



Unbalanced Authority

Oversight and Accountability in Orange County Government



2025 – 2026 Grand Jury

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SUMMARY

The Grand Jury reviewed the County of Orange's (County) governance framework and found that deeply embedded structural constraints in the California Constitution and State Law restrict the Orange County Board of Supervisors' (Board) ability to hold elected officials accountable. Lacking the authority to remove or meaningfully sanction officials, even in the face of serious violations uncovered through internal investigations, the Board is rendered powerless.

This vacuum creates an environment where misconduct and mismanagement can persist unchecked, erodes public trust, and compromises the integrity of County administration. The Grand Jury's concerns are illustrated through investigations into two elected County offices: the County of Orange Assessor (Assessor) and the County of Orange Treasurer-Tax Collector (Treasurer).

*The Board lacks authority to impose corrective action
or remove an elected official from office,
even when workplace misconduct or
managerial instability is substantiated.*

The Grand Jury's investigation identified a sustained pattern of unprofessional and irregular conduct by the Assessor, raising significant concerns regarding the effective administration of the office. The County Human Resource Services department (County HR) previously substantiated findings that the Assessor violated established workplace anti-harassment policies and recommended corrective training. Notwithstanding these findings and corrective measures, the conduct has reportedly persisted.

Testimony obtained during the investigation consistently characterized the office as lacking in stable executive leadership. Witness accounts describing inconsistent decision-making and repeated lapses in judgment raise doubts about the Assessor's ability to manage the operational and administrative responsibilities of a complex public agency. These concerns are further compounded by the Assessor's limited physical presence in the office and a tendency to often focus on nonessential or unconventional matters while at work. These reported observations call into question the Assessor's executive effectiveness and administrative competence.

The Assessor's longstanding resistance to modernization left the department technologically stagnant for nearly a decade. A previous 2023-2024 Grand Jury report documented persistent inefficiencies stemming from outdated manual processes and a reluctance to adopt centralized technology systems. These limitations hindered public

access to essential services and left the County significantly behind its peers.¹ Despite improvements in 2024, Orange County still delivers only basic online services that trail behind peer counties.

The Grand Jury's investigation into the Treasurer's office uncovered pervasive executive dysfunction, workplace misconduct, and administrative failure so severe that the Board, in December 2025, took the extraordinary step of divesting the Treasurer of her delegated investment authority effective for 2026.²

The Board noted that although the Orange County Treasury Pool (County investment pool)³ had not yet incurred financial losses, the Treasurer's documented misconduct created significant fiduciary risk. It found that the hostile work environment, staffing instability, and failure to meet statutory duties threatened the proper management and stability of the investment pool. As a result, the Board characterized its action as a preventative measure to protect the pool from potential mismanagement, operational disruption, and a loss of public confidence.⁴

The Board has no authority to intervene, correct, or discipline an elected official under state law. This could allow ethical lapses, mismanagement practices, and questionable actions to occur with impunity. It highlights a gap in accountability and underscores the need for reform to ensure that the County and the public are protected from the consequences of unchecked executive authority.

Highlighting a lack of effective oversight, Supervisors often learned of misconduct or mismanagement only through media reports.⁵ The Grand Jury recommends expanding audit measures to step-up performance reviews of elected officials. This would allow problems to be identified early, ensuring transparent corrective action, and preventing issues from escalating into costly public failures.

¹ Superior Court of California, County of Orange, OC Grand Jury, [2023-2024 Reports \(in order of release\)](#) | [Orange County Grand Jury](#) Review of the Assessor's Office 06/14/24

² Orange County Board of Supervisors Signed Minute Order: December 16, 2025 Item 13. Treasurer-Tax Collector - Deleted [Adopt resolution approving 2026 Statement of Investment Policy and](#) delegating investment authority to Treasurer-Tax Collector

³ Orange County Treasury Pool (OCTP). Government Code Sections 53600 et seq., 53630 et seq. and 2700.3 guide the investment requirements of the OCTP.

⁴ Orange County Board of Supervisors Meeting of 02/25/2025 Item S36C.
[https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Counsel%C2%A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20%E2%80%9CA%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20\(d\)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%20%2D](https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Counsel%C2%A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20%E2%80%9CA%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20(d)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%20%2D)

⁵ Elattar, Hosam. Voice of OC Feb. 26, 2025.

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To strengthen accountability across elected offices, the Grand Jury recommends considering County charter reforms proven in other jurisdictions:

- Ability to remove an official from office for misconduct
- Shifting some elected offices to appointed positions
- Consolidating County departments to enhance oversight and improve performance.

This report suggests charter reforms designed to safeguard the County from public officials' misconduct or mismanagement. It further calls on the Board to implement more rigorous performance reviews for elected leaders. Without these measures, the County remains vulnerable to recurring misconduct, administrative failures and crisis management. With reform, the County can establish a system of checks and balances that holds independently elected officials more accountable.

The Grand Jury also urges both the media and the voting public to more thoroughly examine the conduct, professionalism and ethical fitness of candidates seeking public office. Stronger public scrutiny and informed participation are essential to improving the quality of leadership in Orange County and reducing the significant financial and operational costs associated with misconduct, legal settlements and organizational instability. Through vigilant oversight and engaged civic participation, the community can help ensure that its leaders uphold the standards of integrity and accountability necessary for effective governance.

BACKGROUND

Orange County's government is structured so that the Board sets policy, approves budgets, and provides general oversight of County operations. However, when it comes to independently elected officials, the Board's authority is sharply limited. State law and the California Constitution provide the Board with little power beyond ensuring that elected officials perform their basic statutory duties.

Two offices illustrate the consequences of this structure:

- The County Assessor, elected every four years, manages the valuation of more than \$850 billion⁶ in taxable property with a staff of roughly 250 employees.

⁶ Orange County Assessor Claude Parrish has delivered the 2025-26 Local Assessment Roll of Values that includes all locally assessable property in Orange County. The total net value on the Roll is over \$850.1 billion. The Roll of Values is up 5.07% or \$41.06 billion more than last year (FY 2024-25). [Press Release 2025-070125.pdf](#)

- The County Treasurer-Tax Collector, elected every four years, oversees tax collection and treasury functions with approximately 70 employees. Until late 2024, the office was delegated authority to manage a \$17 billion investment pool, a responsibility the Board has not delegated to Treasurer in 2025 or 2026.⁷

Under Article XI of the California Constitution and Government Code §24009,⁸ these officials are accountable to voters, not to the Board. Courts have repeatedly affirmed that while the Board may supervise generally, it cannot direct how elected officials carry out their duties nor can it intervene in their day-to-day operations.⁹ The California State Association of Counties reinforces this distinction in its official “Role of Counties” guidance, by stating that the County Board of Supervisors “supervise County officers to ensure they fulfill their duties but cannot modify or relieve them of their legal responsibilities.”¹⁰

This autonomy became especially visible in recent years. In 2023, an external investigation commissioned by County Human Resources (County HR)¹¹ substantiated misconduct by the Assessor. A year earlier, a separate HR investigation found the Treasurer had engaged in workplace misconduct, including creating a hostile environment¹². Although the Board was formally notified, the public, and in some cases even individual Supervisors, did not learn the full details until media outlets obtained the reports through public records requests.¹³

These episodes underscore a structural reality: even when serious misconduct is documented, the Board has no substantive authority to take corrective action, discipline an elected official, or remove them from office. Without meaningful measures for intervention, problems can persist unchecked, leaving the County vulnerable to operational failures, ethical breaches, and the erosion of public trust. This governance framework forms the backdrop for the Grand Jury’s examination of the structural

⁷ Orange County Board of Supervisors Signed Minute Order: December 16, 2025, Item 13. Treasurer-Tax Collector - Deleted [Adopt resolution approving 2026 Statement of Investment Policy and](#) delegating investment authority to Treasurer-Tax Collector

⁸ See Appendix A: California Constitution Article XI and Government Code §24009

⁹ See Appendix A: California Constitution Article XI and Government Code §24009

¹⁰ See Appendix B: The California State Association of Counties

¹¹ Burke, Williams & Sorensen, LLP: Confidential Investigation Report, Prepared for the County of Orange, May 16, 2023 https://s3.documentcloud.org/documents/25563834/workplace-misconduct-investigation-report-regarding-oc-assessor-claude-parrish.pdf?_gl=1*12m5v6a*_gcl_au*ODU1NzA3NDg5LjE3NzQ0NjA0NDk_

¹² Brown, Janice P. and PeBenito, Angelica M. *Confidential Investigation Report Sheri Friedenrich Key-Throwing Investigation Report released by County of Orange April 29, 2022.*

¹³ Farzan, Yusra and Gerda, Nick. LAist March 19, 2025. *OC Investigation found elected Assessor Treated Womer as Subservient, Harassed Employees Over Her Disability.*

imbalance between the impunity of independently elected offices and the Board's constrained capacity for oversight.

REASON FOR STUDY

"The government you elect is the government you deserve."

Thomas Jefferson

Scandal, investigation, or criminal conviction have touched major offices in Orange County over the past five decades. The breadth of misconduct from bribery to fiscal mismanagement to federal corruption underscores a structural weakness that transcends ideology, personality, and political moment.

What follows is not merely a recounting of past controversies, but an examination of a governance model that has repeatedly failed to protect the public from the predictable risks of concentrated power.¹⁴

Thomas Jefferson once quipped, "The government you elect is the government you deserve." This resonates with force when viewed through the lens of Orange County's political history. For more than fifty years, the County's own public records reveal not a series of isolated lapses, but a persistent cycle of ethical breaches and criminal convictions that resurface across eras, offices, and party lines. What emerges is a pattern so consistent that it reads less like coincidence and more like a structural flaw.

Taken together, these episodes form a collection of political missteps that amount to a documented pattern of governance failure. Orange County's history shows that unethical behavior and corruption are neither rare nor random, but cyclical. Each decade brings a new set of names, but the underlying dynamics remain stubbornly the same. This is the context in which Jefferson's warning lands with weight.

When institutions lack durable safeguards, the electorate suffers the consequences. Government integrity cannot depend on the character of individual elected officials alone. It requires systematic guardrails, meaningful checks and balances, independent oversight bodies with real authority, institutional transparency, financial controls, enforceable ethics standards, and active citizen engagement through the ballot box.

The following chart traces this pattern over time, illustrating how the lack of durable institutional safeguards has repeatedly shaped local governance.

¹⁴ See Table 1. Chronology of Orange County Public Officials' Misconduct and/or Controversy, page 8

Chronology Of Orange County Public Officials' Misconduct and/or Controversy

Name	Position	Tenure	Misconduct-Controversy
Andrew Do	OC Supervisor	2015-2024	Pled guilty to conspiracy to commit bribery; directed \$13 million to nonprofits tied to his family. Currently serving five-year sentence. Board censured Supervisor prior to court case.
Claude Parrish	OC Assessor	2015-present	2023 County investigation substantiated EEO harassment and retaliation violations. County HR issued cease and desist order and recommended HR/EEO training.
Shari Freidenrich	OC Treasurer-Tax Collector	2011-present	In 2024, Board discontinued the investment authority of Treasurer because of management concerns. 2022 County commissioned investigation substantiated EEO harassment and retaliation violations. County HR issued cease and desist order and recommended HR/EEO training.
Todd Spitzer	OC District Attorney	2019-present	Civil suit over mishandling harassment and retaliation complaints. Lost litigation in 2025. County current and future legal costs estimated at over \$18 million.
Tony Rackauckas	OC District Attorney	1999-2019	Criticized for jailhouse informant scandal and alleged evidence fabrication.
Eric Woolery	OC Auditor-Controller	2015-2019	Accused of misusing staff for personal errands; Privately took up residency in another state while continuing as OC Auditor-Controller. Died unexpectedly while out of state which revealed his change in residency.
Webster Guillory	OC Assessor	1998-2014	Convicted of filing false nomination papers for re-election.
Carlos Bustamante	Santa Ana Councilman; OC Public Works Executive	2004-2012	Convicted of attempted sexual battery, stalking, and theft of public funds. Served jail time.
John Williams	OC Public Administrator / Guardian	2003-2012	Public Administrator's office was consolidated with the OC District Attorney's office shortly after Williams resigned, amidst allegations of mismanagement and pension spiking.
Chriss Street	OC Treasurer-Tax Collector	2007-2011	Board strips Treasurer of investment authority after reports of fiduciary misconduct tied to his actions before taking office.
Mike Carona	OC Sheriff-Coroner	1999-2008	Convicted of witness tampering in federal corruption probe. Sentenced to prison time.
Don Roth	OC Supervisor	1987-1993	Pled guilty to seven misdemeanor conflict-of-interest charges for failing to report gifts and then voting on matters that benefitted the gift givers.
Robert L. Citron	OC Treasurer-Tax Collector	1970-1994	Catalyst for \$2 billion bankruptcy via risky investments; pled guilty to six felonies. Served jail time.
Phillip Anthony	OC Supervisor OC Water District	1976-1980; 1981-2018	Pled no contest to campaign finance violations; indicted for laundering campaign funds.
Ralph Diedrich	OC Supervisor	1972-1979	Convicted of bribery and conspiracy related to land development in Anaheim Hills. Served jail time.
Andrew J. Hinshaw	OC Assessor U.S. Congressman	1965-1972; 1973-1977	In 1977 was convicted of accepting bribes from the Tandy Corporation in his previous job as OC Assessor as well as using County staff and supplies for his 1972 campaign for Congress. Served eight months in prison.
Bob Battin	OC Supervisor	1969-1977	Convicted of misusing public funds for campaign; fined and served minor jail time.

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Perhaps most telling is the span of offices touched by scandal. Nearly every major County office has faced serious allegations or criminal convictions at some point in the past half-century. This is a structural vulnerability, and the record clearly shows it has been demonstrated again and again.

From the bribery convictions of Supervisors Ralph Diedrich and Bob Battin in the 1970s, to Treasurer Robert Citron's disastrous investment schemes that triggered the 1994 bankruptcy, to the federal corruption case that brought down Sheriff Mike Carona, to the 2024 guilty plea and conspiracy conviction of Supervisor Andrew Do and the recent investigations of County officials, the storyline repeats with unsettling regularity. The office holder changes, the decade changes, the specific misconduct changes but the underlying dynamic does not. Concentrated authority, when left without durable safeguards, invites abuse.

During their terms in office, both the Assessor and the Treasurer have themselves become part of the broader historical pattern. Reports of internal investigations, substantiated violations of employee abuse, and the revocation of certain fiscal authority of the Treasurer underscore the vulnerabilities in these offices. Their inclusion in the chronology reinforces the central lesson of the last fifty years: no office is immune, no era is exempt, and structural safeguards must be strengthened not after a scandal, but beforehand.

METHOD OF STUDY

The Grand Jury reviewed information and data from the following sources:

- Investigative reports commissioned by the County
- Public statements, press reports, and records released via public records request (media disclosures)
- County policies and procedures on harassment, disability, discrimination, retaliation, workplace violence and employee training
- Record requests from the Assessor's and Treasurer's offices
- Relevant state statutory and regulatory requirements governing elected county officers and oversight authority of the Board of Supervisors
- Interviews with multiple County witnesses across various departments
- County personnel and administrative data
- Internet websites including County departments, public court records, professional associations, multiple news agencies, local press, on-line publications/articles, County documents/records
- Department tours.

- California Penal Codes.
- Attended public meetings.
- On-line recorded public meetings.

INVESTIGATION AND ANALYSIS

Ensuring the safe and responsible management of public funds is one of the most fundamental obligations of county government.

Two of the most financially significant elected offices in the County are the offices of the Assessor and the Treasurer. These offices collectively oversee the valuation of taxable property and the management of billions of dollars in public assets. As a result, any deficiencies in leadership, accountability, or operational integrity carry substantial implications for residents, public agencies, and the County's long-term financial position. Given the magnitude of their responsibilities, the Grand Jury undertook a review of both offices to independently assess their operations and methods of performing their duties in light of the standards of professionalism, competence, and public trust required of positions with such far-reaching impact.

THE ORANGE COUNTY ASSESSOR

Harassment and Retaliation in the Workplace

The Assessor's office administers one of the most significant responsibilities in County government. It oversees the appraisal valuation of more than three-quarters of a trillion dollars in taxable property, forming the financial foundation for public services throughout Orange County¹⁵. Consequently, the professionalism, and executive leadership of the Assessor are essential to maintaining public confidence in the integrity and competence of this elected office.

A 2023 Equal Employment Opportunity investigation commissioned by County HR found multiple instances of misconduct by the Assessor¹⁶. In response, the County issued a formal cease and desist order and recommended that the Assessor complete harassment-prevention training. The seriousness of the findings was made clear in the County's written notice:

¹⁵ Orange County's Assessor's Webpage, Mission Statement, [Department Overview | Orange County Assessor Department](#)

¹⁶ Burke, Williams & Sorensen, LLP: Confidential Investigation Report, Prepared for the County of Orange, May 16, 2023 https://s3.documentcloud.org/documents/25563834/workplace-misconduct-investigation-report-regarding-oc-assessor-claude-parrish.pdf?_gl=1*12m5v6a*_gcl_au*ODU1NzA3NDg5LjE3NzQ0NjA0NDk.

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“As an elected County Department Head, you are tasked with ensuring a safe and healthy working environment which is free from discrimination, harassment, retaliation, and abusive conduct (AKA bullying) for the employees assigned to your office. The County’s Equal Employment Opportunity Policy (“EEO”) applies to all County employees and officials and states that ‘... the County is committed to ensuring that no employee is subjected to unlawful discrimination, harassment, retaliation, or abusive conduct.’ As you know, you were the subject of an independent investigation into claims that you violated this policy.

“To ensure fairness and to avoid an actual or perceived conflict of interest, the County retained the services of Burke, Williams & Sorenson, LLP law firm (‘the investigator’). Their investigation has resulted in both sustained and unfounded findings of fact and violations of policy. The investigator’s findings raise serious concerns about your treatment of Assessor employees. There were thirteen complaints against you; six of which were wholly or partially sustained and in violation of the County’s EEO policy. These include sustained findings of harassment and/or retaliation based on disability, sex or gender, and race. Allegations of abusive conduct, not based on a protected class, were also sustained.

“As the County’s Chief Human Resources Officer, I am obligated to instruct you to cease and desist from any and all conduct that violates County policy... As an elected Department Head, it is your duty to provide a safe, healthy, and positive working environment for the County’s employees assigned to you. To that end, I strongly recommend that you read the attached EEO and Anti-Harassment Policy and complete the following two-hour Workplace Harassment Prevention Training for Supervisors via Skillsoft using the attached instructions.”¹⁷

In summary, the substantiated complaints demonstrate a failure to meet the minimum standards of workplace conduct expected of an elected department head. The Grand Jury’s investigation revealed that the Assessor’s conduct remains problematic.

Deficiencies in Leadership, Professional Conduct, and Office Management

During this investigation, the Grand Jury conducted interviews with witnesses, reviewed relevant records and internal communications, and examined publicly available information regarding the administration and leadership of the Assessor. The evidence gathered revealed issues regarding the Assessor’s professional conduct.

¹⁷ See Appendix C: 12/21/2023 letter to: Claude Parrish, from: Colette Farnes, re: cease and desist workplace harassment and recommended EEO training

Multiple witnesses reported instances in which the Assessor displayed anger and frustration toward subordinates when they did not carry out directives exactly as instructed. The investigation also found that the Assessor's attention was frequently focused on non-essential office matters. Witnesses commented on the Assessor's inconsistent decision-making and difficulty in retaining key information. Witness testimonies conveyed that these behavior patterns point to performance-related challenges that affect the Assessor's executive functioning within the office.

The Grand Jury was made aware of an open secret within the department: the Assessor's limited presence in the office. Multiple witnesses consistently described a routine in which the Assessor arrives around 3:30 p.m. While elected officials are not bound to rigid hourly schedules, a reasonable argument can be made that effective leadership of an organization requires sustained executive involvement, accessibility to staff, and regular attention to administrative matters in the workplace.

Public administration best practices¹⁸ emphasize that the chief executive of a complex public office must provide visible leadership, accountability, and a consistent presence to guide professional staff and maintain operational excellence. This expectation is reinforced by federal governance standards, as the U.S. Government Accountability Office (GAO) mandates that effective internal control systems depend on leadership that establishes accountability, monitors performance, and maintains an active presence sufficient to ensure operational integrity.¹⁹ Against these established standards, prolonged executive absence or minimal workplace presence is not a benign management style; it is a material failure of duty.

The Assessor's overall demeanor raises substantial concerns regarding accountability and adherence to expected performance standards. Based on these findings, the Grand Jury believes the Assessor's behavior is not merely a matter of personal style or temperament. Rather, it reflects conduct that falls short of the professionalism required of an executive to effectively administer a critical public function.

Resistance to Implementing Technology

Over the past decade, the County has steadily modernized its internal operations, investing in cloud-based platforms, digital workflows, and public online services.²⁰

¹⁸ International City/County Management Association (ICMA) — Practices for Effective Local Government Management and Leadership [Leading By Example: Building an Ethical Culture from the Top Down](https://www.icma.org/Leading-By-Example-Building-an-Ethical-Culture-from-the-Top-Down) | [icma.org](https://www.icma.org)

¹⁹ U.S. Government Accountability Office, Standards for Internal Control in the Federal Government (GAO-14-704G), Green Book Standards for Internal Control in the Federal Government <https://www.gao.gov/search?keyword=effective+internal+controls>

²⁰ Superior Court of California, County of Orange, OC Grand Jury, [2023-2024 Reports \(in order of release\)](#) | [Orange County Grand Jury Review of the Assessor's Office](#). 06/14/24

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These improvements aligned with a broader regional shift toward technology-driven government; one that featured faster service delivery, greater transparency, and improved access for residents and businesses. While most County departments embraced this transformation, the Assessor's office remained largely disengaged.

As neighboring jurisdictions digitized parcel systems, automated routine processes, and expanded online self-service tools, the Assessor continued to rely on aging software and manual workflows. The Assessor repeatedly declined to participate in the countywide program of upgrading services. Over time, limited modernization efforts left Orange County behind comparable jurisdictions in providing efficient and accessible public services.

The 2023-2024 Grand Jury first raised the same concerns. Only after the Grand Jury's report publicly documented these deficiencies did the Assessor implement a series of basic upgrades: primarily the introduction of online public information, computers and e-mail for all staff, and cybersecurity enhancements.

Assessor's Office Lags Behind Peer Counties

Below is a comparison of digital public service capabilities across peer counties which highlights the extent of the Assessor's Office's lag in modernization.

Comparative Chart: Digital Public Service Capabilities in Peer Counties²¹

Service Category	Orange County	Los Angeles County	San Diego County
Online Form Submission (E-Filing + E-Signature)	Limited; requires printing and manual signature	Available for multiple forms	Partial
Property Search Tools	Basic lookup only	Advanced portal (parcel, legal, map)	Moderate tools
GIS/Interactive Parcel Maps	Limited	Available	Available
Records Integration (Ownership/Grantor-Grantee)	Available but fragmented	Integrated	Integrated
Property Fraud Alert System	Limited/indirect	Email alert system	Owner Alert system
Cross-Department Integration	Fragmented	Partial	Strong
User Self-Serve Capability	Limited-Moderate	High	High

²¹ <https://www.ocassessor.gov>.
<https://www.sdardd.gov/content/arcc/home/division/assessor.html>

Overall Assessment

Table 2 shows that Orange County provides some basic appraisal online services but has not shifted to a fully digital service model that enables the public to complete transactions without jumping between disconnected websites, forms, departments, or manual steps. It instead relies on a hybrid approach that digitizes forms without enabling complete end-to-end transactions or integrated access.

Peer counties, by contrast, have embraced digital-first service delivery that prioritizes public accessibility, transparency, and automation. Their systems allow residents and businesses to complete end-to-end transactions online, access integrated datasets, and interact with government services through modern platforms. Orange County's inability to keep up with the times has left the Assessor's office behind its regional peers and has hindered the County's ability to more efficiently and effectively serve taxpayers.

Accountability Measures Warranted

The Grand Jury investigation of the Assessor reflects a sustained pattern of executive absenteeism, unorthodox methods, irregular conduct, and lack of modernization. The office requires consistent leadership and sound judgment. These standards cannot be met when basic managerial responsibilities are overlooked.

The Board has an obligation to pursue the legal and administrative steps necessary to ensure that elected offices are led by competent and accountable executives who implement methods and systems to adequately perform their duties and meet the appropriate policies and standards of the County. This responsibility extends not only to safeguarding the accuracy and reliability of the County's holdings, but also to protecting the well-being of employees who depend on stable, competent, and accessible leadership. Most importantly, the Board must be positioned to hold elected officials accountable for fulfilling the constitutional duties of their office on behalf of the residents of Orange County.

THE ORANGE COUNTY TREASURER

Issues in the Treasurer's Office

An internal County document was provided to the Board and subsequently published by a media outlet, detailing significant concerns regarding the Treasurer's operations, decision-making practices, and fiscal management. The document described a persistent pattern of delays, organizational dysfunction, and disregard for basic standards of fiscal responsibility and operational efficiency. According to the document,

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these failures produced measurable financial losses across County departments and public institutions.²²

The document alleged multiple instances in which the Treasurer's direct interference in contract negotiations resulted in economic loss to the County. It alleges several cases of poor communication, staff attrition, and inconsistent direction. It alleges that delays in depositing taxpayer's checks reduced investment earnings and triggered avoidable penalties. In one case, a \$550,000 refund owed to school districts was withheld for three years. Additionally, the treasurer delayed approval to close \$3 million in school bond funds for nearly a decade causing the funds to be unavailable to the schools.²³

The document also alleged the Treasurer declined to use standard enforcement tools available that help staff collect property tax revenue resulting in an estimated \$9 million loss in revenue in 2023-24 and 2024-25 respectively. Tax liens were filed months late in these years, because the Treasurer cited concerns about specific taxpayers, raising questions about preferential treatment. These delays also disrupted the State Intercept Program²⁴, hindering revenue recovery.

The document alleged additional risks within investment operations. The Treasurer directed staff to invest exclusively in certain money market funds regardless of yield, undermining the County's ability to maximize returns. It is also alleged that the Treasurer violated basic internal-control principles by assigning conflicting duties to investment staff and discontinuing key oversight practices, including daily monitoring of reports and interdepartmental coordination meetings.²⁵

The Grand Jury learned through interviews that the Treasurer obstructed oversight functions by insisting on personally approving every audit item from a performance audit, slowing audit completion and increasing external costs. Interference in routine human-resources processes contributed to high staff turnover, and increased recruitment expenses. Internally, inefficient practices, such as requiring staff to print emails for the Treasurer's review, wasted time and resources, while numerous workplace complaints signaled a deteriorating organizational environment, and a toxic work environment.

²² Elattar, Hosam. Voice of OC Feb. 26, 2025. *OC Supervisors Break Silence: Publicly Blast Treasurer's Alleged Workplace Hostility*.

²³ Elattar, Hosam. Voice of OC Feb. 26, 2025. *OC Supervisors Break Silence: Publicly Blast Treasurer's Alleged Workplace Hostility*.

²⁴ State of California Franchise Tax Board <https://www.ftb.ca.gov/pay/collections/interagency-intercept/index.html>

²⁵ See Appendix D. Fact Sheet: *Board of Supervisors Fact Sheet on TTC*, February 24, 2025.

Collectively, these issues reflect a pattern of managerial instability and operational disregard that has a potential to expose the County to financial loss, weakened internal controls, and impaired essential public-facing functions.

Dysfunctional Environment in the Treasurer's Office

The Grand Jury reviewed the circumstances surrounding the Board of Supervisors' 2024 decision to discontinue the Treasurer's delegated investment authority. News accounts detailed internal conditions within the Treasurer's office and described Board concerns regarding the Treasurer managing \$17 billion in public funds.²⁶ During the Grand Jury investigation, information obtained from interviews corroborated the conditions and concerns reported in the media, providing independent validation of the issues raised publicly.

The workplace environment and leadership practices were a significant concern to the Board. Concerns were voiced describing a work environment characterized by elevated tension, mistrust, and demeaning interactions. These accounts aligned with findings from a 2022 County-commissioned investigation,²⁷ which documented incidents including conduct assessed as a violation of workplace violence policy and other behavior perceived as overly aggressive. The report described an incident where the Treasurer threw keys at an employee which demonstrated a culture characterized by bullying, micromanagement and fear-based leadership.

County leadership engaged in repeated efforts over an extended period to address these concerns directly with the Treasurer. According to the Board,²⁸ these efforts did not result in sustained improvement and increasingly diverted senior staff time from broader county responsibilities.

Operational issues within the Treasurer's office further contributed to the Board's concerns involving delays in processing checks and issuing refunds, including those owed to school districts, as well as longstanding backlogs in property tax liens.²⁹ Members of the Board also expressed concern that ongoing personnel and

²⁶ See Appendix D. Fact Sheet: *Board of Supervisors Fact Sheet on TTC*, February 24, 2025.

²⁷ Confidential Investigative Report County of Orange – Shari Freidenrich April 29, 2022
https://www.documentcloud.org/documents/25546947-shari-freidenrich-key-throwing-investigation-report-released-by-county-of-orange/?_gl=1*iq6ygf*_gcl_au*ODU1NzA3NDg5LjE3NzQ0NjA0NDk.

²⁸ Orange County Board of Supervisors Meeting of 02/25/2025 Item S36C.
[https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Council%20A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20E2%80%9CA%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20\(d\)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%202D](https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Council%20A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20E2%80%9CA%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20(d)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%202D)

²⁹ See Appendix D. Fact Sheet: *Board of Supervisors Fact Sheet on TTC*, February 24, 2025.

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management challenges could eventually affect the security of public funds. Although the investment pool itself remained stable, the Chairman of the Board concluded that the cumulative pattern of operational deficiencies created an unacceptable level of risk for an office entrusted with large-scale public assets.³⁰

In 2025, the Board declined to renew the Treasurer's investment authority, resulting in the transfer of oversight of the investment pool to the County's Executive Officer. The Chairman of the Board later stated that this action was necessary to protect and ensure continuity of public funds.³¹ The Board's actions prompted inquiries from state officials, who questioned the transparency of the process and the sufficiency of the public explanation provided.³² While acknowledging the seriousness of the workplace and management concerns, state representatives emphasized the need for clear justification when altering the authority of an elected official responsible for safeguarding substantial public assets.³³

The situation highlights a structural tension within County governance: independently elected officials possess significant operational authority, however the Board's ability to intervene is limited unless statutory conditions³⁴ are met. The Treasurer's case demonstrates how leadership and operational deficiencies, if left unaddressed, can create risks that extend beyond internal personnel matters and affect the integrity of countywide financial operations.

Despite the seriousness of the Treasurer's conduct, there appears to be no evidence that certain behavior has been corrected. In fact, a recent survey of employees represented by the Orange County Employees Association (OCEA), along with interviews with Treasurer staff, revealed persistent fear, distrust, and low morale.³⁵

Accountability Measures Warranted

The Grand Jury's review of the Treasurer's workplace methods revealed a sustained historical pattern of executive instability and workplace dysfunction that collectively compromises the effective administration of a core County function. Internal County assessments, media reporting, and corroborating witness testimony presented a consistent picture of an office unable or unwilling to meet basic standards of management and organizational leadership and productive work environment.

³⁰ See Appendix E. Letter from Board Chair Chaffee to Assemblymember Valencia.

³¹ See Appendix E. Letter from Board Chair Chaffee to Assemblymember Valencia.

³² See Appendix E. Letter from Board Chair Chaffee to Assemblymember Valencia.

³³ See Appendix E. Letter from Board Chair Chaffee to Assemblymember Valencia.

³⁴ See Appendix A: California Constitution Article XI and Government Code §24009

³⁵ See Appendix F: Orange County Employees Association Surveys 2021 and 2025

The Board's decision to discontinue the Treasurer's investment authority reflected the seriousness of these concerns and the risks posed to the County's financial integrity.³⁶ However, the circumstances surrounding this action also underscore a broader structural challenge within County governance: independently elected officials exercise substantial operational authority, but the Board's ability to address persistent mismanagement is limited. The Treasurer's case demonstrates how leadership failures, if left uncorrected, can extend beyond internal personnel matters and potentially impact sound financial decision-making.

Despite repeated interventions by County leadership, there is no evidence that the underlying issues within the Treasurer's office have been resolved. Recent employee surveys and interviews indicate that fear, distrust, and low morale continue to characterize the workplace environment.³⁷ These conditions, combined with longstanding executive deficiencies, present ongoing financial risks as demonstrated by persistent operational inconsistencies, lapses in internal controls, and repeated deviations from established fiscal standards. Collectively, these indicators underscore the need for corrective action to restore appropriate operations, stability and accountability within the department.

The Grand Jury found that the deficiencies identified within the Treasurer's office are not isolated incidents but reflect systemic problems requiring sustained oversight, structural safeguards, and a reassessment of the governance framework under which independently elected officers operate. The Board must be positioned to hold the Treasurer accountable for fulfilling the constitutional duties of the office on behalf of the residents of Orange County.

ACCOUNTABILITY THROUGH COUNTY CHARTER AMENDMENTS

Governance Integrity Measure: Removing Public Officials for Misconduct

*The current Board has a dilemma:
how to preserve the independence of elected officials*

³⁶ Orange County Board of Supervisors Meeting of 02/25/2025 Item S36C.

[https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Counse%20el%C2%A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20E2%80%9CAn%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20\(d\)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%20%2D](https://ocgov.granicus.com/player/clip/5376?view_id=20&redirect=true#:~:text=S36C.%20County%20Counse%20el%C2%A0%2D%20Consider%20second%20reading%20and%20adoption%20of%20E2%80%9CAn%20Ordinance%20of%20the%20County%20of%20Orange%2C%20California%20Amending%20Section%201%2D2%2D320%2C%20Subsection%20(d)%20of%20the%20Codified%20Ordinances%20of%20the%20County%20of%20Orange%20Regarding%20Investment%20Authority%E2%80%9D%20%2D)

³⁷ . Farzan, Yusra and Gerda, Nick. LAist March 19, 2025. *OC Investigation found elected Assessor Treated Womer as Subservient, Harassed Employees Over Her Disability.*

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while also protecting the public from serious misconduct that falls short of criminal conviction but nonetheless damages trust, finances, and institutional stability.

In 2007, the Board briefly explored a way to remove an elected County official, most notably the Sheriff, through a charter amendment requiring a four-fifths (supermajority) vote of the Board.³⁸ The discussion emerged in the wake of Sheriff Mike Carona's federal indictment on corruption charges, which created intense public pressure and revealed the limits of the Board's legal power.

The idea originated with former Supervisor John Moorlach, who proposed a charter amendment that would allow the Board to remove an elected official³⁹. Despite the controversy surrounding Carona, the Board ultimately voted down the proposal. Several members argued that granting themselves the power to remove another elected official was too drastic and risked undermining the will of the voters. Others worried that the Board could become a quasi-judicial body, responding to accusations or media pressure rather than due process.⁴⁰

The Board lacked legal power to remove him, and Sheriff Carona remained in office after his indictment. State law allowed him to continue serving unless he was convicted or chose to resign. During the escalating controversy, Sheriff Carona took a 60-day leave of absence, and in January 2008 he ultimately resigned to focus on his criminal defense.⁴¹ Consequently, the Board decided not to pursue supermajority removal authority in 2007.

The current Board has a dilemma: how to preserve the independence of elected officials while also protecting the public from serious misconduct that falls short of criminal conviction but nonetheless damages trust, finances, and institutional stability. Under California law, an elected county official can be removed only by recall, resignation,

³⁸See Appendix G: Memo from Vice-Chairman Moorlach to add supplemental item to the 11-06-07 Board meeting agenda, re: charter amendment for placement on the February 2008 ballot

³⁹ See Appendix G: Memo from Vice-Chairman Moorlach to add supplemental item to the 11-06-07 Board meeting agenda, re: charter amendment for placement on the February 2008 ballot

⁴⁰ S32A. Supervisor Moorlach - Direct Registrar of Voters to place proposed Charter amendment for removal of Elected County Officials on ballot for election to be held on 2/5/08; and direct County Counsel to prepare the ballot title and summary and impartial analysis of the ordinance, and forward them to the Registrar of Voters 24135 NNN MOTION FAILED TO CARRY TO APPROVE AS RECOMMENDED WITH MODIFICATIONS TO THE PROPOSED ORDINANCE TO REMOVE "OTHER THAN SUPERVISOR" AND CHANGE "HIM" TO "HIM/HER" IN SECTION 301 AND ADD "NOT WITHSTANDING ANY CONFLICTING CHARTER PROVISIONS" TO INTRODUCTION

⁴¹ Valot, Susan. LAist November 6, 2007. *OC Supervisors Defeat Measure to Remove Sheriff; Corona Announces 60-Day Leave.*

criminal conviction, or statutory vacancy.⁴² Recall elections are costly, slow, politically charged, and tend to be ill-suited for addressing administrative misconduct or fiduciary failures. Criminal prosecution requires proof beyond a reasonable doubt and addresses only violations of law. Such prosecutions do not address sustained mismanagement, abuse of authority, or neglect of statutory duties. The result is a lack of options when dealing with serious but non-criminal misconduct, leaving the County with few practical tools to protect the public interest.

Other California charter counties have begun addressing this deficiency. In San Bernardino County, the county charter authorizes the Board of Supervisors to remove any elected county officer (other than a supervisor) for cause by a four-fifths vote. This authority has existed for years without being invalidated by courts.⁴³ Importantly, it is designed as a high-threshold safeguard that requires cause, procedure and a supermajority vote.

More recently, voters in San Mateo County approved a charter amendment authorizing their Board of Supervisors to remove the elected Sheriff for cause by a four-fifths vote.⁴⁴ This reform emerged after public controversy and was framed as a means for ensuring accountability. Removal requires notice, investigation, a hearing, and formal findings. Voters overwhelmingly approved it, signaling that citizens can and will support structural reform.⁴⁵

Orange County is similarly a charter county. In addition to the Board of Supervisors, there are six elected officials: Assessor, Auditor-Controller, Clerk-Recorder, District Attorney-Public Administrator, Sheriff-Coroner, and Treasurer-Tax Collector. The Assessor and Treasurer hold offices with fiduciary responsibility whose performance affects every taxpayer, school district, and local agency in the County. When serious misconduct occurs in such offices, including sustained harassment, gross mismanagement, neglect of statutory duties, or actions that potentially jeopardize the County, the consequences can be catastrophic.

Misconduct affects public confidence, fiscal stability, and legal exposure for the entire County. However, the Board, which is ultimately accountable to the public for County operations and solvency, currently lacks ability to cure the problem short of urging resignation or supporting a recall campaign. However, a carefully crafted charter

⁴² California Constitution Article II section 13.

⁴³ County of San Bernadino: § 13.0404 Supervision/Removal of County Officers.

⁴⁴ County of San Mateo: San Mateo County Charter, last amended March 2025, ARTICLE IV – DEPARTMENT HEADS, BOARDS AND COMMISSIONS, 412.5. Removal of Elected Sheriff for Cause

⁴⁵ Schuster, Kat. *San Mateo County Measure A Results: Sheriff's Future Lies In Outcome*. March 4, 2025

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amendment, approved by the voters, would address this inadequacy. Removal from office would be warranted only after there is evidence of willful misconduct or gross neglect of duty. Crucially, any removal action would demand a supermajority vote – a four-fifths vote - of the Board.⁴⁶

Orange County's history of public corruption and its experience with financial crisis, underscores the importance of checks and balances. A supermajority removal provision would be available only in extreme circumstances. It would act as an emergency brake; difficult to invoke, structured to protect fairness, and designed to uphold public trust if and when serious misconduct occurs.

Reforming the Treasurer's Office

*The current Board lacks authority
to impose corrective action
or remove an elected official from office,
even when workplace misconduct
or managerial instability is substantiated.*

The Treasurer has historically served as the statutory investment officer responsible for managing the County Investment Pool. Today it is one of the largest local government investment portfolios in California. In 2024-2025, when the Board reassessed the structure of this responsibility, the County Investment Pool held approximately \$17 billion in public funds.⁴⁷ These assets represent the combined resources of the County, school districts, cities, and numerous special districts that rely on the Treasurer's office for secure and professionally managed investments. Managing a public investment portfolio of this magnitude requires exceptional professional discipline, transparency, and organizational stability.

When leadership deficiencies arise in a county department with an appointed director at the helm, the Board has clear authority to intervene, replace the executive, and restore

⁴⁶ County Charter Amendments: adopted by San Bernadino and San Mateo specify a supermajority vote for removing county elected official.

County of San Bernadino: [§ 13.0404 Supervision/Removal of County Officers.](#)

County of San Mateo: San Mateo County Charter, last amended March 2025, ARTICLE IV – DEPARTMENT HEADS, BOARDS AND COMMISSIONS, 412.5. Removal of Elected Sheriff for Cause

⁴⁷ Biesiada, Noah. *OC CEO Defends Stripping Elected Treasurer of \$17 Billion Investment Pool*. February 5, 2025

stability.⁴⁸ In contrast, because the Treasurer is an independently elected official, the Board's ability to address dysfunction is severely limited. The Board lacks authority to impose corrective action or remove an elected official from office, even when workplace misconduct or managerial instability is substantiated.

California law provides that the Board retains ultimate authority over the investment of County funds but may delegate that authority annually to the Treasurer.⁴⁹ For decades, this delegation occurred routinely. On December 31, 2024, the delegation to the Treasurer expired. At that time, the Board opted to delegate this authority to the County's Chief Financial Officer under direct Board supervision. This decision reflected not only current concerns but also the institutional memory of the 1994 Orange County Bankruptcy, when the County Investment Pool collapsed following highly leveraged investment strategies that resulted in more than \$1.6 billion in losses.⁵⁰ Although today's circumstances differ significantly, the underlying lesson remains unchanged: large public investment portfolios require resilience to the leadership failures of public officials.

Changing the Office of the Treasurer from an Elected to Appointed Position

Transitioning Orange County's Treasurer from an elected to an appointed position would offer several clear advantages.

Ensuring the safe and responsible management of public funds is one of the most fundamental obligations of county government. The structure through which these responsibilities are assigned can significantly influence how effectively they are carried out. The current issues within the Treasurer's office highlight vulnerabilities. When a position with such substantial financial authority is filled through an electoral process rather than through a professional appointment, oversight is limited.

Elections tend to elevate candidates based on political appeal, name recognition, or campaign messaging⁵¹. These factors do not necessarily correlate with financial expertise or managerial capability. While some elected Treasurers bring strong

⁴⁸ California Government Code §25303

⁴⁹ California Government Code sections 27000.1 and 53607.

⁵⁰ ORANGE COUNTY BOARD OF SUPERVISORS MINUTE ORDER December 16, 2025 Submitting Agency/Department: Treasurer-Tax Collector Adopt resolution approving 2026 Statement of Investment Policy and delegating investment authority to Treasurer-Tax Collector; and making related findings - All Districts The following is action taken by the Board of Supervisors: OTHER - DELETED http://cams.ocgov.com/Web_Publisher_SAM/Agenda12_16_2025_files/images/MINUTES12162025_13.RTF_9864001.PDF

⁵¹ Marsh, Wayne Z.C. "Elected versus Appointed Policy Makers: Evidence from City Treasurers." *Journal of Law, Economics, and Organization*. The University of Chicago Press.

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qualifications to the role, the electoral system offers no guarantee that the individual entrusted with managing billions of dollars in public assets will possess the technical proficiency or disciplined oversight required for such a complex portfolio. When leadership challenges emerge, as they have in Orange County, the ability to intervene or correct course is limited.

Recognizing these concerns, many jurisdictions in California and across the country have shifted toward appointing their finance officials⁵². Appointed Treasurers are selected through competitive recruitment processes that prioritize professional credentials, experience in public finance, and demonstrated competence in managing large departments and investment pools. These professionals operate within established financial policies and standards, and they remain accountable to the Board of Supervisors through a structured reporting relationship. This model reflects accepted public finance practices⁵³ and aligns the stewardship of public funds with the expertise required to manage them safely.

*Many jurisdictions in California
and across the country have shifted
toward appointing their finance officials.*

California law provides counties with considerable flexibility in structuring their governance systems, and Orange County has exercised this authority multiple times having amended its County Charter six times since 2002. State law explicitly allows counties to determine whether the Treasurer should be elected or appointed, and many have already chosen the latter.⁵⁴

Transitioning Orange County's Treasurer from an elected to an appointed position would offer several clear advantages. It would allow the County to seek out candidates with specialized expertise in treasury management, investment strategy, public finance and staff management. It would establish a direct line of accountability to the Board, ensuring that voters retain oversight through their elected Board representatives. And it would reduce political pressures that can distort financial decision-making, helping to ensure that investment strategies are guided by fiscal prudence rather than electoral considerations. Pairing an appointed role with performance-based contract terms would further strengthen accountability and provide a structured framework for ongoing evaluation. Given the scale of the financial responsibilities involved and the lessons

⁵²National Association of Counties Research 2022. Naco.org

⁵³ National Association of Counties Research 2022. Naco.org

⁵⁴ National Association of Counties Research 2022. Naco.org

learned from recent management challenges, it is reasonable for Orange County voters and the Board to consider whether the current structure best serves the public interest.

Consolidating the Assessor’s Office with the County Clerk-Recorder: A Structural Path to Improve Oversight

Consolidation would standardize reporting and integrate systems, enabling auditors to identify patterns of mismanagement or inefficiency more readily.

The Assessor and Clerk-Recorder perform related functions involving property ownership, public records, and taxation. Despite this alignment, in Orange County, they currently operate as separate elected offices, each with its own management structure, administrative systems, and decision-making authority. The Grand Jury examined whether consolidating these elected offices would strengthen the Board’s oversight by reducing fragmentation and improving the clarity of organizational responsibility.

The California Little Hoover Commission (“Commission”)⁵⁵ has repeatedly found that consolidating related public-facing administrative functions can reduce duplication, streamline operations, and improve accountability. In reports such as “*Government Reorganization: Making Government More Effective, Efficient, and Transparent*” (2010) and “*A Customer-Centric Upgrade for California Government*” (2015), the Commission concluded that fragmented governance structures often obscure responsibility, create inconsistent reporting systems, and weaken oversight.⁵⁶

These findings support the conclusion that merging the Assessor and Clerk-Recorder could yield several governance benefits:

- Reduce duplication of services
- Improve operational efficiency
- Clarify roles and responsibilities
- Enhance coordination across related functions.

⁵⁵ Little Hoover Commission is a statutory balanced bipartisan commission that considers ways to promote economy, efficiency, and improved service in government. Little Hoover Commission webpage: <https://lhc.ca.gov/about/organization/>

⁵⁶ See California Little Hoover Commission, “Government Reorganization: Making Government More Effective, Efficient, and Transparent” (2010), and “A Customer-Centric Upgrade for California Government” (2015), both of which conclude that fragmented administrative structures reduce transparency, weaken accountability, and impede effective oversight.

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According to the Commission's analysis of structural consolidation, integrating related offices into a single organizational entity strengthens oversight by creating a unified chain of responsibility and reducing overlapping administrative functions and costs.⁵⁷ More importantly, consolidation enhances accountability by simplifying reporting structures and making performance easier to evaluate.

A consolidated structure would also significantly improve transparency. The current fragmented system allows inconsistencies in data, reporting, and decision-making. In San Diego's Assessor/Clerk-Recorder Office, for example, a unified office integrates property records and valuation systems, produces consistent and reliable public reporting, and provides a single point of contact.⁵⁸ This clarity makes it easier for both the public and the Board to understand, evaluate, and hold accountable the performance of property-related functions.

Oversight tools available to the Board, specifically internal audit functions, become more effective when applied to a unified organization rather than departments with overlapping responsibilities. Consolidation would standardize reporting and integrate systems, enabling auditors to identify patterns of mismanagement or inefficiency more readily. These improvements do not expand the Board's legal authority, but they do enhance their current authority.

The California Little Hoover Commission has repeatedly found that consolidating related public-facing administrative functions can reduce duplication, streamline operations, and improve accountability.

The Grand Jury recognizes that consolidation does not alter the independence of elected officials. By merging the Assessor and Clerk-Recorder into a single organizational entity, the County could strengthen the effectiveness of existing oversight. Consolidation represents a clear, achievable step toward a more coherent, efficient, and accountable system for the County.

⁵⁷ See California Little Hoover Commission, "Government Reorganization: Making Government More Effective, Efficient, and Transparent" (2010), and "A Customer-Centric Upgrade for California Government" (2015), both of which conclude that fragmented administrative structures reduce transparency, weaken accountability, and impede effective oversight.

⁵⁸ <https://www.sdardd.gov/content/arcc/home/division/assessor.html>

Consolidation of Assessor Offices in California Counties

California law grants counties discretion to consolidate certain elected offices when doing so improves administrative efficiency or aligns related functions under a single leadership structure.⁵⁹

These models demonstrate that consolidation is a well-established governance option across California, particularly in counties seeking to streamline administrative functions, reduce redundancies, or improve coordination among related departments. The fact that half of California's counties have adopted some form of consolidation underscores its viability as a structural reform tool. These consolidations generally follow two primary models:

Compatible Office Consolidations Throughout California

According to the California Secretary of State's 2025 County Officials roster, the consolidations take one of two forms:

- Assessor–Recorder (13 counties)
Alpine, Fresno, Kern, Lake, Lassen, Mariposa, Modoc, Santa Cruz, San Francisco, Shasta, Siskiyou, Solano, Tuolumne
- Assessor–Recorder–County Clerk (or Assessor/Clerk/Recorder) (16 counties):
Glenn, Kings, Marin, Merced, Monterey, Napa, Riverside, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Trinity, Tulare, Yolo

COUNTY INTERNAL AUDIT DEPARTMENT

An Expanded Role in Performance Oversight

The Internal Audit Department (IAD) reports directly to the Board and serves as the County's primary independent oversight entity. The mission of the Internal Audit Department (IAD) is to provide highly reliable, independent, objective evaluations and business and financial advisory services to the Board of Supervisors and County management to assist them with their important business and financial decisions, and to protect and safeguard the County's resources and assets.⁶⁰

In 2023, the Board combined two departments and expanded IAD's responsibilities by consolidating the Performance Review Department with IAD. This expansion occurred at a time when investigations and documented concerns involving elected officials, including the Assessor and Treasurer, raised questions about the adequacy of existing oversight mechanisms. Because state law restricts the Board's direct supervisory authority over elected officials, the Grand Jury examined whether IAD could serve as a more consistent and proactive tool for operational oversight and performance

⁵⁹ California Constitution Article XI §4

⁶⁰ Orange County OC.gov, Departments, Internal Audit <https://iad.oc.gov/>

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accountability. IAD conducts its work under widely recognized professional auditing standards and is authorized to evaluate internal controls and operational effectiveness.⁶¹

Audits of certain elected officials' management performance have been insufficient in scope and frequency.

Documented concerns involving the Assessor and Treasurer underscore the need for stronger oversight mechanisms capable of identifying management deficiencies, operational risks, and systemic weaknesses before they escalate into larger problems. Because California law provides limited means for disciplining or removing elected officials, independent performance audits, when fully staffed and adequately funded, are among the few tools available to provide objective evaluation, transparency, and corrective recommendations. The effectiveness of IAD depends on sustained investment in staffing, resources, and audit capacity.

IAD's performance reviews evaluate:

- Internal management practices,
- Compliance with County policies and State law,⁶²
- Operational efficiencies and staff utilization,
- Internal control systems and financial safeguards,
- Workplace management and compliance with employment regulations,
- Technology modernization and data-management practices.

By incorporating elected officials into a more robust, professionally executed audit plan, the Board can establish a structured review process that strengthens accountability and ensures that the otherwise autonomous offices of elected officials are subject to the rigorous scrutiny of comprehensive performance evaluations.

⁶¹ The IPPF: *Global Internal Audit Standards, Requirements, and Guidance*. theiia.org

⁶²The IPPF: *Global Internal Audit Standards, Requirements, and Guidance*.theiia.org

CONCLUSION

*The County must decide
whether its current framework
adequately protects the public interest.*

Orange County's governance structure limits the Board's ability to hold elected officials accountable, even when investigations confirm misconduct or mismanagement. As a result, problems persist and the County faces avoidable risks. Criminal and administrative misconduct over the past fifty years illustrates how these structural gaps allow violations and poor performance to continue.

Addressing these issues requires aligning responsibility with enforceable oversight. Other counties have adopted stronger safeguards: strong audit protocols, removing officials for misconduct, transitioning positions from elected to appointed, and/or combining compatible offices for efficiency. These considerations are warranted.

Ultimately, the County must decide whether its current framework adequately protects the public interest or whether structural changes are needed to prevent future oversight failures and restore appropriate operations and methods for performing official duties. In this context, the following findings form the basis for the Grand Jury's recommendations to establish a transparent and accountable system in Orange County.

The Grand Jury recognizes and commends the professional staff members of the Assessor's office and the employees of the Treasurer's office for their steadfast commitment to public service and the effective execution of critical County functions despite the challenges presented to them.

The Grand Jury found that the annual preparation and delivery of the County's property tax roll to be a highly technical and labor-intensive process involving valuation, verification, appeals processing, and compliance with State law. The work is accomplished through the diligence, institutional knowledge, and professionalism of these employees. Similarly, the essential functions of tax collection, cash management, fund distribution, and financial reconciliation performed by the Treasurer's office are conducted with precision and accountability by its workforce, ensuring continuity of government services and public trust in County financial operations.

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury has arrived at the following principal findings.

- F1** Elected County officials exercise substantial autonomy in managing their departments while administering functions involving significant public financial responsibilities.
- F2** The County lacks sufficient authority, structures and internal controls to ensure effective oversight and accountability of elected officials.
- F3** The Orange County Charter does not provide the Board of Supervisors with authority to address misconduct or performance deficiencies involving elected officials.
- F4** Some counties in California have amended their charters to strengthen oversight and implement internal controls for elected officials.
- F5** Several counties in California have transitioned specific non-constitutional county offices from elected to appointed positions to ensure better accountability.
- F6** Consolidating compatible County elected offices can improve efficiency, reduce duplication, and strengthen oversight.
- F7** Independent audits provide an effective mechanism for identifying operational weaknesses, governance concerns, and compliance issues within departments administered by elected officials.
- F8** The County Internal Audit Department is an important entity that functions as independent oversight reporting directly to the Board of Supervisors and conducts audits in accordance with recognized professional auditing standards.
- F9** The Board of Supervisors has expanded Internal Audit Department's responsibilities to include performance auditing; however, sufficient staffing and resources are required to support this expanded role.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury makes the following recommendations:

- R1** The Board of Supervisors should draft one or more of the proposed amendments to the County charter to be submitted to voters in order to strengthen the Board's ability to exercise appropriate governance oversight of elected officials by December 31, 2026.
Amendments:
- Authorization for the Board of Supervisors to remove an elected official for cause by a four-fifths supermajority vote.
 - Authorization for the Board of Supervisors to convert an elected office to an appointed position.
 - Authorization to consolidate compatible County departments and merge two elected or appointed offices into one elected position.
F1, F2, F3, F4, F5, F6
- R2** The Board of Supervisors should adopt a policy mandating regularly scheduled audits or performance reviews of elected officials by December 31, 2026.
F7, F8, F9
- R3** The Board of Supervisors should direct the County Internal Audit Department to develop standardized procedures for publicly reporting corrective actions taken in response to audit findings involving offices of elected officials by December 31, 2026.
F7, F8, F9
- R4** The Board of Supervisors should establish a formal process for periodic public reporting and discussion of internal audit findings involving departments administered by elected officials, including presentation of audit results at Board meetings to promote transparency and accountability to Orange County residents by December 31, 2026.
F7, F8, F9

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- R5** The Board of Supervisor should ensure that the County Internal Audit Department maintains sufficient staffing and budgetary resources to carry out its expanded responsibilities for operational performance reviews and oversight of departments administered by elected officials by December 31, 2026.
F7, F8, F9

REQUIRED RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury report:

§933

(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.

§933.05.

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons, therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation, therefore.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

Unbalanced Authority

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

(Amended by Stats. 1997, Ch. 443, Sec. 5. Effective January 1, 1998.)

Comments to the Presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

Orange County Board of Supervisors

Findings:

Recommendations:

90 Day Response Required

F1, F2, F3, F4, F5, F6, F7, F8, F9

R1, R2, R2, R4, R5

ACRONYMS and TERMS

Assessor	County of Orange Assessor
Board	County of Orange Board of Supervisors
Clerk-Recorder	County of Orange Clerk-Recorder
Commission	Little Hoover Commission
County HR	County of Orange Human Resource Services
EEO	Equal Employment Opportunity Act
GAO	U.S. Government Accountability Office
Grand Jury	2025-2026 Orange County Grand Jury
IAD	County of Orange Internal Audit Department
ICMA	International City/County Management Association
OCEA	Orange County Employees Association
OCTP	Orange County Treasury Pool or County Investment Pool
Treasurer or TTC	County of Orange Treasurer-Tax Collector

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APPENDIX A

[Justia](#) › [U.S. Law](#) › [California Law](#) › [California Constitution](#) › Article XI - Local Government

Under Article XI of the California Constitution and Government Code §24009

California Constitution

Article XI - Local Government

Section 4 - County charters shall provide for:

- (a) A governing body of 5 or more members, elected (1) by district or, (2) at large, or (3) at large, with a requirement that they reside in a district. Charter counties are subject to statutes that relate to apportioning population of governing body districts.
- (b) The compensation, terms, and removal of members of the governing body. If a county charter provides for the Legislature to prescribe the salary of the governing body, such compensation shall be prescribed by the governing body by ordinance.
- (c) An elected sheriff, an elected district attorney, an elected assessor, other officers, their election or appointment, compensation, terms and removal.
- (d) The performance of functions required by statute.
- (e) The powers and duties of governing bodies and all other county officers, and for consolidation and segregation of county officers, and for the manner of filling all vacancies occurring therein.
- (f) The fixing and regulation by governing bodies, by ordinance, of the appointment and number of assistants, deputies, clerks, attachés, and other persons to be employed, and for the prescribing and regulating by such bodies of the powers, duties, qualifications, and compensation of such persons, the times at which, and terms for which they shall be appointed, and the manner of their appointment and removal.
- (g) Whenever any county has framed and adopted a charter, and the same shall have been approved by the Legislature as herein provided, the general laws adopted by the Legislature in pursuance of Section 1(b) of this article, shall, as to such county, be superseded by said charter as to matters for which, under this section it is competent to make provision in such charter, and for which provision is made therein, except as herein otherwise expressly provided.
- (h) Charter counties shall have all the powers that are provided by this Constitution or by statute for counties.

Government Code section 24009

- (a) Except as provided in subdivision (b), the county officers to be elected by the people

Unbalanced Authority

are the treasurer, county clerk, auditor, sheriff, tax collector, district attorney, recorder, assessor, public administrator, and coroner.

APPENDIX B



COUNTIES

Board of Supervisors: Role and Responsibilities

Structure

The Board of Supervisors is the primary governing body of a county, combining legislative, executive, and quasi-judicial powers. Unlike federal and state governments, the Board is not divided into separate branches.

Under **Government Code Section 25000**, counties must have a Board of Supervisors with five members, unless specified otherwise in a county charter (e.g., San Francisco has 11 members and a mayor). Supervisors must live in and be registered voters of their districts. Vacancies are filled either by a local charter process or by the Governor if no such process exists.

A **majority of Board members** is needed to conduct business, and most decisions require a majority vote. Certain actions, like emergency ordinances, need four votes. Official actions can only occur during regular or special public meetings, which are governed by the Ralph M. Brown Act, ensuring transparency. The county clerk serves as the ex officio clerk of the Board unless a separate clerk is appointed.

Powers and Roles

The Board of Supervisors exercises its authority in three main roles: **executive, legislative, and quasi-judicial**.

Executive Role

- Sets county priorities and oversees departments and programs.
- Approves annual budgets and supervises the conduct of county officers and employees.
- Manages county property and allocates funding for resident services.

Supervision of County Officials: The Board supervises county officers to ensure they fulfill their duties but cannot modify or relieve them of their legal responsibilities.

For **elected officials**, such as the district attorney and sheriff:

- **District Attorney:** Supervisory authority is limited to county duties, as prosecutorial powers fall under the state attorney general.
- **Sheriff:** The Board supervises county-specific duties but cannot oversee state law enforcement or court-related responsibilities.
- **Assessor and Courts:** The Board shares funding responsibilities for courts but has limited influence over their operations, as courts maintain independence in judicial functions.

APPENDIX C



County of Orange

Human Resource Services

December 21, 2023

Claude Parrish
Orange County Assessor
500 S Main Street
Second Floor
Orange, CA 92868

Dear Mr. Parrish,

As an elected County Department Head, you are tasked with ensuring a safe and healthy working environment which is free from discrimination, harassment, retaliation, and abusive conduct (AKA bullying) for the employees assigned to your office. The County's Equal Employment Opportunity Policy ("EEO") applies to all County employees and officials and states that "... the County is committed to ensuring that no employee is subjected to unlawful discrimination, harassment, retaliation, or abusive conduct."

As you know, you were the subject of an independent investigation into claims that you violated this policy. To ensure fairness and to avoid an actual or perceived conflict of interest, the County retained the services of Burke, Williams & Sorenson, LLP law firm ("the investigator"). Their investigation has resulted in both sustained and unfounded findings of fact and violations of policy.

The investigator's findings raise serious concerns about your treatment of Assessor employees. There were thirteen complaints against you; six of which were wholly or partially sustained and in violation of the County's EEO policy. These include sustained findings of harassment and/or retaliation based on disability, sex or gender, and race. Allegations of abusive conduct, not based on a protected class, were also sustained.

As the County's Chief Human Resources Officer, I am obligated to instruct you to cease and desist from any and all conduct that violates County policy. You are further instructed to not attempt to ascertain the identity of any complainant or witness. Finally, you are directed to not take adverse action, disparage, or otherwise retaliate against any County employee because of his or her EEO complaints or participation in an EEO investigation.

Page 2

As an elected Department Head, it is your duty to provide a safe, healthy, and positive working environment for the County's employees assigned to you. To that end, I strongly recommend that you read the attached EEO and Anti-Harassment Policy and complete the following two-hour Workplace Harassment Prevention Training for Supervisors via Skillsoft using the attached instructions.

Any questions regarding EEO investigations should be directed to the County's EEO Office, County Counsel, or myself.

Sincerely,

Colette Farnes
Chief Human Resources Officer

Attachments:

County of Orange Equal Employment Opportunity and Anti-Harassment Policy Procedure
Workplace Harassment Prevention Training for Supervisors via Skillsoft

cc: Frank Kim, County Executive Officer
Leon J. Page, County Counsel

APPENDIX D

Fact Sheet: Board of Supervisors Fact Sheet on TTC

February 24, 2025

Timeline of Recent Board Actions

December 17, 2024

The investment authority that the Board delegates to the Treasurer-Tax Collector (Treasurer) automatically expires at the end of each year. The Board may, but is not required to, renew this delegation by adopting a resolution for the next calendar year. If the Board does not delegate the authority to the Treasurer, the responsibility defaults to the CEO who is responsible for implementing and administering Board policy.

January 1, 2025

Investment authority expired, thereby defaulting the authority to the CEO.

February 11, 2025 (press release)

The Board of Supervisors unanimously adopted an ordinance that allows the County Chief Financial Officer (CFO) to exercise the Board of Supervisors' investment authority and approved a County Investment Policy (Policy) that establishes investment guidelines to govern the Board's investment authority. California law vests the authority to invest monies deposited in the County treasury with the Board of Supervisors.

County investments must comply with the restrictions on permissible investments outlined in the Government Code. By adopting this Policy, the Board approved a Policy that is more restrictive than state law, consistent with the investment policies previously approved by the Board and governs the investment of the funds of the County and the funds of other depositors in the County treasury.

- *NOTE: This is consistent with the past IPS approved by the Board, as nothing has really changed on the investments.*

The Policy includes a list of authorized investments, diversification, maturity and duration limits as well as a list of prohibited transactions. This Policy will be maintained by the County Investment Manager. This Policy will be reviewed on an annual basis and submitted to the Board annually as a receive and file item as a part of the County's Strategic Financial Plan (SFP). Any changes to the policy shall be presented to the Board for review and approval.

In addition to these actions, Supervisor Vicente Sarmiento directed staff to bring the following to the Board of Supervisors:

Directed staff to review the Voluntary Pool Participant program, and whether the program should be terminated, and which oversight committee should be charged with the responsibility for ensuring compliance with the County Investment Policy, and to return to the Board with options.

Financial Impacts

- TTC was main point of contact for Quantum contract and would not allow staff to negotiate with vendor. Negotiated contract had issues that resulted in data upload function for investment trades not being included. Vendor now wants \$128k extra to add in this function.
- \$2.7M in Earnings Credit Rebates lost at bank due to poor direction provided, lack of staffing due to attrition, prohibition on coordination and communication between teams, etc.
- Delays in deposit of checks held by the TTC causing numerous concerns including, but not limited to:
 - Stale Checks
 - Reduced yield as funds were not deposited into treasury promptly
 - Impacts to local and non-local taxpayers (incorrect late fees and penalties assessed due to delay in credit of payment, etc.)
- Delay in refund to Schools of \$550k in overcharged admin fees over a period of 3 years. Analysis completed by staff, but TTC delayed approval to process refund.
- TTC delayed approval to close School bonds funds from 2016, resulting in \$3M sitting in funds that should have been transferred and made available to schools. Not approved to close until FY 2023-24.
- TTC involvement in audits and requirement to approve every single item has caused delays in issuance and increased costs charged to the County by external auditors for these issues.
- Increased Human Resource recruitment costs for frequent recruitments due to large turnover in staff and TTCs involvement in micromanaging recruitments (job bulletin review/edits, selection interview question approval, candidate selection approve, etc. for all levels of staff)
- Increased Human Resource costs due to numerous EEO complaints and HR investigations.
- Wastes County resources by requiring staff to print every email, including all attachments, to her to make sure she reviews it. Often times printed documents are lost and have to be re-printed multiple times.
- Delays and/or prohibition of use of collection tools available to staff that help collect property tax revenue results in reduction of and delays in revenue collected. Approximate annual revenue reduction is over \$9M for FY 23-24 and FY 24-25 respectively.
 - Liens – State Guidance is to file no later than November 15th annually. For 2023 and 2024, these were delayed to March 2024 and January 2025 respectively. TTC reason for delaying filing of liens cited specific taxpayers that would be

impacted including: Disney, Home Depot, Panasonic Aviation's and Shari's Doctor's Office. This is preferential treatment.

- State Intercept Program – Delayed due to delays in filing of liens.
- Bank Levees, Till Taps, Property Seizures, etc. are still not approved for use by TTC. These historically have been used and are very effective in collection of taxes.
- Property Auctions – Regular auctions are an effective tool in that many delinquent taxpayers finally pay their taxes once they are notified their property is slated to be sold in auction. For those that do not pay, the proceeds from the auction go to paying off delinquent taxes.

Questionable Investment Decision Directives and/or Risks to Investments

- Purchase only Money Market Funds that have automatic processing, regardless of yield.
- Direct Investment Staff that are initiating/approving trades to also input the trades into the Investment Accounting Record (Quantum). This is a segregation of duties issue and against best practices.
- Directive to stop sending daily portfolio monitoring reports and cancel meetings between Cash Management and Investment Teams creates risk. Lack of daily reports removes TTC from reviewing credit changes, trades, etc. Cancellation of meetings between teams inhibits ability to perform duties related to cash forecast/planning so investment team can plan for maximum investments to achieve maximum yield.
- Annual overcharges to Investment Admin Fees to pool participants due to TTC's disagreement with staff recommendations on the basis points to charge throughout the year. This results in large refunds at year-end that are delayed pending her approval approximately 6 or more months into the following year.
- Post-delegation expiration, TTC directed staff to change investment strategy immediately based on news of Federal Freeze. TTC requested to CEO to allow TTC to implement this change without providing CEO details based on the TTCs extensive knowledge and experience with investments but would not disclose her strategy. Later, the strategy was shared to put incoming funds all into Money Markets and purchase only short-term investments maturing in 30-days or less. This direction was provided by Shari without any details on the Federal Impacts to the County and without consultation with the CEO, as would have previously been done. This direction shows impulsivity and lack of judgement to implement a drastic change with little to no information. What's further concerning with this direction is that it goes against best practices for investment strategies and recommendations of investment professionals/economists that advise purchasing longer-term investments when rates are on the decline and future rate cuts are anticipated.
- Constant turnover in staff creates significant risk operations due to loss of institutional knowledge, lack of seasoned and knowledgeable employees, etc.

- Abusive treatment by TTC of staff creates risk for impacts to operations, including investments, due to burnt-out and/or disgruntled staff.

Investigations

May 19, 2021: [Performance Audit of the Treasurer-Tax Collector](#)

This report was heavily influenced by Treasurer-Tax Collector and had very few findings that were directly related to staffing and financial issues, differing from the normal performance audits that are conducted. From the report:

Summary of Findings and Issues

Our findings and recommendations in this report are based on documents and information gathered about the department. Due to delays at the start of the project and the COVID-19 pandemic, we were unable to conduct site visits where we typically are able to assess the working environment in person. To assess the adequacy of the TTC's procedures, its practices, and the resources available to the Department, we relied on the information that was directly provided by the elected Treasurer, interviews, and the employee survey.

In general, we found that the TCC provides mandated services that are consistent with

Governing Laws and Policies. The services provided by the TTC are consistent with State policies, procedures, and practices. The stakeholders we interviewed included the voluntary pool investors, the school districts, and the agencies that utilize collection services. Stakeholders reported that they were satisfied with the services they received.

Department regularly provides additional services for the County beyond the State of

California Government Code for Treasurer-Tax Collectors. The TTC provides services that are not required by State and local policy and regulations; however, it is typical for other county Treasurer-Tax Collectors to provide a variety of services for a county beyond state mandated regulations. Some non-mandated services provided by the TTC support County financial management functions, while other non-mandated services support school districts and other County departments and agencies. A shared services business plan is in place to provide services to other departments and agencies, but we did not assess whether costs are being appropriately recovered.

Vacant positions have increased workloads and responsibilities for remaining staff. The staff separation/transfer-out rate for the TTC was 34% in 2019, significantly higher than other benchmarked departments provided to us by the County's Human Resource Department. Fifty-four percent of write-in comments on the employee surveys noted being affected by staffing inadequacies. Practically, the responsibilities of unfilled positions have been assumed by other line staff. More significant, to the extent staff cannot fully cover needed roles, supervisors, and managers are filling in to complete activities in addition to their supervisory and management responsibilities. The constant practices of "filling in" for staffing vacancies, training of new staff, and training temporary hires have created inefficiencies in the department.

The investment in technology is not keeping pace with current technology. The TTC uses older technology for its financial systems and software systems are in need of upgrades. The current lack of integrated systems requires a reporting process that relies on manual inputs from a variety of sources. There have been ongoing upgrades for the treasury and investment accounting system (Quantum) since 2017, which has yet to solve these system integration issues.

There is a lack of measurable goals used by the TTC that are typically set by agencies to measure effectiveness and efficiency. While the TTC publicizes performance measures, the TTC should include measurable goals that demonstrate progress towards improvements. Typical metrics for other county Treasurer-Tax Collectors include benchmarking of investment performance to other pooled funds, collection rates of delinquent payments, timeliness of processing remittance, etc. Metrics are used to measure whether or not the department is performing up to expectations for meeting the stated goals for the County.

April 22, 2022: Meyers I Nave Confidential Investigation

As issues persisted at TTC, Meyers I Nave was retained to complete a confidential investigation report related to the Treasurer-Tax Collector's reported misconduct regarding abusive conduct, workplace violence and retaliation. These actions found the following complaints substantiated:

- 1) **Treasurer Tax Collector stood over an employee and pointed her finger in the face of an employee in a threatening manner during a conversation on August 12, 2021**
 - a. Quote from an employee in the investigation: *Everything is still the same over here. Shari was in X employee's office last Thursday yelling at her and pointing the finger in her face, all the staff heard and saw. Employee's office is glass. I kind of lost all hope in the County. I understand she's an elected official and she can do whatever she wants, but I'm a County employee and I thought for sure the County would protect us.* (p.14).

2) Threw office keys at an employee (her assistant), in violation of the County's Workplace Violence Prevention Policy

Report's Conclusion (p.24)

The numerous charges alleged by current and former employees of the County's Office of the Treasurer-Tax Collector present a troubling impression of the work environment. There now exists a highly charged atmosphere of mistrust, suspicion, and the belief that Freidenrich has engaged in demeaning, condescending, and unfair behavior. Complainants contend that Freidenrich created this situation through conduct that is punitive, abusive, and belittling, and that Freidenrich excessively monitors and micromanages employees, thus resulting in a chilling effect on the entire workplace.

Freidenrich denies the claims asserted by the Complainants. Freidenrich stated that the quality of work that comes out of her office is of utmost priority, and that she is meticulous about the work her staff does because it "has [Freidenrich's] name on it." Freidenrich says that she is the victim of negative, vindictive, and insubordinate employees. However, the evidence supports many of the Complainants' concerns regarding Freidenrich's condescending behavior and occasionally demeaning conduct, as well as the excessive micromanaging of TTC staff. In addition, the allegations related to Freidenrich's statements and conduct that were determined to be outside the scope of this investigation was considered by the Investigators to be, at a minimum, highly concerning.

In some cases, there was strong evidence to sustain or not sustain the Complainants' allegations. In other cases, the evidence was insufficient to make a finding one way or the other. What is beyond dispute is that the TTC Department has serious communication and personnel issues, many of which have developed over time and now have divided and polarized the department. Every action taken or not taken by Freidenrich is now viewed through a prism of suspicion and mistrust, which undermines the TTC's mission. Going forward, to eliminate these concerns, the issues identified in this investigative report should be addressed in a serious and respectful manner.

May 19, 2022: Letter from HR to TTC

As a result of the Meyers I Nave investigation, Colette Farnes sent a letter to the Treasurer-Tax Collector informing her of the following:

The independent investigator's findings raise serious concerns about your treatment of Treasurer-Tax Collector employees. Although the investigation did not find that isolated incidents investigated rose to the level of an EEO policy violation, it did substantiate a violation of the County's Workplace Violence policy. Physical violence in a County workplace will not be tolerated.

As the County's Chief Human Resources Officer, I am obligated to instruct you to cease and desist from any and all verbal or physical conduct that violates County policy. As an elected Department Head, it is your duty to provide a safe, healthy, and positive working environment for the County's employees assigned to you. I am aware of several strategies you have recently put in place in an effort to fulfill this duty and to improve the culture within your department. In support of providing a safe, healthy and positive workplace, I recommend the following to you:

- *Continue to delegate and allow the Assistant Treasurer-Tax Collector to independently manage the day-to-day operations of your department.*
- *Focus your attention on your community obligations – allow your managers and staff the autonomy to do their jobs while you do yours; and*
- *Work with a County-retained a professional executive management coach to learn and implement solid communication skills that will help you avoid future conflict with County employees.*

OCEA TTC Employee Survey

In 2022, OCEA conducted a survey on behalf of TTC employees, right after the Performance Audit was performed. Two-thirds of TTCs employees completed their survey. Key takeaways include:

- 80 percent were aware of the performance audit
- 76 percent read the TTC's responses to the recommendations
- 95 percent were not satisfied with the TTC's responses
- Main concerns included vacancies, leadership style and its impact as well as culture
- 67 percent stated that the Treasurer's involvement hinders their ability to fulfill their responsibilities
- Over 70 percent of respondents stated that they are NOT satisfied with their position and over 90 percent said they would transfer to another agency if they could
- The culture at TTC was described as, "toxic, hostile, terrible, unappreciated, fearful, disorganized, unhealthy and dysfunctional"
- 10/15 OCEA employees stated they have experienced harassment, retaliation, discrimination or abusive conduct by the Treasurer herself
- 12/17 OCEA employees stated that they have witnessed harassment, retaliation discrimination or abusive conduct by the Treasurer herself

CEO's Actions

- Since FY 2017-18, the CEO's office has been working closely with the Treasurer to rectify staffing issues, which were first flagged as a result of staff turnover, a large number of vacant positions, and informal complaints from employees.
 - CEO full supported filling all positions and urged the TTC to fill them expeditiously however, the involvement of the TTC in various aspects of the recruitment process delayed recruitments (e.g., she had to review every job flyer, review and approve questions, review and approve candidate selections, etc.).
 - Job bulletins that were created were overly complex as were recruitment requirements, resulting in small candidate pools.
 - The reputation of working for TTC created some challenges for recruitment as well (it was confirmed by candidates and through references checks that working for the TTC was an area of concern and warning provided to staff deterring them from accepting positions with TTC).
- The CEO's office requested a performance audit of the Treasurer-Tax Collector to identify areas for improvement. Since completion of the performance audit, the CEO's office has been working with the Treasurer to address the findings and implement the recommendations; however, the Treasurer obstructed the performance audit and continues to obstruct implementation of the recommendations. TTC employees were aware of the obstruction and disappointed with the results of the performance audit.
- OCEA reached out to the CEO's office about the results of an employee survey they conducted. The CEO's office met with OCEA and then with OCEA and the Treasurer when OCEA communicated the results of the survey. OCEA, on behalf of TTC employees, requested specific corrective actions from the Treasurer. The CEO's office oversaw the Treasurer for implementation of those action items.
- The CEO's office along with County Counsel and outside investigator handled employee complaints, which were constant and substantiated.
- During this time period, the CEO's office was informed that the conduct of the Treasurer, is interfering with employees' ability to perform their work including, but not limited to, placing liens on and auctioning properties which would have resulted in an additional \$36M in property tax revenue to the County that could have been used for the delivery of services to the community; reconciliation of fees at the end of the fiscal year resulting in a delayed return of \$550K to the schools; delayed completion of required annual audits, delayed closure of bond fund accounts resulting in delayed return of \$3M to schools.
- Most recently, the need to protect employees, especially at-will employees, in the Treasurer-Tax Collector department was brought to the Board's attention to ensure TTC staff have the ability to conduct day-to-day County business without the fear of retaliation and interference from the Treasurer.

APPENDIX E



DOUG CHAFFEE

CHAIR, ORANGE COUNTY BOARD OF SUPERVISORS
SUPERVISOR, FOURTH DISTRICT
COUNTY ADMINISTRATION NORTH
400 W. CIVIC CENTER DR.
SANTA ANA, CALIFORNIA 92701
PHONE (714) 834-3440

Avelino Valencia
Assemblymember, Sixty-Eighth District
2400 East Katella Avenue, Suite 640
Anaheim, CA 92806
Email: Assemblymember.Valencia@assembly.ca.gov

Dear Assemblymember Valencia:

Thank you for your letter, dated February 20, 2025, regarding the Orange County Board of Supervisors' ("Board") decision to retain its authority to invest the funds of the County of Orange, and other depositors in the County treasury. The Board's investment authority will now be exercised by the County Executive Officer ("CEO"), rather than delegated to the County Treasurer. The Board takes its role as a fiduciary very seriously, and we are well aware of the history of public finance in Orange County. Indeed, in 2018, the United States Bankruptcy Court formally closed the County's 1994 bankruptcy case, in large part, due to the strong financial leadership of then County Chief Financial Officer, and current Interim CEO, Michelle Aguirre. Today, the County maintains a AAA credit rating because of the Board's sound fiscal management, good financial policies, and strong budgetary performance.

The County continues to exercise prudent investment practices and thorough oversight over its investment activities. On February 11, 2025, the Board approved an investment policy to govern the exercise of its investment authority. Like prior Board-approved investment policies, this policy is more restrictive than State law. On February 25, 2025, the Board will consider expanding the oversight provided by Audit Oversight Committee to include County treasury and investment activities. Unlike the Treasury Oversight Committee, whose members were nominated by the official who was the subject of oversight, the new oversight body includes members who are appointed by the Board. In county government, the board of supervisors is statutorily responsible for ensuring that county officials faithfully perform their duties, particularly as to the functions and duties of such county officers relate to the assessing, collecting, safekeeping, management, or disbursement of public funds. (Government Code section 25303.)

The financial health of the County is strong, and our investments are secure. Nonetheless, as you note, issues have come to light regarding the Treasurer-Tax Collector's ("Treasurer") ability to effectively manage her department and this impacts her ability to effectively perform her statutory duties. For example, the Treasurer was nearly a year late in preparing the annual statement of assets for Fiscal Year 2022-23, which shows the amounts and types of assets in the County treasury, as required by Government Code section 26920. This failure to submit the statement of assets to the County's auditor in a timely manner resulted in a delay in the County's ability to complete its Annual Comprehensive Financial Report. While the statement of assets was finally submitted in November 2024, the Treasurer's failure to timely complete her statutorily mandated duties is a cause for concern for the Board.

Additionally concerning are the management and staffing issues that have continued to persist at the Treasurer's office, as reflected in a performance audit conducted of the department in 2021. At the time the performance audit was prepared, due to significant employee turnover and a growing number of vacancies during the official's tenure, the OC Treasurer-Tax Collector Department had the lowest level of full-time equivalent positions compared to similar counties, with the average count of filled positions being well below the positions budgeted for the department. According to the performance audit report, the high level of attrition increases the potential for failure.

The Treasurer was also the subject of an independent investigation, following various claims that she violated the County's Equal Employment Opportunity Policy ("EEO") and the County's Workplace Violence Policy. The investigation substantiated a violation of the Workplace Violence Policy. As a result, the Treasurer was directed by the County Chief Human Resources Officer to cease and desist from all verbal or physical conduct that violates County policy.

In your letter, you ask several questions regarding the management of the County's investment activities. I address your questions below.

- *Does the Board believe that the County Treasurer-Tax Collector failed to achieve her investment mandate to balance safety, liquidity, and yield? If so, can the Board please provide specific examples?*

No. The County investment pool remains safe, liquid, and earning a rate of return that is commensurate with the market. However, rather than waiting for an impact to the investment pool, the Board has taken proactive steps to mitigate any risk from the persistent employee retention and understaffing issues that the Treasurer has experienced.

- *Does the Board believe the investment pool should be achieving a specific investment return that is not currently being achieved? And if so, how does it plan to achieve that target?*

No. Consistent with Government Code section 53600.5, the County's primary objective in managing public funds is safeguarding principal. Our secondary objective is meeting sufficient liquidity needs. Our third objective is achieving return.

- *Will the Board establish an investment policy and guidelines so that future investment decisions are consistent with applicable state law?*

Yes. As noted above, on February 11, 2025, the Board approved the Orange County Investment Policy to govern the exercise of the Board's investment authority. Like prior Board-approved investment policies, the Policy restricts investment more than State law. A copy of the Policy is attached to this letter for your reference. Moreover, the Board is considering proposals to expand its oversight over the County's investment activities to ensure compliance with this policy by entrusting oversight to a body whose members are not nominated by the official who is subject to their oversight, as is the case with the current Treasury Oversight Committee.

Unbalanced Authority

- *Does the Board intend to retain a fiduciary or outside financial advisor to guide the County's investment policy?*

The County has contracted with Chandler Asset Management, Inc. to provide investment advisory services.

- *How long will the chief financial officer manage the county investment pool? Would authority return to the Orange County Treasurer-Tax Collector after the next election?*

On February 25, 2025, the Board will consider final adoption of an ordinance to remove the prohibition that prevents the County Chief Financial Officer from exercising the Board's investment authority. This prohibition was created when the Board restored investment authority to the Treasurer in 2010 after it had revoked the delegation to the former Treasurer after a judge had ruled that the former Treasurer had breached his fiduciary duties as a trustee in a bankruptcy matter. At this time, the Board has not considered whether to delegate its investment authority to the Treasurer after the next election.

I hope you find this information helpful. While I remain confident in the safety of the County investment pool, the Board will continue to take proactive measures and diligently protect the public funds in which we are entrusted.

Sincerely,



Doug Chaffee
Chair, Orange County Board of Supervisors
Supervisor, Orange County Fourth District

APPENDIX F

Initial OCEA survey conducted in 2021; 5-page document.

Follow-up OCEA survey conducted in 2025.

OC TREASURER-TAX COLLECTOR EMPLOYEES SURVEY SUMMARY

THE TTC PERFORMANCE AUDIT RECEIVED A LOT OF ATTENTION:

- TTC workers demanded an OCEA membership meeting
- TTC workers wanted to address some of the issues they are experiencing
- Even though the Performance Audit highlights some of their key concerns, like vacancies, it did not provide the full picture.

AN ACTION COMMITTEE WAS FORMED AND CONDUCTED ITS OWN SURVEY

A SURVEY BY THE EMPLOYEES—FOR THE EMPLOYEES

MORE THAN 2/3 OF OCEA-REPRESENTED TTC EMPLOYEES COMPLETED OUR SURVEY

TREASURY & TAXPAYER SERVICES PARTICIPATED EQUALLY

80%

WERE AWARE OF THE
PERFORMANCE AUDIT

76%

READ THE TTC'S RESPONSES
TO THE RECOMMENDATIONS

95%

OF THOSE WERE NOT SATISFIED
WITH THE TTC'S RESPONSES

WORKERS MAIN CONCERNS INCLUDE:

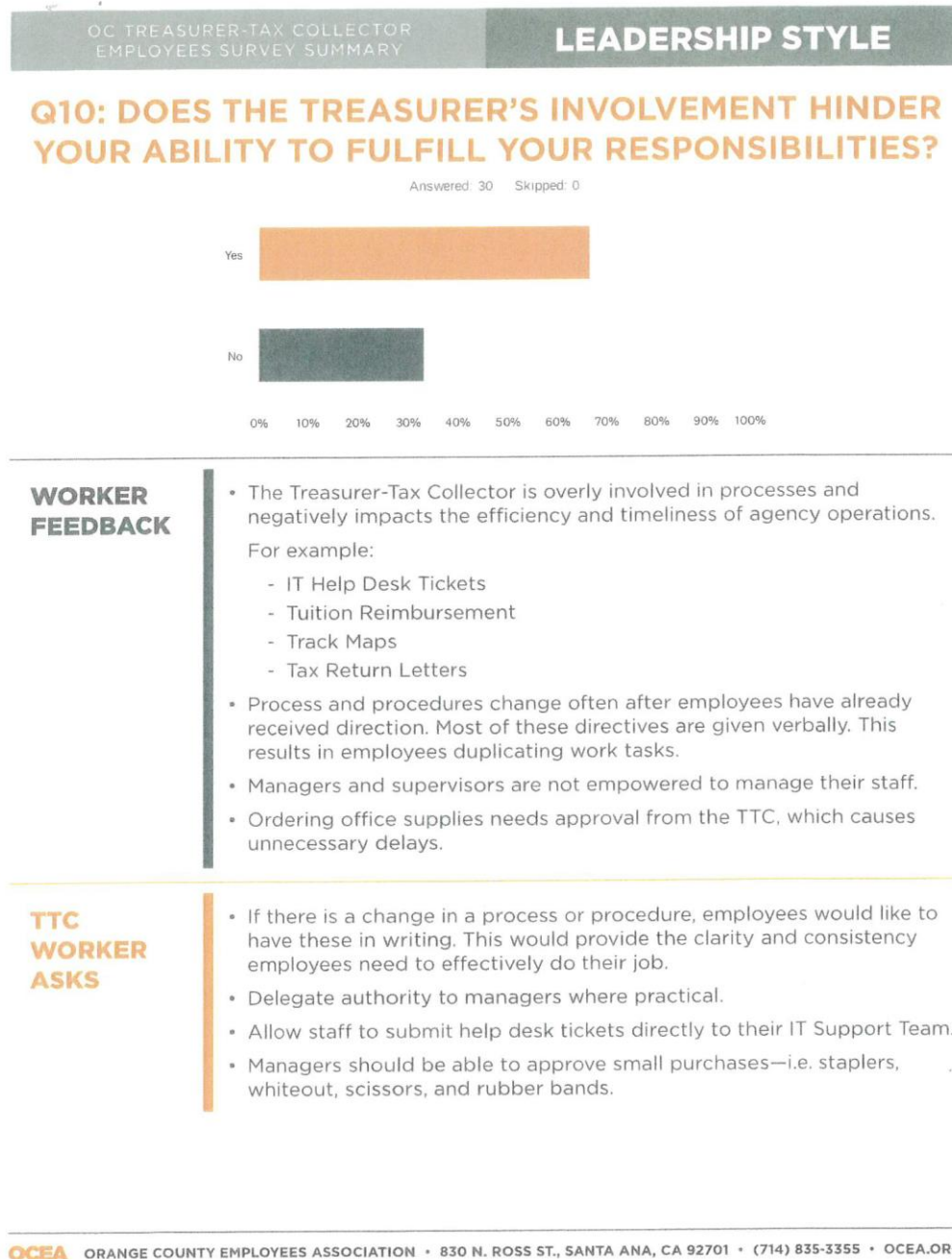
VACANCIES

**LEADERSHIP STYLE
AND ITS IMPACT**

CULTURE

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OC TREASURER-TAX COLLECTOR
EMPLOYEES SURVEY SUMMARY

VACANCIES

**Q11: HAVE YOU BEEN AFFECTED BY THE NUMBER
OF VACANCIES IN YOUR DIVISION?**

Answered: 28 Skipped: 2

Yes



No

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

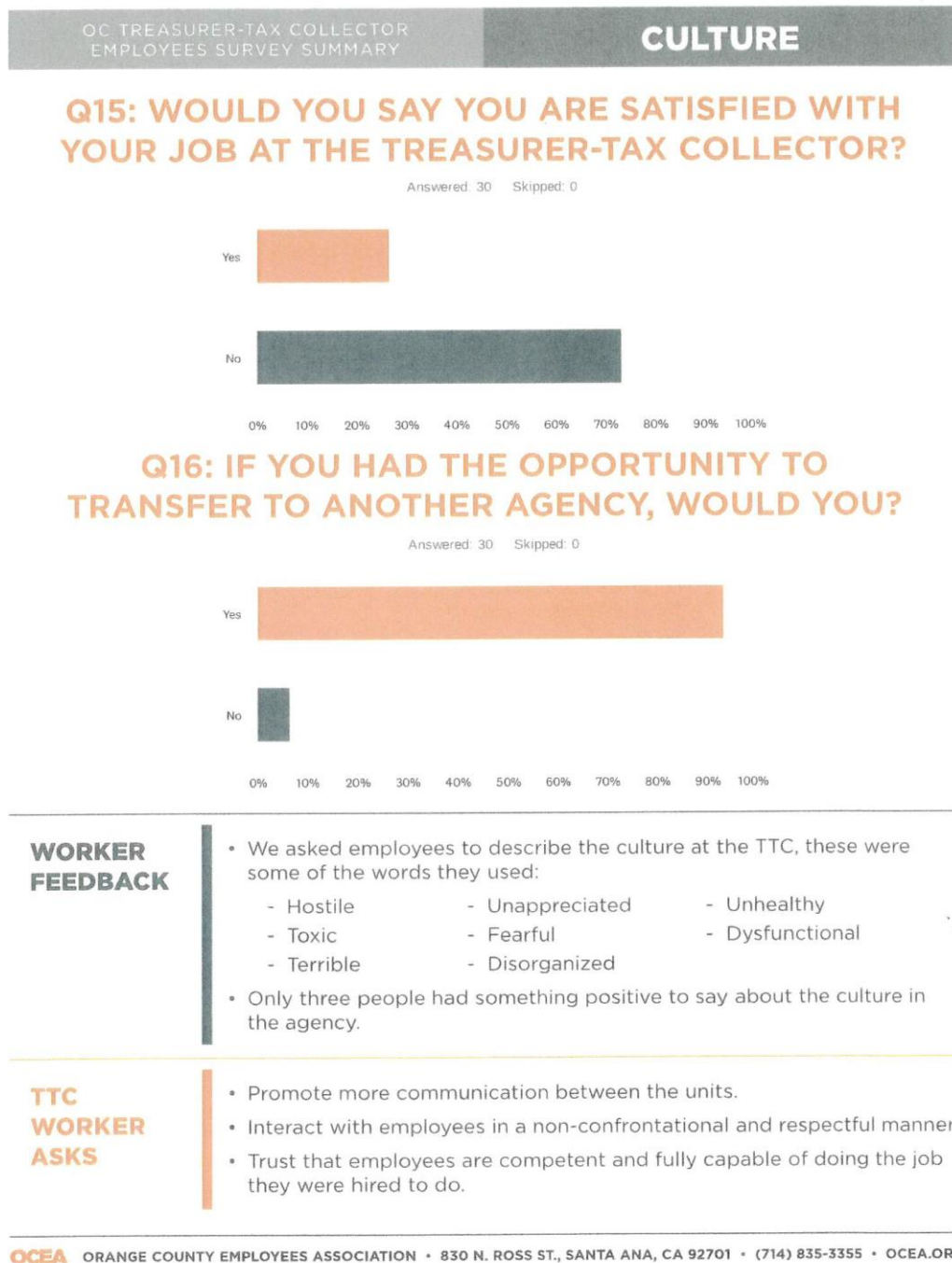
**WORKER
FEEDBACK**

- Employees assigned additional work to make up for vacancies
- Lack of training for new employees
- Deadlines are not being met
- Refund releases are backlogged
- Delays in payment processing
- Falling behind in reconciliation of accounts
- Low morale

**TTC
WORKER
ASKS**

- What positions is the Agency prioritizing?
- How are those priorities determined?
- What is the Agency's vacancy rate goal?
- What positions are the TTC actively recruiting for?
- Are any additional positions being added?
- We would like a monthly update on the status of the following vacancies:

CLASSIFICATION	VACANT DATE	DAYS VACANT
STAFF ASSISTANT	10/23/2020	378
OFFICE SPECIALIST	10/8/2021	
COLLECTION OFFICER II	07/09/2020	484
COLLECTION OFFICER II	07/09/2020	484
ACCOUNTING TECHNICIAN	04/23/2021	196
ACCOUNTING SPECIALIST	10/8/2021	
ACCOUNTING SPECIALIST	08/27/2021	70
PROPERTY TAX TECHNICIAN	10/8/2021	
SR. ACCOUNTING OFFICE SUPERVISOR II	10/8/2021	
ACCOUNTING TECHNICIAN	10/8/2021	

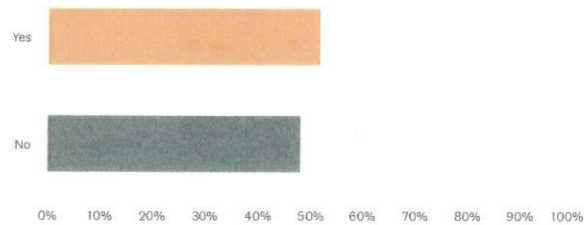


OC TREASURER-TAX COLLECTOR
EMPLOYEES SURVEY SUMMARY

**ADDITIONAL CONCERNING
WORKER RESPONSES**

**Q20: HAVE YOU EVER EXPERIENCED ANY KIND OF HARASSMENT,
RETALIATION, DISCRIMINATION, OR ABUSIVE CONDUCT BY
EXECUTIVES OR MANAGERS WHILE WORKING AT THE TTC?**

Answered: 29 Skipped: 1

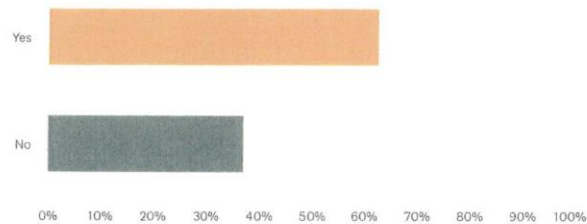


In a follow up to this question, we asked what position that person held:

10/15 EMPLOYEES NAMED THE TREASURER-TAX COLLECTOR

**Q22: HAVE YOU EVER WITNESSED ANY KIND OF HARASSMENT,
RETALIATION, DISCRIMINATION, OR ABUSIVE CONDUCT BY
EXECUTIVES OR MANAGERS WHILE WORKING AT THE TTC?**

Answered: 27 Skipped: 3



In a follow up to this question, we asked what position that person held:

12/17 EMPLOYEES NAMED THE TREASURER-TAX COLLECTOR

**TTC
WORKER
ASKS**

- We request HR to communicate to all TTC employees informing them of their right to file an EEO complaint and remind them of the protections in place for employees who come forward.

**AT THE REQUEST OF EMPLOYEES, OCEA WILL BE CONDUCTING A
"KNOW YOUR RIGHTS" TRAINING FOR ALL TTC EMPLOYEES.**

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Follow-up OCEA survey conducted in 2025.

**IF YOU HAD THE OPPORTUNITY TO TRANSFER
TO ANOTHER AGENCY, WOULD YOU?**



IF YES, WHY?



OTHER (PLEASE SPECIFY): TO GET OUT OF THIS AGENCY

**HAVE YOU NOTICED A CHANGE IN WORKPLACE
CULTURE OR PROCEDURE SINCE THE RECENT ACTION
TAKEN BY THE BOARD OF SUPERVISORS?**



**DO YOU BELIEVE THE TREASURER
IS MEETING THESE EXPECTATIONS?**



**DO YOU FEEL COMFORTABLE BRINGING
WORKPLACE ISSUES TO MANAGEMENT**



IF NO, WHY?



APPENDIX G

Supervisor Moorlach's memorandum regarding proposed OC Charter amendment



071.0001 AND 18

MEMORANDUM

SUPERVISOR JOHN M.W. MOORLACH
ORANGE COUNTY BOARD OF SUPERVISORS, SECOND DISTRICT
10 Civic Center Plaza, 5th Floor, Santa Ana, California 92701 714.834.3220
Date: October 31, 2007
To: Darlene Bloom, Clerk of the Board
From: John Moorlach, Vice Chairman *John Moorlach*
Re: Addition to (11-06-07) Meeting (Supplemental) *by [signature]*

REQUEST AND SUMMARY:

Please place on the agenda the attached proposed County Charter Amendment for placement on the February 2008 ballot. It would, if approved by the voters, allow the Board of Supervisors to remove, by a 4/5 vote of all its members, any County elected officer, other than another supervisor, for cause, which is specifically defined by certain forms of malfeasance in office. Currently, as recent events have demonstrated, the Board of Supervisors has little or no authority to remove an elected County officer who has committed malfeasance in office.

Article XI, section 4(c) of the California constitution provides that a county charter may provide for the election or appointment, and removal, of county officers, including state constitutional officers such as the sheriff. A nearly identical charter provision, passed by the County of San Bernardino, was upheld by the Fourth District Court of Appeal just two years ago in *Penrod v. County of San Bernardino*, 126 Cal. App. 4th 185, 23 Cal. Rptr. 3d 717 (2005). There, the County Sheriff argued that state constitutional officers such as the Sheriff could not be constitutionally removed by the Board of Supervisors, but the Court specifically held that such a removal power was constitutional.

RECOMMENDED ACTIONS:

1. Direct the Registrar of Voters to place the proposed Charter Amendment on the ballot for the election to be held February 5, 2008.
2. Direct the County Counsel to prepare the ballot title and summary and the impartial analysis of the ordinance, and to forward them to the Registrar of Voters.

Approved to place on the agenda:

Chris Norby
Supervisor Chris Norby, Chairman