

FRAUD HOTLINE

An auditor can't do it without you

By Laura L. Doud

Finding fraud and waste in the city is a difficult job, and I need your help.

I would like to take a moment to explain how my office is involved in deterring, detecting, and investigating fraud within the city. When I was first elected, I revitalized the City Auditor's Fraud Hotline, which is a Long Beach city reporting system that allows residents, city employees, vendors and business owners to anonymously report tips of fraud, waste and abuse against the city.

I recognize that most of our city employees and vendors are hardworking and honest; however, it is crucial to acknowledge that fraud, waste and abuse can and does occur. Organizations lose millions every year due to fraud.

According to a 2016 report from the Association of Certified Fraud Examiners, organizations typically lose 5 percent of revenues each year to fraud. With Long Beach city annual revenues of over \$2 billion, potential losses could go a long way to fund more police officers, repair streets and expand library services.

Identifying fraud, however, is extremely difficult, because fraud usually occurs when controls are not sufficient to detect a problem. In fact, lack of

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proper controls is an automatic red flag as it creates an environment highly susceptible to fraud. Without proper controls, trying to find fraud is like trying to find a needle in a haystack.

That being said, statistics show that fraud tips are the most common method of fraud detection. This is why your tips are so important.

We review and analyze all tips to determine if there is sufficient basis to investigate. Over the past 10 years we have investigated numerous cases



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Long Beach City Hall.

and conducted audits due to tips we've received which has resulted in critical findings related to timecard abuse, theft of property and lack of subcontractor oversight.

Long Beach, like any city, is not immune to the occurrence of fraud. Not long ago, a Fraud Hotline tip led to an audit that found a lack of controls allowing an Animal Care employee to embezzle close to \$300,000 in license fees. Imagine how this must have affected humane services for dogs, cats and other animals. When fraud happens, city services suffer.

So at this time, I would like to remind everyone to be alert of any potential wrongdoing against the city. If something

doesn't add up, sound right or feel right, please take the time to report it. You can anonymously report tips 24 hours a day, seven days a week to the City Auditor's Fraud Hotline:

- Call 1-888-FRAUD-07 (1-888-372-8307)
- Fill out a form at CityAuditorLauraDoud.com.
- Use the MyAuditor App available at the App Store or Google Play.

Your tips are helpful in the success of our office's work and can trigger change. Together we can make our city better by protecting taxpayer dollars and ensuring they are used for the public's benefit.

Laura C. Doud is auditor for the city of Long Beach.