

Grand Jury

June 23, 1977



Deputy county clerk Richard Bedal swears in the 1977-78 grand jury.

# Grand Jury discovers immense welfare mess

## Grand jury for '77-78 sworn in

By JOAN KLINGENBERG

A massive overhaul of Santa Cruz County's welfare system to remedy a "truly shocking" situation has been called for by this year's Grand Jury.

The county welfare system, complete with "solid, hard-nosed fraud," can be costing county taxpayers up to \$300,000 per month, according to the Grand Jury.

Also, the Grand Jury maintains recent hiring practices by top county officials amounts to "a step backwards into the reestablishment of the spoils systems."

These conclusions were made public Friday in the year end report of the 1976-77 Grand Jury.

According to the Grand Jury, administrative costs are so high, and fraud so prevalent in the county's social services department that "it does not seem to be such a bad idea ... to put all the food stamps in a box in front of the office and let people take what they want."

According to the Grand Jury, knowledgeable sources state that 50 to 70 per cent of welfare recipients cheat the system either by erroneous statements meant to improve their lot, or by outright knowing fraud.

Of the cheaters, at least 10 per cent intend to defraud when they file a claim for welfare assistance, the jurors say. The majority of the cheating recipients, however, learn to defraud the system after they have become part of it, the jurors conclude.

The jury says the welfare system allows recipients to cheat on their forms in order to get welfare payments.

"The intent and the philosophy of the department (and apparently of the federal government) is to get the money out into the hands of any persons POSSIBLY able to qualify as fast as possible with as little checking as possible, and that only as late as possible."

"We believe the department gives mostly lip service to the minimal regulatory directions. We believe that the Director of the Department does not wish the investigation of welfare fraud to be part of its department, although to be most effective it must originate there," the jury concludes.

The jurors note they had an occasion to see a computer printout which listed the same address for 29 welfare "clients."

"It was astounding to see that all apparently live in a one-bedroom house — the SAME house," the jury said.

"If it is not fraud for welfare purposes, certainly Health Department regulations are being slightly twisted," the jurors commented.

When the jurors questioned welfare department staff about the matter, they were told, in effect, "the clients were probably transients and had to give some address and obviously were entitled to the aid."

Social Services Director David Singleton was "not forthcoming" with information which the Grand Jury had requested, according to their report. Neither did

## Jury rails at supervisors

The Santa Cruz County Board of Supervisors is a "floundering many-headed Hydra" which pulls various department heads in many directions at the same time, according to the foreman of this year's Grand Jury.

"There is small wonder that inefficiencies exist; that changes are initiated and then dropped before fruition; that policies are bewildering to the public," Foreman J. Dean Peterson states about county government in the forward to the annual Grand Jury report released Friday.

"It would appear that most department heads are confused as to which directions to follow, what with the ebb and flow of political maneuvers from their leaders," Paterson says.

The Grand Jury foreman maintains the supervisors are spending too much of their time on management problems which could be more efficiently handled by the county administrative office.

should advertise its intent to indict welfare cheaters.

The conduct of county supervisors themselves did not escape the critical eye of the Grand Jury.

The jury questions recent hiring practices undertaken by supervisors, County Administrative Officer Ted Durkee, Personnel Director Dick Jamison and the Civil Service Commission.

The hiring of Planning Director Kay Bowden smacks of the "spoils system," the jury maintains.

The jury notes that after former planning director Walter Monasch was fired, the position of planning department director was removed from the Civil Service statute, then the job description changed and Mrs. Bowden was appointed.

"These events have pointed out how incredible is the power of the Board of Supervisors and how effective is the influence of the County Administrative Officer in the fine line that he walks between conflict of interest and objectivity," the jurors say.

The jurors maintain it was particularly important for the "best qualified" persons to be hired as heads of the planning and health services department in light of widespread management problems in those departments.

They question the hiring of Health Services Administrator Jerry Crotwell through traditional county personnel methods of making "in-County promotions."

"In the light of the severe management problems of an \$8 million health program," the health services director should have been hired from a pool of statewide, or even,

Sheriff's Rehabilitation Center on Harkins Slough Road. After visiting the minimum security facility, the jurors said it appears prisoners and visitors can too easily smuggle contraband into the facility with little chance of being caught.

However, the jurors said they were impressed "overall" with the operation and maintenance of the buildings.

—The county Office of Education should move out of the county government center in Santa Cruz to free "desperately needed" space for courtrooms and other county departments.

The report also includes the grand jurors complaints about the county planning department, expressed twice earlier this year by the jury. In their final report, jurors say they are disappointed with the response to their interim report, although they say:

"If the response (by the planning director) was a sincere attempt to address the public's many concerns and implement constructive change, the committee is satisfied."

The jurors say they are not interested in adding personnel to solve planning department problems, nor in adding to departmental costs.

Changes in the planning department should be given top priority by the Board of Supervisors, the CAO and Planning Director, the jury recommends.

Similarly reiterated were complaints about potential conflict-of-interest involving four county employees who formed a private company and purchased some land near the Old San Jose Road out of Soquel.

Jurors reported that the deal "would not have been as easily accomplished without inside knowledge of the property" and that a split of the land "would never be accomplished by a member of the public today."

Jurors complained that a county surveyor, Rickard Jansen, "used one (survey) line in connection with county work" and another line "in his work for his own company ... without disclosing his involvement in the property."

By MARJ VON B

Last year's grand jurors left their responsibilities behind them Friday, as they were discharged in Santa Cruz County superior court, and the 1977-78 grand jurors were sworn in.

Judge Donald May, in releasing the jurors, noted that they had been left free to devote their time to investigating civil matters, since the criminal indictment procedure is no longer being used by the district attorney in the county.

He congratulated them on serving as ombudsmen for the citizens and investigating the "morality of government."

Judge May cited the recent conflict of interest ordinance passed by the board of supervisors, and he credited the jury's interest as being the factor that got the ordinance out of the "mill."

"Because of your attention, the ordinance was carried out," he said.

Jury Foreman J. Dean Peterson, in turn, thanked Judge May for "your guidance and direction, and the fact that you let us alone to do our job as we saw fit."

The new Jurors were sworn in with Judge Harry Brauer presiding.

Judge Brauer, too, mentioned the change in the function of the grand jury, and he told jurors, "No county department is beyond your reach, and no county official is so exalted as to be excluded."

The jury is to see that the "conduct of county officials and employees is honestly, efficiently and consistently with the public interest," Brauer said.

He said as the judge in charge of this year's jury, he was an "unabashed elitist" and did not want to see "any second raters on the grand jury."

His definition of the elite, he said was a person with "brains, judgment, and emotional stability," which he said could be found in people of "both sexes, all races, all adult age groups and all economic strata."

Judge Brauer also told the jurors while they had been selected from random lists of registered voters that they had been carefully screened.

He warned them in their coming duties that the grand jury "has a great deal of power. You must be vigilant not to abuse these powers," he said. "Approach your task with judgment and with sober reflection."

Named as foreman of the new jury is former Watsonville city councilman and real estate man, Edward C. Hall.

Other members of the predominately women jury are:

Edwin W. Choate, real estate broker; Carol L. Mueller, telephone company supervisor; Susan R. Ragan, mushroom farm owner; all from Watsonville.

John S. Cooper, retired; Joseph Emanuelson, highway patrol officer; Sirleen J. Ghiglieri, homemaker; Diane Mary Jackson, housewife; and Marian R. Jensen, wife of a physician; all from Aptos.

Archie G. Ballenger, Jr., salesman; E. Doris Chisolm, administrator of care and guidance center; Lillian C. McCoy, dietary



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When the jurors questioned welfare department staff about the matter, they were told, in effect, "the clients were probably transients and had to give some address and obviously were entitled to the aid."

Social Services Director David Singleton was "not forthcoming" with information which the Grand Jury had requested, according to their report. Neither did Singleton give any explanation as to why he did not supply information "which would have confirmed or denied many of the accusations as to fraud and questionable payments to his clients," the jury says.

Because of limited time, the jurors report they did not take formal legal action to force Singleton to respond to their concerns.

Only minimal cross-checking between counties is being performed to root out multiple claims by the same applicants, the jurors conclude.

Also they say the time and money spent to prosecute welfare cheaters in most cases is not justified by the amount of money the government can collect for a welfare fraud conviction.

The jury recommends fraud investigation would be more efficient if done at the Social Services Department rather than at the district attorney's office. This would reduce the appearance of a police state, they add.

They also recommend the Board of Supervisors take immediate steps to force Singleton to hire at least two more investigators for the welfare department. Currently, there is only one investigator for both the Santa Cruz and Watsonville offices, even though state guidelines call for four investigators based on caseloads for Santa Cruz County, according to the Grand Jury.

The jurors note the lone investigator is not bi-lingual.

But the jury admits "it is powerless to reform the welfare system, even if it wished to." However, they say the Board of Supervisors should take steps to reduce fraudulent welfare claims and the county

dict of interest and objectivity," the jurors say.

The jurors maintain it was particularly important for the "best qualified" persons to be hired as heads of the planning and health services department in light of widespread management problems in those departments.

They question the hiring of Health Services Administrator Jerry Crotwell through traditional county personnel methods of making "in-County promotions."

"In the light of the severe management problems of an \$8 million health program," the health services director should have been hired from a pool of statewide, or even, nation-wide applicants, the jury says.

Crotwell, who has resigned as director due to health problems, stepped up as head of the department from his former position of "temporary health services administrator." The jury notes Crotwell had been "temporary" director for 10 months, even though county personnel regulations say a temporary director may only be hired for a term of 3½ months.

The jurors make it clear they do not intend to comment on the performance or character of either Mrs. Bowden or Crotwell. It is the hiring procedure they question, not the persons hired, the jurors say.

They suggest future grand juries keep close tabs on "the operation of informal government relationships" and work closely with the Civil Service Commission to be aware of Personnel Department decisions. They also recommend stricter adherence to affirmative action ideals and "that those in power refrain from acting for political motives or personal gain."

The Grand Jury also raised these concerns in their 90-page report:

—The county's internal auditing system is inefficient partly because the County Administrative Officer (CAO) does not implement suggestions from the Internal Audit Group.

—Supervisors should instruct the CAO, Health Services director, and Auditor Art Merrill to untangle an auditing mess in the Health Services Agency.

—There should be security cells at the

former Watsonville city councilman and real estate man, Edward C. Hall.

Other members of the predominately women jury are:

Edwin W. Choate, real estate broker; Carol L. Mueller, telephone company supervisor; Susan R. Ragan, mushroom farm owner; all from Watsonville.

John S. Cooper, retired; Joseph Emanuelson, highway patrol officer; Sirleen J. Ghiglieri, homemaker; Diane Mary Jackson, housewife; and Marian R. Jensen, wife of a physician; all from Aptos.

Archie G. Ballenger, Jr.; salesman; E. Doris Chisolm, administrator of care and guidance center; Lillian C. McCoy, dietary worker; and Carolyn J. Swift, newspaper reporter; all of Santa Cruz.

Isebel Lopez, school secretary, of Freedom; Bonnie C. Jay, student teacher, of Soquel; Donald M. Johnson, college instructor and administrator, of Los Gatos; Richard Dosker, Jr., camping director, of Mt. Herman.

Mary B. Pevernick, instructional aide, of Boulder Creek, and Linda Lee Becker, elementary school teacher, of Ben Lomond.

**Best home attack**