

The Watchdog
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January 8, 2004

Arnold Schwarzenegger
Governor of California

Re: 2nd Proposal to Reduce Waste/Abuse in California's Budget

Dear Governor Schwarzenegger:

In December, I delivered my 1st Proposal to reduce waste/abuse involving the Judiciary. I trust that this proposal was brought to your attention. Attached you'll find a nine-page summary that contains 16 tables setting forth monies paid by Solano County for (1) travel expenses associated with attending conferences and seminars, (2) association membership dues/fees (166 organizations), (3) professional dues/fees, and (4) subscription/book fees.

In order to project how much the State and the other 57 counties spent on these matters, I took the number of Solano County employees (5,000), its population of about 400,000 and then compared that to the State's population of about 35 million. In projecting State costs, I compared State employee totals of about 224,000 against Solano's 5,000. Obviously, these numbers are not "scientific," however; I think they at least give an overall picture of State and County costs for these questionable expenses, which on a State and County level easily exceed \$100 million annually.

In the past, I have requested public records from all 58 counties and various state agencies in an effort to assist you in rooting out waste and abuse and/or outright fraud wherever it may exit. Some, but not all agencies have responded in some fashion. The most significant and highly suspect responses are as follows:

Bill Lockyer—Attorney General

On December 9, 2003, Mr. Lockyer responded to my public records request by stating that his office paid \$416,208.68 for annual dues to the California Bar Association and \$23,543.50 for annual dues payable to professional organizations for fiscal 2003.

Unbelievably, as to my request for the amounts paid for employees attendance at continuing legal education classes, seminars, conferences and the like, including tuition costs and travel expenses for 2003, Mr. Lockyer responded by saying:

"We do not have that information in any centralized form. The only way to acquire that information would be to manually examine thousands of individual travel claims and other personnel records – an endeavor that would be unduly burdensome in light of the more than 1,000 Department attorneys."

I am amazed that a public official who oversees an annual budget of \$291 million cannot account for and/or tell us how much his office spends annually on these matters. For Lockyer to claim that he doesn't have a clue as to the amounts spent should be of concern to everyone as to his administrative/leadership abilities. To assert that his office would have to review thousands of pages of expense records is absurd. If this be true, then Lockyer is openly admitting to misfeasance in office.

To assert that these expenses are not documented on a daily basis and logged onto a computer is difficult to believe. A review of Solano County's financial records clearly establishes that specific "account numbers" are given to each class of expense and then recorded on a computer making them readily available for review.

Given Mr. Lockyer's aspirations on becoming governor, one must reasonably question his ability to govern. Documenting travel expenses in a running account is nothing more than "Bookkeeping 101." Is it possible that Mr. Lockyer would prefer that the public be kept in the dark as to these types of expenses? Or is there something Mr. Lockyer would prefer that this Watchdog not see?

California Supreme Court

Although I did receive the bulk of the information I requested from the Court, they refused to provide me the following public information so that I could conduct a review as to waste, abuse and/or outright fraud if it indeed exists.

- ✍✍ As to compensation reports on income paid to all visiting retired judges in fiscal year 2002-2003, the court provided me with spreadsheets listing gross income by "numbers" rather than names. The court refused to provide the judges names under the guise that it would constitute an "invasion of privacy."**
- ✍✍ As to travel expense reports, the Court did the exact same thing by listing payments by "number" rather than the judges' name.**
- ✍✍ As to a request to disclose (1) the purchase costs, (2) makes and models, (3) fuel purchases, and, (4) maintenance records for state cars provided to the justices, the Court refused to do so by claiming "security concerns."**

I think you would agree that for judges who are "public officials" to assert a privacy right in concealing the amounts they earned and the travel expenses paid is absurd. The reason I asked for copies of compensation reports and travel records was so that I could determine if any judges were billing for hours they did not work or for expenses they did not incur.

After reviewing the compensation and travel records of visiting judges in Ohio, I discovered that 30-40% of them were bilking the public via the submission of claims for hours they did not work or for expenses they did not incur.

The annual cost in wages/travel expenses for retired judges in 2003 was \$16 million, which does not include fringe benefit costs. In comparison, Ohio's annual cost is about \$3 million. Without access to these public records we will forever be left in the dark as to the scope of any over billing by retired judges here in California.

I find it laughable that the Court would assert "security concerns" for failing to provide public records/information regarding state cars provided to the justices. Without these records one cannot ascertain if the same type of abuse and waste I discovered with Ohio's justices is also taking place here in California. I am not suggesting that it is; however, without access to these public records, we'll never know. ([Ohio Supreme Court abuses that I discovered can be found on my website by clicking onto "Watchdog's recommendations to Ohio Auditor Betty Montgomery" in the "Ohio Reporter" section](#))

Prison Guard Retirement System

I was appalled when I discovered that the prior administration entered into a contract with the prison guards allowing them to retire at 90% of their annual wages. This obscene agreement will likely cost the taxpayers untold millions into the unknown future. In my opinion, this is the biggest and most obscene giveaway of taxpayer funds I've ever come across.

The blame for this obscenity clearly lies with the Davis administration. It appears that in return for campaign contributions (I refer to them as bribes) of about \$3 million, the union is going to realize a handsome return on its investment. Small investors and business owners should be so lucky!

Table 16 at page 9 compares prison guard pensions against those received by retirees from the US Army and Disabled Veterans. As you'll see, a veteran who had his legs blown off while serving in Iraq receives less than half of what a prison guard receives. Likewise, a Sergeant who retires from the Army after 30 years receives \$20,000 a year while a prison guard receives over \$45,000.

I for one do not believe that a prison guard is entitled to receive two or even three times as much in annual retirement benefits as those who serve their country in Iraq or other dangerous areas. I'm not suggesting that prison guards do not deserve decent retirement benefits; however, if 60% is good enough for guards in Minnesota, then its good enough for California's guards.

Conclusion

The documents attached hereto, all of which were based on voluminous public records provided to me by Solano County officials clearly indicates that widespread abuse exists as it relates to the payment of association fees and travel to seminars, etc. by state and county employees in amounts easily in excess of \$100 million dollars per year. And of course this doesn't include the amounts being wasted by municipalities such as Los Angeles, San Diego, Sacramento and others.

Since the state provides counties with significant funding, those amounts wasted on this type of frivolity can easily be deducted from future monies provided to them. Why should taxpayers in Sacramento County see their hard earned dollars spent by Los Angeles County for these types of unjustified expenditures? If the taxpayers of Los Angeles County find it appropriate to pay for this type of unwarranted largess, then let them pick up the tab.

Anything you and/or your associates could do to expedite the turnover of public records to assist me in my ongoing investigation into waste and abuse would be greatly appreciated. If things continue as they are, I will likely qualify for Social Security and/or witness my 10-year-old granddaughters college graduation before I obtain the necessary records and complete my important work. The taxpayers of California can ill afford to allow public officials to drag their collective feet in attempting to conceal public records that may well disclose waste, abuse and/or outright fraud, and I trust you agree with me.

If there is anything I can do to assist you in rooting out waste and abuse, please do not hesitate to contact me. I stand at the ready to do whatever I can to assure your success in assuring all Californians that government officials sworn to protect them are not subjecting their hard-earned tax dollars to waste, abuse and/or outright fraud.

Thanks for your time and attention to this matter, and I wish you well in your ongoing endeavors to correct the abuses visited upon you by your predecessor.

Sincerely,

David Palmer
The Watchdog

cc: Ms. Donna Arduin—Finance Director

Table 1—Chamber of Commerce Memberships Dues—2002-03

	Organization	Amount
1	Vacaville Chamber of Commerce	\$1,547.50
2	Dixon Chamber of Commerce	\$1,463.00
3	Fairfield-Suisun Chamber of Commerce	\$1,032.00
4	California Chamber of Commerce	\$1,896.00
5	American Canyon Chamber of Commerce	\$ 220.00
6	Benicia Chamber of Commerce	\$ 141.50
7	Rio Vista Chamber of Commerce	\$ 50.00
		\$6,090.00

Table 2—Judicial/Legal Membership Dues and Fees—2002-03

	Description of Expenditures	Amount
8	CA Bar Assn.	\$70,357.00
9	CA DA's Assn. Membership Dues	\$14,100.00
10	CA DA's Assn. Education Seminars	\$16,114.00
11	California Judges Assn.	\$14,870.00
12	County Counsels Association	\$ 8,696.00
13	CA State Assn. Of County Counsel	\$ 8,330.00
14	Chief Probation Office	\$ 8,300.00
15	CA Public Defenders Assn.	\$ 7,030.00
16	CA DA's Investigator Assn. Education	\$ 2,000.00
17	Court Reporters	\$ 2,000.00
18	National/State Judges Associations	\$ 1,640.00
19	National District Attorneys Association	\$ 1,260.00
20	CA St. Assoc. Public Guardians	\$ 1,200.00
21	Council of CA Law Libraries	\$ 770.00
22	American Correctional Assn.	\$ 600.00
23	CA. State Assoc. of Public Guardians	\$ 505.00
24	Defense Investigators Assn.	\$ 480.00
25	Amer. Assn of Law Libraries	\$ 332.00
26	Nat'l. Association of Law	\$ 330.00
27	Nat'l. Notary Association	\$ 225.00
28	APCO International, Inc.	\$ 170.00
29	National Emergency Assn.	\$ 150.00
30	Cty Assn. Probation Inst. Administrators	\$ 160.00
31	CA State Coroner's Assn.	\$ 60.00
32	CA Narcotic Officials	\$ 50.00
		\$159,729.00

Annual Estimate for the State = \$7.2 million

Annual Estimate for All Counties = \$13.9 million

Table 3—Sheriff and Fire Memberships—2002-03

	Description of Expenditures	Amount
33	CA State Sheriff's Assn. —Memberships	\$15,200.00
34	CA Firefighters Assn.	\$ 8,925.00
35	Solano Napa Fire Chief	\$ 1,300.00
36	Cordelia Firefighters Assn.	\$ 1,275.00
37	Fire Districts of California Assn.	\$ 907.50
3	National Sheriff's Assn. —Memberships	\$ 640.00
39	American Correctional Assn.	\$ 600.00
40	Mt. Diablo Silverado	\$ 517.00
41	Int'l. Assn. Of Fire Chiefs	\$ 410.00
42	Nat'l. Assn. for Search & Rescue	\$ 300.00
43	CA Fire Chiefs Assn.	\$ 220.00
44	Western States Sheriff Assn. —Memberships	\$ 200.00
45	Assn. Law Enforcement Background Investigators	\$ 200.00
46	CA Sexual Assault Assn. —Memberships	\$ 180.00
47	Int'l. Conference of Fire Chiefs	\$ 170.00
48	Nat'l. Tactical Officers Assn. —Memberships	\$ 150.00
49	CA Chapter FBI—Memberships	\$ 110.00
50	CA Assn. Of Hostage Negotiators	\$ 70
51	CA Assn. Polygraph Examiners	\$ 70
52	Int'l. Assoc. Law Enforcement Firearms Instructors	\$ 50
53	CA St. Div. Int'l Assoc. for Identifiers	\$ 50
		\$34,494.50

Annual Estimate for the State = 1.5 \$ million
Annual Estimate for All Counties = \$3.0 million

Table 4—Medical Related Membership License Fees—2002-03

	Description of Expenditures	Amount
54	CA Mental Health Assn.	\$9,900.00
55	Coalition of Advances Emergency Med. Services	\$4,000.00
56	Public Health Officers Assn.	\$2,390.00
57	American Osteopathic Assn.	\$1,310.00
58	Nat'l. Assn. County Behavioral Health Directors	\$1,000.00
59	American Health Information Assn.	\$ 910.00
60	Solano County Medical Society	\$ 827.00
61	American Public Health Officers Assn.	\$ 780.00
62	Occupational Therapy Assn. Of California	\$ 320.00
63	Emergency Med. Services Administrators Assn.	\$ 300.00
64	CA Conf. Local Health Dept. Nursing Directors	\$ 240.00
65	CA Health Information Assn.	\$ 210.00
66	American College of Osteopaths	\$ 200.00
67	Amer. Academy of HIV Medicine	\$ 200.00
68	CA State Coroners Assn.—Memberships	\$ 180.00
69	CA Public Health Assn. North	\$ 150.00
70	American Diabetes Assn.	\$ 134.00
71	CA Conf. Local Aids Directors	\$ 100.00
		\$22,851.00

Annual Estimate for State = \$1.0 million

Annual Estimate for All Counties = \$1.9 million

Table 5—Miscellaneous Memberships—2002-03

	Association Description	Cost
72	Assn. Of Bay Area Governments	\$75,284
73	CA State Assn. Admin. Directors	\$77,000
74	CA State Assn. County Safety Officers	\$77,624
75	County Welfare Directors Assn. Of California	\$32,871
76	Solano Coalition	\$30,000
77	North Bay Cooperative—Memberships	\$13,700
78	Nat'l. Assoc. of Counties	\$13,584
79	Environmental Ass. Of Bay Area Governments	\$12,752
80	TANF Consortium	\$ 8,300
81	County Health Executives Assn. Of California	\$ 8,102
82	Child Welfare League of America	\$ 7,355
83	Urban Libraries Council—Memberships	\$ 6,000
84	Cty Alcohol/Drug Administrators Assn. of CA	\$ 5,130
85	State Association of Counties	\$ 3,788
86	Public Authority Assn.	\$ 3,500
87	International City/County Management Assn.	\$ 3,240
88	County Engineers Assoc.	\$ 3,000
		\$417,741

Annual Est. for the State = \$18.8 million

Annual Est. for All Counties = \$36.3 million

Table 6—Misc. Memberships—\$1000-\$2999—2002-03

	Association Description	Cost
89	CA Workforce Assn.	\$ 2,960
90	CA Children & Families Assn.	\$ 2,912
91	Nat'l. Assn. Workforce Development Pros.	\$ 2,700
92	CA. Assn. Local Agency Formation Comm.'s	\$ 2,680
93	CA Library Assn.—Memberships	\$ 2,400
94	Contra Costa County Gen. Admin.	\$ 2,400
95	Gov. Finance Officers Assn.	\$ 2,200
96	American Inst. Of Architects	\$ 2,168
97	Conf. Of Directors of Environmental Health	\$ 1,620
98	Int'l. Assn. Hewlett Packard Computing Pros.	\$ 1,590
99	CA Assessors Assn.	\$ 1,500
100	Election Center Assn.	\$ 1,500
101	County Records Assn.	\$ 1,400
102	Inst. Of International Auditing	\$ 1,285
103	California WIC Assn.	\$ 1,200
104	County Safety Officers Organization of CA	\$ 1,190
105	CA Assn County Treasurers & Tax Collectors	\$ 1,000
106	American Institute of Architects-Membership	\$ 1,926
107	Cal-Nev CAA Community Action	\$ 1,788
108	CA Agricultural Commissioners & Sealers Assn.	\$ 1,518
109	County Records Assn.—Memberships	\$ 1,400
		\$38,377

Annual Estimate for the State = \$1.7 million

Annual Estimate for All Counties = \$3.3 million

Table 7—Misc. Memberships—\$500-\$999—2002-03

	Association Description	Cost
110	American Planning Assoc.	\$851
111	American Public Works Assn.	\$791
112	Nat'l. Assn Consumer Agency Administrators	\$775
113	Int'l. Conference of Chaplains	\$720
114	CA Assn. Public Purchasing Officers	\$720
115	Sacramento Mother Lode	\$714
116	CA Assoc. of Elections	\$700
117	Veterans Service Memberships	\$700
118	Nat'l. Assn. Workforce Boards	\$600
119	Literacy Program Memberships	\$600
120	CA Architects Assn.	\$600
121	Healthcare Financial Management Assn.	\$591
122	American Public Human Services Assn.	\$500
		\$8,861.00

Annual Est. for the State = \$398,000

Annual Est. for All Counties = \$771,000

Table 8—Misc. Memberships—\$250-\$499—2002-03

	Association Description	Cost
123	Society for Nutrition	\$490
124	CA Building Officials Assn.	\$480
125	CA Assn. County Clerks	\$475
126	American Assoc. of Airports	\$450
127	State Assn. County Administrators-Membership	\$450
128	CA Public Employers Labor Relations Assn.	\$425
129	Int'l. Conf. Of Building Officials	\$390
130	Assn. Public Safety Communication Officials	\$380
131	Underground Service Alliance (roads)	\$340
132	Underground Service Alliance—Memberships	\$339
133	Amer. Assn. Of Code Enforcement	\$310
134	Amer. Assoc. of Code Enforcement	\$303
135	CA Council of Family Service Agencies	\$300
136	Nat'l. Assn. Search and Rescue	\$300
137	Int'l. Personnel Management Assn.	\$290
138	CA Onsite Wastewater Assn.	\$280
139	Cleaning Management Assn.	\$258
		\$6,260.00

Annual Estimate for the State = \$281,700

Annual Estimate for All Counties = \$544,620

Table 9—Misc. Memberships—\$150-249—2002-03

	Association Description	Cost
140	Nat'l. Assn County Treasurers & Tax Collectors	\$225
141	CA Rural Water Assn.—Memberships	\$220
142	CA Clerks Board of Supervisors Assn.	\$220
143	CA Counties General Services Ass.	\$200
144	Dept. of Consumer Affairs	\$200
145	CA Emergency Services Assn. Coastal Chapter	\$200
146	Bi-Tech Software National Union-Membership	\$200
147	CA Consortium to Prevent Child Abuse	\$185
148	National Court Appointed Spec. Advocates	\$180
149	Amer. Society for Training & Development	\$180
150	Southwest Chapter-American Assn. Airports	\$170
151	CA Revenue Officers Assn.	\$150
152	National WIC Assn.	\$150
		\$2,480.00

Annual Est. for the State = \$111,600

Annual Est. for All Counties = \$215,760

Table 10—Misc. Memberships—\$25-\$149—2002-03

	Association Description	Cost
153	Solid Waste Assn. North America	\$138
154	CA County Planning Assoc.	\$135
155	American Society on Aging	\$135
156	CA Resource Recovery Assn.	\$131
157	Amer. Water Works Assn.	\$131
158	Nat'l. Assn. Administrators	\$130
159	Ass. For Environmental Health & Sciences	\$125
160	CA Association of Clerks-Membership	\$100
161	Aircraft Owners and Pilots Assn.	\$78
162	Int'l. Conf. Of Building Officials	\$60
163	County Records Management Assn.	\$50
164	CA Assn. Drug Court Professionals	\$50
165	North CA Turf & Landscape Council	\$40
166	CA Assn. On the abuses of Children	\$15
		\$1,318

Annual Est. for the State = \$59,310

Annual Est. for All Counties = \$114,666

Table 11—Professional Licenses and Certification Fees—2002-03

	Description of Department	Amount
1	Medical Clinics	\$4,990
2	Youth Outpatient	\$1,804
3	Adult Outpatient	\$1,659
4	Dental Services	\$1,609
5	Environmental Health	\$1,424
6	Gen. Public Health Nurses	\$1,105
7	Youth Case Management	\$ 911
8	Computer Systems/Creation Project	\$ 880
9	Building & Inspection Services	\$ 825
10	Mental Health Administration	\$ 600
11	State System of Care	\$ 575
12	Psychiatric Emergency Services	\$ 533
13	Public Health Lab	\$ 500
14	Vallejo Outpatient	\$ 456
15	UST Oversight	\$ 400
16	Architect Administration	\$ 400
17	FACTS Team	\$ 400
18	WMN, Infants & Children's	\$ 400
19	California Children Services	\$ 385
20	CORR Health Center Services	\$ 330
21	Managed Care	\$ 255
22	Grounds Maintenance	\$ 250
23	Conrep Program	\$ 246
24	ODA Administration	\$ 240
25	Nutrition Project	\$ 240
26	Children's Health	\$ 240
27	Department of Consumer Affairs	\$ 200
28	Department of Health	\$ 170
29	Vallejo Crisis	\$ 130
30	Occupational Health	\$ 105
31	Institutional Services	\$ 80
32	CWS Administration	\$ 80
33	Black Infant Health	\$ 80
34	Weights and Measures	\$ 68
		\$22,570.00

Annual Est. for the State = \$1.0 million

Annual Est. for All Counties = \$1.9 million

Table 12—Retail Store Memberships

Year	Description of Expenditures	Amount
02-14-02	COSTCO Membership	\$ 45.00
05-29-02	COSTCO Membership-Cordelia Fire	\$125.00
07-29-02	COSTCO Membership	\$ 51.25
07-29-02	COSTCO Membership, Snow Mountain	\$ 82.00
02-13-03	COSTCO Membership	\$ 45.00
01-22-02	Sams Club—Membership-New Foundations	\$190.00
05-21-02	Sams Club—Membership-Marine Patrol	\$100.00
10-21-02	Sams Club—Membership-Juvenile Hall	\$ 15.00
12-19-02	Sams Club—Membership-Juvenile Hall	\$190.00
05-06-03	Sams Club—Membership-Mental Health Admin.	\$ 30.00
06-04-03	Sams Club—Membership-Marine Patrol	\$100.00
03-07-03	Sams Club—Membership-OES	\$175.00
11-24-03	Sams Club-Jail Supply Services	\$145.00
12-04-03	Sams Club—Membership-Juvenile Hall	\$190.00
		\$1,483.25

Annual Estimate for the State = \$66,735

Annual Estimate for All Counties = \$129,021

Table 13—Mileage Paid for Employees

Year	Paid	Est. State Costs	Est. County Costs
2000	\$17,347.28	\$780,000	\$1.5 million
2001	\$19,551.33	\$879,795	\$1.7 million
2002	\$17,443.58	\$784,000	\$1.5 million
	\$54,342.19	\$2.4 million	\$4.7 million

Table 14—Travel Expenses Paid for Employees

Year	Paid	Est. State Costs	Est. County Costs
2000	\$44,467.39	\$2.0 million	\$3.8 million
2001	\$48,324.27	\$2.2 million	\$4.2 million
2002	\$54,326.71	\$2.4 million	\$5.6 million
	\$147,118.37	\$6.6 million	\$13.7 million

Table 15—Books/Subscriptions Paid for Employees

Year	Paid	Est. State Costs	Est. County Costs
2002	\$28,236.08	\$1.3 million	\$2.4 million
2003 ¹	\$30,650.00 ²	\$1.4 million	\$2.7 million
	\$53,786.86	\$2.7 million	\$5.1 million

1 Total through Oct. 24, 2003

2 Est. based on 12 month projection for 2003.

Table 16—CA Prison Guard Benefits v US Army & Disabled Vets

State	Wages	Annual Retirement	Annual Retirement
CA	\$53,400	90% = \$48,060	
CA	\$55,500 ¹	90% = \$50,200	
CA	\$62,500 ('06)	90% = \$56,250	
E-3 (PFC)	\$18,336	57.5% = \$10,543	75% = \$13,752
E-5 (Sgt)	\$27,396	57.5% = \$15,752	75% = \$20,547
E-7 (SFC)	\$38,184	57.5% = \$21,955	75% = \$28,638
2 nd Lt.	\$32,292	57.5% = \$18,568	75% = \$24,219
Captain	\$56,832	57.5% = \$32,678	75% = \$42,286
Major	\$66,336	57.5% = 38,143	75% = \$49,752
U. S. Army		\$26,868	100%-Disabled w/o children
U. S. Army		\$29,496	100%-Disabled w/wife & 1 child

Note: In Minnesota prison guards receive 60% for about \$21,000 in annual retirement benefits, which is less than half of what California pays.

