

WHAT WE DON'T KNOW COULD HURT US

The Need For A Whistleblower Program In Sonoma County

SUMMARY

Whistleblower Tip Nets IRS \$20 Million¹
Glaxco Smith Kline Pays \$750 Million²
Tenet Healthcare Pays \$62,550,000³
\$6.89 Billion Returned to the U.S. Treasury⁴

It's no secret that waste, fraud and abuse exist, as evidenced in the recent news exposés listed above. All of the recovered money listed above was the result of whistleblowers coming forward to expose the waste, fraud or abuse in companies and/or government entities. A whistleblower is a person who exposes wrongdoing about an employer, business or government entity to the public, or to those in the organizations who are in a position of authority and who can affect change. "Whistleblowing" is an activity that requires the utmost confidentiality and trust. Absent the confidentiality and trust that the information will be well handled, whistleblowing will not occur and important information needed to effectively confront waste, fraud and abuse will not be available. In these cases, we can expect that what we don't know could hurt us as citizens and taxpayers.

Getting whistleblower information is also a matter of convenience and accuracy. That is, the ability to make a report at the right moment and having the ability to convey verbal or written information accurately and efficiently. The State of California offers a central whistleblower hotline, which requires public employers to publicize hotline contact information and also prohibits workplace retaliation. However, using the state system, the calling party is likely to be redirected to one or more local agencies where the complainants must repeatedly make their case and where confidentiality can be lost.

Many public entities in California have created their own whistleblower programs as a way to provide greater availability, responsiveness and anonymity for employees and citizens who make complaints within each county. We believe that the public entities in Sonoma County would be well served by implementing a single, central, local program.

This Grand Jury report is concerned with improving the mechanisms for receiving and dealing with complaints from employees or citizens about fraud, waste or abuse of authority against any regularly constituted district, council, board, commission or agency that provides services to the citizens of Sonoma County and is funded through locally collected fees, special assessments or taxes.

The Grand Jury recommends that all governmental units within Sonoma County cooperatively institute and publicize one inclusive whistleblower program that would provide an anonymous hotline, an annual reporting system and the assurance that consideration of the complaint will result from a single phone call. Absent such a program, there are many possibilities for either suppressing critical information and/or for career-altering retaliation against a whistleblower.

¹www.usatoday.com (04-08-11)

²www.nytimes.com (10-26-10)

³www.hirst-chanler.com/10.html

⁴www.phillipsandcohen.com

BACKGROUND

California Government Code section 8547 et. seq. and Labor Code section 1102.5 establish whistleblower legislation that protects employees who complain against their employers. Section 8547 et. seq., known as the California Whistleblower Protection Act, provides that “state employees should be free to report waste, fraud, abuse of authority, violation of law, or threat to public health without fear of retribution.” Section 1102.5 provides that “no employer shall retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or violation or noncompliance with a state or federal regulation.”

During its investigation, the Grand Jury called the state hotline number to determine how complaints are received and handled. Employees of organizations other than state agencies can phone in or email their complaint to the State Attorney General’s office, while complaints related to state agencies are directed to the State Auditor/Controller’s whistleblower hotline. In either case, the receiving office attempts to understand the nature of the complaint and then directs the individual to the appropriate agency at the state or local level. The complaining individual subsequently must contact another office to get the complaint heard. It is likely that this complicated process deters people with valid complaints from following through with contacting more than one agency. Also, individuals who have complaints about a county or city employee may view the state’s hotline as too far removed from the city or county, thereby decreasing the chances that their complaints will be acted upon. Therefore a single, countywide hotline would address this issue.

If one of several available commercial hotline services were used, accessibility would be extended to “24/7/365,” and information captured would be complete and accurate because the caller would speak with a trained person (not an answering machine). Multiple (40+) languages would be accommodated, anonymity would be assured and costs (est. less than \$15,000/yr⁵) would be far less than attempting to staff one or more similar functions locally.

INVESTIGATIVE APPROACH

The Grand Jury gathered information on whistleblower legislation in the State of California. In addition, each of California’s 58 counties was contacted to determine its whistleblower approach. As detailed below, at least 11 counties have instituted their own whistleblower programs. Administrators and elected officials in Sonoma County were interviewed to gather historical perspectives and current thinking regarding a county-based whistleblower program. The Grand Jury researched available commercial ethics hotline companies and their case management programs.

DISCUSSION

A locally administered, independent and confidential whistleblower program for all of Sonoma County would provide governmental employees, elected board members and citizens the assurance that allegations of fraud, waste or abuse of authority can be anonymously reported and resolved without the threat of retaliation. Two options were considered by the Grand Jury.

The first option is the County Auditor/Controller’s office could administer a central whistleblower program and that any governmental units within Sonoma County could agree to participate/cooperate. The County Auditor/

⁵Based on a written quote from a national company.

Controller's office currently has an employee complaint evaluation system through its "Inappropriate Actions Committee," which could be expanded into a full-fledged whistleblower program. The complexity would come in getting voluntary participation from other governmental units operating within county borders. There are numerous examples of similar programs at the county or even city level around the state, but these generally do not reach across governmental boundaries. A SINGLE, CENTRAL reporting location in Sonoma County would greatly enhance the assurance of impartiality, confidentiality and citizen accountability.

The second option is for Sonoma County's Civil Grand Jury to administer the whistleblower program. The Civil Grand Jury is citizen-based, judicially supervised and empowered with special access and confidentiality. Although these are powerful advantages, the Grand Jury also has significant limitations in terms of investigative resources and the required annual turnover of membership. Nevertheless, the Grand Jury, as the central collection point in a countywide whistleblower program, could provide an umbrella that comfortably covers all governmental units and offers a high level of confidentiality and trust for the employees and citizens. In addition, the Grand Jury could give assurance that complaints are not forgotten by using a summary in regular annual reports to the general public.

Regardless of the option chosen, legal guidance would be needed as to whether issues may have criminal content. Credible reports, or complaints, would be referred to appropriate levels of government, with the understanding that status reports would be required and that a central open file would be maintained, pending final resolution.

The role of the central administrator for a whistleblower program would be to provide an additional layer of security and confidentiality and to extend the program's reach to include any governmental unit within the county. The Grand Jury may be better suited for this role because it already has a mandate for governmental oversight, and it has established investigative powers, including the ability to use subpoena to gain access to officials and records.

Our investigation revealed that the following counties have instituted their own local whistleblower programs: Alameda, Los Angeles, Orange, Sacramento, San Bernardino, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Stanislaus. A list of the websites for these programs is provided in Appendix 1.

The Grand Jury found that many of the counties had hotlines available 24 hours, 7 days a week. Others had lines available only during business hours. Variations were in the administration of the programs and whether or not they were inclusive on a regional basis. The Auditor-Controller's Internal Audit Division was a strong choice to investigate claims, as were the County Administrative Officer and County Counsel. Most California counties do not have whistleblower programs in place. Complaints are received by Human Resources and referred to the corresponding departments.

The number of complaints received by these local programs seemed to vary with population. One county had only 20 complaints in a year, while a large population county reported having 600+ pending complaints. If we assume that these numbers are typical, then a Sonoma County program might expect to receive about 50+ complaints per year. All of the local programs included provisions for annual reports listing the number of complaints received, how many were investigated and the results of the investigations.

Although better than simply relying on the State Whistleblower Hotline, most of these programs target county employees and are limited to complaints about county government. As a result, citizens, municipalities, school districts and other special districts are still not well served. Therefore, we recommend that a Sonoma County Whistleblower program include all cities, districts and agencies operating within the county. A list of the Sonoma County cities, districts and agencies, not affiliated with county government, is provided in Appendix 2. There are 110!

At first, the mechanics and complexity of such a system appear overwhelming in terms of 24-hour access and the need for professional staff. However, our investigation has shown that these services are readily available by independent companies at a modest cost. These specialized companies provide a centralized service and have established track records with a variety of business and government clients. We believe that selecting one of these specialized service companies would enable an administrator to effectively implement the investigation, or referral, of all complaints and to track and report the results, using specialized software available through the company program.

FINDINGS

- F1. Sonoma County offices follow state law by posting the State Attorney General's hotline number on employee bulletin boards.
- F2. Many of the larger counties and several cities in California have created their own whistleblower programs. Most are provided only for their own employees.
- F3. There is no central administrator in Sonoma County to report evidence of waste, fraud and abuse among the multitude of local governmental organizations and to ensure that a fair and confidential investigation takes place.
- F4. The cost to implement a whistleblower program applicable to all governmental units in Sonoma County would be modest and initially focused on publicizing contact information and educating employees and citizens about its availability.

RECOMMENDATIONS

- R1. Every governmental unit: county, city, school board or special district should encourage employees and citizens alike to report suspected waste, fraud or abuse issues to a central county reporting location. This local whistleblower hotline should be administered by the Civil Grand Jury or the Auditor-Controller's office to provide anonymity and assurance that investigations will be thorough and impartial for any government entity in Sonoma County. Why would the Grand Jury want the County of Sonoma to provide this service and include cities and other government entities? We suggest this for the greater good of the citizens!
- R2. When a Sonoma County central whistleblower program and administrator is established, every governmental unit should provide clear, easily accessible information about the program and 24- hour hotline on their websites, in their employee training and as a notice on employee bulletin boards.
- R3. The county budget for 2011/2012 and forward, include the cost of a commercial whistleblower hotline service (est. less than \$15,000/ yr), either as part of the operating budget of the Civil Grand Jury or the office of the Auditor / Controller.
- R4. The designated office for Sonoma County should provide an annual report to the public on the whistleblower program including such information as the total number of whistleblower complaints received, the number of complaints that were formally investigated, and the dollar value (if applicable) that was recovered.

REQUIRED RESPONSES TO RECOMMENDATIONS AND THE QUESTIONS IN APPENDIX 3

From the following County officials:

- Chief Administrative Officer
- Auditor/Controller

From the following governing bodies:

- Board of Supervisors
- City Councils as listed in Appendix 2

REQUESTED RESPONSES TO RECOMMENDATIONS IN APPENDIX 3

From the following governing bodies:

School Districts Boards of Directors as listed on Appendix 2

Boards of Directors for special districts and agencies listed in Appendix 2

APPENDIX 1

List of whistleblower websites for California counties:

<http://sfcontroller.org/index.aspx?page=31>

<http://www.ocgov.com/ocgov/Internal%20Audit/OC%20Fraud%20Hotline>

<http://www.lacountyfraud.org/>

<http://www.finance.saccounty.net/Auditor/AuditFraudHotline.asp>

<http://www.sbcounty.gov/acr/hotline.htm>

<http://www.co.sanmateo.ca.us/portal/site/controller/menuitem.1f860392596ef25b74452b31d17332a0/?vgnextoid=2b5a0f68ed180210VgnVCM1000001d37230aRCRD&vgnnextfmt=DivisionsLanding>

<http://www.sccgov.org/portal/site/wp/>

<http://www.co.santa-cruz.ca.us/whistleblower.htm>

<http://www.co.solano.ca.us/depts/auditor/whistleblower/default.asp>

APPENDIX 2

City of Santa Rosa

City of Petaluma

City of Rohnert Park

City of Cotati

City of Healdsburg

Town of Windsor

City of Sonoma

City of Cloverdale

City of Sebastopol

Independent Special Districts

Green Valley Cemetery	P.O. Box 678 Graton, CA 95444
Shiloh Cemetery	7130 Windsor Rd. Windsor, CA 95492
Bennett Valley Fire	6161 Bennett Valley Rd. Santa Rosa, CA 95404
Rancho Adobe Fire	11000 Main St. P.O. Box 1029 Penngrove, CA 94951
Forestville Fire	6554 Mirabel Rd. P.O. Box 427 Forestville, CA 95436
Glen Ellen Fire	13445 Arnold Dr. Glen Ellen, CA 95442
Graton Fire	P.O. Box A Graton, CA 95444
Russian River Fire	14100 Armstrong Woods Rd. P.O. Box 367 Guerneville, CA 95446
Kenwood Fire	P.O. Box 249 Kenwood, CA 95452
Monte Rio Fire	9870 Main St P.O. Box 279, Monte Rio, CA 95462
Rincon Valley Fire	P.O. Box 530/8200 Old Redwood Hwy. Windsor, CA 95492

Roseland Fire	830 Burbank Ave. Santa Rosa, CA 95407
Schell-Vista Fire	22950 Broadway, Sonoma CA 95476
Gold Ridge Fire	4500 Hessel Rd. Sebastopol, CA 95472
Valley of the Moon Fire	630 Second St. West, Sonoma CA 95476
Bodega Bay Fire	510 Highway 1, P.O. Box 6 Bodega Bay, CA 94923
Windsor Fire	8200 Old Redwood Hwy. P.O. Box 530 Windsor, CA 95492
Geyserville Fire	P.O. Box 217, 20975 Geyserville Ave., Geyserville, CA 95441
Timber Cove Fire	30800 Seaview Rd. Cazadero, CA 95421
Cloverdale Fire	451 S. Cloverdale Blvd, Cloverdale, CA 95425
Cloverdale Hospital	P.O. Box 434 Cloverdale, CA 95425
Marin/Sonoma Mosquito Abatement	595 Helman Ln. Cotati, CA 94931
Camp Meeker Rec & Park	5240 Bohemian Hwy. P.O. Box 461 Camp Meeker, CA 95419
Del Rio Woods Rec & Park	C/O Don King, 1521 Fountaingrove Pkwy Santa Rosa, CA 95403
Monte Rio Rec & Park	P.O. Box 877 Monte Rio CA 95462
Russian River Rec & Park	15010 Armstrong Woods Rd P.O. Box 195 Guerneville, CA 95446
Gold Ridge Soil Conservation	P.O. Box 1064 Occidental, CA 95465
Sotoyome Resource Conservation	P.O. Box 11526 (95406) 2150 West College Ave Santa Rosa, CA 95401
Southern So Co ResourceConservation	1301 Redwood Way Ste #170 Petaluma, CA 94954
Occidental Community Services	C/O 3799 Bohemian Hwy P.O. Box 244 Occidental, CA 95465
Cazadero Community Services	P.O. Box 508 Cazadero, CA 95421
Graton Community Services	250 Ross Lane Sebastopol, CA P.O. Box 534 Graton, CA 95444
RCPA	490 Mendocino Ave Ste 206 Santa Rosa, CA 95401
Forestville Water	6530 Mirabel Rd. P.O. Box 261 Forestville, CA 95436
Valley of the Moon Water	P.O. Box 280 El Verano, CA 95433
Sonoma Mountain Co Water	5438 Alta Monte Dr Santa Rosa, CA 95404
SMART	750 Lindaro St. Suite 200 San Rafael, CA 94901
North Marin Water	999 Rush Creek Pl P.O. Box 146 Novato, CA 94948
Russian River Co Water	P.O. Box 954 Forestville, CA 95436
Sweetwater Springs Water	17081 Hwy 116 Suite B P.O. Box 48 Guerneville, CA 95446
Timber Cove Water	P.O. Box 118 Jenner, CA 95450
Rains Creek Water	P.O. Box 730 Forestville, CA 95436
Windsor Water (Town of Windsor)	9291 Old Redwood Hwy Windsor, CA 95492
Bodega Bay Public Utilities	265 Doran Park Rd. P.O. Box 70 Bodega Bay, CA 94923
SCPSA	965 Sonoma Ave Santa Rosa, CA 95404
Palm Drive Health Care	501 Petaluma Ave. Sebastopol, CA 95472
Bay Area Air Quality	939 Ellis St. San Francisco, CA 94109
Sonoma Valley Health Care	347 Andrieux St. P.O. Box 600 Sonoma CA 95476
Coast Life Ambulance	P.O. Box 1056 38901 Ocean Dr. Gualala, CA 95445

NCRA	419 Talmage Road Suite M Ukiah, CA 95482
LAFCO	575 Administration Dr. Rm 104A Santa Rosa, CA 95403
REDCOM	2796 Ventura Ave Santa Rosa, CA 95403
North Bay Coop Library	55 E. Street Santa Rosa, CA 95404
Law Library	2604 Ventura Ave Santa Rosa, CA 95403
SCERA-Retirement	433 Aviation Blvd. Santa Rosa, CA 95403
SCAVA Service Authority	2550 Ventura Ave Santa Rosa, CA 95403
So Co Open Space Authority	747 Mendocino Ave Suite 100 Santa Rosa, CA 95401
So Co Transportation Authority	490 Mendocino Ave Ste 206 Santa Rosa, CA 95401
SCWMA	2300 County Center Dr. B100 Santa Rosa, CA 95403

School Districts

Alexander Valley Union	8511 Highway 128, Healdsburg, CA 95448
Bellevue Union	3150 Education Drive, Santa Rosa, CA 95407
Bennett Valley Union	2250 Mesquite Drive, Santa Rosa, CA 95405
Cinnabar	286 Skillman Lane, Petaluma, CA 94975-0399
Cloverdale Unified	97 School Street, Cloverdale, CA 95425
Cotati-Rohnert Park Unified	5860 Labath Avenue, Rohnert Park, CA 94928
Dunham	4111 Roblar Road, Petaluma, CA 94952
Forestville Union	6321 Highway 116, Forestville, CA 95436-9699
Fort Ross	30600 Seaview Road, Cazadero, CA 95421
Geyserville Unified	1300 Moody Lane, Geyserville, CA 95441
Gravenstein Union	3840 Twig Avenue, Sebastopol, CA 95472-5750
Guerneville	14630 Armstrong Woods Rd, Guerneville, CA 95446
Harmony Union	1935 Bohemian Highway, Occidental, CA 95465
Healdsburg Unified	1028 Prince Street, Healdsburg, CA 95448
Horicon	35555 Annapolis Road, Annapolis, CA 95412-9713
Kashia	Skaggs Springs Road, Stewarts Point, CA 95480
Kenwood	230 Randolph Avenue, Kenwood, CA 95452
Liberty	170 Liberty School Road, Petaluma, CA 94952
Mark West Union	305 Mark West Springs Rd, Santa Rosa, CA 95404-1101
Monte Rio Union	20700 Foothill Drive, Monte Rio, CA 95462
Montgomery Elementary	18620 Fort Ross Road, Cazadero, CA 95421
Oak Grove Union	5299 Hall Road, Santa Rosa, CA 95401
Old Adobe Union	845 Crinella Drive, Petaluma, CA 94954
Petaluma City Elementary	200 Douglas Street, Petaluma, CA 94952
Petaluma Joint Union High	200 Douglas Street, Petaluma, CA 94952
Piner-Olivet Union	3450 Coffey Lane, Santa Rosa, CA 95403-1919
Rincon Valley Union	1000 Yulupa Avenue, Santa Rosa, CA 95405

Roseland	1934 Biwana Drive, Santa Rosa, CA 95401
Santa Rosa City Elementary	211 Ridgway Avenue, Santa Rosa, CA 95401
Santa Rosa City High	211 Ridgway Avenue, Santa Rosa, CA 95401
Sebastopol Union	7611 Huntley, Sebastopol, CA 95472
Sonoma Valley Unified	17850 Railroad Avenue, Sonoma, CA 95476
Twin Hills Union	700 Watertrough Road, Sebastopol, CA 95472
Two Rock Union	5001 Spring Hill Road, Petaluma, CA 94952
Waugh	1851 Hartman Lane, Petaluma, CA 94954
West Side Union	1201 Felta Road, Healdsburg, CA 95448
West Sonoma County High	462 Johnson Street, Sebastopol, CA 95472
Wilmar Union	3775 Bodega Avenue, Petaluma, CA 94952
Windsor Unified	9291 Old Redwood Hwy, Bldg 500, Windsor, CA 95492
Wright	4385 Price Avenue, Santa Rosa, CA 95407

APPENDIX 3

Requested Whistleblower Response

1. Do you post copies of the state whistleblower statutes and hotline number in your employee breakroom?
 Yes No
2. How would an employee allegation of significant wrongdoing be directed within your organization?

3. How would a citizen allegation of significant wrongdoing be directed within your organization?

4. Do you believe that present laws and practices provide an adequate safeguard for your organization and for those individuals who may wish to report wrongdoing? If yes, please explain.
 Yes No
5. Do you believe that a local twenty-four hour hot line, additional assurance of confidentiality and summary annual reports to the citizens would be of substantial value when managing increasingly scarce governmental resources? Yes No
6. Given time and adequate description of a proposed structure and process, would you consider formally adopting a resolution to participate in a countywide whistleblower program administered by either the Grand Jury or the County Auditor-Controller office? Yes No
7. Comments:

By _____

For _____