



Office of the City Auditor

**Report to the City Council
City of San José**

**FIRE INVENTORY
CONTROLS OVER
CONTROLLED
SUBSTANCES:
CLARIFYING POLICIES
AND SEPARATING
DUTIES WOULD FURTHER
IMPROVE SECURITY**

**Report 25-05
November 2025**

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November 24, 2025

Honorable Mayor and Members
Of the City Council
200 East Santa Clara Street
San José, CA 95113

Fire Inventory Controls Over Controlled Substances: Clarifying Policies and Separating Duties Would Further Improve Security

To provide Advanced Life Support (ALS), the San José Fire Department uses two medications regulated by the federal Controlled Substances Act: morphine for pain management and midazolam for seizures and sedation. Each fire engine, truck, or other apparatus that provides ALS services carries these two controlled substances. Before being distributed to fire apparatus, the Fire Department keeps the controlled substances in a safe in a central facility.

The objective of this audit was to assess the Fire Department's inventory controls over controlled substances. The audit was requested by the Fire Chief following an incident involving damage and suspected tampering of controlled substances containers in April 2025.

Finding 1: Policies Require Securing Controlled Substances on Fire Apparatus But Should Be Clarified to Reflect Current Practices. At the time of our audit testing, policies in place for controlled substances kept on fire apparatus required regular monitoring and physical security controls. However, the Fire Department's policies do not reflect current practices in all areas. We found:

- No evidence of tampering or theft during our audits of controlled substances kept on fire apparatus during the summer of 2025.
- Current practices for some aspects of inventory management should be formalized in policy.
- As the Fire Department acquires biometric safes, policies should be updated to address access, monitoring, and usage.

Recommendations: To improve controls over controlled substances on apparatus, Fire should:

- Revise its policy to reflect current practices regarding daily and periodic reviews of controlled substances boxes, reserve apparatus storage, and remote handoff protocols.
- Update its policy to address access and usage once biometrics safes are acquired.

Finding 2: Separating the Duties for Central Supply Management Would Strengthen Inventory Controls. The Fire Department's Controlled Substances Program Manager (CSPM), a Fire Captain in the Bureau of Emergency Medical Services (EMS) and Training, manages the central supply of controlled substances. This involves receiving, labeling, securing, distributing, and destroying medications. We found:

- No evidence of theft or tampering during our audit of the main safe inventory during the summer of 2025.
- The CSPM's duties are not sufficiently separated to ensure security of the medications. Re-assigning some duties would improve the security of the central supply.
- Additional controls, including regular review of inventory reports, a biometric safe, and periodic inventory counts, would provide further controls over the main safe.

Recommendations: To improve controls over central supply management, Fire should:

- Assign medication handling, system administration, and certain record-keeping duties to separate staff.
- Increase management oversight and physical controls over the main safe.
- Update its policy to reflect current practices around inventory management.

This report has seven recommendations. We plan to present this report at the December 4, 2025, meeting of the Public Safety, Finance, and Strategic Support Committee of the City Council. We would like to thank the Fire Department for their time and insight during the audit process. The Administration has reviewed the information in this report, and their response is shown on the yellow pages.

Respectfully submitted,



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Background

The San José Fire Department (Fire) provides Advanced Life Support (ALS) as part of its emergency medical services (EMS) under an agreement with the County of Santa Clara EMS Agency.

Per Santa Clara County EMS protocols, San José EMS personnel have supplies of morphine sulphate and midazolam to provide ALS services. Morphine is a narcotic used for pain management. Midazolam is a benzodiazepine used to treat seizures and for sedation.¹ Both substances are kept on fire engines, trucks, and other apparatus providing ALS services. Before being distributed to fire apparatus, the controlled substances are kept in a central location, locked in a safe.

This audit was added to the City Auditor's Fiscal Year 2024-25 Work Plan following a request from the San José Fire Chief. In April 2025, containers of controlled substances were found to be damaged and suspected to have been tampered with at a fire station. Following an investigation, the San José Police Department arrested a Fire Captain for burglary at one fire station, child endangerment, and narcotics violations. The objective of this audit was to assess the inventory controls over controlled substances in the Fire Department. This audit focuses on controls in place starting in late April 2025, following the incident.²

Regulations and Oversight Over Controlled Substances

There are federal, state, and county regulations for controlled substances and their use by the Fire Department.

- The **Drug Enforcement Agency (DEA)** regulates controlled substances through the Controlled Substances Act and the Code of Federal Regulations. The **Controlled Substances Act** establishes that EMS agencies are permitted to administer controlled substances in accordance with standing orders and procedures. The **Code of Federal Regulations** outlines inventory control requirements for controlled substances.
- The **State of California** licenses paramedics and regulates EMS generally through counties. This includes requirements for implementing EMS systems and certifying personnel.
- Santa Clara County is the City's local EMS agency, which sets requirements for the San José Fire Department's EMS practices. Per the **County of**

¹ The DEA classifies morphine sulphate as a Schedule II substance (defined as having high potential for abuse and likelihood of dependence). The DEA classifies midazolam as a Schedule IV substance.

² The focus of this audit is only on controlled substances acquired by the Fire Department and used in daily operations. As part of the Strategic National Stockpile, the federal government stores controlled substances at a Fire Department facility and on fire apparatus, but these are held, secured, and recorded separately.

Santa Clara EMS Agency, an ALS non-transport apparatus must have a minimum of 20mg of morphine sulphate and 15mg of midazolam to be in service. San José Fire Department paramedics get accredited through the County EMS Agency and administer controlled substances based on County protocols.

Acquisition, Use, and Destruction of Controlled Substances

The Controlled Substances Program Manager (CSPM), a Fire Captain in the Bureau of EMS and Training, is responsible for overseeing ordering, distribution, and destruction of controlled substances.

Ordering: Based on inventory management system reports, the CSPM determines when to order more vials of medication. The Department's Medical Director, a physician from Stanford Health Care, signs the order for more vials. Once the vials arrive at the Fire Department's facility, the CSPM is responsible for taking custody of the vials.

Recording and labeling: The CSPM creates a record for each vial in the Department's inventory management system and tags each vial with an ID number (assisted by other staff as needed). A witness is required to create new records in the system.

Storage: Vials are stored in the main safe at a central Fire Department facility until they are needed by fire stations. The safe is kept locked in a locked room within the locked facility. The CSPM, along with limited other EMS staff, have access to the main safe and the locked room.

Distribution to Fire Stations: The CSPM regularly runs a report from the inventory management system showing the inventory of each fire station. Each ALS unit should have up to 80mg of morphine and 40mg of midazolam. If they get below half that amount, the CSPM restocks them from the main inventory.

Inspection and Security on Fire Apparatus: Controlled substances are kept locked on the fire apparatus. Each box has a unique key, kept by the paramedic assigned to the apparatus. Every day or whenever there is a transfer of personnel, the paramedic is required to open the box, inspect every vial, and check the inventory against system records.

Usage and Waste: Paramedics administer morphine or midazolam when necessary for patient care. If there is remaining medication in the vial that was not needed for the patient, the paramedic disposes of it ("wasting" the rest). For both usage and wasting, the paramedic notifies their captain (or someone acting in the captain's capacity) and documents it in the inventory management software with a witness.

Destruction of Expired or Damaged Vials: If a vial has expired or has some damage that makes it unsafe to administer, the CSPM collects the vial from the fire apparatus box and prepares it for disposal. The reason for disposal is logged in the inventory management software and a record is printed to be stored with the vial in a safe until it is destroyed. Periodically, the contents of the expired medication safe are destroyed.

Frequency of Usage

In FY 2024-25, the Fire Department responded to 68,500 medical emergencies, or about 5,700 medical emergencies per month. During the same period, paramedics administered controlled substances at 835 incidents. In total, paramedics administered 865 vials of medication, or about 72 per month.³ Paramedics administer morphine far more frequently than midazolam; 76 percent of the vials administered during the year were morphine.

Bureau of EMS and Training Provides Oversight Over Usage of Controlled Substances

Part of the CSPM's responsibilities is to review the usage and security of controlled substances by paramedics. Every time a paramedic administers a controlled substance, the CSPM is notified. They can review a report on the care provided to the patient and the amount of controlled substance used. They regularly check the contents of controlled substances boxes kept on fire apparatus during random reviews and when boxes are restocked. If paramedics have questions about the security controls for controlled substances or how to appropriately use the software system, they can contact the CSPM for assistance.

The EMS Battalion Chief and Bureau of EMS and Training Deputy Chief also provide some oversight. The Deputy Chief is notified when vials are ordered. Both the Deputy Chief and Battalion Chief are involved if there is any indication of vial tampering.

Inventory Management Software to Track Inventory, Usage and Waste, and for Oversight of Controlled Substances

Fire uses an inventory management software that requires two users to track transactions relating to controlled substances and for oversight. Staff record inventory, distribution to stations, expired and damaged vials, and amounts used and wasted in the system. The software is available online for a desktop/laptop and via an application for a tablet/iPad for paramedics/firefighters to use in the field. Fire staff run reports to track the inventory and where vials are stored, identify expiring medication, and ensure that paramedics are conducting daily verifications of controlled substances.

Expected Changes to Security and Staffing

To further secure controlled substances and improve oversight, the Fire Department has several expected changes planned or underway.

- **Secured lockboxes:** At the time of our audit testing, the Fire Department had acquired lockboxes intended to hold just the controlled

³ In some cases, multiple vials of controlled substances were administered during the same incident.

substances. City staff planned to install the lockboxes on fire apparatus and develop policies relating to their usage.

- **Biometric safes:** In the FY 2025-26 Adopted Operating Budget, the Fire Department received a \$200,000 allocation to purchase safes that are secured with a biometric lock. The purpose was to improve security and allow for cloud-based tracking. At the time of the audit, Fire staff reported that they were in the process of procuring the biometric safes.
- **Med30:** Med30 was the Fire Department's EMS field coordinator prior to FY 2023-24. In FY 2023-24, the Med30 duties and responsibilities were reallocated to a wider range of personnel. The FY 2025-26 Adopted Operating Budget included \$748,000 of one-time overtime funding to restore Med30 on a temporary basis. At the time of our audit, the Fire Department was determining the role of Med30.

Finding I **Policies Require Securing Controlled Substances on Fire Apparatus But Should Be Clarified to Reflect Current Practices**

Summary

Our audits of controlled substances stored on Fire apparatus during the summer of 2025 found no evidence of theft or tampering. Physical security measures, including a unique key, locked cases, daily verifications by paramedics, and electronic inventory systems align with or exceed practices in other jurisdictions. However, some elements of the EMS policies require clarification to reflect current practice. These include the timing of daily verifications, storage of controlled substances for reserve vehicles, frequency of EMS management random inventory reviews, and protocols for remote handoffs when a paramedic is unavailable. To further strengthen controls, the Fire Department will be installing new lockboxes and is planning to purchase biometric safes. The Department should update its policies to address operational procedures for these safes, including access permissions, backup key storage, and whether daily verifications remain necessary.

Current Policies Require Securing Controlled Substances on Fire Apparatus

The audit team did not find evidence of theft or tampering during our audits of controlled substances boxes stored on fire apparatus.⁴ The controls in place at the time of our audit testing required that controlled substances be physically secured and monitored for early detection of discrepancies. These controls aligned with, and sometimes exceeded, the controls reported by surveyed jurisdictions.

The **San José Fire Department Controlled Substance Control Policy 5.700.21** lays out the procedures for controlled substances such as receipt, storage, use, daily verifications, reporting discrepancies, waste, quality improvement, and disposal. **Special Bulletins 25-114 and 25-121**, issued in April and May 2025, expanded the physical security of the controlled substances and added more requirements for the daily verifications of controlled substances boxes on fire apparatus.⁵ Special bulletins are in place for six months. At the time

⁴ The audit team reviewed 29 controlled substances boxes at 17 of the 34 fire stations. The team conducted reviews at 11 fire stations alongside the Controlled Substances Program Manager as part of his monthly review. The audit team randomly selected the remaining six fire stations for audits, which were conducted unannounced.

⁵ The Special Bulletins refer to daily verifications as “audits.” To distinguish between these and the audit team’s work, we refer to the paramedics’ reviews as “daily verifications” per the Controlled Substance Control Policy.

of the audit, the Fire Department was working on updates to the Controlled Substances Control Policy.

Case is Locked with a Unique Key and Secured to Apparatus	At the time of our audit testing, controlled substances boxes on fire apparatus were kept in a locked case with a unique key. The crew member (usually the paramedic) assigned responsibility for the key is expected to carry the key at all times. This security measure was first required in April 2025. The locked case was then secured to the apparatus with a cable that was locked. This security measure was first required in May 2025. This aligns with the types of physical security controls of other jurisdictions surveyed. Other jurisdictions reported that their cases are attached to the apparatus and have a unique key or pin to open.
Daily Full Verification of the Boxes on the Apparatus	A full verification at the stations is required when there is a transfer between personnel, or a new day begins. This process includes breaking the plastic safety seal, inspecting each vial for evidence of tampering, comparing vial information against the records in the inventory management system, and replacing the plastic safety seal. The paramedic and the company officer as a witness are required to inventory the controlled substances box together. The policy requires a daily verification of the controlled substances box and the number of vials; however, the expansion to a complete review of every vial began in April 2025. To ensure that all companies conduct a daily verification, the Controlled Substances Program Manager reports getting notifications if crews have not conducted their verification by 12 p.m. Additionally, battalion chiefs can view reports on daily verifications and follow up with companies that have not conducted a verification by 12 p.m. each day. In our surveys of other jurisdictions, regular verifications of the controlled substances boxes on apparatus was a common control.
Electronic Records for Inventory Management	Since 2023, the Fire Department has used an electronic inventory management system. Most jurisdictions surveyed used an electronic inventory system, but some reported that all logs were kept on paper.
Each Vial Has an Identification Number and is Tracked in the System	The Fire Department tracks each vial in the system through an individual identification number. This allows for precise inventory reconciliation. While some jurisdictions reported tracking each vial individually, others do not. Those jurisdictions report monitoring only the total amount of each controlled substance against inventory records.

The Fire Department Will Store Controlled Substances in Individual Lockboxes

The Fire Department purchased new lockboxes to further secure narcotics. At the time of our audit testing, staff planned to install the lockboxes on every fire apparatus. Per the Fire Department, the current approach is difficult operationally for the paramedics. The large case that holds the controlled substances also contains many other supplies that paramedics use to care for patients. Regardless, the entire case is cabled to the apparatus. Removing the case from the apparatus—which must be done even if the required materials are not controlled substances—takes additional time.

The new lockboxes will only contain controlled substances and be bolted to the apparatus. This will provide easier access to the case of medical supplies.

Some Areas of the Policy Need Clarification to Fully Reflect Current Practices

Some current practices, as reported by EMS staff or fire station crews, are not reflected in the Fire Department's EMS policies and special bulletins. In some cases, there is a difference in written policy and current practice. In others, the policy is unclear or does not exist. Formally recording expectations in the Controlled Substances Control Policy would ensure consistency among staff and continuation.

Timing of Daily Verifications by Paramedics	If a paramedic has not conducted a daily verification of their controlled substances by noon, the CSPM receives a notification. The CSPM then contacts the crew. In our review, some verifications were not conducted in the morning, or they happened several hours after a transfer had occurred. The Fire Department should clarify in the policy when the daily verifications should be done and that they should happen as soon as is practicable after a transfer. Cal Fire's Santa Clara Unit policy requires verifications to be performed by 11 a.m.
Storage and Access of Controlled Substances for Reserve Vehicles	The May 2025 Special Bulletin on new controlled substance security measures requires that paramedics always maintain custody of the key to the controlled substances. At one station, the controlled substances for a reserve apparatus were kept in a lockbox at the station, but the key to the lockbox was kept in a cabinet for which all staff had the code. This appears to be in violation of the Special Bulletin requirement that requires the key to be held by the person responsible for the controlled substances at all times. Fire staff report that this particular instance has been corrected, and that all keys should be held by the responsible paramedic. The policy should clarify where the controlled substances for reserve vehicles should be stored and who should have access to the key.

Monthly Inventory Reviews of Controlled Substances on Apparatus by the CSPM	Currently, the CSPM reviews 25 percent of all controlled substances boxes on fire apparatus every month. The purpose of these reviews is to check the inventory and inspect for evidence of tampering. The Fire Department's policy is that EMS Division staff will physically compare the controlled substances on fire apparatus with inventory records "at random intervals." The Fire Department should clarify in the policy the quantity or percentage of apparatus boxes that need to be reviewed, the frequency of these reviews, and how the reviews should be documented.
Incident Report Required for Remote Handoffs	When controlled substances are transferred between paramedics, the standard policy is that both paramedics should be present to inspect the contents and record the transfer in the software system. The policy also states: "If the off going paramedic needs to leave prior to a face-to-face handoff with the oncoming paramedic due to the operational needs of the department, the procedure of 'picking up from crew' will be acceptable." "Pick up from crew" is a function in the inventory management system that allows for a remote handoff. EMS Division staff report that "pick up from crew" should be used as little as possible and that when it is used, an incident report should be filed. However, that is not explicitly stated in the policy and not all paramedics reported doing so. The policy should clarify when using "pick up from crew" is appropriate and whether an incident report is required.

Recommendation:

- I: To ensure the Controlled Substances Control Policy reflects current practices, the Fire Department should update the policy to provide further clarity on:**
- a. Timing of daily verifications performed by paramedics of controlled substances boxes on fire apparatus;**
 - b. Storage and access for controlled substances on reserve apparatus;**
 - c. Frequency, scope, and required documentation of Emergency Management Services Division inventory reviews of controlled substances boxes across fire stations; and**
 - d. Allowable uses and requirements for remote handoffs of controlled substances ("pick up from crew").**

To Further Enhance the Security of Controlled Substances on Fire Apparatus, the Fire Department Is in the Process of Acquiring Biometric Safes

The purpose of the biometric safes is to improve the security of controlled substances kept on fire apparatus. Biometric safes record who has accessed the medications. Fire Department staff report that it will take time to procure the new safes.

The City of Santa Clara has biometric safes for every apparatus and their central supply. The City of Mountain View and Cal Fire's Santa Clara Unit use safes that are locked with unique pin codes. There are policies and practices that these jurisdictions reported that are affected by using biometric or pin-coded safes. As the Fire Department acquires biometric safes, staff should clarify the Controlled Substances Control Policy to reflect the new operating environment. This includes:

- **Personnel that Have Access to Apparatus Safes:** Fire should clarify in the policy which personnel have access to the biometrics safes on the fire apparatus. The City of Santa Clara grants access to Emergency Medical Technicians (EMTs) so that if the paramedic is with the patient, the EMT can open the safe and bring the controlled substances to the paramedic. On the other hand, Cal Fire's Santa Clara Unit does not grant access to EMTs.
- **Backup Access if Electronic Component Fails:** Fire should include procedures for what should be done if the electronic component fails and who will have access to any backup physical keys. The City of Mountain View, which uses pin-coded safes, keeps backup keys at their Police Department.
- **Evaluating Daily Verifications:** Fire should evaluate if daily verifications by paramedics are still required, or if they should only be required when there is a handoff between personnel. The City of Santa Clara requires daily verifications at each shift change with both the incoming and outgoing paramedic present, though staff typically work a 24-hour shift. Mountain View and Cal Fire's Santa Clara Unit require a daily verification even if the same paramedic maintains possession, such as day two of a 48- or 72-hour shift.

Recommendation:

2. **To enhance the security of controlled substances on apparatus, once biometric safes are acquired, the Fire Department should update the Controlled Substances Control Policy to address access and usage, including:**
 - a. **Who should have access to the apparatus safes,**
 - b. **The storage and access to backup keys, and**
 - c. **Whether daily verifications by paramedics are still needed.**

Finding 2 Separating the Duties for Central Supply Management Would Strengthen Inventory Controls

Summary

Our audit of the main safe inventory in the summer of 2025 revealed no evidence of theft or tampering. However, the current duties of the Fire Department's Controlled Substances Program Manager (CSPM) are not sufficiently separated to ensure security of the medication. The CSPM manages the central supply of controlled substances, which involves ordering, receiving, securing, distributing, and destroying medications. Re-assigning system administration and certain record-keeping duties would improve the security of the central supply. There are also some practices, including the review of potential tampering, that should be written into the policy to ensure continuation and compliance. In addition, updated inventory reports, a biometric safe, and periodic inventory counts of the main safe would provide additional controls over the main safe.

The Duties of the Controlled Substances Program Manager Should Be Separated

During our audit, the audit team conducted an unannounced review of the main safe inventory for new controlled substances and expired controlled substances. All vials were accounted for and in the sample of vials we inspected, there was no evidence of tampering.

The Controlled Substances Program Manager (CSPM), a Fire Captain in the Bureau of EMS and Training, is responsible for managing the central supply of controlled substances. Those responsibilities include:

- physically handling the controlled substances,
- updating records for new, expiring, and damaged substances, and
- managing system access for the Fire inventory management system.⁶

Best practices on inventory control from the Government Accountability Office require that:

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the

⁶ All parts of the process, except as noted later in this section, are required to have a witness by policy and/or by the inventory management system.

transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

The current duties of the CSPM include all these categories: authorizing and review of transactions, processing and recording transactions, and handling of the assets. Separating the duties among other staff would improve security and reduce the risk of theft.

System Administrators Should Not Handle Medication Vials

As noted in the Background, the Fire Department uses an electronic inventory management system. Because staff use the system to record witnessing, administering, and transferring vials, ensuring appropriate access is essential.

Currently, the CSPM is a system administrator with broad permissions in the system. The CSPM can create new users, alter user permissions, and log-in to secondary accounts besides his own.

Every control that relies on a second witness in the system is significantly weaker when one person can access multiple user accounts.

Separating the duties of system administration from handling the medication would reduce the risk that someone could sidestep controls requiring a second witness. To strengthen the current controls, any staff with access to controlled substances should only have one log-in and no ability to create new log-ins.

One person can take vials, update the inventory records, and approve their own changes—without a second witness present.

When the CSPM creates new users in the inventory management system, EMS Division management expects the CSPM to alert them. However, this is not in the policy. When new users need access to the system, the policy should require that EMS Division management approve those users and their permission settings.

Reconciling and Recording New Medication Orders Should be Performed by Separate Staff

When new shipments of controlled substances arrive, the CSPM receives the vials, logs them into the system, labels, and inspects them. Separating these duties reduces the risk that vials could go missing and related records be altered.

Exhibit I: Ordering, Reconciling, and Recording Duties Should Be Separated and Clarified

CSPM Duty	Witness/ Approval	Control Weakness	Improved Control
Identify need to order vials	Order signed by Medical Director	<i>None.</i> <i>The CSPM initiates the ordering process, but orders must be signed by the Medical Director, which is a strong control.</i>	
Receive vials	Witness per policy	One person handles the vials and updates the records. Having one person create the records for new vials and handle the vials creates an opportunity for theft. This is even more risky as the CSPM also has the ability to approve his own transactions in the inventory management system. Additionally, witnessing of vial receipt is not documented. Current policy requires that staff retain receipts, shipping, tracking forms, and any necessary DEA forms. The policy does not specify if anyone should be reconciling received vials to the order forms to check that all ordered vials were entered into the system.	Separate record-keeping duty from the responsibility of handling medication vials. Record-keeper should have no access to the inventory and only one log-in for the inventory management system. Additionally, the policy should specify that the record-keeper should reconcile order forms, receipts, and new entries into the inventory management system.
Record vials in the system	Witness required by system		
Label and inspect vials	Witness per policy		

Source: Auditor observations and analysis of San José Fire Department EMS policies and procedures.

A designated record-keeper should compare orders, invoices, and receipts against the records they enter into the inventory management system for each vial. The system can then print individual labels for each vial. This ensures that every vial that was ordered has a record in the system and that every vial is appropriately labeled.

The current policy requires that staff retain documents for medication orders, invoices, and receipts. It doesn't specify whether anyone should reconcile the actual vials received against those documents. Comparing order information, actual received vials, and vials logged into the inventory management system helps prevent the theft of vials when they are first received.

Oversight and Re-Assignment of Duties Would Strengthen Controls over Vial Destruction

If a vial is not used—whether because it was damaged or it expired—the CSPM oversees the destruction process. This includes handling vials that are potentially damaged, overseeing vial destruction, and recording that vials were damaged or destroyed.

Exhibit 2: Recording and Oversight Duties for Vial Destruction Should Be Formalized

CSPM Duty	Witness/ Approval	Control Weakness	Improved Control
Retrieve and inspect damaged vials	Approval required in practice, not by policy or system settings	One person handles the vials and updates the records. Having one person responsible for recording that a vial was damaged and handling the damaged vial creates a risk for theft. The current practice is that the Deputy Chief, Battalion Chief, and CSPM review damaged vials to determine if there is evidence of tampering. However, this is not specified in the policy.	Separate record-keeping duty from the responsibility of handling the medication vials. Record-keeper should have no access to the inventory and only one log-in for the inventory management system. Additionally, the policy should specify who should be reviewing damaged vials and require that management approves the decision of whether a vial has been tampered with. This would separate the approval role from the role of day-to-day medication handling.
Record damaged vials	Witness required by system		
Destroy medication	Witness required in practice	One person handles the vials and updates the records. Having one person responsible for recording medication destruction and overseeing the physical destruction of medication creates a risk for theft. The policy does not require a witness to be present for the destruction of expired medications, though this is the current practice.	Separate record-keeping duty from responsibility of handling the medication vials. Record-keeper should have no access to the inventory and only one log-in for the inventory management system. Additionally, the policy should require a witness for medication destruction.
Record medication destruction	Witness required by system		

Source: Auditor observations and analysis of San José Fire Department EMS policies and procedures.

Separating responsibilities for handling medication vials and record-keeping ensures that damaged or expired vials are destroyed as expected. Additionally, updating the policy to require a witness for vial destruction and oversight over vial tampering reviews would formalize the current practices into necessary controls.

Fire Department Policy Should Clarify Variance Reporting Requirements

The County of Santa Clara EMS Agency's policy requires that local EMS providers notify the County of Level A variances immediately via verbal communication and within 24 hours via a written form.⁷ This requirement is not in the Fire Department's policy. After the suspected tampering was discovered in April 2025, the County sent a letter to the City alleging that the Fire Department did not send notification as required.

Recommendations:

- 3: To separate critical duties for management of the central supply of controlled substances, the Fire Department should:**
 - a. Assign system administration duties, primarily the ability to create new users in the system and change user permissions, to personnel that do not have controlled substance handling or record management duties.**
 - b. Assign certain duties for record management, such as reconciling ordered medication, logging new medication into the inventory, and logging the removal of medication upon destruction to personnel that do not have controlled substance handling or system administrator privileges.**
 - c. Disallow multiple log-in credentials to the inventory management system for any staff that have access to controlled substances.**
- 4: The Fire Department should update policies to formalize central supply oversight, including:**
 - a. The process for reviewing vials for evidence of tampering;**
 - b. Approval for the creation of new inventory management system users;**
 - c. A requirement for reconciliation of orders, invoices, and receipts of controlled substances;**
 - d. A requirement to have a witness for medication destruction; and**

⁷ Per the County of Santa Clara Emergency Medical Services System Policy #108: "Level A Variances are any incident that result in a threat to public safety, patient, by-stander or responder harm." This includes: "Violating or attempting to violate any federal or state statute or regulation that regulates narcotics, dangerous drugs, or controlled substances."

- e. A requirement to notify the County of Santa Clara Emergency Medical Services Agency of variances per County policy.

Additional Controls Would Further Secure the Main Safe Inventory

Beyond separating existing duties over the central supply, further controls would help ensure the security of the medication vials in the main safe. This includes oversight controls as well as additional physical security.

The main safe can be physically accessed without two people present, though any changes to the inventory are expected to be recorded in the inventory management system. Periodic inventory counts, a biometric or camera-monitored safe, and management review of inventory reports would all improve the security of main safe medication.

Exhibit 3: Biometric Safes and Additional Oversight Would Improve Main Safe Security

CSPM Duty	Witness/ Approval	Control Weakness	Improved Control
Access main safe	Current practice is to have a witness, but not required by policy	Main safe can physically be accessed without a second person present.	A biometric safe or a camera positioned on the main safe are mitigating controls if main safe can be accessed single individuals. Periodic inventory counts of the safe would detect theft or mismanagement of vials. Lastly, the policy should clarify that a witness should always be present when the safe is opened.
Remove vials from main safe for restocking	Witness required by system	Main safe can physically be accessed without a second person present. CSPM and other designated EMS staff remove vials from the safe to restock apparatus boxes.	Inventory reports reviewed by management provide oversight to detect unauthorized activity.
Restock apparatus boxes	Specific witness required by system	None. <i>To restock a controlled substance box on an apparatus, the paramedic assigned to the box is required by the system to be the witness. This prevents the person restocking from falsifying that they put a vial into a paramedic's box.</i>	

Source: Auditor observations and analysis of San José Fire Department EMS policies and procedures.

Periodic Inventory Counts Help Detect Theft

Periodic inventory counts are a best practice for inventory management to detect any theft or diversion. The DEA requires that controlled substances registrants inventory all controlled substances at least every two years. The San Francisco Fire Department and the City of Santa Clara Fire Department report counting their main safe inventory monthly. The Cal Fire Santa Clara Unit's policy is also to count the inventory monthly. The Oakland Fire Department reports that they count their inventory every four to five months.

Biometric Safes Provide Records of Main Safe Access

A biometric safe would provide a record of who has accessed the main safe. The current Fire Department practice is that one individual can access the main safe independently—that is, one person can access all the keys without another person having to be physically present.⁸ A biometric safe, as discussed in Finding I, records the specific person who opened the safe. This allows for oversight of safe access.

An alternative is a camera to record who is accessing the safe. If there is a discrepancy or concern about the inventory, staff could use the recordings to review who opened the safe, whether there was a witness, and what activity took place.

The San Francisco, Oakland, County of Los Angeles, and City of Los Angeles Fire Departments all reported having cameras recording activity for their main safe. The City of Santa Clara reported that they have biometric safes for their main supply.

Management Should Review Inventory Reports

Several Fire Department staff have keys to the main safe. Though the CSPM plays the primary role in controlled substances oversight and distribution, other staff can and do remove vials from the safe.

Regular reviews of the inventory records would help detect unauthorized activity and keep management informed of the changes to the main safe inventory. Currently, there are no reports available that chronicle who took medications from the main safe and when. Requiring the regular review of these reports ensures that there is direct oversight over the decisions and actions of the CSPM and other staff with keys to the main safe.

⁸ All changes to the inventory, including moving vials from the main safe into a distribution box to deliver to fire apparatus, are expected to be recorded in the inventory management system.

Recommendations:

- 5: To improve detection of tampering or theft of controlled substances kept in the central supply, the Fire Department should update the Controlled Substances Control Policy to require periodic inventory counts of the main safe and reconciliations to inventory records.**
- 6: To improve the security of main safe access, the Fire Department should:**
 - a. Update the Controlled Substances Control Policy to require a witness to be present any time the safe is opened, and**
 - b. Position a camera on the main safe to record activity or acquire biometric safes that log access.**
- 7: To improve oversight over the main safe inventory, the Fire Department should develop inventory management system reports that detail main safe inventory changes and update the Controlled Substances Control Policy to require periodic review of those reports by management overseeing the Emergency Medical Services Division.**

Conclusion

The San José Fire Department has controls in place to manage the inventory of controlled substances. This audit found no evidence of tampering or theft, but there are areas where policies could be improved to reflect current practices and strengthen controls. For controlled substances on fire apparatus, policies should clarify timing and requirements for inventory reviews, access, and storage, particularly as the Fire Department transitions to the use of biometric safes. For the central supply, duties for handling medication, updating records, and system administration are overly concentrated in one role, creating risk. Separating duties among staff with appropriate oversight, documentation, and updated policies would enhance security.

RECOMMENDATIONS

Finding 1: Policies Require Securing Controlled Substances on Fire Apparatus But Should Be Clarified to Reflect Current Practices

Recommendation #1: To ensure the Controlled Substances Control Policy reflects current practices, the Fire Department should update the policy to provide further clarity on:

- a. Timing of daily verifications performed by paramedics of controlled substances boxes on fire apparatus;
- b. Storage and access for controlled substances on reserve apparatus;
- c. Frequency, scope, and required documentation of Emergency Management Services Division inventory reviews of controlled substances boxes across fire stations; and
- d. Allowable uses and requirements for remote handoffs of controlled substances (“pick up from crew”).

Recommendation #2: To enhance the security of controlled substances on apparatus, once biometric safes are acquired, the Fire Department should update the Controlled Substances Control Policy to address access and usage, including:

- a. Who should have access to the apparatus safes,
- b. The storage and access to backup keys, and
- c. Whether daily verifications by paramedics are still needed.

Finding 2: Separating the Duties for Central Supply Management Would Strengthen Inventory Controls

Recommendation #3: To separate critical duties for management of the central supply of controlled substances, the Fire Department should:

- a. Assign system administration duties, primarily the ability to create new users in the system and change user permissions, to personnel that do not have controlled substance handling or record management duties.

- b. Assign certain duties for record management, such as reconciling ordered medication, logging new medication into the inventory, and logging the removal of medication upon destruction to personnel that do not have controlled substance handling or system administrator privileges.
- c. Disallow multiple log-in credentials to the inventory management system for any staff that have access to controlled substances.

Recommendation #4: The Fire Department should update policies to formalize central supply oversight, including:

- a. The process for reviewing vials for evidence of tampering;
- b. Approval for the creation of new inventory management system users;
- c. A requirement for reconciliation of orders, invoices, and receipts of controlled substances;
- d. A requirement to have a witness for medication destruction; and
- e. A requirement to notify the County of Santa Clara Emergency Medical Services Agency of variances per County policy.

Recommendation #5: To improve detection of tampering or theft of controlled substances kept in the central supply, the Fire Department should update the Controlled Substances Control Policy to require periodic inventory counts of the main safe and reconciliation to inventory records.

Recommendation #6: To improve the security of main safe access, the Fire Department should:

- a. Update the Controlled Substances Control Policy to require a witness to be present any time the safe is opened, and
- b. Position a camera on the main safe to record activity or acquire biometric safes that log access.

Recommendation #7: To improve oversight over the main safe inventory, the Fire Department should develop inventory management system reports that detail main safe inventory changes and update the Controlled Substances Control Policy to require periodic review of those reports by management overseeing the Emergency Medical Services Division.

APPENDIX A

Audit Objective, Scope, and Methodology

The mission of the City Auditor's Office is to identify ways to increase the economy, efficiency, effectiveness, equity, and accountability of City government by independently assessing and reporting on City operations and services. The audit function is an essential element of San José's public accountability, and our audits provide the City Council, City management, and the public with independent analysis, reliable information, and recommendations for improvement of City operations and services. In accordance with the City Auditor's Fiscal Year (FY) 2025-26 Audit Work Plan, we have completed an audit of Fire Department's inventory controls over controlled substances. The audit was conducted in response to a request from the Fire Chief following an incident involving damage and suspected tampering of controlled substances containers in April 2025.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of this audit was to assess inventory controls over controlled substances in the Fire Department. We sought to understand the relevant internal controls over the Fire Department's controlled substances, and have performed the following to achieve the audit objective:

- To verify the inventory of controlled substances and check for evidence of tampering, we:
 - Visited 11 fire stations with the Controlled Substances Program Manager. Visits were conducted on one day in July 2025 in two battalions selected by the audit team. Vials were compared to inventory records and reviewed for evidence of tampering.
 - Conducted unannounced audits of controlled substances at six fire stations over three days in August 2025, with the accompaniment of a battalion chief. The stations were randomly selected by the audit team. Vials were compared against inventory records and reviewed for evidence of tampering.
 - Conducted an unannounced audit of the main safe inventory. This included both the safe for new medications and the safe for expired medications. The entire inventory was counted and compared to records from the inventory management system, and a random sample of vials were individually reviewed for evidence of tampering.
- To understand the process for ordering, receiving, distributing, administering, wasting, and destroying controlled substances, we:
 - Interviewed the Controlled Substances Program Manager, EMS Battalion Chief, and Deputy Chief over EMS and Training.
 - Interviewed paramedics at five fire stations during unannounced audits about their administration and wasting processes.
 - Observed the process for ordering morphine sulfate with the Fire Department Medical Director.
 - Observed the process for recording new vials in the inventory management system and labeling vials.

- Observed the restocking process of the Controlled Substances Program Manager.
- Observed the destruction of medication from expired and damaged vials.
- To observe the physical controls over controlled substances on fire apparatus and the main safe, we:
 - Observed the main safe locks and key access.
 - Observed the locks, cables, and location of controlled substances boxes on fire apparatus that were in place during our audit testing.
- To understand compliance with policies, procedures, and regulations, we:
 - Reviewed relevant sections of the federal Code of Regulations, U.S. Controlled Substances Act, California Code of Regulations, California Health and Safety Code, and County of Santa Clara Emergency Medical Services Agency policies.
 - Reviewed relevant sections of the San José Fire Department policies and procedures manual and special bulletins.
 - Used inventory management system records on selected days to verify that daily audits were performed by paramedics.
 - Used inventory management system records to review historical data from 2025 to ensure all transactions were witnessed in accordance with policy and that witnesses were San José Fire Department employees.
- To ensure appropriate access to the inventory management system, we reviewed user group permissions and level of access of the Controlled Substances Program Manager.
- Benchmarked with other jurisdictions to understand their practices and policies, including: the cities of Santa Clara, Oakland, Los Angeles, Sacramento, and Mountain View; the counties of Santa Clara and Los Angeles; the city and county of San Francisco; and the California Department of Forestry and Fire Protection (Cal Fire) Santa Clara Unit.

We would like to thank the Fire Department for their time and insight during the audit process.

Memorandum

TO: JOE ROIS
CITY AUDITOR

FROM: Robert Sapien, Jr.

SUBJECT: See Below

DATE: November 20, 2025

Approved



Date:

11/19/2025

SUBJECT: Fire Inventory Controls Over Controlled Substances: Clarifying Policies and Separating Duties Would Further Improve Security

BACKGROUND

The Fire Department (Department) has reviewed the report from the City Auditor (*Fire Inventory Controls Over Controlled Substances: Clarifying Policies and Separating Duties Would Further Improve Security*) and agrees with the seven (7) recommendations identified in the report. This memorandum captures the Fire Department's response to each recommendation and presents an overview of the work required to fully implement the recommendations, and the associated timeframes for completion. The Fire Department greatly appreciates the work of the City Auditor and audit staff for this evaluation and looks forward to fortifying its operational readiness, aligning itself with industry best practices, and safeguarding its personnel and the greater San José community when delivering emergency medical services.

The Fire Department's mission is to protect life, property, and the environment through prevention and response. Response capabilities include fire suppression, rescue, hazardous materials/hazardous condition response, and emergency medical services (EMS) at the basic life support and advanced life support (ALS) levels. The Department has been providing ALS EMS response services since 1995. EMS demand has increased over time, and today, the Department is a substantial provider of medical care for the community, responding to 68,492 medical-only requests in Fiscal Year 2024-2025 and providing medical care at many of the 42,880 incidents in other categories, including fires, rescues, and vehicle accidents. The Department provides ALS as part of its emergency medical services under an agreement with the County of Santa Clara Emergency Medical Services Agency (County EMS). ALS is the highest level of care paramedics provide when someone has a serious medical emergency, using advanced

skills such as breathing support with tools like airway tubes, heart monitoring, intravenous treatments, and emergency medications to keep the patient safe and stable until they reach definitive care. Per County EMS protocols, the Department maintains supplies of morphine sulphate and midazolam to provide ALS standard of care. Morphine is a narcotic used for pain management. Midazolam is a benzodiazepine used to treat seizures and for sedation. Both substances are kept on field companies, including fire engines, trucks, and other apparatus providing ALS services. The Department's EMS Division manages department-wide inventories, including a supply of controlled substances at a central location for distribution to frontline resources.

In April 2025, during a routine controlled substance inventory audit at a fire station, containers of morphine sulphate were found to have been damaged with suspicion of tampering. Upon discovery of the anomalies in the controlled substance inventory, the Department notified law enforcement, including the San José Police Department and the United States Drug Enforcement Agency, and initiated a department-wide assessment of controlled substance inventories to ensure ongoing operational readiness. The Department fully cooperated with law enforcement investigation efforts. Additionally, the Department launched an internal review and implemented interim controls to strengthen accountability and chain of custody at all phases of inventory control, including the following actions:

1. *Daily Close Inspection of Inventories:* Department directive issued April 25, 2025, establishing full daily verifications of all controlled substance boxes on every vehicle that carries ALS equipment and required that all audits include breaking and resealing tamper-evident locks with a Company Officer as witness. Additionally, the directive required immediate documentation of verification results in the Department's inventory software system (Operative IQ) and reporting of any discrepancies through the chain-of-command.
2. *Redundant Locking Systems:* Department directive issued May 23, 2025, introduced a new cable-lock system that physically secured the medication cases to the ALS vehicle using a standardized locking system with two matching keys. This measure eliminated the possibility of a case being removed or accessed by unauthorized individuals, standardized key control practices, and strengthened compliance with the United States Drug Enforcement Agency and County EMS security expectations.
3. *Hardened Stowage and Access Monitoring:* The Fiscal Year 2025-2026 Adopted Budget allocated one-time funding of \$200,000 to procure biometric access control narcotics safes for each ALS response vehicle to restrict access to authorized personnel and maintain a precise automated record of activities.
4. *External Review of Department Controlled Substance Program:* The Fire Chief requested that the City Auditor's Fiscal Year 2025-2026 work plan include an audit of Fire Department controlled substance procedures and practices.

On June 23, 2025, the City Auditor convened the Fire Inventory Controls Audit entrance meeting with the Department. The Department welcomed the audit and supported the effort throughout. As the audit progressed, the City Auditor provided periodic updates, which served to allow the Department to validate and/or refocus efforts toward adopting inventory control best practices.

As the audit proceeded, the Department advanced additional inventory control measures, including:

1. *Chain of Custody Procedure Refinements:* On October 2, 2025, the Department issued a directive formalizing custody transfer procedures and tracking within Operative IQ, specifying required steps for all controlled substance custody changes and specific exceptions when the off going custodian paramedic cannot be present for the transfer. The directive also prohibited storing controlled substances in fire station safes and clarified expectations for reserve apparatus, ensuring that controlled substances and their keys always remain under the custody of an authorized individual.
2. *Interim Hardened Stowage Solution:* On October 16, 2025, the Department issued a directive transitioning stowage of controlled substances to steel lock boxes securely mounted in each ALS vehicle, accessible by a single key held by an authorized individual. Controlled substances remain secured in the lock box with the individual identified as responsible in Operative IQ. The interim stowage solution was fully implemented on October 28, 2025. These steel lock boxes are anticipated to be upgraded to a biometric-controlled access system within Fiscal Year 2025-2026.

The Department appreciates the collaboration of the City Auditor's Office and concurs with the two (2) findings and seven (7) recommendations. The Department has already completed several corrective actions and continues to evaluate and monitor its controlled substance security program to ensure alignment with best practices and regulatory requirements.

FINDINGS, RECOMMENDATIONS, AND ADMINISTRATION RESPONSES

Finding 1: Policies Require Securing Controlled Substances on Fire Apparatus but Should Be Clarified to Reflect Current Practices

Recommendation #1: To ensure the Controlled Substances Control Policy reflects current practices, the Fire Department should update the policy to provide further clarity on:

- a.) Timing of daily verifications performed by paramedics of controlled substances boxes on fire apparatus.
- b.) Storage and access for controlled substances on reserve apparatus.
- c.) Frequency, scope, and required documentation of Emergency Management Services Division inventory reviews of controlled substances boxes across fire stations; and
- d.) Allowable uses and requirements for remote handoffs of controlled substances (“pick up from crew”).

Administration Response: The Administration agrees with this recommendation.

Green – 1(a): On October 16, 2025, the Department issued its directive transitioning stowage of controlled substances to steel lock boxes. This directive specified that daily controlled substance inventory verifications (audits) shall occur at the start of each calendar day, and at every instance of custody transfer between individuals. The directive included audit procedures and recordkeeping requirements within Operative IQ. This directive was reinforced at department-wide in-person training in October 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 1(b): On October 2, 2025, the Department issued a directive formalizing custody transfer procedures and tracking within Operative IQ, specifying required steps for all controlled substance custody changes and specific exceptions when the off going custodian paramedic cannot be present for the transfer (“pick up from crew” procedure). The directive also prohibited storing controlled substances in station safes and clarified expectations for reserve apparatus, ensuring that controlled substances and their keys always remain under the custody of an authorized individual. The implementation of the steel box control system, effective October 28, 2025, specified that controlled substances assigned to reserve apparatus are to be stowed and securely locked in the steel box on the reserve apparatus. The responsible paramedic now carries the key to the box on their person. If a reserve apparatus is taken in for repair or maintenance, the controlled substances are locked in the safe at the EMS Division. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 1(c): The EMS Division conducts monthly department-wide random audits of 25 percent of controlled substance caches. This audit includes verification of the

controlled substances seal, the inventory of each cache and inspection for evidence of tampering, and verification of the lot number and the expiration date. In addition, each time an authorized EMS Division officer handles a cache for restock, a complete audit is conducted. On October 16, 2025, the Department issued its directive transitioning stowage of controlled substances to steel lock boxes. Upon implementation of this directive on October 28, 2025, 100 percent of the controlled substance caches were audited. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 1(d): On October 2, 2025, the Department issued a directive formalizing custody transfer procedures and tracking within Operative IQ, specifying required steps for all controlled substance custody changes and specific exceptions when the off going custodian paramedic cannot be present for the transfer (“pick up from crew” procedure). When the “pick up from crew” procedure is exercised, an Incident Report must be generated in Operative IQ explaining the circumstances. The “pick up from crew” procedure was reinforced in department-wide in-person training conducted in October 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Target Completion Date: June 30, 2026

Recommendation #2: To enhance the security of controlled substances on apparatus, once biometric safes are acquired, the Fire Department should update the Controlled Substances Control Policy to address access and usage, including:

- a.) Who should have access to the apparatus safes,
- b.) The storage and access to backup keys, and
- c.) Whether daily verifications by paramedics are still needed.

Administration Response: The Administration agrees with this recommendation.

Yellow – 2(a, b, c): The Fiscal Year 2025-2026 Adopted Budget allocates one-time funding of \$200,000 to procure biometric access control narcotics safes for each ALS response vehicle to restrict access to authorized personnel and maintain precise automated record of activities. The Department has initiated procurement for biometric safes. Once deployed, the Department will evaluate user access levels, backup key security, and the potential modification of daily verification requirements. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements upon deployment of biometric safes. Undetermined time factors include procurement and installations.

Target Completion Date: December 31, 2026

Finding 2: Separating the Duties for Central Supply Management Would Strengthen Inventory Controls.

Recommendation #3: To separate critical duties for management of the central supply of controlled substances, the Fire Department should:

- a.) Assign system administration duties, primarily the ability to create new users in the system and change user permissions, to personnel that do not have controlled substance handling or record management duties
- b.) Assign certain duties for record management, such as reconciling ordered medication, logging new medication into the inventory, and logging the removal of medication upon destruction to personnel that do not have controlled substance handling or system administrator privileges.
- c.) Disallow multiple log-in credentials to the inventory management system for any staff that have access to controlled substances.

Administration Response: The Administration agrees with this recommendation.

Green – 3(a): The Department will disaggregate responsibilities of the existing Controlled Substances Program Manager (Fire Captain) and ensure separation of new user account creation, password management and system permissions functions from handling of controlled substances and/or controlled substance records management. These functions will be assigned to other staff. This change occurred on November 14, 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 3(b): The Department is currently proceeding with the assignment of records management and order reconciliation responsibilities to the EMS Division Manager (Battalion Chief). The EMS Division Manager does not have controlled substance or system administrator privileges. This change occurred on November 14, 2025. The effectiveness of this assignment of responsibilities will be monitored and adjusted as deemed appropriate, maintaining the outcomes as recommended. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 3(c): Multiple log-in credentials in Operative IQ for staff who have access to controlled substances have been disallowed. When the system was first implemented, the fictitious users were created to simplify system development. Practice in the EMS Division is that no controlled substance transactions are allowed to use fictitious user

credentials. The fictitious user profiles in the system have been inactivated, and the ability to create new user profiles has been removed from anyone who has access to controlled substances. In addition, the EMS Division Manager now has increased oversight for the entire process. This change occurred on November 14, 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Target Completion Date: December 1, 2025

Recommendation #4: The Fire Department should update policies to formalize central supply oversight, including:

- a.) The process for reviewing vials for evidence of tampering,
- b.) Approval for the creation of new inventory management system users,
- c.) A requirement for reconciliation of orders, invoices, and receipts of controlled substances,
- d.) A requirement to have a witness for medication destruction; and
- e.) A requirement to notify the County of Santa Clara Emergency Medical Services Agency of variances per County policy.

Administration Response: The Administration agrees with this recommendation.

Green – 4(a): Procedures for close daily inspection of vials have been communicated through official directives and reinforced at department-wide in-person training conducted in October 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 4(b): As noted in the Department’s response to recommendation 3(a), the Department will disaggregate responsibilities of the existing Controlled Substances Program Manager and ensure separation of new user account creation, password management, and system permissions functions from handling of controlled substances and/or controlled substance records management. The Department is drafting revised procedures, including approval requirements for the creation of new inventory management system users. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 4(c): As the Department disaggregates responsibilities of the current Controlled Substances Program Manager, activities related to the reconciliation of orders, invoices, and receipts of controlled substances will be reassigned, and requirements will be

specified in the Controlled Substance Control Policy. This change occurred on November 14, 2025. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Green – 4(d): All tasks in Operative IQ require a witness. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect requirements of witnesses at all stages of controlled substance custody with targeted completion by December 1, 2025.

Green – 4(e): Santa Clara County EMS Policy 108¹, requires that any deviation from established controlled substance laws be immediately reported to the County EMS Duty Chief through County Communications. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect this requirement by December 1, 2025.

Target Completion Date: December 1, 2025

Recommendation #5: To improve detection of tampering or theft of controlled substances kept in the central supply, the Fire Department should update the Controlled Substances Control Policy to require periodic inventory counts of the main safe and reconciliations to inventory records.

Administration Response: The Administration agrees with this recommendation.

Green – 5: Quarterly inventory counts and verification of both new and expired medication safes are now being conducted, with reconciliation against Operative IQ records. These counts are done by the Distribution Manager (Fire Captain 2313) and witnessed by either the Inventory Control Manager (Battalion Chief 2314) or the System Administrator (Analyst II 1632). Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Target Completion Date: December 1, 2025

¹<https://files.santaclaracounty.gov/exjcpb1541/migrated/Policy108.pdf?VersionId=44F9WNyucz1VvSVw77LLVdOjYOgQQiNv>

Recommendation #6: To improve the security of main safe access, the Fire Department should:

- a.) Update the Controlled Substances Control Policy to require a witness to be present any time the safe is opened, and
- b.) Position a camera on the main safe to record activity or acquire biometric safes that log access.

Administration Response: The Administration agrees with this recommendation.

Green – 6(a): A two-person access rule is currently in practice for all main safe openings. The Department has determined biometric safes to be the more effective long-term solution and has initiated steps for procurement. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Yellow – 6(b): The Department has initiated procurement for biometric safes, including a main safe.

Target Completion Date: December 31, 2026

Recommendation #7: To improve oversight over the main safe inventory, the Fire Department should develop inventory management system reports that detail main safe inventory changes and update the Controlled Substances Control Policy to require periodic review of those reports by management overseeing the Emergency Medical Services Division.

Administration Response: The Administration agrees with this recommendation.

Green – 7: As previously stated in the response to Recommendation #5, the Department has initiated quarterly counts and verification of the contents of the main safe. As stated in the response to Recommendation #4, the duties of system management have been separated to allow for better security. The EMS Division is currently reviewing the capabilities of Operative IQ for the generation of reports that “**detail main safe inventory changes.**” Once those reports are developed, they will be automated and sent to the Inventory Control Manager monthly. Department Policy and Procedure Manual section 5.700.21 – *Controlled Substance Control Policy* will be revised to reflect current requirements by December 1, 2025.

Target Completion Date: December 1, 2025

JOE ROIS, CITY AUDITOR

November 20, 2025

Subject: Fire Inventory Controls Over Controlled Substances

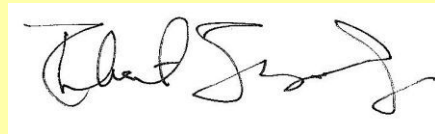
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COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

CONCLUSION

The Department appreciates the City Auditor's comprehensive review of the Department's inventory controls over controlled substances. The audit report recommendations will guide the Department's continued improvement of its Controlled Substances Program. The Department has completed significant corrective actions, including the transition to steel lock boxes, and is working to implement remaining policy and oversight updates within the proposed timelines. The Department values the recommendations and would like to thank the City Auditor and staff for this review.

A handwritten signature in black ink, appearing to read "Robert Sapien, Jr.", is displayed within a white rectangular box.

Robert Sapien, Jr.
Fire Chief, Fire Department

For questions, please contact Brad Morales-McGibben, Battalion Chief, EMS Division, at brad.mcginben@sanjoseca.gov or (408) 794-7020.