

Press Releases

10/02/2008 | Governor Signs Whistleblower Protection Bill Key Legislation Protects Those Who Report Fraud Against the City

Governor Schwarzenegger signed into law "whistleblower" protection legislation sponsored by Oakland City Auditor Courtney Ruby and strongly supported by Long Beach City Auditor Laura Doud. Assembly Bill 2001 (Swanson D-Alameda) ensures that city and county auditors and controllers can protect the identity of employees or citizens who use hotlines or websites with tips of fraud or misuse of government resources.

"I want to thank Governor Schwarzenegger for signing this important legislation. Thanks also to Oakland City Auditor Courtney Ruby and Assemblymember Sandré Swanson for their hard work to gain passage of this legislation," commented Long Beach City Auditor Laura Doud. "This law further clarifies our ability to pursue fraud against the City as well as to encourage and protect tipsters who want to come forward with information about potential fraud."

Earlier this year City Auditor Laura Doud joined fellow City Auditors Courtney Ruby of Oakland and Anne Marie Hogan of Berkeley in testifying to support the legislation before both the State Assembly Local Government Committee and the State Senate Local Government Committee. Los Angeles City Controller Laura Chick also supported AB 2001.

In 2007 Doud, a Certified Fraud Examiner, revitalized the Long Beach City Auditor Fraud Hotline. City employees and residents who suspect fraud against the City are encouraged to call the confidential Fraud Hotline at 1-888-FRAUD 07 (1-888-372-8307).

"Nowhere is it more important than in city and county government for us to provide whistleblower protection," said Assemblymember Sandré Swanson, "California's four elected city auditors and the State Association of County Auditors understood this and were strong supporters of my bill. In fact, Long Beach's City Auditor Laura Doud personally testified in favor of AB 2001 in Sacramento. Their advocacy helped move this important bill rapidly through the Legislature."

A 2008 report by the Association of Certified Fraud Examiners found that over 50% of fraud uncovered in government agencies is detected by tips. The report also estimates that U.S. organizations lose 7% of their annual revenues to fraud. Based on the City of Long Beach's adopted 2009 budget of \$3.1 billion, this represents a potential loss to the City of over \$216 million. "This would go a long way towards supporting law enforcement, street repairs and the many services such as libraries and parks that have recently been reduced," City Auditor Doud noted.

[Click here](#) for the full text of AB 2001.

"My office will help ensure that public monies are used effectively and that fraud, waste and abuse of resources are deterred and detected. We will also be verifying that appropriate controls are in place to help prevent any misuse of funds, thereby preventing the City from having to give back or lose out on available funds."

The public, City employees or vendors doing business with the City of Long Beach can report suspected fraud, waste or abuse of federal funds on the City Auditor's toll-free, 24 hour Fraud Hotline, 888/ Fraud 07.

For information about California stimulus funding available directly from the federal government, visit www.recovery.ca.gov