

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administration – Risk Management	(2) MEETING DATE March 7, 2006	(3) CONTACT/PHONE Deb Hosli, 781-5014
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(4) SUBJECT  
Request to confirm a settlement in the amount of \$825,000 previously approved in closed session for the lawsuit entitled: "Joshua D. et al, vs. the County of San Luis Obispo."

(5) SUMMARY OF REQUEST  
On December 20, 2005, the Board of Supervisors acted in closed session to approve an \$825,000 settlement with Joshua D. et. al. Today's action is necessary to conclude this lawsuit that involves the mistreatment of three minor children under the care of the County. The children had been removed from their parents' home by the Department of Social Services due to documented evidence of serious health and safety hazards (i.e., domestic violence, illegal drug use, mental health issues, and inability to care for the children). The State of California Foster Family Insurance Fund has agreed to contribute an additional \$225,000 toward the settlement on behalf of their defendants in the lawsuit, Ronald and Peggy Blum. The Blums' served as one of many of the children's foster parents during the period of the litigation. This brings the total settlement to \$1,050,000 to be divided between the children and their attorneys.

(6) RECOMMENDED ACTION  
It is recommended that the Board confirm a settlement in the amount of \$825,000 previously approved in closed session for the lawsuit entitled: "Joshua D. et al, vs. the County of San Luis Obispo."

(7) FUNDING SOURCE(S) Liability Fund / CSAC-Excess Insurance Authority	(8) CURRENT YEAR COST \$825,000	(9) ANNUAL COST N/A	(10) BUDGETED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO
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(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST):  
The State of California Foster Family Insurance Fund is a party to this settlement.

(12) WILL REQUEST REQUIRE ADDITIONAL STAFF?  No  Yes, How Many? \_\_\_\_\_  
 Permanent \_\_\_\_\_  Limited Term \_\_\_\_\_  Contract \_\_\_\_\_  Temporary Help \_\_\_\_\_

(13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3 <sup>rd</sup> , 4th, 5th (All)	(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A
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(15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)	(16) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A
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(17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(18) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A
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(19) ADMINISTRATIVE OFFICE REVIEW

OK G. Wilcox

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(3-7-06)

# County of San Luis Obispo

COUNTY GOVERNMENT CENTER, RM. 370 • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5011



**TO:** Board of Supervisors  
**FROM:** Deb Hossli, Risk Management *DH*  
**Date:** March 7, 2006

**DAVID EDGE**  
COUNTY ADMINISTRATOR

**SUBJECT:** Request to confirm a settlement in the amount of \$825,000 previously approved in closed session for the lawsuit entitled: "Joshua D. et al, vs. the County of San Luis Obispo."

## **Recommendation:**

It is recommended that the Board confirm a settlement in the amount of \$825,000 previously approved in closed session for the lawsuit entitled: "Joshua D. et al, vs. the County of San Luis Obispo."

## **Discussion:**

On December 20, 2005, the Board of Supervisors acted in closed session to approve an \$825,000 settlement with Joshua D. et al. Today's action is necessary to conclude this lawsuit that involves the mistreatment of three minor children under the care of the County. The children have been permanently removed from their parents' home by the Department of Social Services due to documented evidence of serious health and safety hazards (i.e., domestic violence, illegal drug use, mental health issues, and inability to care for the children). The State of California Foster Family Insurance Fund has agreed to contribute an additional \$225,000 toward the settlement on behalf of their defendants in the lawsuit, Ronald and Peggy Blum. The Blums' served as one of many of the children's foster parents during the period of the litigation. This brings the total settlement to \$1,050,000 to be divided between the children and their attorneys.

Plaintiff attorneys for the children leveled a variety of serious allegations against the County's Social Services Department over the management of the young children while in the care of the County. Specifically, the children were placed in nineteen different foster care settings over a three and one-half year period between September 1999 and April 2003. Additionally, during this period, the children were placed in the care of foster parents Ronald and Peggy Blum where the children were allegedly subjected to physical, emotional and sexual abuse that went unchecked by Department Social Workers. Further, there were other

*DH*

claims of abuse in subsequent placements during the three and one-half year period that also went unchecked by Department Social Workers.

The Department of Social Services was aware of the mistreatment allegations involving Joshua D. et al, before the lawsuit against the County was served. In fact, Department management commenced an internal investigation of the allegations and concluded disciplinary actions against several employees well before that time. The disciplinary actions are outlined in greater detail below. The investigation revealed that the multiple placement allegations, along with several of the physical and emotional abuse allegations, were accurate. In turn, the Department found that certain employees had acted inappropriately and failed to protect the welfare of the children while in the County's care. The investigation also showed that the Blums', where the most serious abuse occurred, had been improperly licensed by the Department on two separate occasions. Law enforcement personnel conducted their own investigation into the reported abuse allegations. This information was forwarded to the District Attorney for action.

As a result of the investigation, one Social Worker was terminated, one Social Work Supervisor agreed to resign in lieu of termination, one Social Work Supervisor was given a suspension, and one Social Work Supervisor was demoted. Further, all employees that played a role in the incident were counseled by management staff. Additionally, the Department succeeded in getting the State to terminate the Blums' foster care license. The Department also revamped the process for approving licenses to assure that a situation of this nature never happens again. Finally, it should be noted that the children have been in stable foster care placements since April of 2003.

The aforementioned results of the investigation guided the Board of Supervisors' decision to settle this matter. The Board was extremely concerned over the treatment of these children and will continue to monitor Child Welfare Services to ensure this type of incident does not occur again.

**Other Agency Involvement/Impact:**

The State of California Foster Family Insurance Fund, behalf of the Blum's, is a party to this settlement as noted above.

**Fiscal Impact:**

The settlement totals \$1,050,000; \$825,000 from the County and \$225,000 from the State. Of the County's share, \$250,000 will be paid out of the Self Insurance Fund; the balance will be paid by the County's excess insurers, the CSAC-Excess Insurance Authority. The attorneys for the children will receive approximately one quarter of the settlement (i.e., \$386,000 less Court approved expenses and a small lien). In turn, the children's money will be placed in a trust

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that will be overseen by a trustee and the Courts. Finally, the County spent approximately \$170,000 in expert and attorney fees to defend this lawsuit.

**Results:**

Approval of this recommendation will allow the County to conclude a serious lawsuit. Further, steps continue to be taken by the Department of Social Services to ensure that all children placed under our care are kept safe.

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