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September 3, 2026

Via Drop Box

Commission on State Mandates
Filed Date
09/03/2026

Ms. Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Halsey:

COUNTY OF LOS ANGELES' WRITTEN COMMENTS IN SUPPORT OF THE COUNTY OF RIVERSIDE'S CHILD ABDUCTION AND RECOVERY PROGRAM INCORRECT REDUCTION CLAIM, 25-4237-I-07

The County of Los Angeles submits the attached Comments in support of the County of Riverside's *Child Abduction and Recovery Program Incorrect Reduction Claim, 25-4237-I-07*.

If you have any questions please call me, or your staff may contact Fernando Lemus at (213) 974-0324 or via e-mail at flemus@auditor.lacounty.gov.

Very truly yours,

Oscar Valdez
Auditor-Controller

OV:CY:RA:EW:RC:FL

Attachment

Written Comments on Child Abduction and Recovery
Incorrect Reduction Claim, 25-4237-I-07
Filed by County of Riverside (June 19, 2026)

The County of Los Angeles ("County") respectfully submits this letter in support of the County of Riverside's ("Riverside") Incorrect Reduction Claim ("IRC") concerning the State Controller's Office's ("Controller" or "SCO") audit of Riverside's Child Abduction and Recovery ("CAR") Program reimbursement claims.

The County recently prevailed before the Commission on its own IRC involving the same CAR mandate, the same Parameters and Guidelines ("Ps&Gs"), and materially similar audit issues. On August 14, 2026, the Commission unanimously adopted its Decision in the County's IRC, Case No. 25-4237-I-05, by a vote of 6-0. The Commission approved the County's IRC and concluded, among other things, that the Controller's blanket determination that the County's salary and benefits documentation failed to comply with the Ps&Gs was "incorrect as a matter of law" and that reducing those costs to zero was "arbitrary and capricious." The Commission remanded the claims to the Controller to reinstate the amounts incorrectly reduced on that basis.

The Commission's findings have direct relevance to Riverside County's pending IRC. Although each county's evidentiary record must, of course, be considered on its own merits, the legal and factual circumstances underlying the two audits are strikingly similar.

1. **The Controller Applied Documentation Requirements Not Contained in the Parameters and Guidelines.**

Both the County and Riverside were subjected to an additional documentation standard requiring a level of specificity in timekeeping that is not stated in the CAR program's Ps&Gs. In the Los Angeles decision, the Commission specifically observed that the Ps&Gs require source documents to establish the validity of costs, when costs were incurred, and their relationship to reimbursable activities, but that "[n]owhere do the Parameters and Guidelines state" that reimbursable activities must be further broken down into subcategories. (See *Custody of Minors – Child Abduction and Recovery Program*, 25-4237-I-05 Decision, p. 46.)

The same issue is presented by Riverside. Riverside states that the SCO disallowed its salary and benefits costs because its employees did not contemporaneously record hours by specific Ps&Gs activity code. Riverside further explains that its audit-period records included "payroll records, functional timesheets, case files," and other corroborating documentation, and that the additional activity code requirement does not appear in the Ps&Gs. (See *Incorrect Reduction Claim filed by the County of Riverside (claimant) on June 19, 2026*, p. 14.)

The Commission's recent decision is particularly instructive on this point. The Commission recognized that the Controller has the ability to seek an amendment to the

Ps&Gs if it believes additional documentation, such as case names or other specific information, is necessary for auditing purposes. (See *Custody of Minors - Child Abduction and Recovery Program*, 25-4237-I-05 Decision, p. 81-82.) However, the Commission expressly held that even if such requirements were added, they could not be applied retroactively to prior reimbursement claims without violating due process. (*Id.*)

The Commission likewise explained that imposing additional requirements without notice and then applying them retroactively when the claimant no longer has an opportunity to create the required contemporaneous documentation raises both underground regulation and due process concerns. (*Id.*) This issue is particularly significant here because Riverside, like the County, relied upon longstanding timekeeping practices that had previously been accepted for reimbursement.

2. A Near Zero Reduction is Arbitrary and Capricious Where Mandated Services Were Performed

Both counties experienced extraordinarily disproportionate reductions despite undisputed performance of the mandated program. Los Angeles County's CAR program performed substantial mandated work during the audit period, including approximately 67,328 hours of work and the recovery or reunification of more than 300 minors. Nevertheless, the Controller valued that work at $0.00. (*Id.* at p. 87-88.)

Riverside faces a materially similar result. According to Riverside's IRC, the SCO disallowed $3,649,699 of $3,762,254 claimed costs, a 97 percent reduction, even though Riverside's Child Abduction Unit operated throughout the audit period, handled hundreds of cases, and recovered and returned 209 children to their lawful custodians. (See *Incorrect Reduction Claim filed by the County of Riverside (claimant) on June 19, 2026*, p. 17-18.)

The Commission's reasoning in the County's case is directly applicable. The Commission concluded that the Controller's blanket determination that the County's source documentation did not comply with the Ps&Gs was incorrect as a matter of law and that reducing the costs to zero was "arbitrary and capricious and entirely lacking in evidentiary support." (See *Custody of Minors – Child Abduction and Recovery Program*, 25-4237-I-05 Decision, p. 6-12, 69-88.)

The County respectfully submits that the same principle should guide the Commission's consideration of Riverside's claim. Where the mandated work was actually performed and the Controller's reduction rests, in substantial part, upon a documentation standard that is not contained in the Ps&Gs and was not timely communicated to the claimant, a near zero reimbursement result is fundamentally inconsistent with the Commission's recent determination in Los Angeles County's case.

3. The Commission's Good Cause Determination Directly Applies to Riverside's Claim

Riverside's challenge to the SCO's exclusion of "good cause" case costs presents an additional issue on which the Commission has now provided clear guidance. In the Los Angeles County decision, the Commission expressly held that the Controller's finding that good cause cases are not reimbursable was "incorrect as a matter of law" and directed that all costs reduced on that basis be reinstated. (*Id.*) The Commission further explained that, although Penal Code § 278.7 was not formally incorporated into the current Ps&Gs, its predecessor, Penal Code § 277, was incorporated and remains in the Ps&Gs caption. (*Id.* at 91.)

That determination is directly relevant to Riverside's challenge to the same exclusion.

Los Angeles County respectfully supports Riverside County's IRC and urges the Commission to consider the substantial parallels between Riverside's circumstances and those addressed in the County's recently decided IRC.

For these reasons, Los Angeles County respectfully requests that Riverside County's IRC be approved and that all costs incorrectly reduced by the Controller be reinstated consistent with the Commission's August 14, 2026, decision.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On September 3, 2026, I served the:

- **Current Mailing List dated September 2, 2026**
- **County of Los Angeles' Written Comments in Support of the County of Riverside's Child Abduction and Recovery Program Incorrection Reduction Claim, 25-4237-I-07 filed September 3, 2026**

  Child Abduction and Recovery, 25-4237-I-07
  Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;
  Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5; Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988
  Fiscal Years: 2017-2018, 2018-2019, and 2019-2020
  County of Riverside, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on September 3, 2026 at Sacramento, California.

David Chavez

David Chavez
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 9/2/26

Claim Number: 25-4237-I-07

Matter: Child Abduction and Recovery

Claimant: County of Riverside

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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