



COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

OFFICE OF COUNTY INVESTIGATIONS
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December 9, 2025

TO: Elizabeth Buenrostro Ginsberg
Treasurer and Tax Collector

FROM: Greg Hellmold, Chief
Office of County Investigations

SUBJECT: TREASURER AND TAX COLLECTOR - IMPROVEMENT
OPPORTUNITIES NOTED DURING LIMITED REVIEW
#2023-20258



During a limited review at the Treasurer and Tax Collector (TTC or Department), we noted areas where TTC can strengthen controls and fraud detection over its online credit card payment process for property taxes. Please see Attachment I, Table of Findings and Recommendations for Corrective Action, for details of our observations and recommendations.

Review of Report

We discussed our report with TTC management. The Department's response (Attachment II) indicates general agreement with our findings and recommendations. Please note that we limited the level of detail in our report to address TTC's concerns about the potential of disclosing sensitive information.

We thank TTC management and staff for their cooperation and assistance during our review. If you have any questions, please contact me at (213) 893-0243 or ghellmold@auditor.lacounty.gov. Your staff may also contact Rhea Celles, Chief Investigator, at (213) 684-5382 or rcelles@auditor.lacounty.gov.

GH:RPC:VM:jc
IOR-2023-20258

Attachments (2)

c: Oscar Valdez, Auditor-Controller
Audit Committee
Audit Division

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Greg Hellmold
DIVISION CHIEF

OFFICE OF COUNTY INVESTIGATIONS

Report #IOR-2023-20258

DEPARTMENT OF TREASURER AND TAX COLLECTOR IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2023-20258

BACKGROUND

The Treasurer and Tax Collector (TTC or Department) is responsible for billing and collecting various taxes, including secured (real estate) property taxes on behalf of Los Angeles County (County), other government agencies and entities, and private individuals as specified by law. TTC received secured property tax payments totaling \$22.26 billion, \$24.81 billion, \$27.31 billion, for Fiscal Years 2022-23, 2023-24, and 2024-25, respectively. Approximately 4% of these payments were made via credit card.

TTC offers several methods for remitting property tax payments, including in-person, by mail, and online via credit card or electronic check. Payments are accepted from both property owners and individuals or companies paying on their behalf.

In 2023, several financial institutions reported an increase in fraudulent credit card activities involving TTC's online property tax payment system. From January 2021 to May 2024, credit card companies identified a coordinated and deliberate pattern of misuse, involving 1,959 transactions totaling \$14 million in losses to the financial institutions. Although the County did not incur a financial loss, these fraudulent transactions were successfully processed and applied to property tax accounts, allowing parcel owners to retain the benefit of the payments.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

	ISSUE	RECOMMENDATION
1	<p>Fraud Detection in Parcel Payments - During our investigation, we noted that the fraudulent transactions follow certain patterns that while they may be permissible, increased the potential for fraud.</p> <p>We determined that TTC's online property tax payment system currently lacks advanced fraud detection capabilities to identify high-risk transaction patterns. The system does not currently flag potentially suspicious activity or provide for additional scrutiny on high-risk transactions.</p> <p>Criteria: Board of Supervisors Policy 6.100, Information Security Policy, requires that information security policies and standards be subject to continuous review and improvement. Policies must be reviewed at least once every three years and updated to reflect changes in business objectives and/or the risk environment.</p> <p>Impact: Without immediate improvements to system controls and validation processes, the</p>	<p>Priority 1 - TTC Management:</p> <ul style="list-style-type: none"> a) Review and strengthen credit card acceptance practices to better detect and prevent fraud, including identifying and scrutinizing transactions that present a higher risk. b) Collaborate with credit card processors to implement enhanced validation and early warning controls and automated alerts. Establish a rapid-response protocol for reviewing and resolving suspicious activity. c) Develop a formal process for reversing property tax credits resulting from confirmed fraudulent transactions. This should include applying penalties and/or administrative fees in accordance with County policy and legal authority. d) Ensure TTC provides all legally permissible cooperation to financial institutions and law enforcement, including the sharing of relevant

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>County remains highly vulnerable to sophisticated fraud schemes. This ongoing exposure increases the risk of:</p> <ul style="list-style-type: none"> • Undetected fraudulent transactions • Chargebacks or account hold/freeze by financial institutions • Exploitation of the County’s system by external actors • Lost productivity from staff time spent researching and resolving chargebacks • Potential financial losses to the County. 	<p>parcel and transaction data, in compliance with applicable privacy laws.</p> <p>Department Response: Agree Implementation Date: “Ongoing and underway”</p>

For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

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ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

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KATHRYN BARGER
Fifth District

November 7, 2025

TO: Greg Hellmold, Chief
Office of County Investigations

FROM: Elizabeth Buenrostro Ginsberg *Elizabeth B Ginsberg*
Treasurer and Tax Collector

SUBJECT: **RESPONSE TO AUDITOR-CONTROLLER FINDINGS AND RECOMMENDED
CORRECTIVE ACTIONS – REPORT #2023-20258**

We have received and reviewed the Auditor-Controller's Report and agree with the findings and recommendations. Attached is the Corrective Action Plan. The Treasurer and Tax Collector (TTC) recommends that this response be kept confidential.

TTC facilitates the payment of property taxes through an online platform, with payment processing administered by WorldPay, a contractor through a Master Agreement managed by the Internal Services Department. In Fiscal Year 2024-25, TTC collected more than \$1 billion in online credit card payments, representing nearly nine percent of property tax revenue collections.

eCommerce, which includes electronic checks, debit and credit card transactions, continues to be the most efficient and cost-effective method of property tax revenue collections and requires the fewest departmental resources. eCommerce transactions account for 45 percent of the total property tax revenue collections. While the credit card issuers reported losses associated with 1,959 transactions over four years (representing less than 0.01 percent of total property tax revenue collections for four years), these instances are isolated and represent a misuse of credit cards by the cardholder and not a manipulation thereof or a system failure by TTC.

Summary:

TTC remains committed to maintaining a secure, efficient, and user-friendly online property tax payment platform while actively engaging with partners and stakeholders to strengthen fraud prevention and response practices.

Should you have any questions, please contact me or your staff may contact Deondria Barajas, Assistant Treasurer and Tax Collector, at 213-974-2077 or dbarajas@ttc.lacounty.gov.

Attachment

EBG:LP:DB:DJ:BE:ad

**TREASURER AND TAX COLLECTOR
IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2023-20258
DEPARTMENT ACTION PLAN/RESPONSE
ISSUE 1: PARCEL PAYMENTS**

A/C Recommendation	<p>a) Review and strengthen credit card acceptance practices to better detect and prevent fraud, including identifying and scrutinizing transactions that present a higher risk.</p> <p>b) Collaborate with credit card processors to implement enhanced validation and early warning controls and automated alerts. Establish a rapid-response protocol for reviewing and resolving suspicious activity.</p> <p>c) Develop a formal process for reversing property tax credits resulting from confirmed fraudulent transactions. This should include applying penalties and/or administrative fees in accordance with County policy and legal authority.</p> <p>d) Ensure TTC provides all legally permissible cooperation to financial institutions and law enforcement, including the sharing of relevant parcel and transaction data, in compliance with applicable privacy laws.</p>
Priority	PRIORITY 1
Agree/Disagree	Agree
Department Action Plan¹	<p>The following responses address the findings and recommended correction action provided by the Auditor-Controller's Report:</p> <p>a) Review and strengthen credit card acceptance practices to better detect and prevent fraud, including identifying and scrutinizing transactions that present a higher risk.</p> <p>Response: TTC agrees with this recommendation and will collaborate with WorldPay to strengthen credit card acceptance practices to identify anomalies in credit card payment behavior that may indicate suspicious or unusual activity.</p> <p>b) Collaborate with credit card processors to implement enhanced validation and early warning control and automated alerts. Establish a rapid response protocol for reviewing and resolving suspicious activity.</p> <p>Response: TTC agrees with this recommendation. TTC will collaborate with WorldPay to determine the feasibility of establishing a rapid response protocol for reviewing and resolving suspicious activity. TTC notes that</p>

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. The Department should include any other information in the Additional Information section that follows.

² In this section the Department can provide any background or clarifying information they believe is necessary.

	<p>WorldPay employs industry-leading security frameworks for eCommerce transactions that align with governmental standards including NACHA.</p> <p>c) Develop a formal process for reversing property tax credits resulting from confirmed fraudulent transactions. This should include applying penalties and/or administrative fees in accordance with County policy and legal authority.</p> <p>Response: TTC agrees with this recommendation. TTC's chargeback policy outlines a formal process for reversing property tax credits when credit card companies initiate a request for return monies. TTC will continue to collaborate with WorldPay and take appropriate actions as necessary.</p> <p>d) Ensure TTC provides all legally permissible cooperation to financial institutions and law enforcement, including the sharing of relevant parcel and transaction data, in compliance with applicable privacy laws.</p> <p>Response: TTC agrees with this recommendation and will continue to cooperate with financial institutions and law enforcement, including the sharing of relevant parcel and transaction data in compliance with applicable privacy laws.</p>
<p>Planned Implementation Date</p>	<p>The implementation of these recommendations is ongoing and underway.</p>

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. The Department should include any other information in the Additional Information section that follows.

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