

# FRAUD HOTLINE

## 2017 Activity Report



The City Auditor's Office manages a fraud hotline that allows City employees, vendors, business owners and citizens to anonymously report tips of fraud, waste and abuse against the City. The Office creates a case for every tip received and investigates those cases with sufficient basis. This report summarizes the 87 cases closed in 2017. For more information and case summaries, please visit [CityAuditorLauraDoud.com/fraud-hotline-activity/cases-2017](http://CityAuditorLauraDoud.com/fraud-hotline-activity/cases-2017)

### Actions Taken on 87 Cases Closed

45%

**Conducted an Investigation:**

An investigation was conducted by our Office, or in conjunction with a City Department, for cases related to City fraud, waste or abuse. As we investigate, we may discover other issues that may be better addressed by a performance audit.

32%

**Referred to City Department:**

Cases of wrongdoing that were not related to City fraud, waste or abuse but fell under the City's jurisdiction and had merit were referred to the appropriate City Department for review.

12%

**Referred to an Outside Agency with Jurisdiction:**

Allegations that did not fall under the jurisdiction of the City were referred to a county, state or federal agency for review. Examples of this include credit card, welfare, unemployment and mail fraud.

11%

**Not Actionable:** Cases were closed if they lacked merit or sufficient information of wrongdoing. Because tips are typically made anonymously without the ability to communicate with the caller, we did not always obtain sufficient information to investigate. Some cases were only recommendations for audits and were not reviewed under the hotline's protocols.

### 87 Cases Closed by Tip Type

City Payroll Fraud	13
Misuse of City Property or Information	8
Violations or Abuse of City Policy	7
Waste or Abuse of City Resources	6
Conflict of Interest	5
City Contract or Vendor Fraud	3
Kickbacks or Bribery	2
Theft of City Cash or City Property	0
Falsification of City Records	0
Not in Purview of City Auditor's Hotline	43
<b>Total</b>	<b>87</b>

### Results of 87 Cases Closed

**12 CASES WITH FOUNDED ALLEGATIONS AND SUBSEQUENT CONTROL WEAKNESSES RESULTED IN 13 CORRECTIVE ACTIONS SURROUNDING:**

- Scheduling, approval and review of overtime
- Verification of vendor invoices and work
- Security of sensitive information
- Business regulation
- Employee misconduct



REPORT TIPS ANONYMOUSLY 24/7

**HELP FIGHT** FRAUD WASTE & ABUSE

Call or visit our website now. The more information you provide, the better the investigation. Include in your tip >>>

WHO  
WHAT  
WHERE  
WHEN

**CITY AUDITOR'S  
FRAUD  
HOTLINE  
1-888-FRAUD-07  
[CityAuditorLauraDoud.com](http://CityAuditorLauraDoud.com)**

