

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

631



FROM: Executive Office

SUBMITTAL DATE:
September 15, 2016

SUBJECT: Response to the 2015-2016 Grand Jury Report Regarding the Department of Public Social Services National Youth in Transition Database – Gift Cards [All Districts]; [\$0].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve, with or without modification, the attached response to the 2015-2016 Grand Jury report regarding the Riverside County Department of Public Social Services National Youth in Transition Database - Gift Cards; and
2. Direct the Clerk of the Board to immediately forward the Board's finalized responses to the Grand Jury, the Presiding Judge and to the County Clerk-Recorder (for mandatory filing with the state).

BACKGROUND:

Summary

Penal Code Section 933(c) requires the Board of Supervisors comment on the Grand Jury's recommendations pertaining to matters under the Board's control. In addition, responses must be provided to the Presiding Judge of the Superior Court within 90 days of receipt of the report.

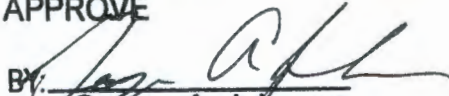
(Continued on page 2.)

Departmental Concurrence

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-------------------------|----------------------|-------------------|-------------|--------------------------|---|
| COST | \$ N/A | \$ N/A | \$ N/A | \$ N/A | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ N/A | \$ N/A | \$ N/A | \$ N/A | |
| SOURCE OF FUNDS: | | | | Budget Adjustment: No | |
| | | | | For Fiscal Year: 2015/16 | |

C.E.O. RECOMMENDATION:

APPROVE

BY: 
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley

Nays: None

Absent: None

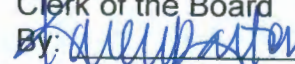
Date: September 20, 2016

xc: EO, Grand Jury, Presiding Judge, DPSS, Recorder

Prev. Agn. Ref.:

District: All

Agenda Number:

Kecia Harper-Ihem
Clerk of the Board
BY: 
Deputy

3-16

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**RESPONSE TO
2015-2016 GRAND JURY REPORT
COUNTY OF RIVERSIDE
DEPARTMENT OF PUBLIC SOCIAL SERVICES – CHILDREN’S SERVICES
DIVISION
NATIONAL YOUTH IN TRANSITION DATABASE – GIFT CARDS**

The Riverside County Department of Public Social Services (DPSS) submits this report in response to the Findings and Recommendations of the Riverside County Grand Jury Report dated June 21, 2016.

BACKGROUND RESPONSE:

The National Youth in Transition Database (NYTD) survey is offered to foster youth that are transitioning from the foster care system. The information is collected for the purpose of improving the services provided as youth transition from receiving services in the foster care system into adulthood. Upon completion of the survey the youth receive gift cards of varying amounts ranging from \$75 - \$100. There were a total of 175 youth eligible to participate, with 139 surveys completed.

FINDING NO. 1:

The (NYTD) Gift Card logs examined by the Grand Jury were not in accordance with DPSS policy.

DPSS Policy 23-41 (dated 11-15-2002) *Gift Certificates and Gift Cards* (GC) states in part:

The log must provide appropriate space to record the customer's name, case #, ID#, GC#, and amount, etc., or whatever is used to establish the recipient of the GC as a customer and not an employee or friend of the requester. There must be a space for the signature of the person that unlocks the safe or file cabinet, because the same person will witness the acquiring of the Gift Card by the requester.

In many cases, the gift card logs did not contain customer ID numbers, gift card numbers, case numbers, gift card amounts, date gift card issued, date gift card received, or signature of the issuing authority.

RESPONSE: Respondent partially agrees with this finding.

While the gift card log did not contain all of the information as noted, this log was being used in tandem with the NYTD Survey report and a gift card receipt, which contained all of this information.

RECOMMENDATION NO. 1:

Rewrite and enforce current department policy on the distribution of gift cards to ensure safeguards are in place to eliminate the risk of theft, fraudulent use and/or misuse. The revised policy to include a standardized template for the tracking of gift cards that encompasses all elements identified in DPSS Policy 23-41.

Revise department policy to include monthly management oversight of the distribution of gift cards and subsequent documentation (logs) to ensure department policies are adhered to and required information is complete and accurately documented.

RESPONSE: The recommendation has not been implemented, but will be implemented in the future.

In the current DPSS protocol, the information regarding the customer identification numbers, gift card numbers, case numbers, gift card amounts, issue dates, date of receipt of the gift card, and the signature of the issuer were collected, but on a separate form from the gift card log. This form was used in tandem with the gift card log as well as a gift card receipt that was signed by the foster youth. While the gift card log by itself appeared to be incomplete and out of compliance with Department policy, the appropriate information was being collected, and the necessary checks and balances were in effect. DPSS will review and rewrite the policy to include the key elements that ensure safeguards are in place to eliminate the risk of theft, fraudulent use and/or misuse. For example, the Independent Living Program Social Worker currently copies the front and back of the gift cards onto a receipt form for the youth to sign upon release from Fiscal to avoid any misuse, theft, or fraud. We have added a signature line to our log when a young adult is not available within the 10 day timeframe to issue. The revised policy will include a standardized template for the tracking of gift cards that encompasses all elements included in the policy. The process to review, rewrite and incorporate these changes will be completed by October 31, 2016.

FINDING NO. 2:

DPSS lacks a clear and concise process for tracking undeliverable gift cards. Gift card logs from 2015 indicate some gift cards were "undeliverable" due to the inability to locate the recipient. In other cases, the logs indicated the cards were "pending delivery." In either case, no further information of the final disposition of the card was provided. The final disposition of several cards was unclear.

RESPONSE: Respondent disagrees partially with the finding.

The report provided to the Grand Jury was a point-in-time report, and it is accurate that some gift cards were noted as undeliverable or pending delivery at that time. This information is subsequently updated based on the outcome of the transaction. With regard to cards that are undeliverable, there are times when the foster youth has moved or we have been unable to make contact. When that occurs, we attempt to locate the

individual and make multiple attempts to deliver the gift card. If we are unable to complete the delivery, the log is updated to reflect that it was undelivered and the gift card is returned to the pool for allocation to another person.

Similarly, when we are making an in-person delivery, the log reflects that the card is pending delivery, which indicates that it has been checked out by staff. This triggers an expectation that a signed receipt will be returned to complete the transaction and staff continues to track this transaction to ensure that the signed receipt is obtained. Once the receipt is received, it is attached to the log as evidence of delivery and the log is updated accordingly.

RECOMMENDATION NO. 2:

Revise DPSS Policy 23-41 to include a clear and concise process for tracking gift cards from receipt to final disposition. The revised policy to provide direction for the tracking and disposition of gift cards including those identified as undeliverable or pending delivery.

RESPONSE: The recommendation has not been implemented, but will be implemented in the future.

Upon further review of existing practices, DPSS will modify the current policy to further enhance the safeguards in place by including a staff signature when gift cards are distributed as well as incorporate a time frame by which gift cards that are pending delivery will be completed to improve tracking and reduce the risk of theft, fraudulent use and/or misuse. The revised policy will include a standardized template for the tracking of gift cards that encompasses all elements included in the policy and will ensure that all of the information is tracked in one location, including staff signatures verifying the delivery of the gift cards, the youth's verification of receipt of the gift card, and the survey tracking log. The NYTD tracking logs will be submitted for review by the DPSS fiscal team on a monthly basis. The process to review, rewrite and incorporate these changes will be completed by October 31, 2016.

FINDING NO. 3:

The process of purchasing gift cards for the NYTD Program is not cost effective. NYTD gift cards are purchased through a third party broker. As a result, unnecessary sales tax, mailing, handling and processing fees are incurred by DPSS.

RESPONSE: Respondent disagrees with the finding.

DPSS completes a competitive bid process to select vendors for all gift card purchases. In response to the Grand Jury's request for information, DPSS provided all gift card transactions, which included the purchase of gas cards that are issued to CalWORKs customers as a supportive service to further their employment. The vendor selected to provide gas cards does charge a fee, shipping and other charges. A different vendor was selected for the NYTD gift cards for foster youth, which does not have any sales tax, mailing, handling or processing fees. DPSS follows the County procurement process to select the most cost effective and responsive vendor for the specific type of product.

RECOMMENDATION NO. 3:

Establish or revise department policy to eliminate the use of third party brokers to procure gift cards, thereby incurring unnecessary taxes and shipping and processing fees. Procure gift cards directly from vendors or retailers to minimize costs and manage quantities that would prevent acquiring excess cards.

RESPONSE: The recommendation will not be implemented.

DPSS follows the County Procurement policy to select the most cost effective and responsive vendor through a competitive bid process. In the case of the gas cards, the vendor selected charges a variety of fees; however those costs were considered when evaluating which vendor was most cost effective and responsive. As indicated above, DPSS was able to procure the NYTD gift cards without those fees. The fees will vary depending on the type of card, its value and the volume being purchased. DPSS intends to continue following the County Procurement policy.