



2009 ANNUAL REPORT

OFFICE OF THE INSPECTOR GENERAL

DAVID R. SHAW
INSPECTOR GENERAL

STATE OF CALIFORNIA



Contents

A MESSAGE FROM THE INSPECTOR GENERAL	1
DUTIES OF THE OFFICE OF THE INSPECTOR GENERAL	2
ORGANIZATIONAL OVERVIEW	4
KEY ISSUES	
SAFETY AND SECURITY	5
WASTE, FRAUD, AND ABUSE	11
ACCOUNTABILITY	14
CIVIL RIGHTS	18
REHABILITATION	20
APPENDIX: 2009 REPORTS	22



2009 Annual Report

EXCELLENCE IN CORRECTIONS THROUGH INDEPENDENT AND TRANSPARENT OVERSIGHT

A MESSAGE FROM THE INSPECTOR GENERAL

It is a great honor to present the Office of the Inspector General's 2009 Annual Report. This has been a year of progress and accomplishment for my office. In spite of the state's unprecedented fiscal crisis, which brought furloughs and other budget cuts, my staff remained dedicated to bringing transparency to the California Department of Corrections and Rehabilitation (CDCR). We released 36 public reports in 2009 – more than double the reports published in 2008.

One of our significant reports in 2009 concerned CDCR's supervision of parolee Phillip Garrido. Over the course of our investigation, we found that CDCR repeatedly failed to properly classify and supervise parolee Garrido during the decade it was tasked with his oversight. In fact, throughout the course of its supervision of Garrido, CDCR missed numerous opportunities to discover Garrido's victims, whom he held captive in a concealed compound at the back of his residence. We also identified significant weaknesses in CDCR's current passive GPS monitoring program. These weaknesses demonstrate that the program provides the public with a false sense of security. Our recommendations have given CDCR a clear plan by which to rectify these deficiencies.

We uncovered other safety and security concerns in our special review on CDCR's administrative segregation units. At three California prisons, we identified repeated instances in which inmates were held in administrative segregation units for inappropriate lengths of time. These extended confinements violated CDCR policies and procedures, resulted in the denial of inmates' due process rights, and potentially exposed CDCR to costly litigation. These extended confinements also resulted in the expenditure of millions of dollars in unnecessary operating costs.

We also monitored inmate civil rights through our Medical Inspection Unit (MIU), which issued public reports on 15 prisons in 2009. The MIU auditors analyze up to 20 different aspects of prison medical care and scrutinize over 1,000 specific indicators. The federal court, the receiver, and CDCR all rely heavily on these inspection reports when evaluating whether CDCR is providing constitutional standards of medical care. We look forward to continuing this program in 2010 and expanding it to evaluate all 33 prisons annually.

In addition to completing investigations and publishing reports on these and other aspects of CDCR's operations, my office accomplished a great deal internally in 2009, streamlining our policies and procedures and creating a new bureau to better facilitate criminal investigations. Despite the state's budgetary setbacks, the OIG continues to play a vital role in overseeing California's correctional institutions. We have seen great progress in the past year, and I believe there is still much more that we can accomplish.



David R. Shaw
Inspector General

DUTIES OF THE OFFICE OF THE INSPECTOR GENERAL

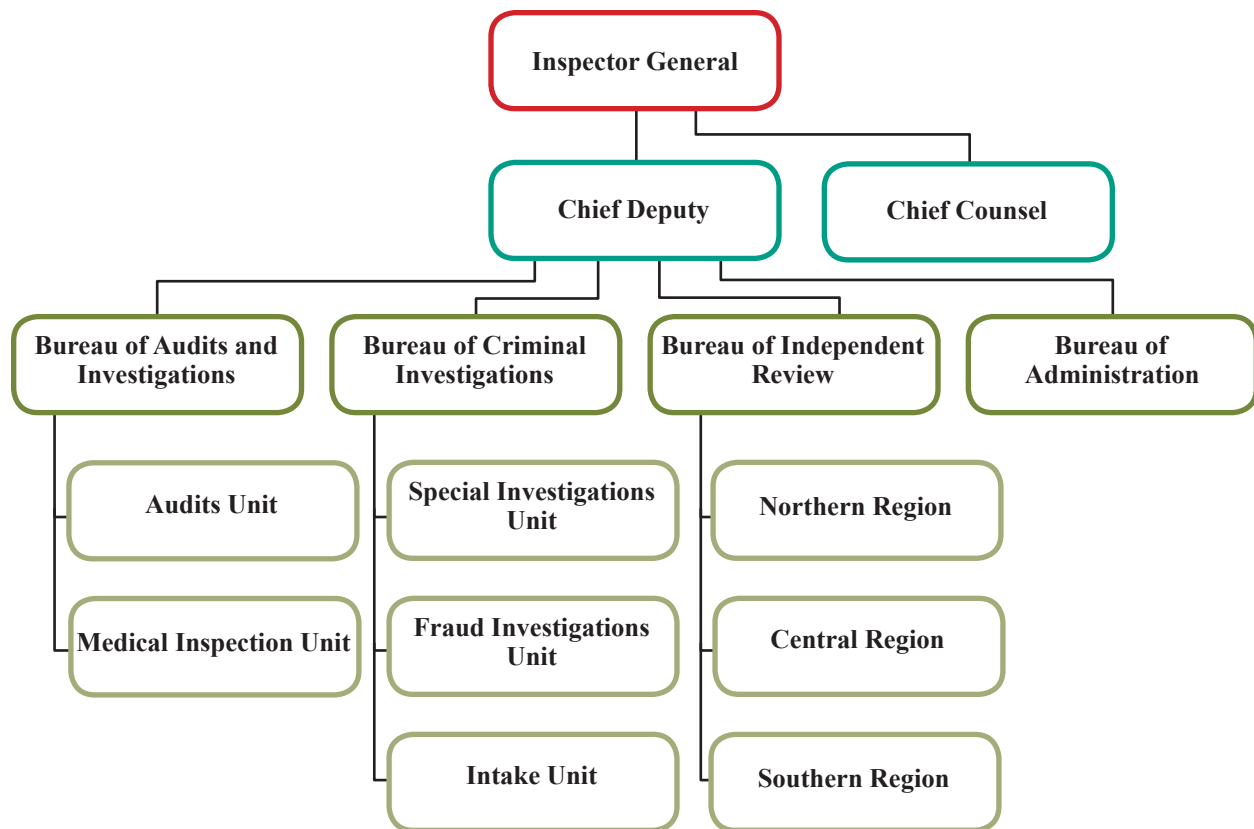
- Conduct investigations, audits, and special reviews of the state correctional system at the request of the governor, members of the Legislature, the secretary of the California Department of Corrections and Rehabilitation (CDCR) and upon the initiative of the inspector general.
- Perform real-time oversight of internal affairs investigations into alleged misconduct by CDCR employees.
- Assess the quality of representation provided by CDCR legal staff in disciplinary matters.
- Conduct audits of correctional institutions and baseline audits of each warden or superintendent one year after appointment.
- Provide advisement to CDCR regarding its policies and procedures to ensure they meet or exceed industry standards.
- Maintain a toll-free public telephone number to allow reporting of administrative wrongdoing, poor management practices, criminal conduct, fraud, or other abuses in CDCR.
- Investigate complaints of retaliation against those who report misconduct by CDCR and its employees.
- Evaluate and report to the governor the qualifications of the governor's candidates for warden and superintendent positions for the state's adult and juvenile correctional institutions.
- Refer matters involving criminal conduct to law enforcement authorities in the appropriate jurisdiction or to the California attorney general.
- Investigate the mishandling of sexual abuse incidents within correctional institutions, maintain the confidentiality of sexual abuse victims, and ensure impartial resolution of inmate and ward sexual abuse complaints through the Sexual Abuse in Detention Elimination Ombudsperson.
- Examine CDCR's various mental health, substance abuse, educational, and employment programs for inmates and parolees through the California Rehabilitation Oversight Board (C-ROB).

DUTIES OF THE OFFICE OF THE INSPECTOR GENERAL

- Conduct semiannual inspections of adult and juvenile correctional institutions to examine systemic issues, identify problem areas that may lead to investigations or audits, and follow up on prior complaints.
- Report on the California Prison Health Care Receivership Corporation's expenditures to ensure transparency and accountability.
- Respond 24/7 to critical incidents, including officer-involved shootings, large-scale riots, suicides, and staff member deaths caused by inmates.
- Perform medical inspections to provide independent and objective information regarding the delivery of medical care to inmates at adult correctional institutions.
- Monitor CDCR's use-of-force committee meetings conducted by wardens, superintendents, and parole administrators across the state.

ORGANIZATIONAL OVERVIEW

- The Office of the Inspector General (OIG) is comprised of a skilled team of professionals that includes attorneys with expertise in internal affairs investigations and criminal and employment law, auditors experienced in correctional policy and operations, and investigators drawn from correctional and law enforcement agencies.
- At the end of 2009, the OIG had 151 employee positions, including a staff of attorney-peace officers classified as special assistant inspectors general and a team of deputy inspectors general trained in audits and investigations.
- In addition to legal, administrative, and publications staff members, the OIG is organized into three principal bureaus: the Bureau of Audits and Investigations (BAI), the Bureau of Independent Review (BIR), and the newly created Bureau of Criminal Investigations (BCI). The BCI was established in 2009 to help the OIG more effectively concentrate its resources and investigate allegations of administrative and criminal misconduct by CDCR employees in California's prisons.
- California Penal Code sections 6125 et seq. provide the statutory authority for the OIG's establishment and operation.



SAFETY AND SECURITY



Safety and security have always been the top operational priorities for correctional administrators, government policy makers, and the public. Since its inception, the OIG has identified safety and security deficiencies in California's correctional system. In 2009, OIG inspectors continued to identify opportunities for CDCR to address weaknesses in safety and security.

Special Review: Management of the California Department of Corrections and Rehabilitation's Administrative Segregation Unit Population

In January 2009, we released the results of a review into the management of administrative segregation units in selected California prisons. This special review identified repeated failures to comply with CDCR policies and procedures, which resulted in waste and due process violations that will be discussed in other sections of this annual report. Regarding safety and security, the special review found that CDCR has no formal policies or criteria establishing timelines for the prisons to formally classify inmates as members of prison gangs and conduct related investigations. As a result, gang identifications and investigations remain incomplete for too long, thereby creating unnecessary safety and security risks for staff members and inmates. We made twelve recommendations in this report to rectify current practices and improve policy.

Mixon Preliminary Review

In March 2009, our Special Investigations Unit conducted a preliminary review of CDCR's Division of Adult Parole Operations and its monitoring of Parolee Lovelle Mixon following his most recent release from CDCR custody in November 2008. We initiated our inquiry to determine whether any violations of CDCR policy or procedure contributed to the deaths of four Oakland police officers at Mixon's hands on March 21, 2009.

Our review of Mixon's parole records showed that Oakland parole agents were diligent in monitoring Mixon and testing him for drugs, as was commensurate with his status as a high-control parolee. Further, we noted that parole agents promptly placed Mixon on Parolee-at-Large status after he failed to report to his parole agent as directed. Based on our preliminary inquiry, we found that CDCR Parole and CDCR's Office of Correctional Safety staff members followed CDCR policies and procedures in their supervision of Mixon after his release from custody and in their attempts to locate and apprehend him.

Special Report: Inmate Cell Phone Use

In May 2009, the Special Investigations Unit released a special report finding that inmates' possession of cell phones in prisons has increased significantly during the past three years and poses a threat to the safety and security of California's prison staff, inmates, and the general public. We also found that the growing number of cell phones in prisons directly demonstrates the ineffectiveness of CDCR's efforts to block the flow of cell phones into prisons and eliminate cell phone possession among inmates. Drawing on our report and its findings and recommendations, the state Legislature and CDCR have begun developing remedies for this major safety and security concern.

Special Review: Internal Affairs Information Security

In May 2009, the Audits Unit issued a special review regarding the security of information systems maintained by CDCR's Office of Internal Affairs (OIA). In this review, we assessed whether the OIA took appropriate security measures to protect personal, confidential, and sensitive data from unauthorized access or use and whether the OIA maintained proper accountability for its laptop computers.

We found that the OIA violated numerous state rules by not adequately protecting the data stored on its agents' laptop computers. Given the nature of the agents' work, it is not surprising that 68 percent of the OIA's laptop computers tested contained confidential case files for correctional staff members under investigation, including names, addresses, photographs, and criminal allegations. One laptop even contained information from an employee's personnel file.

It is reasonable for OIA agents to have confidential and sensitive data on their laptops, but they are also responsible for protecting that data. In fact, the OIA is required by law and regulation to protect its information from unauthorized disclosure. Any unauthorized disclosure could jeopardize investigations and subject the state to liability for releasing confidential material.

Nevertheless, the OIA failed to protect the data on its laptops. Although encryption, secured email addresses, and inventory control are available protections, OIA agents and managers failed to use encryption and increased the risk of unauthorized access to data by emailing confidential information to unsecured email addresses. Moreover, we found that the OIA did not maintain adequate inventory control over its laptop computers, resulting in the loss of several laptops in 2008. These lost or stolen laptops likely contained unencrypted personal, confidential, and sensitive data.

We made four recommendations to correct the deficiencies that we found during the special review.

Quadrennial Audit at California State Prison, Solano

In July 2009, we released our quadrennial audit of California State Prison, Solano, consisting of four major findings. The audit revealed a number of conditions that elevate the risk of harm to employees, inmates, and the public. Unsafe conditions included the following:

- CDCR's firearms training policies could endanger CSP Solano's employees and inmates, as well as the public, since the prison fails to ensure that all officers assigned to armed posts have maintained current firearms training and certification. Moreover, the training itself is inadequate, since correctional officers are not trained to fire from elevated positions or at moving targets, nor are they trained for firing weapons in public areas. The California Penal Code requires that peace officers permitted to carry firearms shall qualify with the firearm at least quarterly. We have made clear recommendations that will assist CDCR in eliminating this weakness in prison security.
- CSP Solano risks the destruction of critical inmate records by storing them in a modular building that lacks a fire alarm and sprinkler system. As a 2008 state fire marshal inspection report noted, the lack of a fire alarm and sprinkler system also endangers the case records personnel who work in the building. The loss of inmate records themselves is also a risk to safety. The records, called central files or c-files, contain crucial reports, evaluations, and correspondence related to an inmate's commitment history. Much of the information in these files is irreplaceable. The loss of inmate c-files would impair CDCR's and the prisons's efforts to effectively manage inmate placements and could jeopardize the safety and security of the prison. Our recommendation provided CDCR with a clear guide to rectify this lapse.

Letter to CDCR Secretary Matthew L. Cate regarding the Abduction and Murder of Lily Burk by Parolee Charles Samuel

In September 2009, the Inspector General sent a letter to CDCR Secretary Matthew L. Cate reporting the results of an inquiry undertaken at the secretary's request: the OIG had investigated the Division of Adult Parole Operations' role in providing policy and direction to the Region III Substance Abuse Services Coordination Agency (SASCA) prior to the abduction and murder of Lily Burk by parolee Charles Samuel in Los Angeles. While on a day pass, parolee Samuel had evaded supervision to commit these crimes.

After reviewing policy and procedures and the evidence collected during our inquiry, we determined that CDCR had failed to distribute relevant policies to the SASCA in a timely manner. Whether the incident involving Samuel could have been avoided had policy been in place prior to the incident is unclear. However, it is clear that parole staff likely would not have approved a day pass for parolee Samuel had the policies been implemented and followed.

While we did not find any wrongdoing directly attributable to staff regarding the distribution of policy to the SASCA or the release of Samuel on a day pass, we included a list of recommendations to correct deficiencies in CDCR's oversight of the SASCA programs.

Special Report: CDCR's Supervision of Parolee Phillip Garrido

In November 2009, the Special Investigations Unit released a report concerning CDCR's supervision of parolee Phillip Garrido. Over the course of this investigation, we found that CDCR repeatedly failed to properly classify and supervise parolee Garrido during the decade it was tasked with his oversight. In fact, throughout the course of its supervision of Garrido, CDCR missed numerous opportunities to discover Garrido's victims, whom he held captive in a concealed compound at the back of his residence.

Specifically, we found that during the 10-year period CDCR supervised parolee Garrido, CDCR failed in the following ways:

- Failed to adequately classify and supervise Garrido.
- Failed to obtain key information from federal parole authorities.
- Failed to properly supervise parole agents responsible for Garrido.
- Ignored other opportunities to determine that Garrido was violating the terms of his parole.
- Failed to refer Garrido for mental health assessment.
- Failed to train parole agents to conduct parolee home visits.
- Missed opportunities to discover the existence of Garrido's three victims, including the following:
 - Failed to investigate clearly visible utility wires running from Garrido's house towards the concealed compound.
 - Failed to investigate the presence of a 12-year-old female during a home visit.
 - Failed to talk to neighbors or local public safety agencies.
 - Failed to act on information clearly demonstrating that Garrido had violated his parole terms.

In our investigation of CDCR's decade-long supervision of Garrido, we also identified significant weaknesses in CDCR's current passive GPS monitoring program. We found that CDCR provided the public with a false sense of security in the following ways:

- Failed to use GPS information.
- Used its passive GPS monitoring program in a way that falls utterly short of the technology's possibilities.

CDCR's completely inadequate use of its GPS monitoring in supervising Garrido raises our concerns about CDCR's current and future uses of GPS monitoring.

One-Year Warden Audits

In 2009, the Audits Unit issued one-year reviews on the performance of the wardens at five California prisons: Corcoran State Prison, Sierra Conservation Center, California Substance Abuse Treatment Facility and State Prison, Ironwood State Prison, and Chuckawalla Valley State Prison. These reviews assess the warden's performance one year after his or her appointment to the position. During these reviews, the OIG performs the following tasks: surveys employees, key stakeholders, and CDCR executives; analyzes operational data compiled and maintained by CDCR; interviews employees, including the warden; and makes an onsite inspection of the prison. The performance reviews compile information and focus on four key areas, one of which is safety and security.

During these five audits, we found that the new wardens are all seen by their staff as strong leaders in the area of safety and security. When surveyed, the majority of staff members of all prisons indicated positive opinions about their prison's safety and security. On average, 79.4% of employees across the five prisons shared this sentiment. When employees made negative comments about safety and security, they often balanced their criticism with praise for their warden's efforts to remedy existing problems.

Investigations and Complaints

In 2009, the OIG's Bureau of Criminal Investigation completed six criminal, thirteen administrative, and thirty-three preliminary investigations. Many of these had direct impact on safety and security within the CDCR.

The OIG receives over 250 complaints each month by mail and through a toll-free telephone line. Most complaints concern allegations of staff misconduct, the appeals and grievance process, and the quality or lack of access to medical care. We give priority attention to complaints that involve urgent safety and security issues.

As required by California Penal Code sections 6129(c)(2) and 6131(c), cases handled by the Bureau of Audits and Investigations and Bureau of Criminal Investigations are summarized in quarterly reports posted on the OIG's website:
<http://www.oig.ca.gov/pages/reports/quarterly.php>

WASTE, FRAUD, AND ABUSE



In a time of mounting prison costs and taxpayer scrutiny, promoting economy and efficiency within the state's correctional system is a crucial responsibility. Part of the OIG's mission is to thoroughly investigate allegations of financial waste, fraud, and abuse made against CDCR staff members, supervisors, and management. In 2009, the OIG continued to provide independent oversight by holding CDCR publicly accountable for its financial mismanagement.

Special Review: Management of the Department of Corrections and Rehabilitation's Administrative Segregation Unit Population

Our January 2009 Special Review of three administrative segregation units across the state revealed a widespread practice of unnecessarily retaining inmates in administrative segregation, which leads to CDCR's incurring expensive operational costs. This wasteful practice denies inmates' due process rights, which in turn puts CDCR at risk of costly litigation. Further, as administrative segregation is more costly for the state to operate, poor management of these units potentially costs the state as much as 10 million dollars annually. We made twelve recommendations in this report to rectify current practices and improve policy.

Special Review: Department of Corrections and Rehabilitation Slow to Collect Money Owed by Labor Union

In February 2009, the Audits Unit issued a special review that identifies the CDCR's failure to bill in a timely fashion the Service Employees International Union (SEIU) for millions of dollars in leave taken by CDCR employees. Under the terms of the state's contracts with the SEIU, CDCR employees may take time off for union activities, but the union is required to reimburse CDCR for the employees' time. Our review found that although CDCR's Office of Labor Relations (OLR) has recently begun billing the SEIU for union-paid leave, the first billing was made nearly two years after the OLR assumed the billing responsibility from CDCR's regional accounting offices and four months after our office began its review. Moreover, more than \$2 million remains to be billed.

With the state facing a severe fiscal crisis, it is imperative that CDCR collect every dollar owed to it.

Special Report: Unemployment Insurance Benefits to Fired Employees

In March 2009, we released a Special Report disclosing that CDCR inappropriately paid unemployment insurance (UI) benefits to former employees who were terminated under adverse circumstances. The investigation found that in fiscal years 2006-2007 and 2007-2008, CDCR paid \$1.3 million in unemployment insurance benefits for terminated employees.

Employees that have been fired for cause are not entitled to UI benefits. Our investigation found that CDCR's lack of internal procedures to effectively process unemployment insurance forms as well as its poor communication with the Employment Development Department (EDD) contributed significantly to terminated employees' receiving UI benefits.

Unemployment insurance benefits should be available for employees who have lost their jobs due to no fault of their own, not for employees terminated by CDCR for misconduct. In these times of high unemployment it is even more critical that UI benefits go to those employees who rightfully deserve them. Unfortunately, CDCR often failed to respond to EDD or provide them with the facts concerning misconduct, which then resulted in EDD's granting UI benefits to terminated employees.

The investigation found that of the 1,045 employees terminated for cause during the two-year period, 186 employees, or almost 20 percent, received UI benefits.

Letter to CDCR Secretary Matthew L. Cate regarding California Inmates Filing Fraudulent Income Tax Returns

In May 2009, the Inspector General sent a letter to CDCR Secretary Matthew L. Cate after the Bureau of Criminal Investigations conducted inquiries into complaints that California inmates filed fraudulent income tax returns and subsequently received tax refund checks. As a result of our inquiries, we found the allegations to be true.

We combined documentation obtained at 12 adult prisons revealing that CDCR staff intercepted almost \$130,000 in fraudulent Internal Revenue Services tax refund checks in 2007 and 2008. Moreover, because not all prisons kept records of every check processed, this is not a complete compilation of every check received. We also found that despite CDCR's policy requiring staff to verify with the IRS all federal tax refund checks over \$250, not all prison staff conduct proper verification of the checks, nor are there consistent procedures for doing so.

The criminal activity that stems from the ill-gotten monies received by inmates and their associates outside prison places citizens, staff, and inmates at risk. Our letter included five recommendations and offered to share resources to help CDCR eradicate inmate tax fraud activity from the prison grounds.

Special Report: Voluntary Demotion of a Correctional Officer

In June 2009, the Bureau of Independent Review released a Special Report detailing CDCR's continued employment of a convicted felon.

A correctional officer employed by CDCR at a northern California adult prison injured three people in a hit-and-run collision while driving under the influence of alcohol. The officer was convicted of two felonies. Just days after the conviction, the prison's warden granted the officer's request for a voluntary demotion to the position of lead groundskeeper with direct supervision over inmates. The warden approved this voluntary demotion despite CDCR's policy to terminate an employee convicted of a felony. The warden also allowed the officer to use paid leave to serve a 30-day jail sentence. The officer thus remained employed while incarcerated and would have returned to work, supervising inmates while on active felony probation.

The BIR became aware of this situation through its routine oversight of CDCR operations. The OIG found that the warden's actions compromised the safety and security of the prison, and that the staff attorney assigned to this case failed to provide timely legal advice to the warden. Moreover, the warden's actions undermined the equitable disciplinary process at CDCR and flagrantly disregarded the higher standard of conduct to which all peace officers are held as specified in the Law Enforcement Code of Ethics. The BIR's diligent monitoring held CDCR accountable to its policies and court orders.

Quadrennial Audit at California State Prison, Solano

The July 2009 Quadrennial Audit of Solano State Prison revealed that wasteful warehousing and procurement practices at the prison resulted in the loss of \$512,000 from unused equipment, lost rebates, and inadequate computer imaging services. Moreover, based on similar observations at four other prisons, we find it likely that problems related to unused equipment may be a statewide problem wasting millions of dollars. We made recommendations to CSP Solano to address these problems at the prison. We also made recommendations to CDCR and the California Prison Health Care Services to improve these practices statewide.

ACCOUNTABILITY



Public accountability of the state's correctional system is crucial to enacting reforms and bringing transparency to CDCR's operations. Therefore, the Legislature has mandated that the OIG publicly release its audit findings. We also investigate retaliation and favoritism complaints, evaluate the governor's warden and superintendent candidates both before and after appointment, and assess CDCR's progress in implementing our recommendations. Our efforts ensure that legislators and the public can hold CDCR institutions and employees accountable.

2009 Accountability Audit

During the 2009 Accountability Audit, we followed up on 114 recommendations made in ten separate audits and special reviews issued from 2000 through 2007 that affect CDCR's Adult Operations, Adult Programs, and Juvenile Justice programs. Thus far, CDCR has implemented 60 percent of our recommendations.

CDCR was successful in implementing several recommendations, including the following:

- Reconciled reimbursable union leave time owed by the CCPOA labor union, having billed the labor union for \$2.2 million.
- Implemented policies to hold juvenile justice staff members accountable for complying with safety and security standards related to maintaining living and working conditions in its juvenile justice facilities. Staff compliance is obtained through clear directives, enhanced training, and continued oversight, as well as through progressive discipline when staff members fail to adhere to standards.
- Improved the Office of Substance Abuse Treatment Services' in-prison substance abuse program (OSATS), which has begun collaborating with experts to obtain additional information regarding program operations, thus ensuring that its provider contractors were complying with contract terms regarding minimum program hours and improving its bidding process for selecting program providers.

Nevertheless, we also found that CDCR did not implement the following recommendations:

- Juvenile Justice did not define in its policies and procedures a minimum acceptable time period during which restricted program wards are to be allowed out of their rooms.

- OSATS did not issue annual reports on recidivism, conduct biannual program reviews, or implement a continuous quality improvement program for its in-prison substance abuse programs.
- CDCR still does not ensure that every officer assigned to an armed post as part of his or her regular or special assignment complete a quarterly weapons proficiency course as required by law.

The Bureau of Independent Review's Monitoring Activities

Since its inception in 2004, the OIG's Bureau of Independent Review (BIR) has responded to critical incidents at the state's correctional institutions and monitored CDCR internal affairs investigations into the most serious misconduct allegations. Critical incidents include serious events, such as riots or homicides, which require CDCR's immediate response. Monitored cases are those cases approved by CDCR for an administrative investigation, criminal investigation, or direct disciplinary action without an investigation.

In 2009, the BIR responded to 286 critical incidents and monitored 577 internal affairs investigations. We are pleased to report the BIR continues to document a positive trend in which CDCR has improved its overall handling of internal affairs investigations and employee disciplinary matters. Detailed assessments of the BIR's case monitoring activities – including statistical analyses of its responses to critical incidents – can be found in its semi-annual reports posted on the OIG's website.

One-Year Warden Audits

As mentioned in our Safety and Security section, the Audits Unit issued one-year reviews on the performance of the wardens at five California prisons in 2009: Corcoran State Prison, Sierra Conservation Center, California Substance Abuse Treatment Facility and State Prison, Ironwood State Prison, and Chuckawalla Valley State Prison. These reviews assess the warden's performance one year after his or her appointment to the position. During these reviews, the OIG performs the following tasks: surveys employees, key stakeholders, and CDCR executives; analyzes operational data compiled and maintained by CDCR; interviews employees, including the warden; and makes an onsite inspection of the prison.

In addition to evaluating safety and security, these audits also examine inmate programming, business operations, and employee-management relations. An integral component of our mission, these audits allow us to keep administrators accountable by following up on wardens whom we vetted and the governor appointed.

Unannounced Inspections

Pursuant to the Budget Act SB 77 (Chapter 171, Statutes of 2007), the OIG conducts semi-annual inspections of all adult correctional institutions, youth correctional facilities, and community correctional facilities. Our inspectors identify unsafe conditions, become more familiar with each prison's physical plant, programs and operations, and develop staff contacts. We identify conditions needing audit, investigation or referral to CDCR executive management for corrective action.

In 2008, we added to our inspection list the four parole regional headquarters and at least one parole unit in each region. Our inspectors interviewed parole management staff members and staff members working in support units such as revocation units, reentry units, parole outpatient clinics, business services, and personnel offices. The purpose of the parole inspections is to identify fraud, waste and abuse occurring in parole areas.

Over the course of our inspections, we keep CDCR accountable by asking questions of staff members, advising management of any issues we discover, and on occasion, initiating investigations based on our preliminary findings. The results of our special review titled *Management of the California Department of Rehabilitation's Administrative Segregation Unit Population* were originally discovered during a routine facility inspection.

In-Custody Death Reviews

In 2009, the Bureau of Independent Review (BIR) initiated a six-month pilot program to independently review CDCR's response to in-custody deaths. The BIR developed the pilot program after researching in-custody death review programs in other correctional systems, including the correctional system in the county of Los Angeles, the federal prison system, and the correctional system in the state of Texas, which was recently released from federal receivership and has an inmate population comparable to California's.

Our pilot program team was able to review every in-custody death that occurred in five northern California adult prisons during the reporting period. The five adult prisons selected for the pilot were Folsom State Prison; California State Prison, Sacramento; Mule Creek State Prison; Deuel Vocational Institution; and California State Prison, Solano. The program was designed to review and report on the circumstances surrounding each death, including the health care that the inmate received prior to his or her death.

The BIR's in-custody death review pilot program has now ended, and we are in the process of evaluating it for reinstatement or statewide expansion, should resources be made available in the future.

Warden and Superintendent Evaluations

Consistent with the provisions of Penal Code section 6126.6, we opened nine warden and superintendent evaluation cases in 2009. Including cases opened in 2008, we completed ten evaluations and submitted our findings and recommendations in confidence to the governor. CDCR or the governor's office withdrew an additional 5 nominees during 2009.

Penal Code section 6126.6 assigns the inspector general responsibility for evaluating the qualifications of every candidate whom the governor nominates for appointment as a state prison warden or a youth correctional facility superintendent. The inspector general advises the governor within 90 days whether the candidate is "exceptionally well-qualified," "well-qualified," "qualified," or "not qualified" for the position. To make the evaluation, Penal Code section 6126.6 requires the inspector general to consider the candidate's experience in effectively managing correctional facilities and inmate or ward populations, his or her knowledge of correctional best practices, and his or her ability to deal with employees, the public, inmates, and other interested parties in a fair, effective, and professional manner.

Special Review: California Prison Health Care Receivership Corporation Use of State Funds

In June 2009, we issued our review summarizing the receiver's expenditures for Fiscal Year 2007-2008. This limited review highlights how the receivership spent state funds for administrative purposes outside of the state accounting system. The report identified two operational areas in which court-appointed receiver J. Clark Kelso should reevaluate his organization's stewardship of state funds. Specifically, auditors noted that the receivership should return idle cash to the state treasury, and that it should close a small office and storage facility in the San Jose area.

From July 1, 2007, through June 30, 2008, the receivership used \$51.2 million in state funds. The largest expense category was capital assets, for which the receivership spent \$28.7 million. In addition, the receivership spent \$13.5 million on professional fees, \$7.3 million on employee compensation and benefits, and \$1.7 million on other expenses and travel. Noteworthy information in the report includes the following: the receivership paid eight of its 22 employees the same or more than the secretary of CDCR's \$225,000 salary; the receivership maintained an average daily cash balance of \$22 million in a money market account that was insured for only \$100,000; the receivership is located in Sacramento, but still operates an office near San Jose for two employees; and the total number of employees was reduced from 40 to 22 during the year.

With the state in the midst of a severe budget crisis, it is crucial that the receiver make every effort to minimize operating costs.

CIVIL RIGHTS



Last year's Annual Report highlighted four key issues: safety and security; waste, fraud, and abuse; accountability; and rehabilitation. This year, we have added a fifth key issue: civil rights. It is incumbent upon CDCR to ensure that civil rights are protected for both inmates and staff members. In 2009, we evaluated the protection of civil rights in a variety of ways.

Medical Inspection Unit

Background

In 2001, California faced a class action lawsuit (*Plata v. Schwarzenegger*, previously *Plata v. Davis*) over the quality of medical care in its prison system. The suit alleged that the state did not protect inmates' Eighth Amendment rights, which prohibit cruel and unusual punishment. Ultimately, the federal court established a receivership and stripped the state of its authority to manage medical care operations in the prison system, handing that responsibility to the receiver.

To evaluate and monitor the state's progress in providing medical care to inmates, the receiver requested that the OIG establish an objective, clinically appropriate, and metric-oriented medical inspection program. In response, we developed a program based on CDCR's policies and procedures, relevant court orders, guidelines developed by CDCR's Quality Medical Assurance Team and the American Correctional Association, professional literature on correctional medical care, and input from clinical experts, the court, the receiver's office, CDCR, and the plaintiffs' attorney. This effort resulted in a standard medical inspection instrument that we use to evaluate each institution.

The inspection process collects over 1,000 data elements for each prison in 20 component areas of medical delivery.

To make the inspection results meaningful to both an expert in medical care and a lay reader, we consulted with clinical experts to create a weighting system that factors in the relative importance of each component compared to other components. The result of this weighting ensures that components considered more serious—or those that pose the greatest medical risk to the inmate-patient—are given more weight than those components we consider less serious.

Results

During 2009, the Medical Inspection Unit (MIU) issued reports for medical inspections at 15 prisons. We performed medical inspections at four additional prisons that year, but the results from those inspections were not published during the 2009 calendar year.

From September 2008 through November 2009, the MIU operated with only one team of inspectors. In December 2009, we added a second team of inspectors, resulting in our doubling the number of inspections conducted to about two per month.

We are scheduled to perform our thirty-third inspection in June 2010. This will complete the first cycle of inspections, providing a baseline measurement for the stakeholders in the *Plata* litigation.

Special Review: Management of the Department of Corrections and Rehabilitation's Administrative Segregation Unit Population

Our Special Review of CDCR's Administrative Segregation Units uncovered the denial of inmate due process rights in Administrative Segregation Units in three prisons across the state. We found that CSP Los Angeles County, CSP Solano, and San Quentin State Prison routinely violate the rights of inmates to due process and timely release from administrative segregation. These denials of due process rights at the three prisons likely indicate a systemic failure in prisons throughout California. We made twelve recommendations to rectify current practices and improve policies to protect inmate civil rights.

REHABILITATION



The California Rehabilitation Oversight Board

The OIG's mission was broadened in May 2007 with the signing of Assembly Bill 900 (AB 900), the Public Safety and Offender Rehabilitation Services Act of 2007.

AB 900 was designed to address prison overcrowding and improve rehabilitative programming in California's prisons. The legislation also established the California Rehabilitation Oversight Board (CROB) within the OIG. Chaired by the inspector general, C-ROB is a statewide board of 11 members who have expertise in state and local

law enforcement, and in the education, treatment, and rehabilitation of criminal offenders.

The legislation mandates that C-ROB regularly examine and report biannually to the governor and the Legislature on the rehabilitative programming that CDCR provides to the adult inmates and parolees under its supervision. By statute, these reports must include findings in the following areas:

- Effectiveness of treatment efforts for offenders.
- Rehabilitation needs of offenders.
- Gaps in rehabilitation services.
- Levels of offender participation and success.

C-ROB published three reports during 2009: its two biannual reports in March and September and an interim data report in June. The reports evaluated CDCR's progress in meeting the Governor's Rehabilitation Strike Team Report recommendations, which serve as guidelines for implementing the Expert Panel on Adult Offender and Recidivism Reduction Programs' report titled *A Roadmap for Effective Offender Programming in California*. They also examined CDCR's progress toward implementing the California Logic Model, which provides the framework for effective rehabilitation programming as an offender moves through the state correctional system.

During 2009, CDCR received a \$1.2 billion budget cut from the Legislature, forcing CDCR to completely restructure the rehabilitative programming model it had created in response to AB 900. The budget cut also led the governor and CDCR to create a prison population reduction package to help achieve cost savings. Then on August 4, 2009, the Three-Judge Panel, made up of two federal district court judges and one Ninth Circuit judge, ordered that CDCR submit a plan to reduce its inmate population over the next two years to achieve a population of 137.5% of CDCR's prisons' design capacity. This would amount to a population reduction of about 40,000 inmates.

Throughout the state budget negotiations, CDCR remained dedicated to ensuring that rehabilitation program resources reached those inmates whom the Expert Panel Report designated as the target population (moderate-to-high risk to recidivate, moderate-to-high need and seven-to-36 months to serve). The rehabilitative programming demonstration project at CSP Solano graduated its first two classes in the evidence-based programs Thinking for a Change (T4C) and Controlling Anger and Learning to Manage (CALM) before being put on hold temporarily due to budget cuts. The Office of Research continued to expand its data collection and databases, thereby allowing it to better understand the rehabilitative needs of the inmate population, and continued to streamline its data collection and reporting process to C-ROB.

In addition to chairing C-ROB, the Inspector General also helps verify whether specified conditions have been met in order for the Public Works Board to release funds provided for construction of new facilities. Specifically, the legislation requires that the second phase of AB 900 funding cannot be released until a three-member panel, composed of the inspector general, the state auditor, and a judicial council appointee, has certified that 13 benchmarks have been met.

Quadrennial Audit at California State Prison, Solano

During our audit at California State Prison, Solano, we found that the prison has limited rehabilitative programming available for its inmates and fails to effectively use the rehabilitative resources that it does have.

More than 30 percent of CSP Solano's 5,700 inmates are not assigned to rehabilitative programming because the prison lacks sufficient educational and vocational resources. These rehabilitation programs are vital to providing inmates with the skills they need to succeed when they are paroled. Even allowing for its insufficient programming resources, we found that the prison uses those resources inefficiently, often assigning inmates with long-term sentences to the education and work programs. This is at the expense of inmates with shorter terms who will be paroled in the next few years. Moreover, inmates attended academic and vocational instruction less than 50 percent of class time, due to security delays, lockdowns, teacher absences, and other circumstances that keep them out of class.

By not providing rehabilitative opportunities for inmates, the state incurs increased costs from higher recidivism rates. To mitigate this problem, CDCR began a pilot project at CSP Solano in March 2008 designed to improve rehabilitation programs and also expand substance abuse programming at the prison. In the future, the inspector general, through his role as the chair of the California Rehabilitation Oversight Board (C-ROB), along with C-ROB members and other OIG staff members, will monitor and evaluate the rehabilitative progress made in this pilot project.

C-ROB's reports are available on the OIG's website, under the C-ROB link: <http://www.oig.ca.gov/pages/c-rob/reports.php>

REPORTS RELEASED IN 2009

Bureau of Audits and Investigations

- California Medical Facility Medical Inspection Results (January 2009)
- Special Review: Management of the Department of Corrections and Rehabilitation's Administrative Segregation Unit Population (January 2009)
- Centinela State Prison Medical Inspection Results (February 2009)
- RJ Donovan Correctional Facility Medical Inspection Results (February 2009)
- Special Review: Department of Corrections and Rehabilitation Slow to Collect Money Owed by Labor Union (February 2009)
- Deuel Vocational Institution Medical Inspection Results (March 2009)
- 2000-2007 Review of Audits of the CDCR (March 2009)
- California Men's Colony Medical Inspection Results (May 2009)
- Central California Women's Facility Medical Inspection Results (May 2009)
- Special Review: Internal Affairs Information Security (May 2009)
- Sierra Conservation Center Medical Inspection Results (June 2009)
- Special Review: California Prison Health Care Receivership Corporation Use of State Funds for Fiscal Year 2007-08 (June 2009)
- California State Prison, Los Angeles County Medical Inspection Results (July 2009)
- Quadrennial Audit, California State Prison, Solano (July 2009)
- Pleasant Valley State Prison Medical Inspection Results (August 2009)
- Warden Derrel Adams One-Year Audit, Corcoran State Prison (August 2009)
- Warden Ivan D. Clay One-Year Audit, Sierra Conservation Center (August 2009)
- California Correctional Institution Medical Inspection Results (September 2009)
- Warden Ken Clark One-Year Audit, California Substance Abuse Treatment Facility and State Prison, Corcoran (September 2009)
- California Rehabilitation Center Medical Inspection Results (October 2009)
- Avenal State Prison Medical Inspection Results (November 2009)
- California Institution for Women Medical Inspection Results (November 2009)
- Warden Debra Herndon One-Year Audit, Ironwood State Prison (November 2009)

- High Desert State Prison Medical Inspection Results (December 2009)
- San Quentin State Prison Medical Inspection Results (December 2009)
- Warden John Salazar One-Year Audit, Chuckawalla Valley State Prison (December 2009)

Bureau of Criminal Investigations

- Letter: Mixon Preliminary Review (March 2009)
- Special Report: Unemployment Insurance Benefits to Fired Employees (March 2009)
- Letter: California Inmates Filing Fraudulent Income Tax Returns (May 2009)
- Special Report: Inmate Cell Phone Use (May 2009)
- Letter: Abduction and Murder of Lily Burk by Parolee Charles Samuel (September 2009)
- Special Report: CDCR's Supervision of Parolee Phillip Garrido (November 2009)

Bureau of Independent Review

- Semi-Annual Report, July - December 2008 (March 2009)
- Special Report: Voluntary Demotion of a Correctional Officer (June 2009)
- Semi-Annual Report, January - July 2009 (September 2009)

California Rehabilitation Oversight Board

- C-ROB Biannual Report (March 2009)
- C-ROB June Interim Data Report (June 2009)
- C-ROB Biannual Report (September 2009)

For access to all OIG reports please visit:
<http://www.oig.ca.gov/pages/reports.php>



ANNUAL REPORT

OFFICE OF THE INSPECTOR GENERAL

David R. Shaw
INSPECTOR GENERAL

Bruce Monfross
CHIEF DEPUTY INSPECTOR GENERAL (A)

Barbara Sheldon
CHIEF COUNSEL

Samuel Dudkiewicz
CHIEF ASSISTANT INSPECTOR GENERAL
BUREAU OF CRIMINAL INVESTIGATIONS

Howard Moseley
CHIEF ASSISTANT INSPECTOR GENERAL
BUREAU OF INDEPENDENT REVIEW

Jerry Twomey
CHIEF ASSISTANT INSPECTOR GENERAL
BUREAU OF AUDITS AND INVESTIGATIONS

Laura Hill
SPECIAL ADVISOR TO THE
INSPECTOR GENERAL

STATE OF CALIFORNIA
JUNE 2010

WWW.OIG.CA.GOV