

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.10
(ID # 28694)

MEETING DATE:
Monday, September 22, 2025

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approval of the Response to the 2024-2025 Grand Jury Report: Fraud Detection in Riverside County Grants and Directive for the Response to be Sent to the Grand Jury, Presiding Judge, and County Clerk-Recorder.; All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve, with or without modification, the attached response to the 2024-25 Grand Jury Report: Fraud Detection in Riverside County Grants; and
2. Direct the Clerk of the Board to immediately forward the Board's finalized responses to the Grand Jury, the Presiding Judge, and the County Clerk-Recorder.

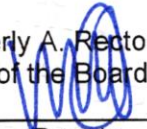
ACTION: Policy


Kimberly Britt, ASST COUNTY EXECUTIVE OFFICER 9/17/2025

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: September 22, 2025
xc: EO, Grand Jury, Presiding Judge, Recorder

Kimberly A. Rector
Clerk of the Board
By:  Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	N/A	N/A	N/A	N/A
NET COUNTY COST	N/A	N/A	N/A	N/A
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	25/26

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On June 18, 2025 the Riverside County Grand Jury released the Grand Jury Report: Fraud Detection in Riverside County Grants dated May 28, 2025. Penal Code Section 933(c) requires Board of Supervisors to comment on the Grand Jury's recommendations pertaining to matters under the Board's control. In addition, responses must be provided to the Presiding Judge of the Superior Court within 90 days of receipt of the report.

ATTACHMENTS:

- ATTACHMENT A. 2024-2025 Grand Jury Report: Fraud Detection in Riverside County Grants.
- ATTACHMENT B. Grand Jury Response: 2024-2025 Fraud Detection in Riverside County Grants.
- ATTACHMENT C. Riverside County Board Policy C-35: Standards of Ethical Conduct to Address Fraud, Waste, and Abuse


Tina Grande 9/17/2025


Minh C. Tran, County Counsel 9/17/2025


Paula Salcido, DEP COUNTY COUNSEL IV 9/15/2025

2024-2025 Grand Jury Report
Fraud Detection in Riverside County Grants
June 18, 2025
Riverside County Board of Supervisors

The Board of Supervisors' response is composed of the required responses to Findings and Recommendations by County departments assigned by the Grand Jury in the Grand Jury report.

GRAND JURY FINDINGS:

Grand Jury Finding #1:

F-1 The Civil Grand Jury found no evidence that any actions taken by Riverside County employees in the administration of the grants in question constituted malfeasance or misconduct.

Response to Grand Jury Finding #1:

Respondent agrees with finding.

Housing and Workforce Solutions (HWS) leadership and staff perform their duties in alignment with the County of Riverside Code of Ethics as described in Board Policy C-35 (attached). This has been communicated to staff by HWS leadership, who are continuing to demonstrate adherence to policy when working with grants and subrecipients.

Grand Jury Finding #2:

F-2 There were previous issues with claims filed by the same subrecipient that could have prompted an earlier investigation into the documentation.

Response to Grand Jury Finding #2:

Respondent disagrees partially with the finding.

The Federal Department of Housing and Urban Development (HUD) has provided HWS with access to a specialized consulting firm, free of charge, to perform a full assessment of our current business process for grant subrecipient contracts, administration, and claims processing.

HUD Office of Technical Assistance (OTA) provides the opportunity for all grant subrecipients to request professional guidance and support free of charge, which is provided by HUD in the form of consulting hours with firms they engage (<https://www.huduser.gov/portal/ota/homepage.html>).

The subrecipient must submit a request to HUD OTA with details regarding the request for assistance. If the request is approved, HUD will assign a consulting firm to provide up to 36 hours of initial support. If the initial 36 hours of support are not sufficient to resolve the situation that prompted the request, the consultant can petition for an extension of time in order to adequately serve the subrecipient.

For HWS's approved request, the assigned consulting firm is ICF (<https://www.icf.com/company/about>). This technical assistance project is still within the initial 36-hour allotment of consulting time, and the consultant has indicated clearly they will be requesting an extension for this project.

ICF has already started reviewing HWS's current procedures, forms, and documentation, noting that the system in place is already more detailed and robust than most others they have reviewed. While concerns were noted earlier, the HWS team took action as soon as a pattern was established and evidence was available.

Grand Jury Finding #3:

F-3 Claim reviewers expressed documentation concerns to their supervisors, yet the claims were paid.

Response to Grand Jury Finding #3:

Respondent agrees with finding.

Concerns were expressed by staff to management during claims reviews, and management followed up with those concerns by conferring with the HWS HUD representative for guidance as well as following up with the subrecipient to gain additional information and understanding about their program operations. In order to avoid unnecessary impact to the participants whose rents were being paid by this program, claims payments were processed until a pattern was established and evidence was conclusive.

Grand Jury Finding #4:

F-4 HWS experienced political pressure from both Federal and state governments to settle marginal claims, particularly during and immediately following the COVID-19 pandemic.

Response to Grand Jury Finding #4:

Respondent disagrees wholly with finding.

HWS followed guidance from granting entities while still following appropriate protocols in the review of claims.

Grand Jury Finding #5:

F-5 Issues that were not apparent in individual claims submitted by a subrecipient became evident when multiple claims were reviewed collectively.

Response to Grand Jury Finding #5:

Respondent agrees with finding.

HWS took action as soon as a pattern was established and evidence was available.

Grand Jury Finding #6:

F-6 HWS employees lack fraud detection training.

Response to Grand Jury Finding #6:

Respondent disagrees partially with the finding.

HWS team members are trained in grant and program compliance and administration according to the guidelines provided by HUD and the Federal Office of Management and Budget. In strengthening the team's ability to detect ineligible costs or potentially fraudulent activity, our team members will attend a specialized fraud data analytics training course that will result in their earning the designation of Certified Fraud Data Analyst.

Fraud detection is a specialized activity that requires many hours of specific training, years of direct career experience, and successful completion of a multi-part professional

exam to become a Certified Fraud Examiner (CFE), similar to the process of becoming a Certified Public Accountant (CPA).

GRAND JURY RECOMMENDATIONS:

Grand Jury Recommendation #1:

R-1 The Civil Grand Jury recommends that HWS strictly enforce existing policies that prevent the distribution of grant funds based on claims that lack the required clarity and documentation no later than November 1, 2025.

Based on Findings 2, 3, and 4

Financial Impact-Minimal

Response to Grand Jury #1:

Recommendation has not been implemented, but will be implemented. The implementation time frame is noted in the response.

HWS leadership has confirmed that existing policies that govern the disbursement of grant funds will continue to be strictly enforced at all times. This has been communicated to staff by HWS leadership, who are continuing to demonstrate adherence to policy when working with grants and subrecipients. HWS will conduct mandatory training sessions for both managers and grant reviewers by October 31, 2025, emphasizing communication, documentation requirements and accountability.

Grand Jury Recommendation #2:

R-2 The Civil Grand Jury recommends that HWS upper management personnel emphasize the importance of addressing lower-level grant reviewers' concerns regarding claims that lack the required clarity and documentation no later than November 1, 2025.

Based on Findings 2 and 3

Financial Impact-Minimal

Response to Grand Jury #2:

Recommendation has been implemented.

HWS leadership reaffirms that all staff concerns related to subrecipient claims or program performance will be taken seriously and investigated promptly and thoroughly. The fiscal and program teams are collaborating to strengthen claims review procedures and subrecipient monitoring, ensuring a balanced approach and timely identification of potential issues. Staff have also been directed to escalate unresolved concerns beyond their immediate supervisor to upper management for further review.

Grand Jury Recommendation #3:

R-3 The Civil Grand Jury recommends that HWS implement a policy requiring a brief review of the previous months' claims from a subrecipient as part of processing grant claims no later than January 1, 2026.

Based on Finding 5

Financial Impact-Minimal

Response to Grand Jury #3:

Recommendation has not been implemented, but will be implemented. The implementation time frame is noted in the response.

The Federal Department of Housing and Urban Development (HUD) has provided HWS with access to a specialized consulting firm, free of charge, to perform a full assessment of our current business process for grant subrecipient contracts, administration, and claims processing. As stated in Finding #2, ICF has already started reviewing current procedures, forms, and documentation. The project is still within the initial 36-hour allotment of consulting time. They will be working closely with our team to streamline current forms and procedures, create a process for aggregating and reviewing historical claim and subrecipient data, and develop useful benchmarks and metrics for better monitoring of program performance and early detection of potential problem areas. The estimated timeline to complete this project is January 1, 2026.

Grand Jury Recommendation #4:

R-4 The Civil Grand Jury recommends that Riverside County implement mandatory fraud detection training for new employees processing grant claims and require annual fraud detection training for all current employees in this role no later than January 1, 2026.

Based on Finding 6

Financial Impact-Minimal to Moderate

Response to Grand Jury #4:

Recommendation has not been implemented, but will be implemented. The implementation time frame is noted in the response.

HWS is working with the Institute of Internal Auditors (IIA) to schedule and complete a group training of their 16-hour instructor-led Certification course on Fraud Data Analytics by January 1, 2026. Course topics include: understanding fraud schemes in payroll, procurement, and payments; fraud data analysis fundamentals; data mining strategies; how to build a fraud analysis plan. HWS will enroll the following positions from its Office of Homeless Services Division in this first group course: Deputy Director, Admin Manager, Fiscal Manager, Fiscal Supervisor, Fiscal Claims Analysts (x5), Program Supervisor, Senior Program Specialist (x2). Subsequent new hires into this team will be required to pass this certification course as part of their initial probation.

**COUNTY OF RIVERSIDE, CALIFORNIA
BOARD OF SUPERVISORS POLICY**

Subject:
**STANDARDS OF ETHICAL CONDUCT TO ADDRESS
FRAUD, WASTE AND ABUSE**

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Number**
C-35

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Policy:

In the spirit of sound and ethical governance and consistent with California Government Code [§8330-8332](#) (the Citizen Complaint Act of 1997); [§27133\(d\)](#); [§53234-53235.2](#); and other applicable laws and regulations, the County of Riverside Board of Supervisors believe that the ethical conduct of those in public service is of utmost importance to. This policy is set forth in order to address fraud, waste and abuse in county government and establish reasonable standards of ethical conduct for all county employees and officers. It is the intent of this policy to establish minimum expectations relative to employee and officer behavior and conduct in the execution of their duties as representatives of the county.

1. Scope

This policy applies to all County of Riverside employees and officers, (hereinafter employees). This policy is not intended to be all-inclusive or address every possible eventuality or circumstance. Instead, it is intended to establish reasonable standards and provide guidance relative to the ethical conduct of county employees while fulfilling the expectations of county residents.

2. Interpretation

This policy does not replace the County of Riverside's Code of Ethics as approved by the Board of Supervisors, January 29, 1991. Furthermore, this policy does not supplant any of the County of Riverside's labor contracts or Memoranda of Understanding (MOUs). Should this policy conflict with any law, regulation, or labor contract of which the county or its employees may be subject, that law, regulation, or contract shall take precedence. In the event this policy conflicts with any precedent or past practice of the county, management will resolve that conflict by means consistent with established procedures or practices.

3. Definitions

Fraud, waste and abuse: Any illegal, wasteful, or improper activity involving county assets or resources. It includes theft by means of deception, deceit, or trickery; willful misrepresentation to obtain something of value; and, the extravagant, careless or needless expenditure or consumption of county resources, whether intentional or not.

Fraud: Theft by means of deception, deceit, or trickery. Examples include but are not limited to: Forging or altering a county warrant or check; charging personal expenses to the county; or claiming overtime when not worked.

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Waste: The unnecessary or pointless consumption of resources, time, or labor. Examples include but are not limited to: Using more of something when less will do; performing tasks which do not need to be performed; or maintaining excessive inventories.

Abuse: Misuse of power, authority, or control. Examples include but are not limited to: using one's authority to direct employees to perform non-county related work; causing employees to work overtime without compensation; or using county tools, equipment or assets for non-county business without proper permission.

Additional definitions of terms relating to Fraud, waste and abuse include:

Asset: Anything of value, whether tangible or intangible. Examples include but are not limited to: Cash, tools, fuel, office supplies and time.

Chairman of the Fraud, Waste and Abuse Prevention Committee: A function of the County Auditor-Controller, who in this capacity in conjunction with management from other county departments, is responsible for the enforcement of this policy and the investigation of suspected violations of it, unless said duties are otherwise prescribed by the Board of Supervisors or appropriately delegated.

Code of Ethics: The County of Riverside's Code of Ethics as approved by the Board of Supervisors, January 29, 1991.

Conflict of Interest: Any circumstance in which the interests, duties, obligations, or activities of an employee or an employee's immediate family member are in conflict or incompatible with the interests of the county; the duties and obligations of the employee; or his or her capacity as an employee. Examples include but are not limited to: county employees bidding on county contracts; influencing county policy or activities for personal gain; or disclosing confidential county information to a friend or relative in order to assist them or oneself.

County or The County: The County of Riverside, California.

Employee: Any individual classified by the County's Human Resources Department as a full-time, part-time, seasonal, temporary full-time, temporary part-time or per diem employee or officer of the county.

Gifts: Any payment or item that gives a personal benefit to the recipient to the extent that something of equal or greater value is not received and includes a discount or rebate, unless the discount or rebate is available to all members of the public.

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Immediate Family: A spouse or dependent child of the employee.

Reasonable Person: Any person of average competence and ability to reason.

Third party: Any person or entity other than an employee of the county, or the county itself.

4. Expectations

County employees shall adhere to and uphold the County's Code of Ethics both in practice and in spirit. It is expected that employees act in the public's interest first and not their own. It is further expected that their behavior, both on the job and off, reflects positively on the county, its reputation, and its employees. Pursuant to this policy, an employee's duties and responsibilities include, but are not limited to:

- a. **Duty to protect the reputation of the county:** It is the duty of every employee to uphold and protect the good reputation of the county and his or her fellow workers.
- b. **Duty to obey the law:** It is the responsibility of every employee to obey the law in the execution of his or her duties. Ignorance of the law or a particular regulation may not be considered an excuse for committing a violation or oversight.
- c. **Duty to comply with county policies:** It is the responsibility of every employee to comply with all county policies.
- d. **Conflicts of interest must be avoided:** In the broadest sense of the meaning, no employee shall engage in a behavior which may appear to be or give rise to a conflict of interest between him or herself and that employee's official capacity or duties. Should a conflict of interest arise, the employee involved shall report it in the manner described in section 5 below.
- e. **Disqualification from acting on county business:** An employee shall disqualify him or herself and refuse to act on any matter in which he or she, a member of his or her immediate family, or another employer of the employee has a financial interest.
- f. **Prohibition of certain financial interest or activity:** No employee, regardless of any prior disclosure, who has a material interest, personally or through a member of his or her immediate family, in any business entity doing or seeking to do business with the county shall influence or attempt to influence the selection

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of the business entity or making of a contract between such business entity and the county.

- g. **Solicitation of gifts or loans is prohibited:** No employee shall solicit anything of monetary value (even such things which might be returned or repaid) if it would appear to have been solicited with the intent of obtaining something in return. Nothing shall prohibit contributions or gifts, including political contributions, which are reported in accordance with applicable law or which are accepted on behalf of the county.
- h. **Gifts in excess of the annual gift limitation amount are prohibited:** No employee or family member of an employee shall accept gifts that exceed an aggregate value of the adjusted annual gift limitation amount in accordance with Government Code section 89503 in any twelve (12) consecutive months from an individual or entity that is doing business with the county.
- i. **Improper disclosure of privileged, personal, or confidential information:** No employee shall intentionally disclose privileged, personal, or confidential information for the purpose of damaging the reputation, credibility, or public image of the county, another employee, or any other person. Privileged, personal, or confidential information does not include information which is a matter of public knowledge or which is available to the public on request.
- j. **Improperly using one's county employment:** No employee shall use or permit the use of any county assets for non-county purpose which is for the private benefit of the employee or any other person unless available on equal terms to the general public (such as the use of the library or parks).
- k. **Improper influence:** No employee, except in the course of his or her official duties, shall assist any person in any transaction with the county when such employee's assistance would appear to a reasonable person to be enhanced by that employee's position with the county for their own personal benefit. This subsection shall not apply to any employee appearing on his own behalf or representing himself as to any matter in which he has a proprietary interest, if not otherwise prohibited by law.
- l. **Duty to identify, report, and work to eliminate fraud, waste and abuse:** It is the responsibility and duty of every employee to identify, report, and work to eliminate fraud, waste and abuse at all levels of the county's administration and operations. Employees are encouraged to bring to the attention of management any opportunity to reduce or eliminate fraud, waste and abuse.

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- m. **Duty to cooperate:** It is the duty of every employee to cooperate in an investigation involving a violation or an alleged violation of this policy. Upon the county's request, an employee will participate and fully cooperate in any investigation. This policy does not preclude an employee from exercising his or her Constitutional rights or those afforded to him or her by a county recognized labor contract. However, the exercising of one's rights does not preclude the county from disciplining an employee for his or her failure to participate or cooperate in an investigation if the county may lawfully do so.
- n. **Handling of anonymous complaints or allegations of violations of this policy:** Employees are prohibited from attempting to identify or intentionally exposing the identity of any party making an anonymous report or complaint pursuant to this policy.

5. Reporting

Employees are expected to report all violations or suspected violations of this policy using the established anonymous incident reporting system in a timely and professional manner.

The county recognizes that the reporting party may desire or require anonymity. Thus, anonymous reports or concerns may be reported by any party, at anytime by way of the county's anonymous incident reporting system hosted by a third party provider. Reporting parties may use the anonymous incident reporting system via the Internet by going to <https://www.RivcoFraudHotline.com> or via telephone by calling (800) 461-9330. It is the duty of every employee to report any known violation of this policy or what would appear to a reasonable person to be a violation of this policy. Employees are reminded that they may use the anonymous incident reporting system to report suspected fraud; misuse of county resources by County employees, vendors, or contractors; and significant violations of County policy. Examples of reportable offences include:

- Theft
- Conflicts of interest
- Misuse of County equipments or vehicles
- Embezzlement
- Bribes and kickbacks
- Abuse of work hours
- Inappropriate use of County credit cards or P-Cards

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Personnel issues or complaints (i.e., employee discrimination, favoritism, mistreatment, violence in the workplace, harassment, and safety concerns) should be reported to Human Resources Department.

It is a violation of this policy to retaliate against an employee who makes a report using the county's anonymous incident reporting system under California Labor Code 1102.5 and 1106. The California State Attorney General's Whistleblower Hotline number is (800) 952-5225.

6. Investigation and Enforcement

All violations or alleged violations of the policy will be investigated. As stated above, it is the duty of every employee to cooperate in an investigation involving a violation or an alleged violation of this policy. Upon the request of the county, an employee will participate and fully cooperate in any investigation, whether conducted by the county or its agent(s).

If as a result of a good faith investigation and a resultant reasonable conclusion that a violation of this policy has occurred, the offending employee will be subject to disciplinary action up to and including termination.

7. Acknowledgement

Within 90 days of the Board of Supervisors' approval of this policy, department heads shall have all current employees provide written acknowledgement that they have received and read this policy. All employees hired after the Board of Supervisors' approval of the policy, will be required to provide written acknowledgement that they have received and read this policy at the time of hire. The required acknowledgement form is provided as Attachment 1.

The Failure of an employee to acknowledge this policy (regardless of means) does not absolve that employee of his or her responsibilities pursuant to it, nor does it preclude that employee from being disciplined or terminated for violating it.

Reference:

Minute Order 3.19 of 09/01/09
Minute Order 3.12 of 10/16/12

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Attachment 1

**Acknowledgement of County of Riverside Board of Supervisors Policy
Standards of Ethical Conduct to Address Fraud, Waste and Abuse**

I have received a copy of and I am fully aware of the County of Riverside's Standards of Ethical Conduct. I agree to abide by the terms of this policy.

Employee Name: _____

Employee Signature: _____

Date: _____

This form shall be retained in department files.