

December 18, 2025

Tomiquia Moss, Secretary
California Business, Consumer Services and Housing Agency
500 Capitol Mall, Suite 1850
Sacramento, CA 95814

Dear Secretary Tomiquia Moss,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Civil Rights Department submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Arlyn Kihara, Deputy Director of Administration, at (916) 404-9735, arlyn.kihara@calcivilrights.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Civil Rights Department (CRD) is the institutional centerpiece of California's broad anti-discrimination and hate violence policy. Born out of a decades-long struggle to prohibit discrimination in employment, housing, and business establishments, CRD has been at the forefront of protecting civil rights in California since its inception. Today, CRD is the largest state civil rights agency in the country, with over 300 permanent staff operating out of six offices throughout California.

The mission of the CRD is to protect the people of California from unlawful discrimination in employment, housing, businesses, and state-funded programs, and from bias-motivated violence and human trafficking. To accomplish this mission, the Department receives, investigates, conciliates, mediates, and prosecutes complaints of alleged violations of the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, Ralph Civil Rights Act, the California Trafficking Victims Protection Act, and other laws. CRD receives approximately 33,000 complaints annually from members of the public who allege that they have been the victim of discrimination or hate violence. CRD achieves its goals through the work of its various divisions and units, with each playing a key role in supporting and executing CRD's efforts to protect and uphold the civil rights of all California's residents.

California's Civil Rights Council and Commission on the State of Hate are housed at CRD. The Civil Rights Council is a public body of seven volunteer members appointed by the Governor and confirmed by the Senate. The Civil Rights Council promulgates regulations that implement

California's civil rights laws, conducts inquiries, and holds hearings on civil rights issues confronting the state, among other responsibilities. The Commission on the State of Hate is a body of nine volunteer members appointed by the Governor, the Assembly, and the Senate. The Commission on the State of Hate works to advance the state's efforts to stop hate by conducting research, developing policy and programmatic recommendations, and engaging with California's diverse communities. Both the Civil Rights Council and the Commission on the State of Hate are supported by CRD staff. With the support of both the California Civil Rights Council and the California Commission on the State of Hate, CRD remains a critical resource in combating discrimination and other civil rights violations in a broad range of contexts.

CRD'S STRATEGIC GOALS

Goal 1: Increase access to information about rights and responsibilities.

Objective #1: Embed ongoing feedback from the public into CRD's work and address identified areas to improve the resources we make available.

Objective #2: Target and improve outreach to vulnerable and underserved communities, including those with limited English proficiency.

Objective #3: Work in partnership with Community-Based Organizations (CBOs) with the best understanding of the opportunities and challenges in their communities.

Objective #4: Engage with Californians through methods that work best for them, including traditional and new/emerging platforms and technologies.

Goal 2: Prevent and combat discrimination and hate violence through proactive and strategic efforts.

Objective #1: Integrate a sophisticated understanding of discrimination into our work and pursue cases and strategies that will have the greatest impact.

Objective #2: Use qualitative and quantitative data to inform our work.

Objective #3: Engage and partner with civil rights entities throughout the state and country.

Goal 3: Align and improve CRD processes and systems to effectively meet our business needs to continue serving the people of California in an equitable and efficient manner.

Objective #1: Ensure our services are user-friendly, accessible, and consistent across all platforms.

Objective #2: Improve timeliness and quality of services by streamlining processes and ensuring we're using resources effectively.

Objective #3: Ensure that our policies and procedures are up-to-date and that we know where to find them and how to use them.

Objective #4: Develop and maintain standards and tools for measuring our performance.

Goal 4: Invest in our employees and promote organizational excellence through a diverse and mission-focused workforce.

Objective #1: Promote collaboration between and across divisions.

Objective #2: Attract talent to our team by using accessible, inclusive, and innovative recruitment strategies.

Objective #3: Foster workspaces where team members feel valued, connected, and empowered to advance CRD's mission.

Control Environment

CRD management has instituted core values of Accountability, Commitment to Justice, Customer Service, Excellence, Fairness, Integrity, and Teamwork. These values shape the CRD organization, drive decisions and actions every day, and define how CRD management and staff behave toward each other and the public. These core values are reflected in CRD's department-wide Expectations Memorandums, which also emphasize professional and ethical behaviors, including methods to report ethical concerns. CRD also requires staff to complete Ethics training every two years as part of an effort to reduce risk.

CRD further embodies integrity and ethical values through its governance structure and processes. The CRD Director and Chief Deputy provide oversight over CRD and demonstrate and promote the core values of the department. The CRD Director and Chief Deputy preside over an Executive Staff with oversight of each aspect of the organizational structure in order to ensure appropriate levels of responsibility and authority.

Documentation of internal control systems is developed and maintained at the organization and division levels. Internal controls are communicated to team members through various channels such as written and accessible policies and procedures, CRD's Knowledge Base (an internal, online help center for CRD staff with information and training), intranet, emails, and meetings. Employees are encouraged to refer to these accessible documents during moments of uncertainty, to provide reliable and consistent service to the public we serve. CRD periodically reviews its existing policies and procedures and revises them as needed. All policies and updates to policies are shared with labor organizations.

CRD establishes and maintains a competent workforce through fair and objective hiring practices, a dedicated training unit, an Upward Mobility plan, and merit-based promotional opportunities. Management uses policies and various communication strategies (e.g., emails,

memos, and meetings) to communicate the standards of conduct to all team members. Team members at all levels are encouraged to report potential risks or escalate a particular concern.

Managers evaluate staff performance during probationary periods after hire, and then complete annual performance appraisal summaries and individual development plans, as well as upward mobility plans for those in specified lower-paying classifications. Deficiencies are addressed through performance improvement plans, training or re-training, and preventive measures prior to resorting to progressive discipline.

Information and Communication

CRD uses multiple channels to collect and communicate relevant and reliable information needed for operational, programmatic, and financial decision-making. The Executive Staff, comprising all division leaders, meets weekly to discuss current events, observations, opportunities and issues, weigh risks and responses, and make critical decisions. Monthly via written reports, the Executive Staff report activities, monitoring, and corrective action items and results to the Director and Chief Deputy Director. Executive Staff and their respective units and managers hold weekly staff meetings and one-on-ones with employees to discuss their experiences, concerns and ideas, and disseminate important information. CRD utilizes SharePoint, Microsoft 365, and Knowledge Base to store and distribute policies, procedures, directories, forms, and other resources. In addition, the department distributes daily, weekly and monthly updates of media publications that either directly mention or are relevant to the department or its mission. Periodically, CRD holds divisional and all-staff meetings which can be video broadcast to all offices. CRD disseminates a bimonthly internal employee newsletter to inform staff of the recent activities happening in other CRD divisions and highlight recent updates, resources, and personnel. Divisions at CRD also meet with other divisions to work together on overlapping topics, discuss how they can support each other, and make plans for cross-collaboration.

Employees are empowered to report inefficiencies or inappropriate actions to any manager or to the department's EEO officer. In addition, an Employee Action Committee gives employees an ongoing forum for providing input to Executive Staff about improvements to our work environment, and to facilitate cross-divisional communication. The Employee Action Committee is led by employees with at least one representative from each CRD worksite. CRD also hosts an online Employee Suggestion Program, as a 24-hour accessible and virtual method to receive comments and ideas.

CRD has a dedicated education and outreach unit that specializes in communication to the public regarding the department's mission and goals, including educational materials, seminars, webinars, and public relations campaigns. In collaboration with employment and

housing advocates, the outreach and education unit provides departmental updates and answers questions from advocates about topics such as CRD's complaint process, current programs, court cases, and settlements. Attorneys from partner organizations publicize the meetings among their networks. The goal is to open lines of communication between CRD and the advocacy community. The CA vs. Hate Network and Hotline program team also holds quarterly meetings with community-based partners and local governments to discuss opportunities to better serve people who report hate incidents to the hotline, and to expand a network of community-based resources. The Civil Rights Council and the Commission on the State of Hate hold regular public meetings, which are also live-streamed and later published on the CRD website.

CRD produces an annual report for the Governor and Legislature detailing the volume, bases, demographics, and locations of complaints filed, and cases mediated or litigated. CRD also works closely in tandem with federal partners, the Equal Employment Opportunity Commission (EEOC) and Housing and Urban Development (HUD).

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Civil Rights Department monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Arlyn Kihara, Deputy Director of Administration.

CRD requires divisions to maintain internal controls to actively monitor day-to-day operations and identify concerns as they arise. Each division is responsible for documenting and implementing its ongoing monitoring processes. This involves reviews, evaluations, and continuous improvements to the current monitoring processes to identify potential control opportunities. Reviews can come from routine reports of work output, annual procedure reviews, and knowledge transfer trainings and refreshers. Each division must ensure that its processes comply with internal policies and legal requirements as well as effectively mitigate risk. Divisions monitor their processes to ensure they perform as expected by completing internal compliance reviews and may work with the CRD Internal Auditor, who can facilitate discussions to identify potential gaps in the process and help the division develop and implement controls to mitigate any gaps.

Identified risks are reported to the CRD Director and Chief Deputy Director via monthly reporting or sooner, depending on the severity of the issue. Upon identification of a deficiency, the Deputy Director of the area in which the deficiency has been identified is responsible for developing, implementing, and monitoring a corrective action plan. Additionally, identified

vulnerabilities, risks, and/or threats are discussed with executive team members at weekly meetings. The Director, Chief Deputy Director and, in some cases the Executive Staff, review, discuss, and monitor the corrective action plans to ensure progress is being made toward eliminating the risks.

The CRD Internal Auditor is an independent, assurance business area designed to improve CRD's operations and compliance. The Internal Auditor achieves its objectives by applying a systematic and disciplined approach to evaluate and enhance the effectiveness of risk management, control, and governance processes. The annual risk-based audit plan is developed with information obtained through CRD's risk assessment process, which includes results from external audits.

Routinely, CRD's control agencies for each Division externally review and audit CRD processes. For example, CRD's Human Resource Office is audited by the State Personnel Board to confirm compliance with various government codes and hiring practices every three years. CRD's Information Technology Division is audited by the California Military Department to identify security risks every two years. CRD's federal partners at HUD and EEOC administer performance assessments and substantial weight reviews by looking at how CRD investigates cases. The findings of these external audits and reports are implemented by the respective Division and monitored to reduce any identified vulnerabilities.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Civil Rights Department risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Space Impacted with Return to Office Order

In March 2025, the Governor issued Executive Order N-22-25, mandating that the department implement a hybrid telework policy with a default minimum of four in-person workdays per week. CRD currently operates five satellite offices in Oakland, Bakersfield, Fresno, Los Angeles, and Riverside that do not have sufficient space to accommodate all assigned employees on-site under this mandate. CRD's existing leased facilities were sized for a hybrid telework model with lower in-office occupancy. To comply with Executive Order N-22-25, each location must be able to accommodate the full number of positions scheduled to be on-site simultaneously. Based on current square footage and occupancy limits, all five sites require CRD to either reconfigure existing space or expand square footage.

The expansion of CRD's five satellite offices directly supports both department-wide and state-wide missions by ensuring compliance with Executive Order N-22-25 and enabling a safe, equitable, and efficient return to in-person operations. Compliant office spaces will allow CRD to conduct intake, mediation, investigations, and outreach activities in-person without disruption. Expanded facilities will better accommodate individuals with disabilities, limited English proficiency, and other underserved communities by meeting or exceeding ADA standards and providing appropriate space for private, culturally sensitive interactions. Modernized work environments will improve collaboration, productivity, and workplace safety for CRD staff.

At present, CRD does not have enough space or funding to support the office expansion needs. It also lacks the staffing capacity to manage the operational, logistical, and compliance requirements of a project of this scale while also maintaining ongoing workload and meeting the requirements of Executive Order N-22-25.

Control: Facilities and Fundings Options

CRD's preferred approach is to remain in its current facilities and expand either within the existing leased space or by acquiring additional square footage in the same buildings. If expansion within current buildings is not possible when funding becomes available, relocation may be necessary.

To support this effort these efforts, CRD will work with the Department of Finance to identify potential funding solutions to support the return to office for all staff. Once CRD has adequate funding to support these efforts, it will follow the appropriate policies and processes to secure space modifications or additional space.

Risk: Federal Partnerships and Funding

CRD's budget is made up of general fund authority and federal fund authority based on contracts with federal workshare partners, the EEOC and HUD. EEOC & HUD have overlapping jurisdiction with CRD; cases can be "dual-filed" between both CRD and its federal counterpart; and the federal agency frequently assigns its own cases to CRD to investigate. These federal agencies have announced changes that may impede CRD's ability or willingness to continue the contractual relationships. In the event that CRD will not or cannot continue the contractual relationship with HUD & EEOC, these sources of funding would be lost.

Funding from these sources supports CRD's ability to investigate filed civil rights cases, training opportunities and knowledge sharing with other local entities, and opportunities to collaborate with federal partners.

Control: Monitoring

CRD will monitor federal contractual terms and performance. If continuing the contractual relationships is impossible or unwise, CRD will work with the Department of Finance to identify alternative funding solutions.

CRD will examine how to modify operations to increase efficiency and efficacy if no longer bound by federal partners' requirements.

CRD will identify statutory changes that would allow the Department to continue its work at current funding levels if no replacement funding is available.

Risk: Enforcement and Appeals Workload

CRD receives, investigates, conciliates, mediates, and prosecutes complaints of alleged violations of numerous civil rights laws. The department also conducts extensive outreach and education to ensure Californians know their rights and obligations. CRD is experiencing an increase in complaint filings year over year. From Jan to Sep 2025, CRD received an average of 1,501 intake forms submitted each month compared to an average of 1,382 per month in 2024 and an average of 1,236 per month in 2023.

Further, the number of laws and the scope enforced by CRD have increased significantly in recent years. This has contributed to the increased workload in the number of complaints the department receives each year and greater complexity of the investigations themselves. This has resulted in greater amounts of time necessary for staff to conduct quality investigations. When the public experiences a delay in civil rights investigations, CRD faces pressure to explain and address the delay with elected representatives, stakeholder groups, and the media.

Control: Enforcement & Appeals Funding

CRD continues to work with the Department of Finance to enhance staffing levels. In the meantime, CRD will examine how to modify operations, including the appeals process (as required by 2 CCR §10033 and §10065) for anyone appealing a case closure by the department, to increase efficiency and efficacy and to avoid an increase in wait time for the parties seeking resolution to the case.

Additionally, as resources permit, CRD offers staff overtime to investigate cases and improve case processing timelines.

Risk: Workforce Analysis

Annually, CRD conducts a workforce analysis for workforce planning efforts and because the law requires that all employees and applicants be afforded equal employment opportunity. In 2025, CRD identified a non-job-related barrier to one of the classifications that has higher rates of vacancies: Fair Employment and Housing (FEH) Consultant III's. FEH Consultant III's perform a variety of tasks related to investigating and resolving employment, housing, and public access discrimination complaints under the Fair Employment and Housing Act and other civil rights statutes enforced by CRD.

CRD uses the Department of Human Resources (CalHR)'s Special Investigator exam for the FEH Consultant III position. The educational minimum qualifications for the Special Investigator require a specific degree, making applicants who are otherwise qualified ineligible and eliminating them during the hiring process. There is no reasonable nexus between the specific degree of the Special Investigator and duties for the FEH Consultant III.

Control: Research

CRD will continue to make good faith efforts to research this potential barrier, continue communicating and collaborating with other departments to discuss successful processes and procedures.

CRD will work with the CalHR and the State Personnel Board (SPB) to determine what other exams can be more applicable to the FEH Consultant III than the Special Investigator classification. The FEH Consultants are also part of CalHR's Generalist Consolidation, scheduled to be effective in 2026. CRD will research the impact the Generalist Consolidation will have on this risk.

CRD will collaborate with other departments (such as the Department of Rehabilitation) to expand hiring outreach and increase interest in our department with potential applicants to create a more diverse and inclusive workforce.

Risk: Artificial Intelligence (AI)

Artificial Intelligence is a new technology undergoing significant changes and improvements. This technology offers opportunities to improve efficiency, decision-making and service delivery, but this new technology introduces risk that needs to be managed carefully. Risks include biases in algorithms that could lead to unfair or discriminatory outcomes, threats to data privacy and security, overreliance on automated systems without staff oversight, and spread of misinformation. If these risks occurred this will harm CRD's reputation, reduce compliance with state data and privacy laws and, for attorneys, implicate compliance with Rules of Professional Conduct.

Control: Monitoring

CRD will partner with the Department of Technology to implement AI within the Department responsibly.

CRD will review policies related to use of AI and create new or update policies or procedures as needed. CRD will document procedures and train staff on acceptable use of AI tools.

Risk: Records Retention

In accordance with State regulations, CRD maintains a Records Retention Program to ensure records are retained only as long as necessary for the functioning of the organization and in compliance with legal requirements. Standard retention policies are established; however, exceptions exist to extend retention when needed, such as when cases are in litigation.

CRD needs to review its Records Retention Program to identify process gaps and improve consistency.

Control: Program Audit

CRD will take a holistic approach to analyze CRD's Records Retention processes and how they are followed in the Enforcement, Legal, and IT Divisions in accordance with CRD and State Policies. The audit will investigate both technical and physical processes for how standard retention and purging work, how and where records are flagged for extended hold, whether some records are being retained longer than necessary, and what are the responsibilities of individual staff. The audit objective is to identify process gaps and offer recommendations to improve consistency in the department and to reduce the over-retention of records held unnecessarily.

CONCLUSION

The Civil Rights Department strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Kevin Kish, Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency