

STANISLAUS COUNTY  
CIVIL GRAND JURY



FINAL REPORT  
2020-2021

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The 2020-2021 Stanislaus County Civil Grand Jury is issuing its reports during the unprecedented conditions of the global COVID-19 pandemic.



**Foreperson**.....Laurie Overly  
**Foreperson Pro-Tempore**.....Jim McKay  
**Recording Secretary**.....Lorraine Arnold  
**Sergeant-at-Arms**.....Thomas Cardoza

**GRAND JURY PANEL**

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Lorraine Arnold	Turlock	Rochelle Gaines	Turlock
Manveer Bains	Modesto	Don Hamaguchi	Turlock
Arvinder Bajwa	Modesto	Marsha Lovelace	Modesto
William Bishop	Modesto	Cheryl Mason	Salida
Patricia Brown	Modesto	Jim McKay	Modesto
Thomas Cardoza	Modesto	Laurie Overly	Modesto
Edward Dobson	Salida	Terri Taylor	Oakdale
Louis Friedman	Modesto	Larry Turner	Turlock



## Stanislaus County Civil Grand Jury

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Post Office Box 3387 • Modesto, California 95353 • (209) 525-4252 • Fax (209) 558-8170

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June 3, 2021

The Honorable Robert B. Westbrook  
Presiding Judge of the Superior Court of California  
800 11<sup>th</sup> Street  
Modesto, CA 95354

Dear Judge Westbrook:

The 2020-2021 Stanislaus County Civil Grand Jury is pleased to submit its final report of the investigations and complaints received from members of the public, investigations initiated by the civil grand jury, and mandated inspections of law enforcement facilities.

This year's civil grand jury took their duty very seriously and gave careful consideration to each complaint received while faced with the challenge of completing investigations and inquiries during the COVID-19 pandemic and lockdown. The grand jury became creative in how they were going to complete the work that they were charged to do. Many obstacles were overcome due to issues with meeting virtually, conducting interviews, and doing site tours by use of video conferencing and social distancing.

The civil grand jury completed a follow-up to the responses from the 2019-2020 Stanislaus County Civil Grand Jury's final report ensuring each entity had responded according to law.

The 2020-2021 civil grand jurors participated in the Stanislaus County Audit entrance and exit interviews conducted by CliftonLarsonAllen, LLP, Certified Public Accountants as mandated.

The civil grand jury received and investigated, when necessary, a variety of complaints from concerned citizens, as these complaints were investigated, and we realized that many were not in our jurisdiction and investigations were closed. The grand jury also initiated and conducted, without prejudice, assessments and observations into the COVID-19 response at the Safety Center and the election processes, (please see attached letters). Lastly the grand jury did an investigation to assure compliance with Measure L.

The civil grand jurors also created an addendum to be added to the Stanislaus County Civil Grand Jury Procedures Handbook in regards to holding meetings virtually due to a pandemic such as the COVID-19 outbreak or any other state of an emergency that would cause the grand jury to be ordered by the presiding

The Honorable Robert B. Westbrook  
June 1, 2021  
Page two

judge to meet virtually. In addition to the addendum, the grand jurors also made updates to the procedures manual to align with the California Grand Jurors Association's training and the California Penal Code.

The jurors who participated in the 2020-2021 Stanislaus County Civil Grand Jury need to be commended for their hard work, diligence, and dedication to completing this year's final report. If we had not become a cohesive team and worked through all of the challenges that we had, this year's report would never have been possible. I am very proud of the work we were able to accomplish during the COVID-19 pandemic. I would like to take this time to thank each member of the 2020-2021 Stanislaus County Civil Grand Jury for their accomplishments during the pandemic and their term.

On behalf of the 2020-2021 Stanislaus County Civil Grand Jury, I would like to thank you, the Court Executive Officer/Jury Commissioner, the Assistant Court Executive Officer, the Stanislaus County Counsel, the Stanislaus County District Attorney's office and the Civil Grand Jury Administrative Assistant for their excellent support and assistance during the 2020-2021 civil grand Jury term.

Sincerely,



Laurie Overly, Foreperson  
2020-2021 Stanislaus County Civil Grand Jury



## Stanislaus County Civil Grand Jury

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June 3, 2021

Ms. Donna Linder  
Stanislaus County Registrar of Voters  
1021 I Street, Suite 101  
Modesto, CA 95354

Re: 2020 Election Tours

Dear Ms. Linder:

The Stanislaus County Civil Grand Jury would like to thank you and your team for providing a very thorough and excellent presentation to the grand jury members who participated in observing the 2020 elections and balloting processes. The elections this past year brought many challenges due to Covid-19 and heightened security issues. Thank you for the ability to observe the elections office during that time.

With regard to the COVID-19 pandemic, we acknowledge that the safety, health, and wellbeing of staff and volunteers is of the utmost priority.

Thank you again for taking the time during the election to provide us with the presentation and the ability to tour.

Sincerely yours,

Laurie Overly, Foreperson  
Stanislaus County Civil Grand Jury



## Stanislaus County Civil Grand Jury

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June 3, 2021

Captain Frank Martinez  
Adult Detention Division  
Stanislaus County Sheriff's Department  
250 E. Hackett Road  
Modesto, CA 95358

Re: Stanislaus County Safety Center COVID-19 Data

Dear Captain Martinez:

The Stanislaus County Civil Grand Jury would like to thank you and your team for providing a very thorough and excellent presentation. Your response to the grand jury's request for COVID 19 data as it relates to the Stanislaus County Safety Center was detailed and informative. We appreciated your well organized presentation and your team's attention to detail.

With regard to the COVID-19 pandemic, we acknowledge that the safety, health and wellbeing of the staff and inmates at the Safety Center is of the department's utmost priority for the department.

Sincerely yours,

Laurie Overly, Foreperson  
Stanislaus County Civil Grand Jury

**Summary of Responses to the 2019-2020  
Stanislaus County Civil Grand Jury's Final Reports**

## **Summary of Responses to the 2019-2020 Stanislaus County Civil Grand Jury's Final Reports**

### **SUMMARY**

Each year the Stanislaus County Civil Grand Jury (SCCGJ) issues a report with findings and recommendations directed to Stanislaus County officials, agencies, municipal and other public entities. The Continuity Committee's responsibility is to monitor the filing of responses to the previous year's grand jury report and advise the current grand jury if those responses are complete and legally sufficient, or if additional follow-up is necessary.

### **BACKGROUND**

California Penal Code §933(a) requires the civil grand jury to "submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year." §933(c) requires comments from the governing body, elected county officers, or agency heads to the presiding judge of the superior court on the findings and recommendations within a required time period. Governing bodies of public agencies are required to respond no later than ninety days after the civil grand jury submits a final report; elected county officers and agency heads are required to respond no later than sixty days after the civil grand jury submits a final report.

All SCCGJ reports and the responses can be viewed on the following website:

<http://www.stanct.org/finalreports>

## **METHODOLOGY**

The responses and comments submitted concerning reports issued by the 2019-2020 civil grand jury were evaluated by the 2020-2021 civil grand jury. A review of California Penal Code §933.05(b) requires responses to both findings and recommendations. Responses to finding include one of the following:

1. Agrees W/Finding
2. Agrees Partially
3. Disagrees Wholly

Responses to recommendations include one of the following:

1. Implemented
2. Will implement
3. Further Analysis Needed
4. Will not implement/Other

California Penal Code §933.05(b)(3) requires that respondents indicating “further analysis is needed” must conclude such study within six months from the date of the publication of the civil grand jury report.

## **GLOSSARY**

**BOS** – Stanislaus County Board of Supervisors

**CLA** – CliftonLarsonAllen LLP

**CSA** – Community Services Agency

**FAA** – Federal Aviation Agency

**IHSS** – In Home Support Services

**ORV** – Office of Registrar of Voters

**RLA** – Riverbank Language Academy

**RUSD** – Riverbank Unified School District

**SCCGJ** – Stanislaus County Civil Grand Jury

**UAV/drones** – Unmanned Aircraft Vehicles

**n/a** – non applicable

**Riverbank Language Academy  
Case # 20-01C**

**Reason for Investigation**

The Stanislaus County Civil Grand Jury (SCCGJ) received two complaints about the 2019 election of members to the Riverbank Language Academy (RLA) board. After complainants were interviewed, the SCCGJ decided to open an investigation.

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**Agencies Asked to Respond**

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- ❖ RLA Board of Directors .....F1-F8, and R1-R7
- ❖ RUSD Superintendent .....F1-F8, and R1-R7

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Riverbank Language Academy</b>								
<b>F1.</b> The lack of established timelines/procedures for elections resulted in missed opportunities for interested individuals to apply for open board seats.			<b>X</b>	<b>R1.</b> Form a formal election committee to oversee all aspects of the election process.				<b>X</b>
<b>F2.</b> The lack of a formal election committee to oversee the election process led to confusion about application deadlines, how/where ballots are returned, and how/who counts votes.			<b>X</b>	<b>R2.</b> Develop and distribute annually a precise timeline for elections.				<b>X</b>

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other:*
<b>F3.</b> The lack of an established process for announcing board vacancies, nomination procedures, collection of ballots, and counting of votes prevented parents from being informed.		<b>X</b>		<b>R3.</b> Use all communications that have the greatest potential to reach prospective candidates, including but not limited to flyers, postings, social media, automated phone calls, emails to parents, to announce board vacancies.			<b>X</b>	
<b>F4.</b> Lack of clarity regarding the 4th through 8th grade parent board representative requirement could result in a parent serving on the board who no longer has a student at RLA.	<b>X</b>			<b>R4.</b> Revise bylaws Article VI, section 4a, from “a child currently” to “student currently enrolled in 3rd through 7th grade.”		<b>X</b>		
<b>F5.</b> Lack of clarity regarding the board representative requirements could result in a 3rd grade parent who is not allowed to run even though he/she will have a 4th through 8th grade student during the elected term.	<b>X</b>			<b>R5.</b> Nameplates should be displayed and easily read from the audience, and a sound system used.		<b>X</b>		
<b>F6.</b> Inability to hear and to identify board speakers make board meetings difficult for the audience to comprehend the discussion.		<b>X</b>		<b>R6.</b> Use both written and audio recordings of board meetings to create a complete summary of all discussions and comments in the minutes.				<b>X</b>
<b>F7.</b> Inconsistent minutes of board meetings result in incomplete records of discussions and comments.		<b>X</b>		<b>R7.</b> Board members attend governance, ethics, and in-depth Brown Act training within sixty days of an election or appointment to the board and annually thereafter.	<b>X</b>			

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other**
<b>F8.</b> A failure to follow the Brown Act, such as adding items to the agenda or failing to notate exemptions in the minutes, may result in exclusion of interested individuals' participation in discussions.		<b>X</b>						

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**Conclusion**

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The 2020-21 SCCGJ is satisfied with the Riverbank Language Academy's response. The response was received within the time frame stipulated by the California Penal Code §955(c).

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>RUSD Superintendent</b>								
<b>F1.</b> The lack of established timelines/procedures for elections resulted in missed opportunities for interested individuals to apply for open board seats.			<b>X</b>	<b>R1.</b> Form a formal election committee to oversee all aspects of the election process.				<b>X</b>
<b>F2.</b> The lack of a formal election committee to oversee the election process led to confusion about application deadlines, how/where ballots are returned, and how/who counts votes.			<b>X</b>	<b>R2.</b> Develop and distribute annually a precise timeline for elections.				<b>X</b>
<b>F3.</b> The lack of an established process for announcing board vacancies, nomination procedures, collection of ballots, and counting of votes prevented parents from being informed.		<b>X</b>		<b>R3.</b> Use all communications that have the greatest potential to reach prospective candidates, including but not limited to flyers, postings, social media, automated phone calls, emails to parents, to announce board vacancies.				<b>X</b>
<b>F4.</b> Lack of clarity regarding the 4th through 8th grade parent board representative requirement could result in a parent serving on the board who no longer has a student at RLA.	<b>X</b>							

<b>Findings</b>	<b>Agree w/ Finding</b>	<b>Agrees Partially</b>	<b>Disagrees Wholly</b>	<b>Recommendations</b>	<b>Implemented</b>	<b>Will Implement</b>	<b>Further Analysis Needed</b>	<b>Will Not Implement/Other</b>
<b>F5.</b> Lack of clarity regarding the board representative requirements could result in a 3rd grade parent who is not allowed to run even though he/she will have a 4th through 8th grade student during the elected term.	<b>X</b>			<b>R4.</b> Revise bylaws Article VI, section 4a, from “a child currently” to “student currently enrolled in 3rd through 7th grade.”		<b>X</b>		
<b>F6.</b> Inability to hear and to identify board speakers make board meetings difficult for the audience to comprehend the discussion.		<b>X</b>		<b>R5.</b> Nameplates should be displayed and easily read from the audience, and a sound system used.		<b>X</b>		
<b>F7.</b> Inconsistent minutes of board meetings result in incomplete records of discussions and comments.		<b>X</b>		<b>R6.</b> Use both written and audio recordings of board meetings to create a complete summary of all discussions and comments in the minutes.				<b>X</b>
<b>F8.</b> A failure to follow the Brown Act, such as adding items to the agenda or failing to notate exemptions in the minutes, may result in exclusion of interested individuals’ participation in discussions.		<b>X</b>		<b>R7.</b> Board members attend governance, ethics, and in-depth Brown Act training within sixty days of an election or appointment to the board and annually thereafter.	<b>X</b>			

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the RUSD Superintendent’s response was received within the time frame stipulated by the California Penal Code §955(c).

**Participation in the Annual Financial Audit Report  
For the Fiscal Year Ending June 30, 2019  
Case #20-04GJ**

**Reason for Investigation**

Civil grand juries are required to investigate and report on the operations, accounts, and records of the departments or functions of the county, per California Penal Code §925. Therefore the 2019-2020 Stanislaus County Civil Grand Jury (SCCGJ) reviewed the Stanislaus County Audit Report for the fiscal year ending June 30, 2019. For the fiscal year ending June 30, 2019, the county contracted with the firm CliftonLarsonAllen LLP (CLA). Their final report was presented on March 2, 2020. In the course of their work, CLA found several material (non-trivial or significant) misstatements in prior financial reporting by the Auditor-Controller office. These misstatements were found as a result of a new auditing firm reviewing the books.

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**Agencies Asked to Respond**

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- ❖ Stanislaus County Board of Supervisors..... **F1, R1**
- ❖ Stanislaus County Auditor-Controller..... **F1, R1**

Findings		Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/ Other
<b>Stanislaus County Board of Supervisors</b>									
<b>F1.</b> The audit by CLA uncovered several material misstatements in Stanislaus County's financial reporting. These errors occurred across several years.				<b>X</b>	<b>R1.</b> As noted in the summary, Stanislaus County used the same auditing firm for eight consecutive years. To minimize risk of future accounting errors and reporting, SCCGJ encourages the Auditor-Controller office to adopt a more frequent interval in the rotation of auditing firms.	<b>X</b>			

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the Stanislaus County Board of Supervisors' response was received within the time frame stipulated by the California Penal Code §955(c).

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Stanislaus County Auditor-Controller</b>								
<b>F1.</b> The audit by CLA uncovered several material misstatements in Stanislaus County's financial reporting. These errors occurred across several years.			<b>X</b>	<b>R1.</b> As noted in the summary, Stanislaus County used the same auditing firm for eight consecutive years. To minimize risk of future accounting errors and reporting, SCCGJ encourages the Auditor-Controller office to adopt a more frequent interval in the rotation of auditing firms.	<b>X</b>			

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the Stanislaus County Auditor-Controller's response was received within the time frame stipulated by the California Penal Code §955(c).

## Election Security Case #20-09GJ

### Reason for Investigation

From observation of behind-the-scenes election processes and discussions with personnel from the Office of the Registrar of Voters (ORV), the Stanislaus County Civil Grand Jury (SCCGJ) found that the State of California and Stanislaus County maintain a diligent approach to electoral security. California state law mandates elections by paper ballot, with modern automation technology limited to optical scanning of hand-marked ballots. At the county level, strong security measures including the enforced absence of WI-FI connectivity protect daily activities in the ORV.

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### Agencies Asked to Respond

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❖ Stanislaus County Board of Supervisors.....F1-F3

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Stanislaus County Board of Supervisors</b>								
F1. Strong structural security to ensure the physical integrity of ballots is maintained at both the ORV warehouse and the ORV.	X							
F2. To prevent individual tampering, a two person chain of custody is maintained at every step in the handling of ballots.	X							

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>F3.</b> The State of California and Stanislaus County have taken strong measures to prevent electronic interference in both the counting of ballots and the software used for the counting.	X							

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the Stanislaus County Board of Supervisors' response was received within the time frame stipulated by the California Penal Code §955(c).

## In Home Support Services Case #20-12C

### Reason for Investigation

The Stanislaus County Civil Grand Jury (SCCGJ) initiated an investigation of the In Home Support Services (IHSS) program. The IHSS program is administered by Community Services Agency (CSA) in Stanislaus County. The investigation was initiated in response to a citizen complaint of mismanagement and poor oversight of the IHSS program.

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### Agencies Asked to Respond

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❖ Stanislaus County Board of Supervisors.....F1-F3, R1, R2

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Stanislaus County Board of Supervisors</b>								
<b>F1.</b> The current system of documenting caregiver work hours is prone to inaccuracies.	<b>X</b>			<b>R1.</b> Monitor the state plan due to be implemented during Spring-Summer 2020 to switch to electronic timecards		<b>X</b>		
<b>F2.</b> A state-implemented electronic timekeeping system should reduce errors.	<b>X</b>			<b>R2.</b> Annually evaluate social worker retention rates to determine the effectiveness of implementing an augmented path to promotion for social workers.		<b>X</b>		
<b>F3.</b> Failure to provide paths to promotions caused difficulties in recruiting and retaining social workers.			<b>X</b>					

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### Conclusion

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The 2020-21 SCCGJ is satisfied that the Stanislaus County Board of Supervisors' response was received within the time frame stipulated by the California Penal Code §955(c).

## **Law Enforcement Drone Usage Case #20-19GJ**

### **Reasons for Investigation**

The 2019-2020 Stanislaus County Civil Grand Jury (SCCGJ) investigated the use of unmanned aircraft vehicles (UAV/drones) within Stanislaus County law enforcement agencies. Drone technology continues to evolve, and SCCGJ was interested in how law enforcement agencies use drones in their respective operations. Federal Aviation Agency (FAA) regulations governing the commercial operations of drones by public entities are complex. SCCGJ sought to determine if all agencies operated within FAA guidelines.

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### **Agencies Asked to Respond**

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- ❖ Stanislaus County Sheriff.....F1
- ❖ Modesto City Council..... F1
- ❖ Oakdale City Council.....F1, F2, R1

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### **Agencies Invited to Respond**

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- ❖ Stanislaus County Board of Supervisors
- ❖ Modesto City Police Chief
- ❖ Oakdale City Police Chief

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Stanislaus County Sheriff</b>								
<b>F1.</b> Modesto Police Department, Stanislaus County Sheriff's Department and Oakdale Police Department appear to consistently follow approved FAA guidelines when flying drones in the execution of their law enforcement duties.	<b>X</b>			<b>R1.</b> Oakdale Police Department should seek additional opportunities to fly its drone to ensure optimal pilot skill level.	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>F2.</b> Oakdale Police Department, with limited use of its drone, may find difficulty in maintaining pilot skill levels.	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>					

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the Stanislaus County Sheriff's response was received within the time frame stipulated by the California Penal Code §955(c).

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Modesto City Council</b>								
<b>F1.</b> Modesto Police Department, Stanislaus County Sheriff's Department and Oakdale Police Department appear to consistently follow approved FAA guidelines when flying drones in the execution of their law enforcement duties.	<b>X</b>			<b>R1.</b> Oakdale Police Department should seek additional opportunities to fly its drone to ensure optimal pilot skill level.	n/a	n/a	n/a	n/a
<b>F2.</b> Oakdale Police Department, with limited use of its drone, may find difficulty in maintaining pilot skill levels.	n/a	n/a	n/a					

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**Conclusion**

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The 2020-21 SCCGJ is satisfied that the Modesto City Council's response was received within the time frame stipulated by the California Penal Code §955(c).

Findings	Agree w/ Finding	Agrees Partially	Disagrees Wholly	Recommendations	Implemented	Will Implement	Further Analysis Needed	Will Not Implement/Other
<b>Oakdale City Council</b>								
<b>F1.</b> Modesto Police Department, Stanislaus County Sheriff's Department and Oakdale Police Department appear to consistently follow approved FAA guidelines when flying drones in the execution of their law enforcement duties.	<b>X</b>			<b>R1.</b> Oakdale Police Department should seek additional opportunities to fly its drone to ensure optimal pilot skill level.	<b>X</b>			
<b>F2.</b> Oakdale Police Department, with limited use of its drone, may find difficulty in maintaining pilot skill levels.	<b>X</b>							

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**Conclusion**

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The 2020-21 SCCGJ is satisfied with the Oakdale City Council's response. The response was not received within the time frame stipulated by the California Penal Code §955(c).

**Stanislaus County  
Civil Grand Jury**



**Participation in the Annual Financial Audit Report  
For the Fiscal Year Ending June 30, 2020**

**2020-2021 Stanislaus County Civil Grand Jury  
Participation in the Annual Financial Audit Report  
For the Fiscal Year Ending June 30, 2020  
Case # 21-14GJ**

**SUMMARY**

Civil grand juries are required to investigate and report on the operations, accounts, and records of the departments or functions of the county, per California Penal Code §925. The 2020-2021 Stanislaus County Civil Grand Jury (SCCGJ) reviewed the Stanislaus County Audit Report for the fiscal year ending June 30, 2020. The County contracted with the firm CliftonLarsonAllen LLP (CLA) Certified Public Accountants to conduct the external audit. Their final report was presented to the SCCGJ on April 2, 2021. CLA reported that they found no material (non-trivial or significant) misstatements in the current year's financial reporting by the Auditor-Controller office. The SCCGJ learned that CLA had discovered that the county did not approve lessors as vendors on federally funded projects. SCCGJ recommends that the county amend its federal program vendor approval policy to include lessors.

**GLOSSARY**

<b>AR</b>	Comprehensive Annual Financial Report
<b>CLA</b>	CliftonLarsonAllen, LLP, Certified Public Accountants
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Government Accounting Standards Board
<b>OMB</b>	Office of Management and Budget
<b>SA</b>	Single Audit
<b>SCCGJ</b>	Stanislaus County Civil Grand Jury

## **BACKGROUND**

The 2020 Stanislaus County Comprehensive Annual Financial Report (AR) is a report that is presented in accordance with §925 of the Penal Code of California (2019). The report contains financial statements that have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) prescribed for governmental entities. The AR includes the audited financial statements and the opinion of CLA. The accountants' opinion has no exceptions or reservations. The audit ensures Stanislaus County is using accounting practices consistent with GAAP and the Government Accounting Standards Board (GASB). The audit process provides a high degree of confidence that the county's financial statements are free from material misstatements.

In addition to the audited financial statements, the AR provides a comprehensive overview of the county's financial operations and financial position including management's discussion and analysis, statistical, demographic, and economic information regarding the county. The AR is a public document and is available at <http://www.stancounty.com/auditor/financial-reports.shtm>.

There is also a Single Audit (SA), known as the OMB A-133 Audit, which is an organization-wide audit or examination of a non-federal entity that expends \$750,000 or more of federal funds. The SA is intended to provide assurance that the county complies with federal requirements for programs with significant federal funding. For the year ended June 30, 2020, CLA audited federal programs administered by the county for:

- WIC Special Supplemental Nutrition Program
- Highway Planning and Construction
- Coronavirus Relief Fund
- Temporary Assistance for Needy Families
- Medical Assistance Program

## **METHODOLOGY**

SCCGJ attended an entrance meeting with CLA auditors on September 15, 2020, where an overview of the audit process was presented. At this presentation CLA provided SCCGJ an audit timeline and scope of their audit plan for Stanislaus County. SCCGJ also met with the Stanislaus County Auditor-Controller office.

SCCGJ and Stanislaus County representatives attended the exit presentations summarizing the findings of the audit by CLA and Stanislaus County Auditor-Controller on April 2, 2021, and May 17, 2021.

## **DISCUSSION**

At the April 2 meeting SCCGJ was advised that the completion of the SA was delayed. CLA had discovered the county was leasing space for a federally funded program from a lessor that had not been cleared to participate. At the final exit meeting with the Stanislaus County Auditor-Controller on May 17, 2021, SCCGJ was informed that:

- The lessor was cleared as a participant in a federally funded program and the SA was completed.
- The county had taken the step to review other lessors providing space for federally funded programs to confirm that none of them were disbarred or suspended from participation.
- The county has initiated a change to its federal vendor approval policy to include lessors in the definition of vendors.

The audit of the Stanislaus County financial statements confirmed that Stanislaus County Auditor-Controller is following GAAP and GASB principles in a consistent manner. It has internal controls in place giving a high level of confidence that there are no material misstatements.

**FINDINGS**

**F1.** The county’s process for pre-approving a vendor’s eligibility to participate in federally funded programs failed to include vendors who were lessors of space to the programs.

**RECOMMENDATIONS**

**R1.** The county shall implement an expanded clearance process by December 31, 2021, that will certify all vendors on federally funded programs, beyond the traditional suppliers of goods and services, are not disbarred or suspended from participation.

**REQUEST FOR RESPONSES**

The following responses are required within 60 days pursuant to Penal Code §933 and §933.05:

- Stanislaus County Auditor-Controller.....**F1, R1**
- Stanislaus County Board of Supervisors.....**F1, R1**

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

**Stanislaus County  
Civil Grand Jury**



**Is Stanislaus Council of Governments Enforcing  
Measure L Master Funding Agreement?**

# **2020-2021 Stanislaus County Civil Grand Jury Is Stanislaus Council of Governments Enforcing Measure L Master Funding Agreement? 21-17GJ**

## **SUMMARY**

In November 2016, more than 70% of Stanislaus County voters approved Measure L: Local Roads First Transportation Funding Measure Ordinance #16-01, a 25-year one-half cent special sales tax used exclusively for regional and local transportation, as well as other transit improvements. The Stanislaus Council of Governments (StanCOG) administers Measure L funds.

Resolution 17-10 was approved November 15, 2017, by StanCOG Policy Board adopting the Measure L Master Funding Agreement (MFA). The MFA sets forth the general terms and conditions each jurisdiction must comply with in order to receive disbursements of funds. An executed copy for each jurisdiction is on file with StanCOG.

Each jurisdiction is to create and maintain accurate information on their website to inform the public about how Measure L funds are being used. This will alleviate taxpayers from questioning whether government decision making is benefitting them.

While Measure L revenue disbursements go to regional, county, and transit projects, and transportation improvements in the nine cities in the county, due to communication restraints imposed by Covid-19, the Stanislaus County Civil Grand Jury (SCCGJ) decided to investigate the three local entities, Ceres, Patterson, and Turlock for compliance with the requirements of Measure L MFA.

The investigation involved researching key documents from StanCOG and the three local jurisdictions. SCCGJ found through their investigation that local jurisdictions were not adequately informing the public on their websites about how Measure L funds were being used.

## **GLOSSARY**

<b>SCCGJ</b>	Stanislaus County Civil Grand Jury
<b>StanCOG</b>	Stanislaus Council of Governments
<b>MFA</b>	Measure L Master Funding Agreement
<b>MLOC</b>	Measure L Oversight Committee
<b>LCF</b>	Local Control Funds

## **BACKGROUND**

Measure L provides funding for local transportation improvements including, but not limited to, fixing potholes and maintaining streets; improving emergency response; providing safe routes to schools; providing shuttle services to seniors, veterans, and disabled persons; and improving safety and reducing traffic congestion on Highway 99 and major streets.

Resolution 17-11 was adopted by StanCOG on November 15, 2017.

This resolution holds local jurisdictions to a high standard of government spending accountability to cities, residents, and government agencies.

When the voters of Stanislaus County approved Measure L, they authorized StanCOG to administer the proceeds from the one-half cent transaction tax. Measure L authorizes StanCOG to adopt implementing rules and administrative procedures to carry out its responsibilities in implementing Measure L. StanCOG drafted Policies & Procedures for the improvement of local streets and roads, traffic management, and bike and pedestrian elements of Measure L, (collectively referred to as Local Control Funds (LCF)).

The LCF includes the requirement that each jurisdiction that receives funding through Measure L enter in an MFA with StanCOG and meet its requirements to receive the funding.

As a safeguard, StanCOG established the Measure L Oversight Committee (MLOC). MLOC was established to review an independent fiscal audit of local jurisdictions' expenditures. MLOC is to issue an annual report of its findings to StanCOG regarding compliance with the Measure L Expenditure Plan and the Measure L Ordinance. MLOC is responsible for oversight of the proper use of sales tax funds, implementation of the programs and projects set forth in the expenditure plan, and recommendations to StanCOG.

## **METHODOLOGY**

In the course of this investigation, SCCGJ conducted interviews, attended meetings, reviewed relevant documents, and studied the websites of the cities and county.

## **DISCUSSION**

Article IV A6 of the MFA requires that each recipient of funding, "provide current and accurate information on Recipient's website to inform the public about how Recipient is using Measure L funds. This information shall also be provided to StanCOG for posting on the Measure L website." (See Addendum A for full text of Article IV, Section A of the MFA.)

To keep the public informed of Measure L spending, the MFA requires the following items to be posted on the jurisdictions' websites:

- Monthly Expenditure Report
- Monthly Cash Balance Report
- Quarterly Milestone Report, by 30<sup>th</sup> of the Month following end of the calendar Quarter
- Maintenance of Effort Form, Annually by March 31
- Annual Single Audit – Measure L, by March 31
- Annual Budget for Road Maintenance, Traffic Management, and Bike & Pedestrian Improvements, by June 30
- Resolution approving Annual Budget or Capital Improvement Program identifying projects to be funded by Measure L, by June 30
- Annual Measure L Project List, by June 30

Article IV A of the MFA states that failure for a jurisdiction to comply with the requirements may result in the withholding of funding. (See Addendum A.)

City of Turlock's website shows pictures of only two projects. The website lists dated numbers for Fiscal Year 2018 – 2019, Revenue, Expenditures and Cash Summary.

City of Ceres's website has only one project name with 13 maps detailing the construction.

City of Patterson's website only lists completed projects with detail, two current projects with bid date, start date and estimated completion date, and future project, in pre-design stage.

MLOC reported they were not aware of the recipients' responsibility to provide current and accurate information to the public on their website of how the funds were being used.

StanCOG informed SCCGJ that they cannot dictate what content each city posts on their website.

## **FINDINGS**

**F1.** StanCOG, as the "Pass-Through" agent for Measure L, has failed in its responsibility to follow through with the requirements of the Measure L MFA to withhold funding from those entities not in compliance with the agreement.

**F2.** City of Turlock has not provided sufficient information on their website to inform the public about how they are using the funds, as required by their MFA.

**F3.** City of Ceres has not provided sufficient information on their website to inform the public about how they are using the funds, as required by their MFA.

**F4.** City of Patterson has not provided sufficient information on their website to inform the public about how they are using the funds, as required by their MFA.

## RECOMMENDATIONS

**R1.** StanCOG shall establish a procedure for monitoring and enforcing compliance with the requirements of the MFA by December 31, 2021.

**R2.** City of Turlock shall update and maintain their website in accordance with the requirements of the MFA and provide the same data to StanCOG.

**R3.** City of Ceres shall update and maintain their website in accordance with the requirements of the MFA and provide the same data to StanCOG.

**R4.** City of Patterson shall update and maintain their website in accordance with the requirements of the MFA and provide the same data to StanCOG.

## REQUEST FOR RESPONSES

Pursuant to Penal Code §933 and §933.05, the Stanislaus County Civil Grand Jury requests responses from the following governing bodies within 60 days:

- City of Turlock City Council .....**F2, R2**
- City of Ceres City Council .....**F3, R3**
- City of Patterson City Council .....**F4, R4**

Pursuant to Penal Code §933 and §933.05, the Stanislaus County Civil Grand Jury requests responses from the following governing bodies within 90 days:

- StanCOG Board of Directors .....**F1, F2, F3, F4, R1, R2, R3, R4**
- Measure L Oversight Committee .....**F1, F2, F3, F4, R1, R2, R3, R4**

## INVITED RESPONSES

- Hughson City Council
- Modesto City Council
- Newman City Council
- Oakdale City Council
- Riverbank City Council
- Waterford City Council
- Stanislaus County Board of Supervisors
- Stanislaus County Council of Governments
- Stanislaus Regional Transportation Authority

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury. One juror was recused from this investigation.

## Addendum A

### **Measure L Master Funding Agreement**

#### ARTICLE IV: REPORTING REQUIREMENTS

##### A. REQUIREMENTS AND WITHHOLDING

RECIPIENT shall comply with each of the reporting requirements set forth in this Article IV. If RECIPIENT fails to comply with one or more of these requirements, STANCOG may withhold payment of further Measure L funds to RECIPIENT until full compliance is achieved.

1. RECIPIENT shall submit to STANCOG on a monthly basis:

a. Monthly revenue and expenditure reports which identify the Measure L revenue received and expended by RECIPIENT. All reports shall identify the revenue and expenses by project identified in RECIPIENT'S Capital Improvement Program (CIP), roadway resurfacing map, traffic management plan, pedestrian and bicycle plan, resolution or other document adopted by RECIPIENT'S governing board.

b. Monthly report of Measure L fund cash balances held by RECIPIENT.

2. RECIPIENT shall submit to STANCOG quarterly milestone reports which provides a narrative of the progress of all of RECIPIENT'S projects utilizing Measure L funding.

3. RECIPIENT shall, by March 31st of each year, or other deadline provided at least sixty (60) days in advance by STANCOG or its auditors, submit to STANCOG, at the RECIPIENT'S expense, separate independently audited financial statements for the prior fiscal year ended June 30 of Measure L funds received and used.

4. RECIPIENT shall, by September 30th of each year, document expenditure activities and report on the performance of Measure L funded activities through the annual program compliance reporting process, or through other STANCOG performance and reporting processes as may be requested, including but not limited to the annual performance report, annual program plan and planning monitoring reports. This report shall be provided to StanCOG and the Measure L Citizens Oversight Committee within 90 days of the end of each fiscal year and shall include documentation as to whether or not RECIPIENT met the Maintenance of Effort requirement for that fiscal year.

5. RECIPIENT shall install or mount signage adjacent to each project or program in excess of \$250,000 funded in whole or in part by Measure L funds identifying the project or program as being funded by Measure L revenues.

6. RECIPIENT shall provide current and accurate information on RECIPIENT'S website, to inform the public about how RECIPIENT is using Measure L funds. This information shall also be provided to STANCOG for posting on the Measure L website <http://www.stanislausmeasurel.com>

7. RECIPIENT shall actively participate in a “Public Awareness Program”, in partnership with STANCOG as a means of ensuring that the public has access to information regarding which projects and programs are funded through Measure L funds.

8. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries regarding RECIPIENT’s receipt, usage, and/or compliance audit findings regarding Measure L funds before the Citizens Oversight Committee.

9. RECIPIENT agrees that STANCOG may review and/or evaluate all project(s) or program(s) funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of STANCOG to observe RECIPIENT’s project or program operations, to review project or program data and financial records, and to discuss the project with Recipient’s staff or governing board.