



WENDY GREUEL
CONTROLLER

October 17, 2011

Honorable Members of the Los Angeles City Council
c/o City Clerk, Room 360
Los Angeles, CA 90012

Dear Honorable Members of the Los Angeles City Council:

The recent revelations of fraud and abuse of City resources reported in Sunday's *LA Times* re: Housing employee Eun Chavis' felony bribery conviction are alarming and further underscore the need to strengthen the City's fraud, waste and abuse ordinance.

According to the *Times*' story, which cited criminal court records, Chavis used her position at the Los Angeles Housing Department's Koreatown office to collect \$16,000 in payoffs from victims and had allegedly demanded \$27,000 from others.

As the story notes, this is the third case to surface in recent months involving a City employee accused of preying on Angelenos. This falls on the heels of a wave of fraud including allegations of illegal activities and misappropriation of City resources occurring in the Department of Building and Safety, the Department of Transportation, and theft from the City's Animal Shelters.

It's unacceptable that many elected officials and City leaders were not made aware of this incident of abuse. This is exactly why, since 2009, I have been championing efforts to strengthen the City's Fraud, Waste and Abuse ordinance. In order for my staff to guard taxpayer dollars, departments must be required to report any and all instances of fraud, waste and abuse so that I can closely monitor the City's resources to stop these egregious acts and ensure they are not repeated in other departments.

Tomorrow a motion, which I have worked on with Councilmember Dennis Zine to strengthen the City's Fraud, Waste and Abuse ordinance, will be heard by the City Council. I urge you to support that motion which will:

- Enact reforms that help prevent fraud, waste and abuse and bolster the City's reporting;

Honorable Members of the Los Angeles City Council
October 17, 2011
Page 2

- Implement a training program that will educate City employees about City policies, prevention and reporting; and
- Strengthen the Administrative Code so that all incidents of fraud, waste and abuse incidents are reported to the Controller's office so that systemic issues can be addressed.

Without strengthening the City's enforcement and controls to decrease the incidences of fraud, waste and abuse, the City is placing itself at risk. We cannot simply maintain the status quo.

I look forward to continuing to work with all of you on combating the misuse and abuse of City resources.

Sincerely,



WENDY GREUEL
City Controller