judge of the Superior Court in the presence of the nominees. The names of 19 people who will compose the grand jury are drawn at random from a pool of prospective grand jurors. Another 11 names are drawn and ranked to form the alternate list. If a juror is unable to serve, a replacement is selected from the alternate list according to rank.

APPLICATION

Application forms may be received in writing to:

Trisa Martinez Superior Court 222 E. Weber Avenue Room 303 Stockton, California 95202

Application forms can be downloaded from: <u>www.stocktoncourt.org</u>

Please submit a written application to Ms. Martinez. The deadline for submitting applications is May 1 for the following July 1 through June 30 term.

COMPLAINT PROCEDURE

Any citizen may submit a written complaint to the Grand Jury and all communications are confidential. A citizen may ask the Grand Jury to conduct an investigation into misconduct or inefficiencies by county governmental agencies.

The Grand Jury can act on complaints relating to a county department, any city within the county, all school districts and special purpose or taxing districts in the county.

The Grand Jury may consider complaints of willful or corrupt misconduct against public officials and policies, county and city employees; including the abolition or creation of offices and the equipment for performing duties of county government.

The Complaint Form should be submitted by citizens after all attempts to correct an issue have been explored, and without success.

Instructions for preparing the Complaint Form:

- Include your name, address and phone number
- Name the agency and/or person(s) you are complaining against
- Explain the nature of your complaint and provide detailed information
- List any other action requested or taken in an attempt to resolve the issue
- Provide contact information of witnesses who can substantiate your complaint

To obtain a complaint form, visit the Grand Jury website at:

<u>www.stocktoncourt.org</u> and download the Complaint Form (PDF format)

SAN JOAQUIN COUNTY CIVIL GRAND JURY 222 E. Weber Ave., Room 303 Stockton, CA 95202 Phone: (209) 468-3855

COMPLAINT FORM

All communications to the Grand Jury are confidential.

The Grand Jury is the avenue for county residents to bring attention to what they believe are injustices not resolved by public agencies, after other reasonable efforts have failed.

What is your name, address and phone number?		
What agency and/or person are you complaining against? their addresses and phone numbers)	(Name of agency and all individuals, including	
Please explain the nature of your complaint providing as m and places where the events took place. (Attach extra she		
Action taken. Please list other persons and/or agencies you have	ave contacted in an attempt to resolve this	
complaint and any actions you have taken yourself.		
Witnesses. Please provide names and telephone numbers of a	nyone else who can substantiate your complaint.	
The information in this form is true, correct and complete to	the best of my knowledge.	
SIGNATURE:	DATE:	



SUPERIOR COURT OF CALIFORNIA

County of San Joaquin

Contact Information

The San Joaquin County Grand Jury can be reached:

Via the Internet at:

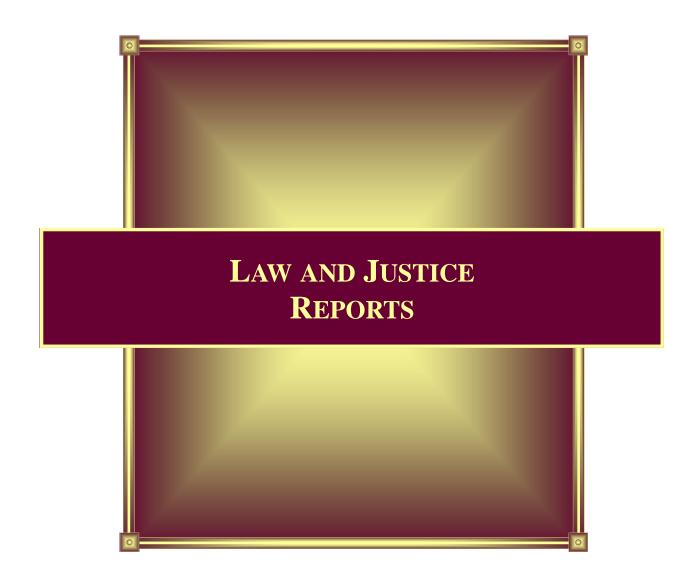
www.stocktoncourt.org

Via Email at:

grandjury@courts.san-joaquin.ca.us

By visiting or writing:

San Joaquin County Superior Court 222 E. Weber Ave. Room 303 Stockton, CA 95202



LAW AND JUSTICE AUTHORITY AND OVERVIEW

San Joaquin County Detention Centers and Law Enforcement Agencies

The Grand Jury is responsible for investigating matters pertaining to law enforcement including police, juvenile justice, public protection and probation issues. It is also charged with inspecting detention facilities within San Joaquin County.

Section 919(a) and 919(b) of the California Penal Code authorizes the Grand Jury to inquire into jails and public prisons within the county and the 2008/2009 San Joaquin County Grand Jury fulfilled this mandate.

DETENTION FACILITIES

Four categories of detention facilities (adult and juvenile) are found in counties where inmates may be detained. On occasion, juveniles (minors) may be held in adult facilities.

- 1) Type I holds inmates up to 96 hours
- 2) Type II holds inmates pending arraignment, during trial and upon sentencing
- 3) Type III holds only convicted or sentenced inmates
- 4) Type IV work furlough facility

<u>PRISON</u> is a secure facility operated by the State of California or a contracted prison provider that houses sentenced offenders under the jurisdiction of the California Department of Corrections and Rehabilitation, Adult Operations Division or the Division of Juvenile Justice.

<u>JAIL</u> is defined as a locked adult detention facility that holds both non-sentenced and convicted adult criminal offenders. A county or a city may operate it.

Temporary Holding Facility holds inmates up to 24 hours

<u>Lockup</u> is a room or secure enclosure under the control of a peace officer or custodial officer; primarily for the temporary confinement of those recently arrested.

<u>Court Holding Facility</u> is located in a courthouse and used to hold inmates for a court appearance, not more than 12 months.

The Grand Jury is charged with assessing the condition and management of the facilities based on California Penal Code 919(b). In addition to tours of the facilities, members also participated in ride-alongs with various law enforcement agencies in San Joaquin County.

Facility tours include:

- Stockton Police Department
- San Joaquin County Jail and Sheriff's Office
- State of California Department of Corrections and Rehabilitation/ Juvenile Justice Division of Facilities (O. H. Close, N. A. Chaderjian, and DeWitt Nelson)
- Deuel Vocational Institution
- San Joaquin County Juvenile Justice Center
- San Joaquin County Juvenile Probation

The Grand Jury utilized assessment forms containing the following elements:

- Facility
- Procedures
- Inmates
- Staffing
- Budget/Finance
- Safety
- Medical Care
- Citizen Complaint Process

The 2008/2009 Grand Jury had a standing Law and Justice Committee. All grand jurors participated in the tours and the rating of the facilities.

Facility tours included a presentation by the administrative staff on an overview of operations and current issues, status on the implementation of prior grand jury recommendations and general discussion. The assessment also included a walking tour of the facility, questioning by the Grand Jury members and interviews with inmates and wards.

San Joaquin County Grand Jury



STOCKTON POLICE DEPARTMENT 2008/2009 San Joaquin County Grand Jury

OBSERVATIONS

The 2008/2009 San Joaquin County Grand Jury toured the Stockton Police Department Main Facility and the Stewart-Eberhardt Building (SEB) on September 17, 2008. The Main Facility has been in operation for many years and appears to be in reasonable condition. The Grand Jury was impressed with the Evidence/Identification Section and the Property Room during its tour of the SEB; also with the Street Camera Monitoring that was managed by retired officers prior to the termination of this service due to limited funds.

At the time of the Grand Jury tour, the Department had 441 authorized positions of which 13 were vacant. On May 1, 2009, the City Manager, with approval from City Council, sent layoff notices to about 55 police officers in an effort to reduce the city's overall budget deficit.

The position of the Stockton Police Chief is currently vacant and the Assistant Chief of Police serves as the Interim Chief of Police. Three Stockton Police Chiefs have retired in a period of two and one-half years. The most recent Police Chief served only eight months before retiring in October 2008. It is imperative that the City Manager place a high priority on the recruitment of a new Police Chief. Failure to do so ignores the very real opportunity to appeal to the most valuable of all candidates who want to make a difference by serving this community well and improving the quality of life for all citizens.

The 911/Dispatch Center is a vital part of the communications link between the citizens, the police department and the officers in the field. As this is a 24-hour, seven day a week operation, having an adequately trained staff is essential to this unit. Managers stated they were experiencing staff shortages. A recent emergency evacuation of the Dispatch Center occurred with no interruption of service. The physical location of the call center in the basement of the police building makes it vulnerable to potential environmental damage and /or equipment failures. Maintaining an up-to-date emergency contingency plan is essential for this Center.

RECOMMENDATIONS

- 1. The Grand Jury understands the City of Stockton's projected budget deficit. However, when funds become available, a high priority should be given to the restoration of police officer positions.
- 2. Develop a committee of elected officials and community leaders to participate with the City Manager and facilitate the recruitment and retention of a new Police Chief.
- 3. Develop a comprehensive plan for relocating the 911/Dispatch Center to a more suitable site.
- 4. Review existing emergency contingency plans for the 911/Dispatch Center and revise them as necessary.
- 5. Re-institute the Street Camera Monitoring, previously manned by retired officers, by utilizing the Volunteers in Police Service (VIPS).

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton City Council shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



DEUEL VOCATIONAL INSTITUTION 2008/2009 San Joaquin County Grand Jury

OBSERVATIONS

Deuel Vocational Institution (DVI) is a men's prison facility operated by the California Department of Corrections and Rehabilitation (CDCR) on about 900 acres just east of the City of Tracy, California. The facility is over 50 years old. It is severely overcrowded with approximately 4,000 inmates, more than twice the number for which it was originally designed. The 2008/2009 San Joaquin County Grand Jury toured DVI in October 2008, and the Law and Justice Committee made an additional visit in December 2008.

In October 2002, DVI's mission changed from vocational education to reception center. As a reception center, sentenced felons from the courts are medically screened and classified for placement and programming within other CDCR institutions. A small number of General Population inmates are assigned landscape maintenance, farm and dairy operations, and other Prison Industries programs. Inmates are also assigned to the kitchen and do much of the plant operations work.

The Grand Jury toured the institution's medical/infirmary area and had the opportunity to talk with on-duty medical staff. General information was shared on the healthcare services currently provided to the facility's inmates.

The CDCR is involved in Federal litigation on two major lawsuits, Coleman and Plata, involving the adequacy of mental and physical healthcare provided to the inmates. These lawsuits have been ongoing for over ten years and seven years respectively. The Court has appointed a Special Master and Receiver to take control of the CDCR's medical program. Final adjudication is pending.

FINDINGS

1. The overcrowding problem that was addressed in the 2007/2008 San Joaquin County report continues. The continued use of the gymnasium as a large, open dormitory and the use of former day rooms for inmate housing is evidence of the problem. The issue of overcrowding within the prison system is currently under review by the Federal Court as part of the Plata and Coleman litigation against the CDCR.

- 2. Maintenance issues, including peeling paint on the ceiling of the kitchen, were cited in the 2007/2008 San Joaquin County Grand Jury report. The kitchen has been painted. Although the problem with the ceiling paint was remedied, the overall condition of the kitchen deserves further comment. Thousands of meals are prepared daily. It is difficult to maintain a sanitary and efficient kitchen operation while dealing with an aging and worn out kitchen facility.
- 3. The recent implementation of the State Offender Management Systems (SOMS) centralized Inmate Trust Accounts. Inmates no longer have to wait for their trust accounts to be transferred when the inmate moves from the sending institution to the receiving institution. The implementation of the SOMS should significantly reduce the many questions to staff and inmate appeals regarding inmate trust accounts.
- 4. Two DVI inmate escapes within the last year can be traced directly to the failure of staff and/or inadequate release procedures. In the first case, an inmate was released on parole earlier than he should have been, due to one or more errors in calculating his release date. In the second case, two inmates who were related conspired so that one inmate could successfully represent himself as the other. This conspiracy resulted in a mistaken-identity release.
- 5. Although DVI has improved its procedure for reviewing files and interviewing inmates, it is impossible to ensure that available staff with be personally acquainted with inmates to the extent that every inmate's identity will be known to the releasing staff. Electronic fingerprint scan hardware and software is available for scanning state and/or local databases to positively identify inmates prior to release.

RECOMMENDATIONS

- 1. DVI develop a capital outlay budget proposal to remodel/rebuild the main kitchen.
- 2. DVI obtain the necessary hardware and software to do positive identification of inmates via fingerprint scan or other positive biometric identifiers when releasing inmates.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Department of Corrections and Rehabilitation shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



SAN JOAQUIN COUNTY JAIL AND SHERIFF'S OFFICE 2008/2009 San Joaquin County Grand Jury

OBSERVATIONS

The 2008/2009 San Joaquin County Grand Jury toured the San Joaquin County Jail, Honor Farm and the San Joaquin County Sheriff's Call Center. The Grand Jury met with the Sheriff and top management staff and was given an overview of the Department. The Grand Jury also toured the Sheriff's Court Services Operation in the San Joaquin County Courthouse.

The early release of prisoners due to the physical limitations of the county jail, as reported in a prior Grand Jury report, continues to remain a significant problem. The current capacity of the jail is set at 1,411 prisoners. With the daily bookings into the jail, the average daily population exceeds 1,500 prisoners. Sheriff's staff must determine which prisoners are released early. The County is working with State Government for funding provided by Assembly Bill 900, to build a new jail facility that will add approximately 1,280 beds in the initial phase. A second phase would add an additional 300 plus beds but is subject to availability of State and County funds.

The Grand Jury believes there is an opportunity to enhance court security and public safety in the courthouse by reducing prisoner movements with the use of video arraignments. Kern, Monterey, Lassen, Orange, Stanislaus, San Luis Obispo and San Bernardino counties have been using video arraignments from five to twenty years. As a new county courthouse and county jail expansion are being planned, the utilization of video arraignments should be re-visited.

The Grand Jury commends the Sheriff for hiring several cadets from the Police Academy who were initially hired to become City of Stockton police officers but were given layoff notices due to City's impending budget cuts.

FINDINGS:

- 1. The Jail's main kitchen facility continues to be in desperate need of replacement. The California Corrections Standards Authority reported on the need to rebuild the kitchen facility.
- 2. Recent events at the San Joaquin County courthouse, including the stabbing of a Superior Court Judge and multiple prisoner escapes require vigorous and impartial investigations.

RECOMMENDATIONS

- 1. The Sheriff, District Attorney, Public Defender and the Court re-visit the feasibility of utilizing video arraignments.
- 2. The Grand Jury be provided with copies of completed investigative reports relating to Finding 2.
- 3. Adopt viable contingency plans to maintain the current daily cost for prisoner meals and minimum jail standards in the event that it becomes necessary to close the main kitchen due to mechanical/health problems.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

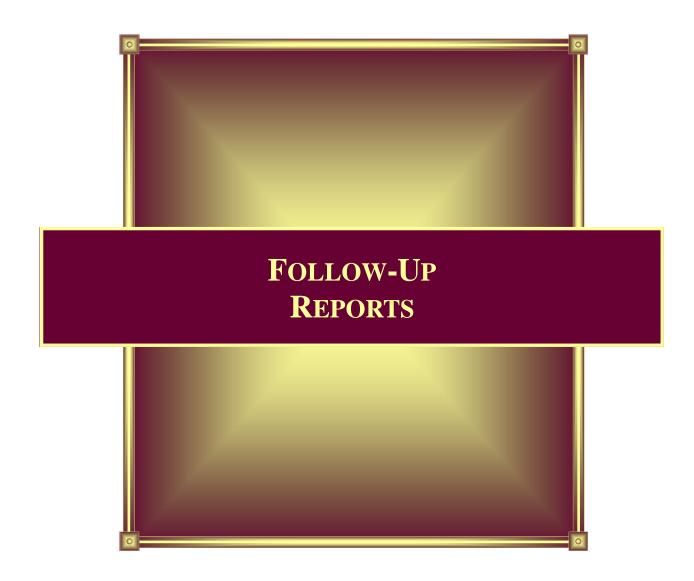
The San Joaquin County Sheriff shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 60 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.



San Joaquin County Grand Jury



SAN JOAQUIN REGIONAL TRANSIT DISTRICT 2008/2009 San Joaquin County Grand Jury Case No. 01-08A FOLLOW UP FINAL REPORT

SUMMARY

The 2008/2009 San Joaquin County Grand Jury chose to follow up on prior year Case 07-07, San Joaquin Regional Transit District (RTD). The Grand Jury wanted to determine if RTD had corrected problems of the past and were making informed decisions for the District. The RTD Board of Directors responded to the 2007/2008 Grand Jury report by disagreeing or partially disagreeing with 14 of the 20 Grand Jury findings. However, all 15 recommendations have been implemented.

BACKGROUND

The 2007/2008 Civil Grand Jury received a complaint containing several issues of concern regarding RTD. The complaint alleged there were many improper management practices and a full investigation was justified. A preliminary examination revealed there was a solid basis for the complaint.

With approximately 140 employees and 130 revenue vehicles, RTD provides public transit services in the Stockton Metropolitan area, as well as intercity, interregional and rural areas. The service area population is approximately 545,000 with a District budget of approximately \$40,000,000. Major sources of funding are fares (20%), taxpayer funding, and grants from the State of California and the Federal Government.

METHOD OF INVESTIGATION

Materials Reviewed

- Consultant contracts
- Labor consultant invoices
- Contracts involving retainers
- Labor consultant deliverables
- Disposition of the RTD police vehicle

- American Express credit card statements
- Procurement Contract Manager's contract
- Contract and payroll records for security guards
- Purchase card records for movie ticket purchases
- Contracts awarded by the General Manager/CEO as presented to the RTD Board

Interviews Conducted

RTD General Manager/CEO

FINDINGS

- 1. The Procurement Department, in coordination with the Accounts Receivable and Accounts Payable Departments, has implemented a process to assure that deliverables are received and correctly invoiced before payment is made.
- 2. Itemization of consultant deliverables continues to be inadequate.
- 3. When questioned about the potential improper use of RTD funds for employee gifts, RTD stated that "Personal use would be a use that does not in any way relate to the business or work of RTD, and would be for the non-business benefit of an individual, and consequently have no business purpose." However, movie tickets continue to be purchased with RTD funds as gifts for employees and to recognize birthdays.
- 4. A part-time labor relations consultant, being paid approximately \$6,000 per month, is still under contract for his fifth consecutive year.
- 5. RTD procurement staff conducted a comprehensive assessment of all current consultants and positions to analyze their continued benefit to RTD. This analysis has resulted in a reduction of consultants and RTD management staff at a cost savings of over \$400,000 for the current fiscal year.
- 6. Budgeting excessive amounts for expenses, such as legal services (\$960,000) and two security staff (\$200,000), may influence the entire budget process and could result in unnecessary increased fares and cuts in services.
- 7. A new police pursuit vehicle was purchased in 2006 and was never utilized. In 2009, the vehicle, with 20 miles on the odometer, was provided to the Stockton Unified School District in exchange for police/security services at the Downtown Transit Station.

RECOMMENDATIONS

1. The RTD Board commit to greater oversight of expenditures and become more involved in the financial workings of RTD.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The San Joaquin Regional Transit Board of Directors shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



SAN JOAQUIN DELTA COMMUNITY COLLEGE 2008/2009 San Joaquin County Grand Jury Case No. 01-08B FOLLOW UP FINAL REPORT

SUMMARY

The 2008/2009 San Joaquin County Grand Jury chose to follow up on prior year Case 12-06, San Joaquin Delta Community College. Jurors wanted to determine if the current Board of Trustees corrected the problems of the past and were making informed decisions for the College.

The current Board and College administration are united by a common vision for the future tempered by fiscal and demographic reality. A renewed sense of ethics and responsibility, both to the community and students, has done much to restore the Grand Jury's confidence in San Joaquin Delta Community College.

Differences in philosophy and direction between former and current Boards are striking. The current Board refocused energy away from acquiring land and developing satellite campuses. The current Board is using the \$250,000,000 Measure L Bond, narrowly approved by voters in March 2004, for improvements to existing facilities and a down-sized learning center at Mountain House.

The current Board faces new challenges. The Accrediting Commission for Community and Junior Colleges downgraded the College and placed the College on academic probation. The negative action was primarily due to the performance of the former Board. The current Board and Administration are working to restore a higher accreditation status.

BACKGROUND

The 2006/2007 and 2007/2008 Grand Juries received several citizen complaints stating that violations of the Brown Act, as well as violation of Government Code Section 54963 (disclosure of closed session discussion and confidential information), had occurred with regard to the San Joaquin Delta Community College Board of Trustees. The complainants also asked that these Juries investigate the use of Measure L Bond funds with regard to San Joaquin Delta Community College, in particular the Mountain House campus. The 2006/2007 Grand Jury began an investigation but was unable to complete the investigation before the term of service expired. The 2007/2008 Grand Jury chose to continue the investigation of the 2006/2007 Grand Jury as

well as new complaints they had received. As the investigation progressed, it was deemed necessary to examine the role of the Measure L Oversight Committee.

Following publication of the 2007/2008 Final Report, the California State Controller audited the use of Measure L bond funds. The Controller issued a report with similar findings. In the November 4, 2008 election, two of the seven board members chose not to run and two were defeated. A fifth board member later resigned after pleading no contest to a misdemeanor offense of double billing the College for travel expenses.

METHOD OF INVESTIGATION

Materials Reviewed

- San Joaquin Delta College Audit Report, California State Controller, November 2008
- Measure L Bond Financial Statement, Bond Management Team, November 2008
- Citizens' Oversight Committee Bylaws, meeting agenda and minutes
- Board of Trustees code of ethics, meeting agenda and minutes
- 20+ media reports concerning both the former and current San Joaquin Delta College Board of Trustees, Citizens' Oversight Committee and Measure L Bond funds
- Accreditation Report, Accrediting Commission for Community and Junior Colleges, June 2008 and Follow Up Report, October 2008
- The Brown Act, California Attorney General's Office, 2003

Interviews Conducted

• Measure L Bond Program Executive

Sites Visited

- Delta College, meetings of the former and current Board of Trustees
- Mountain House campus

RECOMMENDATIONS: 2007/2008 GRAND JURY; 2008/2009 GRAND JURY FINDINGS

1. Delta College trustees and administrators avoid making the same mistake by entering into a public/private partnership to develop a center/campus in Lodi or Galt. Former Board of Trustees Response: This recommendation will not be implemented.

2008/2009 Grand Jury Finding: The <u>current</u> Board and administration have, in fact, implemented this recommendation. The purchase option for the Lodi campus was allowed to expire. The Galt campus property development has been postponed indefinitely.

2. The Board of Trustees thoroughly evaluate all staff and consultants' recommendations prior to making bond decisions and commitments.

Former Board of Trustees Response: This recommendation has been implemented.

2008/2009 Grand Jury Finding: The <u>current</u> Board has access to much-improved Measure L Team (bond management staff) reports and is making informed decisions.

3. The Board of Trustees use the most current student usage numbers to determine curriculum needs for students, i.e. brick and mortar vs. internet usage. Former Board of Trustees Response: This recommendation has been implemented.

2008/2009 Grand Jury Finding: The <u>current</u> Board has access to much-improved Measure L Team reports and is making informed decisions.

4. The Board of Trustees refocus on the needs of the students and not personal agendas and work together as a cohesive unit.

Former Board of Trustees Response: This recommendation is being implemented.

2008/2009 Grand Jury Finding: Unlike the former Board, the <u>current</u> Board has demonstrated the ability to work together from the first meeting when a newly elected Trustee was selected as President of the Board. Further, the ability of the <u>current</u> Board to work together is demonstrated by a lack of controversy at meetings or in the press. The <u>current</u> Board adopted Policy No. 2715, Board of Trustees Code of Ethics and Standards of Good Practice, as a means of defining responsibility and conduct of individual Board members.

5. Delta College Trustees and administration support and work with the new, recently formed committee, Measure L Team, to oversee the various bond programs. Former Board of Trustees Response: This recommendation will be implemented.

2008/2009 Grand Jury Finding: The Measure L Team believes it has the support of Trustees and administration. This Team has exceeded all expectations of the 2008/2009 Grand Jury. Reports given to Trustees are timely, concise and accurate.

6. The Delta College Board of Trustees to comply with the Brown Act. Further training on the Brown Act to be given to ensure understanding and compliance.

Former Board of Trustees Response: This recommendation is being implemented.

<u>2008/2009 Grand Jury Finding:</u> The only Brown Act violation observed by Jurors was minor. Meeting agenda were posted 72 hours in advance of the meeting, but not at a location accessible 24 hours a day. The Administration is taking steps to comply.

7. The Bond Oversight Committee meet once per month in an effort to pre-approve all expenses charged to Measure L funds.

<u>Former Board of Trustees Response:</u> This recommendation will not be implemented.

2008/2009 Grand Jury Finding: The committee continues to schedule quarterly meetings but has met more frequently. In October 2008, the State Controller issued a

report following the audit of Measure L. Finding (3) states "...oversight by the Citizens' Oversight Committee (COC) was passive, perfunctory and ineffective." The Board has yet to pass an amendment to the Citizens' Oversight Committee Bylaws that will allow pre-approval of expenses charged to Measure L.

8. This Grand Jury recommends that the Citizens' Bond Oversight Committee question all changes in projects selected for funding, project plans, or delays in construction. This is a precautionary measure to ensure that Measure L funds are not being wasted. Former Board of Trustees Response: This recommendation is being implemented.

<u>2008/2009 Grand Jury Finding:</u> The Committee has access to much-improved Measure L Team (bond management staff) reports to aid the review. However, the Committee does not exercise its full authority as described in Section 15278 of the Education Code. The Committee appears somewhat restrained by the Bylaws and continues to review expenditures months after they occur.

9. The Citizens' Bond Oversight Committee to ensure that all aspects of the Brown Act are adhered to in order to give the public a clear picture of the committees' workings. The Grand Jury believes that the Brown Act ensures a transparent democracy. The violation of the Brown Act cannot be tolerated. Former Board of Trustees Response: This recommendation has been implemented.

<u>2008/2009 Grand Jury Finding:</u> The only Brown Act violation observed by Jurors was minor. Meeting agenda were posted 72 hours in advance of the meeting, but not at a location accessible 24 hours a day. The Administration is taking steps to comply.

10. (No recommendation #10 from the 2008/2009 Grand Jury)

<u>2008/2009 Grand Jury Finding:</u> The Board of Trustees recently established a policy of self-evaluation for Trustees and periodic evaluation of the Superintendent/President. Regular evaluations of performance are the basis of improvement and positive corrective actions. Implementation of the new policy will unify the Board and Administration and help prevent problems of the past.

RECOMMENDATIONS: 2008/2009 GRAND JURY

- 1. Continue to use the Measure L Team (bond management staff) in lieu of a consultant.
- 2. Take corrective action for posting Board meeting agenda and Citizen's Oversight Committee agenda in a location accessible 24 hours a day for the 72 hour period prior to meetings, as required by the Brown Act and subsequent Attorney General opinions.

3. Amend the Bylaws of the Citizens' Oversight Committee to require monthly meetings, timely review of Measure L expenditures and review of projects before authorization by the Board of Trustees.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Delta College Board of Trustees shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

DISCLAIMER

One juror did not participate in this follow up report due to a possible conflict of interest.



LINCOLN UNIFIED SCHOOL DISTRICT 2008/2009 San Joaquin County Grand Jury Case 01-08C FOLLOW UP FINAL REPORT

SUMMARY

The 2008/2009 San Joaquin County Grand Jury chose to follow up on prior year Case 06-07, Lincoln Unified School District (LUSD). Jurors wanted to determine if LUSD had taken steps to prevent authorization to sell bonds from becoming "misplaced" again.

The Grand Jury is confident LUSD has taken the necessary steps to account for both bonds, Community Facilities District 1 (CFD-1) and Measure P. According to an independent audit, no authorization for CFD-1 and less than \$5,000 authorization for Measure P remain.

BACKGROUND

The 2007/2008 Grand Jury received a citizen complaint stating that LUSD was negligent in the handling of bond funds. The complaint noted that the LUSD "lost" or "misplaced" the authorization to sell bonds from one bond measure before voters passed a second bond measure.

In 1991 voters approved a \$40,000,000 Mello-Roos Community Facilities District bond (CFD-1), of which approximately 48% was sold prior to placing a second bond, Measure P, on the ballot. LUSD's authorization to sell the remaining \$21,000,000 of the CFD-1 bond was, in the words of the President of the Board of Trustees, "...misplaced in part due to a turnover in staff."

In 2004 a \$50,000,000 general bond, Measure P, was approved by voters. After the passage of Measure P, The Record newspaper reported that Caldwell, Flores and Winters, an auditing firm hired by LUSD, found unsold authorization from the 1991 CFD-1 bond that had been misplaced.

METHOD OF INVESTIGATION

Materials Reviewed

 Lincoln Unified School District, Community Facilities District No. 1, Debt Service for Outstanding Bonds, Stone & Youngberg LLC, 1/8/09

- Letter from Perry-Smith LLP, to LUSD, regarding General Obligation Bonds and Community Facilities Bonds, dated 1/12/09
- Minutes of the Regular Meeting of the Board of Trustees, LUSD, 7/16/08
- Annual Report to the Community, Measure P Oversight Committee, 3/09

RECOMMENDATIONS: 2007/2008 GRAND JURY; 2008/2009 GRAND JURY FINDINGS

1. Future authorized unused bond authorization should remain categorized on the budget until they are used to prevent being overlooked.

<u>Board of Trustees Response:</u> Partial agreement. There is no approved formal method of categorizing unused bond in or on State approved budget documents and forms. However, we believe that including any outstanding authorizations in the budget narrative portion of the budget document may satisfy this recommendation.

<u>2008/2009 Grand Jury Finding:</u> The Board and administration have implemented this recommendation. Clear and accurate accounting summaries from two firms show there is very little unsold bond authorization remaining from both bond measures. The annual report prepared by the Measure P Oversight Committee provides a summary of both bond authorizations and where they were spent.

RECOMMENDATIONS: 2008/2009 GRAND JURY

No recommendations

RESPONSE REQUIRED

No response required



CENTRAL PARKING DISTRICT 2008/2009 San Joaquin County Grand Jury Case No. 01-08D FOLLOW UP FINAL REPORT

SUMMARY

The 2008/2009 San Joaquin County Grand Jury chose to follow up on prior year Case 04-07, City of Stockton Central Parking District (CPD). Jurors wanted to determine if the Central Parking District corrected the problems cited in the 2007/2008 Grand Jury Report. The Grand Jury also received a new complaint alleging one parking structure has a very long wait for monthly parking but several floors continually appear empty.

The Grand Jury found CPD has made significant progress towards implementation of the recommendations in the 2007/2008 report. However, some problems continue to exist. The problems preventing full implementation result from a need to replace aged software and a need for information technology support.

Further, the Grand Jury believes CPD needs to evaluate capacity of some highly utilized parking structures. The goal of evaluations is to more fully utilize capacity, maximize revenue for the City and better serve customer needs.

BACKGROUND

The CPD manages over 4000 parking spaces included in fifteen parking lots, five city-owned parking garages and one county-owned parking garage in downtown Stockton. Approximately 3200 spaces have been set aside for parking patrons who choose to purchase monthly parking passes. Applications for monthly parking are made to the CPD office by one of several methods. Although some of the parking spaces are available immediately, they are not necessarily in the most desirable locations near work sites. Applicants for the more desirable parking spaces must be placed on a waiting list.

The CPD, managed by the Stockton Revitalization Department, has one Supervisor, one Supervising Parking Attendant and an Office Assistant who have the responsibility of managing the operation and the distribution of parking spaces. There are approximately 35 parking attendants at the various garages and lots.

METHOD OF INVESTIGATION

Materials Reviewed

- City of Stockton Central Parking District Policies and Procedures Manual
- City of Stockton Central Parking District web site
- Implementation of Recommendations From the Grand Jury's Final Report on the Central Parking District Case No. 04-07, letter to Grand Jury Foreperson from Director of Revitalization Department, City of Stockton, February 20, 2009

Interviews Conducted

- Director, Revitalization Department, City of Stockton
- Supervisor, Central Parking District, City of Stockton

Sites Visited

• Central Parking District office, City of Stockton

RECOMMENDATIONS: 2007/2008 GRAND JURY; 2008/2009 GRAND JURY FINDINGS

 Develop a system of assigning parking spaces on a first-come first-served basis free from political pressure or favoritism influencing the assignments. <u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. A procedure is in place to date stamp applications or send confirmation by one of several methods, accurately confirm the applicant's place on the waiting list and notify applicants when a parking space becomes available. Additionally, CPD staff has the ability to estimate the length of time an applicant may have to wait for parking in a facility and suggest alternatives.

2. Develop a policies and procedures manual for all CPD office employees and the parking attendants.

City of Stockton Response: The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. CPD developed a thorough, concise and well organized Policies and Procedures Manual.

3. Develop and publish an internal training procedure to detail how parking spaces are assigned.

<u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. Currently, two CPD office staff members can assign parking spaces. Both are trained

and are following policy as described in the Policies and Procedures Manual. Intentional deviation from procedure requires disciplinary action.

4. Develop a procedure and documentation policy to ensure that all reasonable attempts are made to contact applicants on the waiting list.

<u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. CPD office staff make repeated attempts to notify an applicant, by several methods, over a two-week period, before passing them over for the next person on the list. Attempts to contact applicants are recorded on a spreadsheet. Applicants are informed of their responsibility to update contact information as necessary.

5. Develop and publish a procedure for processing citizen complaints.

<u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. The complaint procedure is detailed in the Policies and Procedures Manual available at the CPD office. Complaints can be submitted at the CPD office, a staffed parking facility, online at "Ask Stockton" (http://user.govoutreach.com/stockton/faq/php) or by mail.

6. Provide cross training to insure continuous operation of CPD.

<u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

<u>2008/2009 Grand Jury Finding:</u> CPD has implemented this recommendation. CPD rotates parking staff between facilities and shifts. The Policies and Procedures Manual adequately describes the process for cross training to ensure continued operation of parking facilities in case of an unplanned event.

7. Develop a "checks and balances" system for the reconciling of cash receipts collected from the parking garages to include two persons and also provide for daily processing of those receipts, in the absence of the supervisor or the other person, in accordance with accepted accounting practices.

City of Stockton Response: The recommendation will be implemented in 90 days.

<u>2008/2009 Grand Jury Finding:</u> CPD has implemented this recommendation. CPD has sufficient checks and balances in place to ensure accountability.

8. Develop a two-part receipt for applicants to validate the date and time of application. City of Stockton Response: The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. Applications hand delivered to the CPD office are date stamped and a copy given to the applicant. Applications submitted online, by fax and by mail receive a confirmation by the method in which they were submitted.

9. Post a large map in the CPD office lobby to identify the location of available parking areas.

<u>City of Stockton Response:</u> This map is currently being reproduced and will be installed in the lobby and in City structured parking lots within 30 days.

<u>2008/2009 Grand Jury Finding:</u> CPD has implemented this recommendation. A large map is posted in the CPD office lobby. Maps are available in structured parking lots and online.

10. Update the parking assignments at least monthly.

<u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has implemented this recommendation. Parking assignments are updated weekly.

11. Develop a backup system for the computer that tracks the automated garages. Have the IT department develop a disaster recovery procedure in the event of a catastrophic failure. <u>City of Stockton Response:</u> The recommendation will be implemented in 90 days.

2008/2009 Grand Jury Finding: CPD has partially implemented this recommendation by performing routine backups to a separate hard drive. Nightly backups to a City of Stockton server have been delayed due to budget constraints. The City anticipates a twelve month delay before the recommendation will be fully implemented.

12. Insure that all programs are operated on a secure server not accessible by other departments.

<u>City of Stockton Response:</u> The recommendation has been implemented. All programs are now operated on a secure server and only accessible by Central Parking District staff.

<u>2008/2009 Grand Jury Finding:</u> CPD has partially implemented this recommendation. Most complex programs reside on a secure server with limited access. Some critical data resides on password protected personal computers and is backed up on a separate hard drive.

13. Develop a program that allows online applications, payments, and issuance of parking passes to accommodate anticipated future growth.

<u>City of Stockton Response:</u> The recommendation requires further analysis. The City's Information Technology Director is now researching software programs to replace the City's existing financial management software. Central Parking District staff will work with the Information Technology Director to investigate available technology to implement an on-line program that will allow for on-line applications, payments and issuance of parking passes. Staff will work to accomplish this within six months, although the City's process, as well as identifying a funding source, may result in additional time to install the program, train staff to use the new software, etc.

<u>2008/2009 Grand Jury Finding:</u> CPD has partially implemented this recommendation. Much of the application, notification and complaint process are available on line. Payments are billed automatically. However, the City of Stockton operates eighteen year-old financial software that has no provision for online payment.

14. (No recommendation #14 from the 2007/2008 Grand Jury)

<u>2008/2009 Grand Jury Finding:</u> A large number of unused parking spaces in highly utilized structures exist on any given day. Most unused parking spaces are sold to individuals and government departments who choose not to use them on a particular day. Grand Jurors regularly observed one structure that never operated at greater than 75% capacity.

RECOMMENDATIONS: 2008/2009 GRAND JURY

- 1. Ensure nightly backup of critical data to a City of Stockton server.
- 2. Prioritize purchase and implementation of updated financial software that can accept online payments.
- 3. Evaluate the number of sold spaces and the number of occupied spaces within all parking structures to maximize utilization, generate revenue for the City and better serve customers.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton City Council shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding, a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.



STOCKTON UNIFIED SCHOOL DISTRICT 2008/2009 San Joaquin County Grand Jury Case No. 01-08E FOLLOW UP FINAL REPORT

SUMMARY

The 2008/2009 San Joaquin County Grand Jury chose to follow up on prior year Case 08-07, Stockton Unified School District (SUSD). Jurors wanted to determine if the Board of Education corrected the problems of the past and had implemented recommendations.

The SUSD official response to the 2007/2008 Grand Jury Report attempted to refute many of the findings and downplay many of the recommendations by claiming they were implemented prior to the investigation. Portions of the response were unusual in that they gave jurors the impression SUSD was in a state of denial and more interested in argument than cooperation. Further, SUSD appeared to have retaliated against staff that supposedly provided information that led to the Grand Jury investigation.

The 2008/2009 Grand Jury also received three new complaints relating to SUSD. One complaint alleged the Superintendent placed a relative who did not reside within SUSD boundaries in a SUSD preschool program for disadvantaged youth. The other two complaints alleged numerous issues ranging from a misuse of funds by adopting the Success for All program prior to approval by the California Department of Education to the Superintendent's supposed protection of Hell's Angels associates.

What the 2008/2009 Grand Jury found was a far different picture. Hiring a new Superintendent represents the single largest change since the 2007/2008 Grand Jury Report was released. SUSD is fortunate to have a Superintendent with vision who is committed to making a difference in education. Where there was only rhetoric, there is action. Where there was a passive acceptance of academic failure, there is new thinking, new activity and renewed hope for improvement.

BACKGROUND

After publication of the 2007/2008 Grand Jury Report, major changes in SUSD Administration and the Board of Education occurred. The former Superintendent retired and several other key officers within SUSD Administration left the District. Three new Trustees assumed office following the November 2008 election.

During the 2007/2008 school year SUSD was the 18th largest school district in California, with approximately 38,000 students. Enrollment has declined slightly in recent years but SUSD continues to have the largest total enrollment of any school district in San Joaquin County. SUSD operated 55 schools, including 5 high schools and employed 1758 full-time equivalent teachers.

Annual expenditures for SUSD during the 2007/2008 school year were approximately \$387,500,000. Expenditures for instruction and all other categories are within 1% of the statewide average. Expenditures per Average Daily Attendance were slightly higher than the State average.

SUSD is administered by a seven member Board of Education. Trustees represent districts within SUSD and serve four-year terms. Board meetings are held on Tuesdays at 7:00 p.m. in the Boardroom, 701 N. Madison St., Stockton, California. Meeting dates and agenda are posted online at http://www.stockton.k12.ca.us/SUSD/welcome/board.htm

METHOD OF INVESTIGATION

Materials Reviewed

- Stockton Unified School District Financial Statements (for year ending 6/30/08)
- Over 20 separate media reports concerning SUSD
- SUSD web site http://www.stockton.k12.ca.us
- Ed-Data web site http://www.ed-data.k12.ca.us
- Contracts for 14 non-instructional consultants approved by SUSD Board of Education during the current school year
- List of positions created by the Superintendent during the current school year
- Fiscal Crisis & Management Assistance Team (FCMAT) report, March 2009
- General Ledger Transactions report, 3/1/09 4/10/09, Superintendent's Location
- Bylaws of SUSD 1852 Foundation (a California Non-profit Public Benefit Corporation used to conduct fundraising activities for the 150th year celebration)
- Accounting summary for Save Stockton High School Sports luncheon, clinic, athletic programs and banquet
- Measure Q Project Status Report, SUSD Facilities Planning Division
- Recommendations for Resetting Measure C and Measure Q, SUSD Facilities Planning Division, 1/22/09
- Agenda, Citizen's Oversight Committee, 3/3/09
- Minutes, Citizen's Oversight Committee Meeting of 2/3/09

Interviews Conducted

- Superintendent, SUSD
- Trustee, SUSD
- Superintendent, San Joaquin County Office of Education

RECOMMENDATIONS: 2007/2008 GRAND JURY; 2008/2009 GRAND JURY FINDINGS

 SUSD Trustees reduce the dollar cap that can be spent for non-instructional and administrative consultants without Board approval. Trustees or a committee of Trustees review consultant contracts to ensure there is a need that employees can not fill and that a meaningful product will be produced.

<u>Board of Education Response:</u> The recommendation requires further analysis.

2008/2009 Grand Jury Finding: This recommendation has been implemented. The Superintendent now gives all consultant contracts to the Board for approval. The Board receives professional, well-prepared documents containing adequate information to make informed decisions.

2. SUSD Trustees limit the use of non-instructional and administrative consultants to specific, short term jobs. The primary responsibility of running the District belongs with SUSD employees.

<u>Board of Education Response:</u> This recommendation was implemented prior to the Grand Jury's investigation.

<u>2008/2009 Grand Jury Finding:</u> This recommendation has been implemented. The Superintendent created and filled several new positions with SUSD employees to perform tasks formerly done by consultants.

3. SUSD Trustees re-examine the policy of allowing the Superintendent to create positions and hire employees without a competitive application process.

<u>Board of Education Response:</u> This recommendation will not be implemented at this time.

<u>2008/2009 Grand Jury Finding:</u> This recommendation has been partially implemented. The Superintendent retains the ability to create positions and hire without competitive process. The Grand Jury believes the Superintendent used the power wisely when reorganizing SUSD administration. Most administrative positions were filled with qualified personnel from the pool of current SUSD employees, rather than going outside the District.

4. SUSD Trustees conduct a thorough, independent audit of restricted (categorical) funds received from State and Federal sources with extra emphasis placed on AB1113 funds. In addition, an audit of purchases made by management be conducted on an annual basis until public confidence is restored.

Board of Education Response: This recommendation is being implemented at this time.

2008/2009 Grand Jury Finding: This recommendation has been implemented. SUSD retained the Fiscal Crisis and Management Assistance Team who conducted an audit of all operations and prepared a 195 page report. Most facets of SUSD operations received high ratings. However, the section of the audit dealing with categorical funds

did not. Section PA 5.6 of the report contains 9 findings and 12 recommendations for improvement of SUSD's management of categorical funds. The conclusion of the section reads simply: "Standard Implemented: Not Implemented, Rating: 0." The range of ratings are from 0 (lowest) to 10 (highest).

5. SUSD Trustees or a committee of Trustees periodically review purchases made by management as a whole and by individual management team members to ensure strict written guidelines are enforced.

<u>Board of Education Response:</u> This recommendation was implemented prior to the Grand Jury's investigation.

<u>2008/2009 Grand Jury Finding:</u> This recommendation has been implemented. The Board of Education receives a thorough report entitled "General Ledger Transactions - Superintendents Location" that lists all purchases. The level of detail provided in the report has improved dramatically under the current Superintendent.

6. SUSD Trustees carefully review the budget and question policy decisions made by SUSD management to ensure the District is being run in a prudent, economical, and legal manner.

<u>Board of Education Response:</u> This recommendation requires further analysis, which will take place as the Board and staff prepare the 2008-2009 budget.

<u>2008/2009 Grand Jury Finding:</u> This recommendation is being implemented. The Superintendent is providing concise, reliable data to the Board of Education.

7. SUSD Trustees review and approve plans for future District-wide fund raising activities. The Grand Jury recommends creation and use of an independent foundation for fund raising activities.

<u>Board of Education Response:</u> The recommendation has not been implemented, but will be implemented this fiscal year.

2008/2009 Grand Jury Finding: This recommendation could easily be implemented, should district-wide fund raising occur in the future. SUSD staff found the Bylaws for SUSD 1852, a nonprofit corporation, created for the 150th anniversary celebration. It was inexcusable for the previous Superintendent and Board not to reactivate and use an existing foundation when fundraising for the Celebrity Waiter Luncheon.

8. SUSD management provide thorough and accurate accounting of all district-wide fund raising activities undertaken by SUSD. The information must be made available to the public on demand.

<u>Board of Education Response:</u> This recommendation was implemented prior to the Grand Jury's investigation.

2008/2009 Grand Jury Finding: The recommendation is likely to be implemented if SUSD conducts district-wide fund raising with a foundation. With additional oversight

from an independent organization, it will be much more difficult to conceal the source of funds and how they were spent.

9. SUSD Trustees ensure SUSD management is held accountable for their actions.

<u>Board of Education Response:</u> This recommendation is being implemented.

2008/2009 Grand Jury Finding: This recommendation has been implemented. Three new Trustees were elected in November 2008 and a new management team is in place.

10. SUSD Trustees and management work as a team to accomplish common objectives and not lose sight of the District's mission which is to educate the children of the District. Board of Education Response: This recommendation has been implemented.

2008/2009 Grand Jury Finding: This recommendation has been implemented. SUSD has a solid management team in place. The Superintendent has vision and is a strong proponent of improving student outcome. He is looking at all facets of SUSD and implementing necessary changes.

11. The Board of Trustees manage the recent bond measure in a timely and effective manner and regain the public's confidence.

Board of Education Response: This recommendation has been implemented.

2008/2009 Grand Jury Finding: This recommendation has been implemented. The Board established a Citizen's Bond Oversight Committee to oversee both Measure C and Measure Q Bonds. The Superintendent has proposed numerous changes to proposed bond projects. Current plans for high school renovation may be replaced with plans to build new high schools.

12. (No recommendation #12 from the 2007\2008 Grand Jury)

2008/2009 Grand Jury Finding: The Superintendent and Trustees took a calculated risk in using the Success for All program. The program was not approved for use by the California Department of Education. The Grand Jury believes this risk was justified.

13. (No recommendation #13 from the 2007/2008 Grand Jury)

2008/2009 Grand Jury Finding: The Superintendent and Trustees took a calculated risk in offering SAT testing and preparation training at no cost to students. Approximately 70% of seniors participated, up from 8% the year before. Again, the Grand Jury believes the risk was justified.

14. (No recommendation #14 from the 2007/2008 Grand Jury)

2008/2009 Grand Jury Finding: The Superintendent resides within Stockton city limits and within the Lodi Unified School District. A family member was enrolled in a SUSD

pre-school program targeted to disadvantaged youth. All supporting documentation was reviewed by the Grand Jury and appeared to be in order. Further, the Superintendent kept a promise he made to enroll family members at SUSD.

RECOMMENDATIONS: 2008/2009 GRAND JURY

- 1. The Board of Education and Superintendent continue to take an occasional calculated risk to improve student performance and outcome.
- 2. The Board of Education and Superintendent thoroughly review the March 2009 Fiscal Crisis & Management Assistance Team (FCMAT) report and implement the recommendations.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Board of Education shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding, a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

DISCLAIMER

One grand juror did not participate in this follow up report due to a possible conflict of interest.





INFORMATION TECHNOLOGY SECURITY

Cities and San Joaquin County 2008/2009 San Joaquin County Grand Jury Case No. 03-08

SUMMARY

Members of the 2008/2009 San Joaquin County Grand Jury expressed interest in determining if the local municipalities and county offices of San Joaquin County have planned or installed sufficient safeguards to protect the information systems against virus, accidental/deliberate disclosures, and/or equipment failure.

REASON FOR INVESTIGATION

This report was based on concerns by the Grand Jury about the current status of the information systems used by city and county governments in San Joaquin County. This review is a point in time snapshot of what was seen by the Grand Jury at the time the information was made available.

It is the intent of the Grand Jury that this investigation would demonstrate that San Joaquin County and its seven incorporated cities were exercising due diligence in protecting information resources and making appropriate plans for disaster recovery and business continuity.

BACKGROUND

As defined in the United States Code, Information Security means protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction. Today, even the smallest governmental entity, including small and large cities and the numerous county departments, accumulates a large quantity of sensitive information about its business and citizens. Much of this information is collected, stored in and/or transmitted across networks to other computers electronically. Each of these entities has dedicated staff that operates and maintains these systems. Computer security is an ever increasing component of its responsibilities.

¹ United States Code, Title 44, Chapter 35, Subchapter III, Section 3542

METHOD OF INVESTIGATION

This investigation was a "layman's" inquiry into the current state of information technology (IT) security within San Joaquin County's governmental bodies. Therefore it is important that this investigation should not be construed as a formal security audit.

Materials Reviewed

- City and County IT Security Policies
- City and County network diagrams
- City and County Organization Charts
- City and County websites online documentation
- Responses to questionnaires submitted to San Joaquin County departments

Interviews Conducted

Representatives of San Joaquin County and each of its seven incorporated cities were interviewed.

EXPECTATIONS

Grand Jury expectations were that each of the IT organizations investigated would have included the following as components of a comprehensive security plan.

- **Security policy:** Each organization should have a top-level statement endorsed by the senior management team on which all security processes and procedures are subsequently based. This policy should be published and understood by all users with access to information systems, and should be reviewed and updated as necessary.
- **Physical and environmental security:** Precautions should be taken to ensure the physical security for all IT assets including data centers, local computers and laptops.
- Communications and operations management: Adequate tools and services be provided to ensure that information in these systems is properly monitored, managed and protected. (i.e. anti-virus software, spam and internet filters, security patching, and supported operating systems on all servers and workstations).
- Access control: Each organization should have systems in place to closely monitor and control individuals authorized to read and to amend the organization's information.
- **Disaster planning:** Each organization should have a documented plan for managing any incident and a documented process for restoring critical systems.
- **Business continuity:** Each organization should have a plan to minimize the impact of major disasters on the business processes until essential services are restored.

• Validation and testing: Ensure that established controls and policies continue to work and deliver the required level of protection to the organization's assets.

FINDINGS

The extent to which each IT organization was able to meet the Grand Jury's expectations varied significantly. The largest organizations seemed to be the best prepared. However, the Grand Jury found that some of the smaller cities included sophisticated security measures and clear goals for measures yet to be implemented.

The Grand Jury found that all organizations investigated provided at least the bare minimum of security for IT assets:

- Routine backup of all servers
- Installed and managed Anti-Virus software
- Physical security for data center
- Access control using account login & passwords

San Joaquin County

San Joaquin County has a highly fractured Information Technology (IT) infrastructure with 16 separate organizations serving various county departments, in addition to the Information Systems Division (ISD). A number of the departments made compelling arguments for maintaining departmental development and support services.

The Grand Jury understands some departments are bound by state and federal mandates and regulations to maintain isolated IT systems. However, significant savings would be realized by consolidating network infrastructure and common software.

- 1. *Information Systems Division* Meets expectations for IT Security
 - a. Written Security Policy was clear and comprehensive and all employees were made aware of its content
 - b. The division has developed an online security training program required to be completed by all employees
 - c. Founded intra-governmental IT Security group inviting all county departments and cities to discuss common security issues
- 2. Human Services Agency, Behavioral Health Services, Public Health Services, and San Joaquin County General Hospital Meets expectations for IT Security
 - a. Each of these health related departments are subject to federal and state oversight and numerous security related regulations; as a result, each exhibited a very sophisticated level of IT security
- 3. Assessor-Recorder-County Clerk Division Meets expectations for IT Security
 - a. Documented and thorough "Emergency Contingency and Disaster Recovery Plans for Information Systems"

- 4. Agricultural Commissioner's Office Does not meet expectations for IT Security
 - a. Out-dated and unsupported Sever Operating System (Windows NT 4.0) still in service, though not in a critical role
 - b. Disaster preparedness and recovery plan is currently under review
 - c. Personnel IT Security training has not yet begun
- 5. Department of Child Support Services Meets expectations for IT Security
 - a. Provides a good model for the distribution of IT services allowing ISD to maintain and configure the network infrastructure while utilizing departmental IT staff for local support and unique development requirements
- 6. Community Development Department Meets expectations for IT Security
 - a. The departments' implementation of 'thin client terminals' provides a high level of IT security
 - b. Server recovery from backup is tested annually
 - c. Reciprocal catastrophic disaster recovery plan with neighboring county
- 7. District Attorney's Office Does not meet expectations for IT Security
 - Evidence of a documented disaster preparedness and recovery plan was not provided
- 8. Employment & Economic Development Department Meets expectations for IT Security
 - a. EEDD has created a detailed Disaster Recovery Plan and ensured that IT staff had it on hand at all times
 - b. Encryption software for laptops is currently being deployed
- 9. Environmental Health Department Meets expectations for IT Security
 - a. EHD is transitioning to server virtualization that will significantly enhance disaster recovery efforts
 - b. Ambitious plans for high availability, redundant data systems are in development but budget constraints make near term deployment unlikely
- 10. Public Defenders Office Does not meet expectations for IT Security
 - a. Primary and backup servers are out-dated. The server operating system (Windows NT 4.0) is nearly 4 years past the manufacturer's end-of-life date.
 - b. 90% of department employees have so far failed to complete the county's IT security training
 - c. Critical or confidential "case information" is allowed to be stored on local workstations
 - d. Portable and mobile devices, presumably also with confidential case information, are unencrypted, though password protected

- 11. Public Works Department Meets expectations for IT Security
 - a. Installing encryption software on all new laptops
 - b. Disaster recovery plan is dependent upon the ability to fall back to paper hard copies for daily operations. This may be appropriate for this department
- 12. Sheriff-Coroners Office Does not meet expectations for IT Security
 - a. Very clear and well defined standards for a user's access to confidential data and the determination of the sensitivity of that data exists.
 - b. At least one server is running dated operating system (Windows NT 4.0)
 - c. The department's IT systems have been designed for high availability and redundant components
 - d. Disaster recovery plan was thorough and comprehensive
- 13. *Treasurer and Tax Collector* Meets expectations for IT Security
 - a. Treasury and Tax records are unique in that they are 'public record'

<u>City of Stockton</u> – Does not meet expectations for IT Security

- 1. Chronic understaffing and the recent layoff of the Director of Information Technology
- 2. Lacks a documented disaster recovery or business continuity plan
- 3. Written Security Policy was clear and comprehensive and all employees were made aware of its content

<u>City of Lodi</u> – Does not meet expectations for IT Security

- 1. Well documented security policy with plans for continuing staff refresher classes
- 2. Well documented disaster and recovery plan
- 3. Policy and devices do restrict unauthorized connections to the city network
- 4. The current location of city data center and backup generator are below ground level
- 5. Web filtering is in place, but access to private email accounts has been allowed
- 6. Independent IT support of Finance Department should be answerable to central IT policies and lacks internal controls
- 7. Web email accounts and independent IT support for Finance violates sound security policy

<u>City of Lathrop</u> – Meets or is addressing expectations for IT security

- 1. IT Manager has only been on the job for a short time, yet he has a clear vision of security goals and is working to meet them
- 2. Written Security Policy was clear and all employees were made aware of its content
- 3. Recently upgraded Email filtering has dramatically reduced spam
- 4. Hardware redundancy on critical systems with plans to expand as budget allows
- 5. Plans for disaster recovery and business continuity are currently in development

<u>City of Tracy</u> – Does not meet expectations for IT Security

- 1. Enforces a strong password policy that includes routine changing
- 2. Lacks a written security policy
- 3. Employees are allowed unrestricted access to web email accounts and the internet

<u>City of Manteca</u> – Does not meet expectations for IT Security

- 1. Limited security polices in place address only email and software use
- 2. The few city owned laptops do not have hard drive encryption
- 3. Lacks a documented disaster recovery plan
- 4. Emergency backup power not available for the entire data center

<u>City of Ripon</u> – Does not meet expectations for IT Security

- 1. Lacks a written IT Security Policy and provides no means for insuring that employees are aware of and adhere to such policies
- 2. Lacks a documented disaster recovery plan
- 3. No systematic method exists to insure that critical software patches are applied as they become available
- 4. The secure storage of backup tapes was inadequate

<u>City of Escalon</u> – Meets or is addressing expectations for IT security

- 1. Escalon impressed the Grand Jury with the level of thought and steps already implemented toward its IT security
- 2. Written Security Policy was clear and comprehensive and all employees were made aware of its content
- 3. Disaster preparedness seemed appropriate for an organization of this size and included equipment redundancy and distributed locations

RECOMMENDATIONS

The 2008/2009 San Joaquin County Grand Jury recognizes the budget limitation due to current economic conditions. The Grand Jury therefore has limited recommendations to those that can be implemented with existing resources, except where minimal investment is required or the risks were deemed significant.

When economic conditions permit, the Grand Jury recommends all IT organizations contract for an independent security audit.

1) San Joaquin County

- a) Agricultural Commissioner's Office
 - i) Upgrade outdated server operating systems
 - ii) Ensure that IT Security training for all personnel begins immediately and full compliance is achieved in a timely manner
- b) District Attorney's Office
 - i) Prepare a comprehensive and documented disaster recovery and business continuity plans
- c) Public Defenders Office
 - i) Upgrade outdated server operating systems
 - ii) Ensure that IT Security training for all personnel begins immediately and full compliance is achieved in a timely manner
 - iii) Establish and enforce policy to prohibit local file storage of confidential information

- iv) Where portable devices such as laptops are required, insure that hard drives are encrypted
- d) Sheriff-Coroner's Office
 - i) Upgrade outdated server operating systems

2) City of Stockton

- a) Chronic understaffing and lack of leadership should be promptly addressed
- b) Prepare a comprehensive and documented disaster recovery and business continuity plans

3) City of Lodi

- a) Develop plans and preparations for the relocation of the data center to a more secure location
- b) Extend IT security policy to restrict access to external email accounts from the city network
- c) Ensure all IT support staff function under unified policies and management

4) City of Tracy

- a) Prepare a clear and comprehensive IT security policy approved and endorsed by city management
- b) Ensure and document that every employee is informed of the IT security policy and the consequences of violations
- c) Implement tighter internet access controls on the network

5) City of Manteca

- a) Expand current IT security policies to provide greater guidance and insure that all employees are informed of the policy updates
- b) Where portable devices such as laptops are required, insure that hard drives are encrypted
- c) Prepare a comprehensive and documented disaster recovery and business continuity plan
- d) Ensure that emergency backup power is provided to the entire data center

6) City of Ripon

- a) Prepare a clear and comprehensive IT security policy approved and endorsed by city management
- b) Ensure and document that every employee is informed of the contents of this policy and the consequences of its violation
- c) Prepare a comprehensive and documented disaster recovery and business continuity plan
- d) Adopt manual or automated process that insures every server and workstation is kept current with all security patches and anti-virus updates
- e) Ensure that the off-site storage of backup tapes is secure

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The San Joaquin County Board of Supervisors and the various City Councils, where applicable, shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

The San Joaquin County District Attorney and the San Joaquin County Sheriff, where applicable, shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 60 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

APPENDICES

Appendix A - Sample questionnaire submitted to San Joaquin County independent IT organizations:

- 1) Please describe your department's IT infrastructure including;
 - a) Number, operating system, and function of servers managed by your department.
 - b) Number of personal computers deployed.
 - c) Any and all security features.
 - d) How your network interfaces with the county's network.
- 2) What is the scope of your departments IT responsibilities?
- 3) Departmental IT integration with San Joaquin County (SJC) Information Systems Division (ISD)
 - a) What factors require that your department maintain separate IT department and network from the county's ISD?
 - b) How does your department work with ISD?
 - c) Does your department regularly participate in ISD monthly security meetings?
- 4) Does your department share the same IT Security Policy as that used by ISD?
 - a) Are their any unique policies to your department?
- 5) Data confidentiality
 - a) How is a user's level of access to information determined?
 - b) How is the sensitivity of data determined?
 - c) Is your department participating in the ISD online IT security training for all personnel?
 - i) If not, why, and what alternative is employed?
 - ii) What percent of end users have completed IT security training?
- 6) Please describe how the following are secured for data integrity
 - a) The network; wired and wireless.
 - b) Servers
 - c) Clients/workstations
 - i) To what extent is critical or confidential data being stored on local workstations?
 - ii) Are their controls on portable and mobile devices (Laptops, thumb drives, ...) to protect confidentiality?
- 7) Disaster Preparedness
 - a) Describe your department's disaster plan for natural or man made disaster (i.e. loss of power, network connectivity, system failure, flood or earthquake).
 - b) Has it been tested and how often?
 - c) Describe your plans for business continuity.
 - d) What is the most serious system failure to date?
 - i) What was your time to full recovery?

ii)	What lessons were learned?
Name of per	rson completing questionnaire:
Phone numb	per:
Email addre	ss:

$\boldsymbol{Appendix\;B}$ - Sample questions asked of cities IT representatives:

(2) What lessons were learned?

1)	Ov	ervie	ew .
	a)	Ple	ase provide us with a brief background of your self
		i)	City:
		ii)	Name:
		iii)	Position:
	b)	Wh	nat is the scope of your IT Division responsibilities?
		i)	Are all of your city's departments subject to ISD over site and policies?
		ii)	Are there any significant data systems that exist within county government that do not fall within your direct authority and responsibility?
	c)	Org	ganization Chart
	d)	Net	twork diagram
2)	IT Security		
	a)	Dat	ta confidentiality
		i)	How is a users level of access to information determined?
		ii)	How is the sensitivity of data determined?
		iii)	Do all departments follow uniform standards?
		iv)	How are new employees trained with regards to data confidentiality and security?
			(1) Is there follow up training?
	b)	Dat	ta Security (Malware, Hacking, Corruption)
		i)	Network
			(1) Wired
			(2) Wireless
		ii)	Servers
		iii)	Clients/workstations
			(1) To what extent is critical or confidential data being stored on local workstations?
			(2) Are their controls on portable and mobile devices (Laptops, thumb drives,) to protect confidentiality?
	c)	Dis	aster Preparedness (Availability)
		i)	Preparations
			(1) Standby generator
			(2) Redundant Power and Network source
			(3) Off site backups
		ii)	Recovery
			(1) Has it been tested
		iii)	Business continuity
			(1) Is there a documented plan?
			(a) How is it distributed?
			(2) What is your estimated time to essential services?
		iv)	What is the most serious system failure to date?
			(1) What was your time to full recovery?



STOCKTON – SAN JOAQUIN COUNTY LIBRARY 2008/2009 San Joaquin County Grand Jury Case No. 05-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury found mismanagement, ineffective leadership, questionable use of public funds, low staff morale and general discontent within the Stockton-San Joaquin County Library System.

The Grand Jury found supervision by the Stockton City Manager's Office has been inadequate. Additionally, library administrators have alienated themselves from local library support groups.

Recently, the Library System has been overtaken by the city's new budget constraints. During the Grand Jury investigation, the City Manager made significant administrative changes. Many allegations centered on the Director at that time and in February 2009, the Director of Library Services was laid off.

The library is a public entity primarily funded by taxpayers. Free use of library materials is a privilege and abuses should not be tolerated. By continuing to address the problem of uncollected fees and fines, City and County officials will help to ensure that library materials will be available to everyone.

In March 2009, an administrative reorganization placed the Library System in the newly-created Community Services Department. This reorganization changed the supervision of the Library Director from a Deputy City Manager to the Director of Community Services.

The Grand Jury found sufficient issues in its investigation to render findings and recommendations.

REASON FOR INVESTIGATION

The Grand Jury received detailed complaints about the general operation and management of the Library System. The complaints were signed by current and former employees, as well as members of the public and library support groups.

The complaints alleged:

- Questionable use of public funds
- Improper spending for consultants, contractors and vendors
- Management practices straining relations with Library support groups
- The Library Director's disrespect of staff fostered low morale and a lack of trust in library management
- Poor intradepartmental communication contradicted promises made by management
- Management failed to follow Civil Service hiring rules
- The Library Director seriously diminished public service through inept management decisions
- The Director's lack of concern for staff safety

BACKGROUND

In 2008, the Library System operated with a budget of approximately \$13.8 million. Over \$6 million was provided by the City of Stockton and \$7 million by San Joaquin County. The Library System consists of 13 branches with 106 budgeted positions, of which 29 are vacant (February 2009).

The Library System was supervised by a Stockton Deputy City Manager and is now supervised by the Director of Community Services. The System is not overseen by any advisory board or commission. In August 2005, the former Director of Library Services was hired by the former City Manager. It was the responsibility of a Deputy City Manager to ensure that the Library Director operated the library in a prudent and effective manner.

The Grand Jury is cognizant of concerns that some of the opposition to the previous director may have had a racial basis. Nevertheless, the Grand Jury is confident her failings were based on issues of competence and not racism.

METHOD OF INVESTIGATION

An investigation was conducted, testimony was received and applicable documentation was reviewed.

FINDINGS

1. The former Library Director created a new position of Program Director III and hired a friend from San Diego to fill the position at a management salary. Her primary responsibility was to raise funds for the library even though she had minimal experience in fund raising. The Grand Jury found no evidence of new fund development during her tenure. The new position was added even though the Library System already had a Deputy Director on the staff that could have performed the same function.

- 2. The former Director of Library Services was unable to demonstrate the requisite management skills or experience to manage this large library system. The Director's management style was authoritarian which led the branch managers to believe that they were not appreciated and that their concerns and opinions were not heeded and did not count.
- 3. The former Director reassigned staff in an arbitrary manner with no input or prior notice. This unilateral action seemed to further entrench some staffers who were already resistant to change.
- 4. The former Director had an indifferent attitude toward staff safety at the main library. Even after several safety issues had been reported in the news media, the former Director refused to consider the purchase of personal safety alarms for the staff. When the employee union decided to purchase alarms, her attitude toward training staff to use them was indifferent.
- 5. The City Manager's Office failed to oversee the operation of the Library System. It was the responsibility of a Deputy City Manager to oversee the Library Director. Ineffective and irresponsible oversight contributed to questionable library expenditures and low staff morale.
- 6. The former Director contracted with several consultants and vendors, including a personal life coach, a long-range strategic planning company, and an internet marketing vendor. Substantial expenses were incurred with virtually no benefit to the library system. For example, the City approved a non-competitive, single-source contract with Youniquely4U, a patron based internet marketing service to provide hardware, software and supplies for library checkout. The City paid approximately \$75,000 on an untested \$96,000 program with very little positive results. Youniquely4U service has been discontinued and the website has been closed.
- 7. The majority of library patrons still attempt to use the library as a source for new books. There is a strong perception, especially by patrons of the branches funded directly by the City of Stockton, that new books are generally unavailable. The current on-line reservation policy ensures patrons' access to new books. This policy limits walk-in user access to these same new books.
- 8. Valuable historical special-collection materials are stored in an unsecured area of the Chavez Library. A current inventory of these materials does not exist.
- 9. A recent City Audit found \$3.4 million in uncollected fines, fees and lost materials.
- 10. The Director of Community Services seems to have an understanding of the existing problems and how to remedy them. In the short time since the

reorganization, she has worked with the staff to identify significant issues within the Library System and is working towards resolving them.

RECOMMENDATIONS

- 1. Implement an annual amnesty week which allows overdue books and materials to be returned to the library without fees or fines.
- 2. Immediately reallocate funds to increase the purchase of new books and materials.
- 3. The City Manager increase supervision of the Deputy City Manager for library services.
- 4. Implement a zero-tolerance policy with regard to late fees and fines.
- 5. The San Joaquin County Board of Supervisors and Stockton City Council mutually establish and appoint citizens to a Library Advisory Commission. The Commission will report and make recommendations on matters pertaining to the operation of library services and facilities.
- 6. Revise the current policy to allow for a portion of new books to be placed on shelves so that walk-in customers have the opportunity to check them out.
- 7. Establish internal audit controls for library vendor/consultant contracts, fines and fees.
- 8. The historical special-collection materials be inventoried and stored in a secure area within 6 months.
- 9. The Director of Library Services receive an annual written performance evaluation.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton City Council shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

The San Joaquin County Board of Supervisors shall report to the Presiding Judge of the San Joaquin County Superior Court as to Recommendation #5, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

a. The respondent agrees with the finding.

b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.



SAN JOAQUIN COUNTY DISTRICT ATTORNEY ENVIRONMENTAL UNIT

2008/2009 San Joaquin County Grand Jury Case No. 06-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury investigated a complaint of alleged abuse of power and misuse of public funds in actions made by the Environmental Unit of the San Joaquin County District Attorney's Office. The investigation proved to be beneficial to the Grand Jury because it afforded a better understanding of procedures and determined that the Environmental Unit acted in accordance with law and the practices of the office.

REASON FOR INVESTIGATION

A citizen reported that the San Joaquin County District Attorney's Office Environmental Unit acted inappropriately in an investigation regarding multiple environmental issues on the property, conducting unnecessary raids, aggressive inspections, employee harassments and the confiscation of business files which they failed to return for an extensive period of time. The Grand Jury chose to investigate this specific complaint and to review the policies and procedures of the District Attorney's Environmental Unit.

BACKGROUND

The District Attorney's Office is established by the California Constitution. The District Attorney is both the public prosecutor and chief law enforcement officer of the county. The Office is charged with the duty of investigating as well as prosecuting. The District Attorney's authority to investigate the facts before acting is unlimited, discretionary and his/her jurisdiction applies to any place within the county in investigating offenses to which criminal and civil penalties apply. The District Attorney is charged equally with the duty to investigate and prosecute crime and these functions are inseparable.

The Environmental Unit is a section of the District Attorney's Office. Its mission is to investigate and prosecute (where appropriate) alleged environmental complaints and to promote and protect the safety of the environment and the welfare of the community. Its responsibilities include field investigations, evidence gathering and the preparation and filing of appropriate legal documents to abate and cleanup conditions.

METHOD OF INVESTIGATION

An investigation was conducted, testimony was received and applicable documentation was reviewed.

FACTS

Concerned citizens and regulatory agencies may bring a case to the District Attorney asking for an investigation. The District Attorney may also initiate investigation(s). The goal of the Environmental Unit is to see that all businesses are following environmental rules and regulations.

The first step in responding to an environmental complaint made to a regulatory agency is a site visit by San Joaquin County Inspectors. If significant violations are found, correction notices are given to the property owner with time required to correct the issues and to respond with actions taken to bring the site into compliance. If additional information indicates further non-compliance, the matter may be referred to the District Attorney's Office.

The District Attorney's policy for timelines, compliance, clean-up, costs and penalties for environmental cases may vary in accordance with the findings of the investigation. The District Attorney may prosecute when there is a failure to comply with a directive.

Civil litigation and procedure allows for cost recovery. Records are kept on investigative time and travel. Disbursement of this money may involve a portion of money going to the District Attorney's office for costs, to the Attorney General or to other regulatory agencies that may have been involved with the case. Penalties go to the County general fund. Some disbursement documents are filed with the Court.

When items are taken pursuant to a search warrant, the District Attorney has ten days to file a Return of Search Warrant with the Court indicating it has these items. Items are held by order of the Court as evidence and most evidence is held until the completion of the case.

The goal of the environmental law enforcement is to bring business and individuals into compliance. This Grand Jury has considered the possibility that the assigned attorney works with a passion at a higher level than most. However, businesses and individuals with environmental violations prefer leniency. They prefer not to have a case filed against them. Failing that, they may attempt to place blame on prosecutors.

In San Joaquin County, ninety-seven percent of the environmental cases are resolved without a court trial. The District Attorney usually requires that violators admit certain wrongdoing when a settlement occurs. The key to a settlement is communication; the willingness of both parties to communicate effectively, discuss the issues at hand and move towards a resolution.

FINDINGS

- 1. There are provisions for the owner of the seized documents to informally request copies from the District Attorney or by making a formal request to the Court.
- 2. The Grand Jury finds that the Environmental Unit acted within the scope of its authority in this matter.

RECOMMENDATIONS

The San Joaquin County Grand Jury has no recommendations for this case.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The District Attorney shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 60 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

DISCLAIMER

One juror did not participate in this investigation due to a possible conflict of interest.



CITY OF STOCKTON NEIGHBORHOOD SERVICES / CODE ENFORCEMENT 2008/2009 San Joaquin County Grand Jury Case No. 07-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury finds Stockton's Department of Neighborhood Services / Code Enforcement Division (CED) is facing significant challenges in the fight against neighborhood blight caused by a poor economy and a high volume of foreclosed or abandoned properties. The Grand Jury initiated an investigation of the CED after receiving citizen complaints alleging overly aggressive enforcement and excessive fines. While there was some evidence of overly ambitious actions by a code enforcement officer (CEO), the Grand Jury found that the CED was acting in accordance with existing policies and procedures. The Grand Jury understands the difficult responsibility of providing positive interaction with residents while enforcing compliance with municipal codes in the current economic environment. Nevertheless, several findings and recommendations for improvement are included in this report.

REASON FOR INVESTIGATION

The Grand Jury investigation began after reviewing complaints from real estate agents alleging the CED was uncooperative and imposing unattainable demands on their clients. One complainant stated that CEOs were writing excessive citations on bank-owned properties, entering properties without permission, failing to alert the appropriate parties to remedy the violations, failing to record liens in a timely manner and refusing to cooperate in closing their case. A complainant implied that CEOs are volunteers who misuse their authority and enter properties without court authorization. Two complainants referred to a specific CEO as being uncooperative and unwilling to work with them. The Grand Jury investigated these complaints and the overall operations of the CED.

BACKGROUND

The City of Stockton Neighborhood Services / Code Enforcement Division (CED) operates under the authority of the Stockton Police Department. The officers have a primary responsibility to reduce neighborhood blight. This is accomplished through administrative citations, civil actions against property owners to address substandard building conditions and criminal

prosecution; also, through demolition of unsafe buildings and the assessment/recovery of abatement costs.

The CED is administered by a Deputy Chief of Police, Program Manager, Field Manager, Supervisor, 11 officers and 9 office employees. An additional 21 employees administer intradepartmental divisions that include vehicle and graffiti abatement, Volunteers Out Identifying Code Enforcement (V.O.I.C.E.), scheduled rental property inspections and vacant property issues.

The City of Stockton provides a link 'Ask Stockton' allowing citizens to ask questions and offer comments to any city department and the inquiry is assigned to the appropriate city representative (http://user.govoutreach.com/stockton/faq/php). Responses, including general information or answers to a specific question, are generally answered within 10 business days. During the year ending March 2009, the City received a total of 5,951 inquiries of which 1,590 were CED related. The City Manager tracks this information on a spreadsheet report that specifies the names of the user and the respondent, dates of the inquiry and response, a description of the subject and the property location, if applicable. A department representative responds via E-mail or by other methods, depending on the urgency and/or subject matter.

The CED operates primarily on a complaint driven basis and anonymous complaints are accepted. Once a complaint has been made, the subject property is inspected. If violations are found, the property is posted with a citation notice and a case file is opened. Follow-up visits are scheduled as necessary. If the property owner does not comply with applicable codes, fines and fees are assessed.

A number of functional programs used to address CED issues are:

- Graffiti Abatement Program to encourage the reporting of cases of graffiti and to institute action for clean-up
- Residential Rental Inspection Program to create a healthy, safe and crime-free environment and further enhance the quality of life for residents living in residential rental units in Stockton
- <u>Clean Sweep Program</u> to focus on areas where there is an accumulation of junk and debris present and to assist residents in the removal of blight in the area
- <u>V.O.I.C.E. Program</u> to train volunteers to patrol their neighborhoods looking for code violations
- <u>Abandoned Vehicle Abatement Program</u> to target inoperable, wrecked, dismantled, or abandoned vehicles
- <u>Hotel/Motel Permitting</u> to make Permits to Operate and Hotel/Motel Manager Permits available online

METHOD OF INVESTIGATION

The Grand Jury conducted interviews with local real estate agents and CED Management. Information was received from the City Manager's Office. Members of the Grand Jury participated in code enforcement 'ride-alongs' to gain insight into officer interaction with residents and to observe the actions of officers visiting vacant properties in Stockton. Jurors reviewed Stockton CED case files and enforcement policies employed by comparable California cities. Testimony was given and supporting documentation was reviewed.

OBSERVATIONS

The City of Stockton is currently experiencing one of the highest foreclosure rates in the nation. The number of vacant properties resulting from foreclosure and abandonment is straining local resources, causing blight and creating havens for criminal activity. The effect is the devaluation of local properties.

City leaders have demonstrated a willingness to address the challenges of neighborhood blight:

- In 2006, the City authorized the 'Community Safety Ordinance' with a focus on the abatement of chronic nuisance properties.
- On January 31, 2006, the Stockton City Council adopted Ordinance 003-06 regarding residential rental inspections, establishing a mandatory code compliance section for all rental units throughout the City of Stockton. The purpose of the four-year ordinance is to proactively identify blighted housing.
- In January 2007, the city adopted a more stringent graffiti ordinance in an effort to reduce graffiti throughout the city. The ordinance includes additional penalties and requires property owners to assist with removing and preventing graffiti on private property. Last year, the city cleaned up over 3.5 million square feet of graffiti at a cost of more than \$900,000. During that time, 261 grafitti-related arrests were made.
- In April 2008, the Stockton City Council amended the Police Department Neighborhood Services Section Budget to add three maintenance worker positions, one code enforcement supervisor and one office assistant. The Council also authorized the purchase of cargo trailers, radios, computers and other equipment to be used for increased efforts to eliminate blight and graffiti.
- In August 2008, the Stockton City Council adopted Urgency Ordinance No. 009-08CS which provides vacant property maintenance requirements, including the posting of abandoned and vacant buildings with the name and a 24-hour contact phone number of a local management company.

- In November 2008, the Stockton City Council authorized a policy to repeal burdensome assessments in order to encourage improvements to blighted properties.
- Neighborhood Services coordinates the 'Volunteers Out Identifying Code Enforcement' (V.O.I.C.E.) program where volunteers inspect their own neighborhoods looking for obvious code enforcement violations. When violations are identified and not corrected, the case is assigned to a CEO who will visit the property.
- The Clean Sweep program is Stockton's annual neighborhood cleanup program for residents within the city limits. It is completed once per year in 9 separate geographic areas in Stockton.
- The City of Stockton provides emergency repair assistance to senior low income property owners for correcting certain violations listed in documents issued by the CED.
- This year, the City of Stockton will begin using \$12.1 million of funds that have been allocated by the U.S. Department of Housing and Urban Development (HUD) to acquire and repair foreclosed residences and to demolish blighted structures.

The CED has an enormous responsibility in managing code enforcement issues in Stockton and the Grand Jury finds CED interactions with residents to be reasonable.

FINDINGS

- 1. Citizens can file a complaint with CED in person, via the internet, telephone and fax. The city website features the 'Ask Stockton' link and inquiries can be made there as well (http://user.govoutreach.com/stockton/faq.php). In November 2008, a CED employee was given the responsibility of answering questions from the public, responding to requests from real estate agents and delivering escrow payoff demands.
- 2. When accessing CED's contact information through the City of Stockton website, users must click on three links. The public would be better served if the website featured a direct link on the home page.
- 3. Other California cities, such as Sacramento, have internet information systems that allow the public to search by category, property type, case number or address. Stockton code enforcement representatives agree that such a website feature would save time and money.
- 4. On numerous occasions, CED has not been timely in notifying all parties involved in property sale transactions of the pending code citations. Prior to closing escrow, the escrow agent requests a payoff demand from CED. When CED responds to this request, a code enforcement officer makes a return visit to the property. If any new violations are found, the escrow holder is notified. This has caused delays in closing escrow and subsequent post-transaction problems for new property owners.

- 5. Properties are often purchased with pending code citations and without a lien having been recorded. Citations remain on the property and the code enforcement process continues as if property ownership had not changed. Associated fees for the violations continue to be the responsibility of the original owner and are not assessed to the new owner. However, the new owner remains responsible for correcting the violations.
- 6. The Grand Jury has found that the new owner of the property mentioned in one complaint has not accepted the responsibility to remedy the violations. Reactionary complaints are often generated against CED as a result of fees continuing to accrue when property owners do not comply.
- 7. Stockton is one of only four U.S. cities utilizing the newly-developed Mortgage Electronic Registration System (MERS). Nationwide mortgage holders list foreclosed properties, with 2.2 million registered properties. Stockton code enforcers have access to this registration system. The system is designed to give information on foreclosed properties and to provide users with the name of a contact person.
- 8. The CED is now engaging in outreach efforts, including the proactive publishing and distribution of Q&A brochures to realtors and escrow agents during site specific contacts and scheduled presentations.
- 9. When efforts are being made for compliance, the CED will often allow the property owner an extension of time to complete the required work before assessing fines.
- 10. The CED initiated efforts to equip CEO vehicles with electronic equipment for portable computer access to expedite the transmission of reports to the CED office. Not all vehicles have been modified. When computer access is available, the Grand Jury found some CEOs do not use it.
- 11. Some California cities use Redevelopment Agency Funding (RDA) or other funding methods outside of the General Fund to finance supplemental police services for code enforcement.

RECOMMENDATIONS

- 1. Continue efforts to improve the level of CED outreach to residents through community meetings, improved communication and by making a sincere effort to promote cooperation and fairness in addressing code enforcement violations.
- 2. Expand CED outreach publications to inform buyers of the responsibility to correct existing code violations on the property.
- 3. Develop a multi-disciplinary Graffiti Abatement / Community Anti-Blight Task Force that would combine law enforcement, code enforcement and public works staff into one unit that could be funded with Redevelopment Agency funds.

- 4. Add a search feature to the existing website to allow the public to find an active code enforcement case for a specific address.
- 5. Post a direct link to code enforcement 'contact information' on the home page of the City of Stockton's website.
- 6. Improve CED service to the public by providing timely information to reduce escrow delays and post-transaction concerns for new property owners.
- 7. Enforce CED procedures to initiate recording of property liens as promptly as possible, so parties involved with a property sale become aware early in the course of the transaction.
- 8. Ensure access regulations are followed by CEOs when entering for property inspection.
- 9. Complete the installation of CED hardware for remote computer operations in vehicles not yet equipped.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton City Council shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



The HOUSING AUTHORITY of the COUNTY of SAN JOAQUIN BOARD of COMMISSIONERS

2008/2009 San Joaquin County Grand Jury Case No. 08-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury found significant problems exist within the San Joaquin Housing Authority Board of Commissioners that require immediate action by the San Joaquin County Board of Supervisors.

The workplace atmosphere is one of employee harassment and intimidation, placing the Authority at risk for claims of hostile work environment and other workplace related liability claims. Commissioners failed to deal with issues raised in two audits performed by the Federal Department of Housing and Urban Development (HUD) that identified problems regarding the use of federal funds. Contracts have been executed by Commissioners and staff without the review of counsel as required by federal guidelines.

The Chair of the Board has made racial remarks to employees and in public meetings. A number of Commissioners have abdicated primary responsibility to provide leadership, stewardship and proper oversight of management and staff.

REASON FOR INVESTIGATION

This investigation was prompted by both citizen complaints and Grand Jury interest in looking into Housing Authority operations.

This Grand Jury finds it necessary to bring to the reader's attention that the motivation for this investigation was not due to the fact that Housing Authority management and employees are in labor negotiations. This issue was not considered or investigated.

BACKGROUND

The Housing Authority of the County of San Joaquin was founded in 1942 under the Federal Housing Act of 1937 and the California State Housing Authority Law of 1938. It was established to administer both federal and state affordable housing programs for low-income

residents in all of San Joaquin County. The Authority is governed by a seven-member Board of Commissioners appointed by the County Board of Supervisors. The U. S. Housing and Urban Development Department (HUD) funds 90% of the Authority's operations and California funds only agricultural migrant housing for 5% of the Authority's income, with the balance from other sources.

The Housing Authority owns 1,075 housing units, 288 agricultural migrant housing units and provides a substantial subsidy for 4,781 rental units under the Housing Voucher Program, formerly known as Section 8. The Authority provides housing for some 20,000 residents of San Joaquin County.

METHOD OF INVESTIGATION

The Grand Jury reviewed documents and interviewed persons concerned with the operation of the Housing Authority. Members of the Grand Jury also visited Housing Authority facilities and attended public Housing Authority meetings.

FINDINGS

- 1. The Board of Commissioners failed to comply with recommendations made in two audit reports. These audits are conducted by the Office of Inspector General (OIG), U.S. Department of Housing and Urban Development (HUD) for the purpose of ensuring that the Housing Authority has proper oversight and is held accountable for its spending of taxpayer funds. Section 2.07 of the Housing Authority By-Laws establishes that one responsibility of the Board Commissioners is to ensure, through independent reviews and audits that the Authority operates within the law and according to Housing and Urban Development (HUD) regulations. Several board members were unaware of the results of the recent 2008 Audit Report or the results of a 2004 Audit Report.
- 2. The 2004 OIG Audit Report recommended the termination and restructuring of the contract for legal services on the basis that the Authority disregarded HUD requirements that limit the length of service contracts and omitted required Federal provisions in the attorney's contract as required by Section 4.06.2 of Housing Authority By-Laws.
- 3. The OIG Audit Report stated, "The attorney's failure to effectively perform contracted services and reviews added to the problem of the Authority improperly awarding over \$3.3 million in contracts for goods and services and the resulting unnecessary financial and legal risks."
- 4. Contracts have been authorized and executed by the Commissioners and staff without referral for legal counsel review. The lack of quality legal review puts the Authority at risk of litigation and loss of federal funds.

- 5. The 2008/2009 Chairperson (originally appointed Dec. 15, 1998) has made racial remarks in the presence of Authority employees and in public meetings. This behavior puts the Authority at risk of discrimination lawsuits, and cannot be tolerated. Section 3.0 of the Housing Authority Code of Ethics and Standards of Conduct establishes standards for employee and commissioner conduct that will assure the highest level of public service and it identifies those acts or omissions of acts that could be deemed injurious to the general mission of the Authority. The Chair dismisses the remarks as "colorful language". The Chair's conduct in public forum is unprofessional. There have been outbursts and accusations that hinder the Board's ability to be effective in doing the work of the Authority.
- 6. A Tenant Commissioner (originally appointed May 20, 2006) has a documented history of violations for repeatedly behaving in an abusive manner toward Housing Authority employees and contractors. She is also in violation of Residency Certification regarding income-reporting and criminal-background standards.
- 7. A number of the Commissioners assert that their only responsibility is to "set policy". Section 2.06 of the Housing Authority By-Laws provides that a commissioner's responsibility is setting policies governing operations, and to prevent fraud, abuse, mismanagement and discrimination; to ensure that the authority acts legally and with integrity in its daily operations. The Director is responsible for managing the daily operations of the Authority. The Commissioners have abdicated responsibility to provide leadership, stewardship and proper oversight.
- 8. A Commissioner (originally appointed Mar. 29, 2008) has refused to receive the training offered by the Authority. Training is offered to commissioners in order to give them an understanding of federal regulations, the operations and mission of the Authority.
- 9. The 2003/2004 Grand Jury recommended that the Board of Commissioners adopt and enforce a Code of Ethics for the Housing Authority. Section 7.0 of the Housing Authority Code of Ethics and Standards of Conduct states, "There shall be established an Ethics Review Committee of the Authority of the County of San Joaquin. The purpose of the Committee shall be to review and render decisions on any matters involving ethical conduct, or breach of ethical conduct, by employees, vendors, or commissioners." However, a Code of Ethics was not adopted until 2006. This document provided for an Ethics Review Committee to be established within 90 days. An Ethics Review Committee was not established until April 2009.
- 10. In 2007, the Commissioners eliminated the position of deputy director. In 2008, the Executive Director resigned from the Authority. Since there was no Deputy Director to fill the void, the employees did not have effective leadership during the past year.
- 11. The Grand Jury found the Board of Commissioners inadequate in dealing with and in understanding its full responsibility and stewardship.

- 12. The Housing Authority attorney's actions on notices of tenant eviction often result in a stipulated settlement agreement in lieu of court-ordered eviction of non-compliant tenants. The Grand Jury understands the effectiveness of stipulated settlements when used appropriately. However, evicting non-compliant tenants will provide housing for more deserving families.
- 13. Although the Housing Authority has an employee Grievance Procedure in place, grievances are not handled in a timely manner and are often ignored when filed.
- 14. In 2008 the Authority received a favorable Public Housing Assessment (PHA) score on the physical condition of its properties.

RECOMMENDATIONS

- 1. The San Joaquin County Board of Supervisors remove the 2008/2009 Commission Chair (originally appointed Dec. 15, 1998) from the Housing Authority Board of Commissioners pursuant to statute of Housing Authorities Law (California Health & Safety Code, §34282): "For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governing body of the county in the case of a county authority."
- 2. The San Joaquin County Board of Supervisors remove the Tenant Commissioner (originally appointed May 20, 2006) from the Housing Authority Board of Commissioners pursuant to statute of Housing Authorities Law (California Health & Safety Code, §34282): "For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governing body of the county in the case of a county authority."
- 3. The San Joaquin County Board of Supervisors, in consultation with the Housing Authority Director, implement a comprehensive application and interview process in order to make more suitable appointments to the Board of Commissioners.
- 4. The Board of Commissioners adopt a bylaw which requires all commissioners, within 90 days of appointment, to attend specialized training to enhance their understanding of federal rules and the Housing Authority operations.
- 5. The Board of Commissioners require the Executive Director to provide copies of all audit reports to all Commissioners and be prepared to fully discuss them at public meetings.
- 6. The Board of Commissioners seek legal counsel's advice prior to finalizing binding documents that fall under the purview of federal guidelines.
- 7. The Executive Director and Legal Counsel assist the Commissioners with ongoing training. Due to the nature and ever-changing scope of the Housing Authority, mandatory training will strengthen the Board's understanding of its responsibility for the entire operation.

- 8. The Board of Commissioners involve the recently appointed Ethics Review Committee to deal with complaints on a regular basis, pursuant to Section 7.0 of the Code of Ethics and Standards of Conduct.
- 9. The Executive Director enforce compliance with the existing employee Grievance Procedure, closely monitor the resolution process and report to the Board of Commissioners.
- 10. The Executive Director encourage employees to come forward with personnel matters or complaints.
- 11. The Executive Director of the Authority submit a monthly activity summary report to the San Joaquin County Board of Supervisors.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The San Joaquin County Board of Supervisors shall report on all Findings and Recommendations, where applicable, to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

The Housing Authority Board of Commissioners shall report on all Findings and Recommendations, where applicable, to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



SAN JOAOUIN COUNTY HUMAN RESOURCES DEPARTMENT

Hiring Practices and Employee Performance Evaluation 2008/2009 San Joaquin County Grand Jury Case No. 09-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury found that a significant number of county employees are not receiving timely performance evaluations. In accordance with County policy, Department Heads are responsible for the completion of performance reviews, under the supervision of the Director of Human Resources.

The Grand Jury reviewed citizen complaints in relation to county employment. Among the allegations against the Director of Human Resources are: the improper hiring of a three-time convicted felon as a civil service employee; policies are being manipulated and unfairly applied. The allegation that yearly performance evaluation reports are not being prepared for civil service and exempt-position employees was found to have merit.

REASON FOR INVESTIGATION

This Grand Jury received citizen complaints alleging a three-time convicted felon was hired as a civil service employee. Yearly performance reports are not being prepared; and policies and procedures regarding outside employment are being manipulated and unfairly applied by the Human Resources Director.

BACKGROUND

The County Administrator and 26 Department Heads are responsible for over 6,000 employees who provide services to San Joaquin County's 650,000 residents. Civil Service Rules and Regulations are adopted by the Civil Service Commission and approved by the Board of Supervisors.

The Director of Human Resources is responsible for the hiring process and enforcement of periodic employee performance evaluation reviews.

Classified Service defines all positions in the county service that are not specifically excluded in Section 4 of the Civil Service Ordinance. **Exempt Position** defines a position not included in the Classified Service.¹

In any examination for employment, the Director may make special inquiries into past records of all applicants and any other investigations as deemed necessary. Any person whose record or reputation, *which in the judgment of the Director so warrants*, shall be disqualified from taking such examination. The Director may refuse to examine or after examination refuse to certify as eligible or may remove from the eligibility list any person who has been convicted of a felony.²

As outlined in The County Work Rules, employees shall not conduct personal business on county time. *The County may limit an employee's employment in other jobs* if (a) the outside employment interferes with the performance of the employee's county job, OR (b) there is a conflict of interest as specified in Government Code 1126. Employees have an obligation to inform their department heads (or designee) of outside employment so the above determinations can be made. ³ A written copy of policies and procedures is presented to new employees at a 4-hour orientation session to familiarize them with county employment requirements.

METHOD OF INVESTIGATION

The Grand Jury examined relevant documentation, interviewed witnesses and reviewed general policies of other governmental agencies and private companies.

CONCLUSIONS

Human Resources best practices suggest that employees receive performance evaluations once per year.

Evaluations should be completed annually whether a step increase is available or not. The formal evaluation interview is of great importance since it focuses on employee performance and future potential with the County.

One aspect of performance evaluation is providing employees with performance feedback. Such feedback should reinforce the link between employee performance and employer expectations. It encourages supervisors to clearly set and communicate expectations for every position, gather data, and communicate how well employees are meeting expectations on an ongoing basis.

An ideal performance evaluation system would provide a key means of communicating how employees are successfully achieving the organization's goals. Evaluations should reflect an employee's contributions and performance. They may also identify areas for

-

¹ San Joaquin County Civil Service Rules and Regulations

² San Joaquin County Civil Service Rules and Regulations

³ San Joaquin County Work Rules

improvement. Key judgments for professional development should result from the evaluation.

There may be no mechanism to gather all important information in any system of performance evaluation. One must consider the benefits of an effective system and the consequences of an ineffective system. Creating a system that addresses the needs and expectations of most employees is worth doing.

FINDINGS

- 1. Procedures were followed in the hiring of a convicted felon. According to San Joaquin County Work Rules, The Director of Human Resources, by policy, has discretionary authority to determine if an individual's criminal background would disqualify them from County employment.
- 2. Hiring policies were not manipulated, nor were they unfairly applied. Employment guidelines are presented to new employees during training and orientation. The complainant was aware of policies regarding outside employment at the time they were hired.
- 3. A number of department heads and supervisors are not complying with Civil Service Rule 13 as outlined in the San Joaquin County Employee Performance Guidelines. Rule 13 mandates employee performance evaluations be completed at least annually for permanent Classified Service employees.
- 4. San Joaquin County Employee Performance Guidelines lack mandates for performance evaluations for Exempt-Position employees.
- 5. The Human Resources Department is in the process of implementing software enhancements to record dates and status of all employee performance reviews.
- 6. The County Human Resources software currently lacks the capacity for tracking compliance of performance evaluations.

RECOMMENDATIONS

- 1. Enforce annual performance evaluation review policy for all Classified Service position county employees, and by all County departments, as outlined in the San Joaquin County Employee Performance Guidelines, Civil Service Rule 13.
- 2. The Director of Human Resources monitor and strictly enforce compliance of the employee performance review policy by utilizing the enhanced features of the Human Resources software.

- 3. The current San Joaquin County Performance Report Form be revised to provide comprehensive assessments of goals met; indicators of current performance; and to establish objectives for the forthcoming review period.
- 4. San Joaquin County employee performance guidelines be amended to include annual performance evaluation reviews for all Exempt-Position employees.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The San Joaquin County Board of Supervisors shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



LODI UNIFIED SCHOOL DISTRICT Student Truancy Report

2008/2009 San Joaquin County Grand Jury Case No. 11-08A

SUMMARY

Contradictory reports on student truancy rates were submitted to state agencies by Lodi Unified School District for the fiscal year 2007-2008. The district reported a Truancy Rate of 40% to the California Department of Education (CDE), while reporting a Truancy Rate of 21% to the State Controller's Office (SCO).

REASON FOR INVESTIGATION

The 2008/2009 San Joaquin County Grand Jury became aware of inconsistent Truancy Rate reports that were submitted to two separate State agencies by Lodi Unified School District. The Grand Jury sent a letter to the district with a request for clarification of the differentials contained in the truancy reports, to which the district responded.

METHOD OF INVESTIGATION

Review of report documentation Contact with school district officials

BACKGROUND

Lodi Unified School District (LUSD) serves a large community in the heart of California's Central Valley, serving approximately 30,000 students at 49 school sites.

State of California Truancy

California Education Code 48260 (a) defines a *truant* as any pupil who is absent from school without valid excuse more than three (3) days in one school year or is tardy or absent for more than any thirty (30) minute period during the school day without valid excuse on three occasions in one school year, or any combination thereof. Education Code 48260.5 requires school districts, upon a pupil's initial classification as a truant, to notify parents or guardians by first-class mail or other reasonable means of their child's truancy.

Any school district (K-12) or county office of education that incurs increased costs as a result of this mandate is eligible to claim reimbursement of these costs. In accordance with Government Code Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of state mandated cost programs.

Eligible districts will be reimbursed on a unit cost basis for an *initial* notice of truancy to the parents or guardian regarding their child. The unit cost rate set by the State for fiscal year 2007-2008 was \$17.28 per initial notification.

Claims for the cost of the initial notification to parents must be made to the SCO and they must be filed timely. The figures given in the following reports (see Findings) refer to the *initial* notifications.

Habitual Truancy

School districts are required to classify a pupil as a *habitual truant* upon the pupil's fourth truancy within the same school year. Section 48262 of the Education Code defines a habitual truant and states that no pupil shall be deemed a habitual truant, unless school districts make a conscientious effort to hold at least one conference with the pupil's parent or guardian and the pupil.

The cost of labor, supplies, and services incurred for *this* mandate is reimbursable when a review of the school records are made to verify that the pupil has been reported as a truant at least three times during the same school year, when the school district has made a conscientious effort to schedule a conference with the pupil's parent or guardian and, when the pupil has been classified as a habitual truant whether or not the effort resulted in a conference.

Only actual costs may be claimed. They 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.

After submission and review, the claim is subject to audit by State Controller's Office (SCO). On-site audits will be conducted as deemed necessary and all documentation to support actual costs claimed shall be made available to the SCO on request. The SCO may audit to obtain reasonable assurance concerning the eligibility of expenditures claimed for reimbursement.

On July 17, 2007 the California State Controller's Office (SCO) submitted a letter to California school districts which referred to the recent passage of California Assembly Bill 1698 "Fixing the Truancy Mandate". In this letter, the Controller said, "AB 1698 will ensure that all schools who notify parents when three unexcused absences accrue are appropriately reimbursed for their efforts."

School districts are not required to report truancy records to the State Controller unless the district is filing a claim for reimbursement of costs.

CONCLUSION

Truancy Rates

Truancy reporting, as defined, is a moving target and schools vary widely in applying the law, especially as it relates to tardiness and period absences. The truancy rate, like the drop-out rate, compels schools and districts to make negative reports on themselves.

Truancy prevention starts with an effective school board policy on attendance supervision and a process for investigating school attendance problems. The vigilant supervision is vital to the learning and achievement of children on the margins of the educational system.

<u>Inaccurate Reporting of Truancy</u>

According to a California Department of Education (CDE) report, "Most school districts are now funded based on their attendance, excused or not. But truancy is poorly policed in many regions where schools fail to track it accurately. Districts report the data themselves and we do not audit the information."

High truancy rates can be embarrassing to a school district. *Average Daily Attendance* money (the funds doled out by the SCO for each child who attends class) is generally 80% of a district's revenue. Reporting a lower rate to the CDE than what is reported to the SCO could mean the district wants the money, but they don't want to look bad when the community views the public information.

As the State School Attendance Review Board (SARB) Chair, David Kopperud has stated, "I think the issue of the truancy rate is crucial to the mission of the SARB. Until the truancy rate and dropout rate are accurate measures, we cannot expect policymakers to take the matter seriously."

Truancy rates must be clearly and accurately defined. Truancy has been identified as one of the early warning signs of students headed for potential delinquent activity, social isolation or educational failure. Therefore, it is important for a school district to be forthcoming and accurate in the reporting of truancy.

FINDINGS

1. Lodi Unified School District (LUSD) submitted the following truancy report to the California Department of Education (CDE) for fiscal year 2007-2008:

Truancy rate	40%
Truancy notifications	12,654
Student enrollment	31,611

The district submitted a Truancy Rate of 40% to the California Department of Education. Those interested in truancy levels for school districts rely on this information, as it is posted on the CDE website.

2. Lodi Unified School District (LUSD) submitted the following truancy report to the State Controller's Office (SCO) for the fiscal year 2007-2008:

Student enrollment	31,611
Truancy notifications	6,624
Truancy rate	21%

Initial notices of truancy reported to the State Controller's Office are reimbursable under state mandated cost programs. LUSD reported a Truancy Rate of 21% to the SCO, which resulted in a potential claim of \$114,462 for State funds.

3. The accurate truancy numbers, prepared by the Child Welfare and Attendance Advisors (CWA) for each school, were not accessed by the Educational Support Services (ESS) staff in time for inclusion in the Consolidated Application Part I in June 2008. Therefore a clerical error made in the ESS office resulted in an inaccurate truancy rate reported on the Consolidated Application.

RECOMMENDATIONS

- 1. Lodi Unified School District to correct the inaccurate truancy reports made for the 2007-2008 fiscal year.
- 2. Lodi Unified School District work with its Technology Department reorganize the manner of reporting truancy information.
- 3. Lodi Unified School District accurately report truancy data to state agencies and to the public.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Lodi Unified School District Board of Trustees shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



STOCKTON UNIFIED SCHOOL DISTRICT Student Truancy Report

2008/2009 San Joaquin County Grand Jury Case No. 11-08B

SUMMARY

Contradictory reports on student truancy rates were submitted to state agencies by Stockton Unified School District for the fiscal year 2007-2008. The district reported a Truancy Rate of 11.8% to the California Department of Education (CDE), while reporting a Truancy Rate of 49% to the State Controller's Office (SCO).

REASON FOR INVESTIGATION

The 2008/2009 San Joaquin County Grand Jury became aware of inconsistent Truancy Rate reports that were submitted to two separate State agencies by Stockton Unified School District. The Grand Jury sent a letter to the district with a request for clarification of the differentials contained in the truancy reports, to which the district responded.

METHOD OF INVESTIGATION

Review of report documentation Contact with school district officials

BACKGROUND

Stockton Unified School District (SUSD) serves a large urban community in the heart of California's Central Valley. The district is the 18th largest in California, serving over 38,000 students at 52 schools.

State of California Truancy

California Education Code 48260 (a) defines a *truant* as any pupil who is absent from school without valid excuse more than three (3) days in one school year or is tardy or absent for more than any thirty (30) minute period during the school day without valid excuse on three occasions in one school year, or any combination thereof. Education Code 48260.5 requires school

districts, upon a pupil's initial classification as a truant, to notify parents or guardians by first-class mail or other reasonable means of their child's truancy.

Any school district (K-12) or county office of education that incurs increased costs as a result of this mandate is eligible to claim reimbursement of these costs. In accordance with Government Code Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of state mandated cost programs.

Eligible districts will be reimbursed on a unit cost basis for an *initial* notice of truancy to the parents or guardian regarding their child. The unit cost rate set by the State for fiscal year 2007-2008 was \$17.28 per initial notification. Claims for the cost of the initial notification to parents must be made to the SCO and they must be filed timely. The figures given in the following reports (see Findings) refer to the *initial* notifications.

Habitual Truancy

School districts are required to classify a pupil as a *habitual truant* upon the pupil's fourth truancy within the same school year. Section 48262 of the Education Code defines a habitual truant and states that no pupil shall be deemed a habitual truant, unless school districts make a conscientious effort to hold at least one conference with the pupil's parent or guardian and the pupil.

The cost of labor, supplies, and services incurred for *this* mandate is reimbursable when a review of the school records are made to verify that the pupil has been reported as a truant at least three times during the same school year, when the school district has made a conscientious effort to schedule a conference with the pupil's parent or guardian and, when the pupil has been classified as a habitual truant whether or not the effort resulted in a conference.

Only actual costs may be claimed. They 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.

After submission and review, the claim is subject to audit by the State Controller's Office (SCO). On-site audits will be conducted as deemed necessary and all documentation to support actual costs claimed shall be made available to the SCO on request. The SCO may audit to obtain reasonable assurance concerning the eligibility of expenditures claimed for reimbursement.

On July 17, 2007 the California State Controller's Office (SCO) submitted a letter to California school districts which referred to the recent passage of California Assembly Bill 1698 "Fixing the Truancy Mandate". In this letter, the Controller said, "AB 1698 will ensure that all schools who notify parents when three unexcused absences accrue are appropriately reimbursed for their efforts."

School districts are not required to report truancy records to the State Controller unless the district is filing a claim for reimbursement of costs.

CONCLUSION

Truancy Rates

Truancy reporting as defined is a moving target and schools vary widely in applying the law, especially as it relates to tardiness and period absences. The truancy rate, like the drop-out rate, compels schools and districts to make negative reports on themselves.

Truancy prevention starts with an effective school board policy on attendance supervision and a process for investigating school attendance problems. The vigilant supervision is vital to the learning and achievement of children on the margins of the educational system.

Inaccurate Reporting of Truancy

According to a California Department of Education (CDE) report, "Most school districts are now funded based on their attendance, excused or not. But truancy is poorly policed in many regions where schools fail to track it accurately. Districts report the data themselves and we do not audit the information."

High truancy rates can be embarrassing to a school district. *Average Daily Attendance* money (the funds doled out by the SCO for each child who attends class) is generally 80% of a district's revenue. Reporting a lower rate to the CDE than what is reported to the SCO could mean the district wants the money, but they don't want to look bad when the community views the public information.

As the State School Attendance Review Board (SARB) Chair, David Kopperud has stated, "I think the issue of the truancy rate is crucial to the mission of the SARB. Until the truancy rate and dropout rate are accurate measures, we cannot expect policymakers to take the matter seriously."

Truancy rates must be clearly and accurately defined. Truancy has been identified as one of the early warning signs of students headed for potential delinquent activity, social isolation or educational failure. Therefore, it is important for a school district to be forthcoming and accurate in the reporting of truancy.

FINDINGS

1. Stockton Unified School District (SUSD) submitted the following truancy report to the California Department of Education (CDE) for fiscal year 2007-2008:

Truancy rate	11.8%
Truancy notifications	4,521
Student enrollment	38,322

The District submitted a Truancy Rate of 11.8% to the California Department of Education. Those interested in truancy levels for school districts rely on this information, as it is posted on the CDE website.

2. Stockton Unified School District (SUSD) submitted the following truancy report to the State Controller's Office (SCO) for the fiscal year 2007-2008:

Truancy rate	49%
Truancy notifications	18,909
Student enrollment	38,322

Initial notices of truancy reported to the State Controller's Office are reimbursable under state mandated cost programs. SUSD reported a Truancy Rate of 49% to the SCO, which resulted in a claim of \$326,747 for State funds.

3. The data for the report to CDE came from the Information Services Department truancy letter database. After a review of the Consolidated Application, it was evident the number of initial truancy notifications reported to the CDE was incorrectly reported by SUSD.

RECOMMENDATIONS

- 1. Stockton Unified School District to correct the inaccurate reports made for the 2007-2008 fiscal year.
- 2. Stockton Unified School District to accurately report truancy data to state agencies and the public.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton Unified School District Board of Trustees shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.

- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.

San Joaquin County Grand Jury



TRACY UNIFIED SCHOOL DISTRICT Student Truancy Report 2008/2009 San Joaquin County Grand Jury Case No. 11-08C

SUMMARY

Contradictory reports on student truancy rates were submitted to state agencies by Tracy Unified School District for the fiscal year 2007-2008. The district reported a Truancy Rate of 22.73% to the California Department of Education (CDE), while reporting a Truancy Rate of 11% to the State Controller's Office (SCO).

REASON FOR INVESTIGATION

The 2008/2009 San Joaquin County Grand Jury became aware of inconsistent Truancy Rate reports that were submitted to two separate State agencies by Tracy Unified School District. The Grand Jury sent a letter to the district with a request for clarification of the differentials contained in the truancy reports, to which the district responded.

METHOD OF INVESTIGATION

Review of report documentation Contact with school district officials

BACKGROUND

Tracy Unified School District (TUSD) serves a large community in the heart of California's Central Valley, serving over 17,000 students at 17 schools.

State of California Truancy

California Education Code 48260 (a) defines a *truant* as any pupil who is absent from school without valid excuse more than three (3) days in one school year or is tardy or absent for more than any thirty (30) minute period during the school day without valid excuse on three occasions in one school year, or any combination thereof. Education Code 48260.5 requires school districts, upon a pupil's initial classification as a truant, to notify parents or guardians by first-class mail or other reasonable means of their child's truancy.

Any school district (K-12) or county office of education that incurs increased costs as a result of this mandate is eligible to claim reimbursement of these costs. In accordance with Government Code Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of state mandated cost programs.

Eligible districts will be reimbursed on a unit cost basis for an *initial* notice of truancy to the parents or guardian regarding their child. The unit cost rate set by the State for fiscal year 2007-2008 was \$17.28 per initial notification.

Claims for the cost of the initial notification to parents must be made to the SCO and they must be filed in a timely manner. The figures given in the following reports (see Findings) refer to the *initial* notifications.

Habitual Truancy

School districts are required to classify a pupil as a *habitual truant* upon the pupil's fourth truancy within the same school year. Section 48262 of the Education Code defines a habitual truant and states that no pupil shall be deemed a habitual truant, unless school districts make a conscientious effort to hold at least one conference with the pupil's parent or guardian and the pupil.

The cost of labor, supplies, and services incurred for *this* mandate is reimbursable when a review of the school records are made to verify that the pupil has been reported as a truant at least three times during the same school year, when the school district has made a conscientious effort to schedule a conference with the pupil's parent or guardian and, when the pupil has been classified as a habitual truant whether or not the effort resulted in a conference.

Only actual costs may be claimed. They 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.

After submission and review, the claim is subject to audit by the State Controller's Office (SCO). On-site audits will be conducted as deemed necessary and all documentation to support actual costs claimed shall be made available to the SCO on request. The SCO may audit to obtain reasonable assurance concerning the eligibility of expenditures claimed for reimbursement.

On July 17, 2007 the California State Controller's Office (SC0) submitted a letter to California school districts which referred to the recent passage of California Assembly Bill 1698 "Fixing the Truancy Mandate". In this letter, the Controller said, "AB 1698 will ensure that all schools who notify parents when three unexcused absences accrue are appropriately reimbursed for their efforts."

School districts are not required to report truancy records to the State Controller unless the district is filing a claim for reimbursement of costs.

CONCLUSION

Truancy Rates

Truancy reporting, as defined, is a moving target and schools vary widely in applying the law, especially as it relates to tardiness and period absences. The truancy rate, like the drop-out rate, compels schools and districts to make negative reports on themselves.

Truancy prevention starts with an effective school board policy on attendance supervision and a process for investigating school attendance problems. Vigilant supervision is vital to the learning and achievement of children on the margins of the educational system.

Inaccurate Reporting of Truancy

According to a California Department of Education (CDE) report, "Most school districts are now funded based on their attendance, excused or not. But truancy is poorly policed in many regions where schools fail to track it accurately. Districts report the data themselves and we do not audit the information."

High truancy rates can be embarrassing to a school district. *Average Daily Attendance* money (the funds doled out by the SCO for each child who attends class) is generally 80% of a district's revenue. Reporting a lower rate to the CDE than what is reported to the SCO could mean the district wants the money, but they don't want to look bad when the community views the public information.

As the State School Attendance Review Board (SARB) Chair, David Kopperud has stated, "I think the issue of the truancy rate is crucial to the mission of the SARB. Until the truancy rate and dropout rate are accurate measures, we cannot expect policymakers to take the matter seriously."

Truancy rates must be clearly and accurately defined. Truancy has been identified as one of the early warning signs of students headed for potential delinquent activity, social isolation or educational failure. Therefore, it is important for a school district to be forthcoming and accurate in the reporting of truancy.

FINDINGS

1. Tracy Unified School District (TUSD) submitted the following truancy report to the California Department of Education (CDE) for fiscal year 2007-2008:

Truancy rate	22.73%
Truancy notifications	3,918
Student enrollment	17,235

The district submitted a Truancy Rate of 22.73% to the California Department of Education. Those interested in truancy levels for school districts rely on this information, as it is posted on the CDE website.

2. Tracy Unified School District (TUSD) submitted the following truancy report to the State Controller's Office (SCO) for the fiscal year 2007-2008:

Student enrollment	17,235
Truancy notifications	1,922
Truancy rate	11%

Initial notices of truancy reported to the State Controller's Office are reimbursable under state mandated cost programs. TUSD reported a Truancy Rate of 11% to the SCO, which resulted in a potential claim of \$33,212 for State funds.

3. The truancy numbers that were submitted were compiled by attendance clerks from each school that reported. The numbers were given to Clear Vue, an outside consultant, for subsequent reporting to the state agencies.

Nine of the district's schools submitted truancy numbers to the consultant and eight schools did not. Therefore, truancy information from the eight schools never reached state agencies. This confusion and lack of oversight led to under-reporting to both the CDE and the SCO.

RECOMMENDATIONS

- 1. Tracy Unified School District to correct the inaccurate truancy reports made for the 2007-2008 fiscal year.
- 2. Tracy Unified School District Department of Student Services reorganize the manner of reporting truancy information.
- 3. Tracy Unified School District accurately report truancy data to state agencies and to the public.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Tracy Unified School District Board of Trustees shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.



Speakers

Housing Authority of San Joaquin County Clifford Hatanaka, Interim Director

San Joaquin County Human Services Agency Joseph E. Chelli, Director

San Joaquin County Public Works
Thomas R. Flinn, Director

San Joaquin County Revenue and Recovery Linn Smith, Chief Deputy

Veterans Services
Ronald L. Green, Veterans Service Officer

San Joaquin County Mosquito and Vector Control Agency John R. Stroh, Manager

San Joaquin County Office of Emergency Services Ronald Baldwin, Director of Emergency Operations

San Joaquin County Office of Education Frederick A. Wentworth, Ed.D Superintendent of Schools

Health Plan of San Joaquin John Hackworth, CEO



Site Tours

Stockton Police Department

Deuel Vocational Institution

San Joaquin County Migrant Housing (Harney, Mathews, Farmington)

San Joaquin County Jail and Sheriff's Office

Port of Stockton

Sheriff's Court Services – Stockton Courthouse

N.A. Chaderjian and O.H. Close Youth Correctional Facilities

San Joaquin County Juvenile Probation

San Joaquin County Office of Emergency Services

San Joaquin General Hospital

Mary Graham Children's Shelter

Stockton Fire Department