



## PRESS RELEASE

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### **First Report on the City Auditor's Fraud Hotline Shows How Tips Initiate Positive Change** ***Long Beach City Auditor Doud Encourages Reporting of Fraud, Waste & Abuse***

Long Beach, CA – Long Beach City Auditor Laura Doud today released a Report on the City Auditor's Fraud Hotline in correlation with International Fraud Awareness Week (Nov. 16-20). This is the first report on the Fraud Hotline which was revitalized by City Auditor Doud soon after being elected. Since 2007, the City Auditor's Office has been operating the successful Fraud Hotline, which is the only independent reporting system that allows City employees, vendors, business owners and residents to anonymously report their tips of fraud, waste and abuse against the City. The Office has received 439 tips through the Fraud Hotline since inception.

Of the 58 tips received during the past two years (2014-15), a majority came from City employees (40%) followed by Long Beach residents (36%). All other tips were received anonymously. The top four tips on fraud, waste and abuse against the City as highlighted in the report include:

1. Poor quality of City services such as park maintenance and graffiti abatement
2. Reporting work hours falsely on timesheets
3. Using City property – such as vehicles and equipment – for personal use
4. Conflicts of interest that financially benefit an employee or family member.

These tips are important as statistics show tips are the most common method of fraud detection. According to the 2014 Global Fraud Study by the Association of Certified Fraud Examiners, a typical organization loses 5% of revenues each year to fraud.

For every tip, the Office conducts a thorough analysis to determine if there is sufficient basis to investigate. When the issue is more widespread than an individual instance, the Office conducts a more comprehensive review or audit. The more comprehensive reviews and audits that were performed have resulted in important findings related to time card abuse, theft of personal property and lack of sub-contractor oversight as exemplified in the five cases highlighted in the report. Recommendations in these five cases alone led to key improvements in how the City manages over \$1.4 million in overtime payments and nearly \$9 million in revenues annually.

"I recognize that most of our City employees and vendors are hardworking and dedicated to making Long Beach great. However, it is important to acknowledge that fraud, waste, and abuse can and does occur. So, it is important for everyone – City

employees, vendors, business owners and citizens – to be alert and aware of fraud, waste and abuse against the City. If you suspect wrongdoing against the City, please report your tip.” said City Auditor Laura Doud. “Together we can make our City better and stronger.”

There are several ways to anonymously report tips 24 hours a day, 7 days a week to the City Auditor’s Fraud Hotline:

- Phone: 1-888-FRAUD-07 (1-888-372-8307)
- [Online form](#) at [CityAuditorLauraDoud.com](http://CityAuditorLauraDoud.com)
- MyAuditor App available at the [App Store](#) or [Google Play](#)

The complete Report on the City Auditor’s Fraud Hotline can be viewed at the City Auditor’s website: [CityAuditorLauraDoud.com](http://CityAuditorLauraDoud.com).

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