

Response to Grand Jury Report

Report Title: An Appearance of a Conflict of Interest

Report Date: June 9, 2014

Response by: Stacey Cryer, Director of Health and Human Services Agency

Findings:

I (we) agree with the findings numbered: F6

I (we) disagree wholly or partially with the findings numbered: F1, F2, F3, F4, F5, F7, F8

Attach a statement specifying the findings or portions of the findings that are disputed, and include an explanation of the reasons therefor.

Recommendations:

Recommendations numbered R1 have been implemented.

Attach a statement describing the implement actions.

Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.

Attach a statement with the schedule for implementation(s).

Recommendations numbered _____ require further analysis.

Attach an explanation, and the scope and parameters of the analysis or studies, 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.

Recommendations numbered R2, & R3 will not be implemented because they are not warranted or are not reasonable.

Attach an explanation.

Signature: Stacey Cryer Date: 8/8/14

Number of pages attached: 3

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Findings:

F1. “NVBH and Ortner are clearly linked in both business and professional matters.”

I (we) disagree partially with this finding. North Valley Behavioral Health (NVBH) and Ortner Management Group (OMG) have a contractual relationship. OMG is the Administration Services Organization (ASO) for Mendocino County. NVBH is a subcontractor to OMG.

F2. “As administrator of NVBH-Fairfield, the BHRS Director had a business and financial relationship with Ortner through NVBH-Fairfield immediately prior to coming to work for the County.”

I (we) disagree partially with this finding. The Behavioral Health and Recovery Services (BHRS) Director served as Administrator of NVBH for six months from 2/2010-8/2010 before contracting as a consultant for Mendocino County in September 2010 and was not appointed to the position of BHRS Director until 4/16/2012.

F3. “The Grand Jury perceived a possible conflict of interest in the selection of Ortner for the privatization contract for adult mental health services.”

I (we) disagree wholly with this finding. The Grand Jury’s perception is not a finding. We cannot respond to what they perceived or did not perceive. If this was intended to be a statement about conflict I would respond that there was no conflict of interest because no person in Mendocino County could have gained financially from the award of the ASO contract to OMG. All financial relationship between OMG and the BHRS Director terminated in 2010.

F4. “There was a lack of transparency to the public regarding the timelines and the changing work relationships between the consultants and the management of H&HS.”

I (we) disagree wholly with this finding. This finding is unclear regarding its intent. Health and Human services personnel are subject to public recruitment and competitive selection process.

F5. “There was a lack of transparency to the public as to the legal relationship and responsibilities of the concerned parties during the changing work relationships.”

I (we) disagree wholly with this finding. The subject Request for Proposal (RFP) was publically available. The RFP defines the relationship between concerned parties.

F6. “The Grand Jury noted that when timelines and contractual relationships were reviewed, there did not appear to be any illegal activities by the individuals involved in the selection of Ortner.”

I (we) agree with this finding.

F7. “Given the response published by the County in the *Request for Proposal Addendum No. 1*, the Grand Jury finds the County guidelines are insufficient to address perceptions of undue influence.”

I (we) disagree wholly with this finding. The published addendum requires Mendocino County employees to submit their individual names when bidding for a publically available contract. County employees cannot participate in public contracts without full disclosure. Findings or questions related to the purchasing process should be directed towards the general services agency.

F8. “It is not entirely clear to the Grand Jury whether or not there was undue influence in the selection process.”

I (we) the County took measure to assure the transparency of public available contracts including an addendum to the original RFP and limitations upon participation by Mendocino County employees.

Recommendations

R1. “The Board of Supervisors develop and adopt policies and procedures to require senior management and/or staff to recuse themselves from any board or department activity that could have, or might have the appearance, of a positive

financial impact on themselves or any of their immediate family.” (F1, F2, F3, F4, F5, F7).

This recommendation number has been implemented.

County policy 1 includes related guidelines and policies regarding contracts and other purchasing activities.

R2. “A clause be added to any consultant contract stating explicitly: ‘All information gathered by the consultant under this contract shall be considered privileged and confidential. It shall not be divulged to a third party without the express written consent of the *appropriate* agency head’.” (F1, F2, F3, F4, F5, F7).

This recommendation number will not be implemented because they are not warranted or are not reasonable.

County Counsel is responsible for the boiler plate language in contracts.

R3. “The Board of Supervisors adopt a policy prohibiting any County employee from participating in any decision regarding the selection or rejection or any RFP or other contract that involves any former employer within three years of the employee’s termination from the former employer.” (F1, F2, F3, F4, F5, F7).

This recommendation number will not be implemented because they are not warranted or are not reasonable.

The decision to implement or not implement this recommendation is up to the Board of Supervisors.