

PRESS-TELEGRAM

LOCAL NEWS

Report: City payroll fraud is the most common tip on Long Beach Auditor hotline

By **HAYLEY MUNGUIA** | hmunguia@scng.com | Long Beach Press-Telegram

PUBLISHED: December 5, 2018 at 4:04 pm | UPDATED: December 5, 2018 at 4:57 pm



If Long Beach city employees suspect or witness instances of fraud, waste or abuse in the course of their jobs, they can report it on a city hotline — and in 2017, they took advantage.

On Wednesday, Dec. 5, City Auditor Laura Doud's office released a report detailing the cases that were investigated last year because of tips from the hotline, which Doud oversees. Her office closed 87 cases over the course of the year, with 11 percent lacking sufficient information or merit and almost half getting referred to other departments.

Of the tips that fell under Doud's jurisdiction, the most frequent kind was city payroll fraud, with 13 cases. There were also eight tips on misuse of city property or information, and seven tips on violations or abuses of city policy.

"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 against our city can and does occur," Doud said in a statement. "City fraud, waste and abuse impacts each of us. Public revenue is lost, and budgets for important city services, including public safety, street repairs, libraries and parks, are reduced. This is why my office works to deter and detect fraud against the City of Long Beach."

Overall, Doud's office found 12 cases had merit, which led to 13 corrective actions, including changes to policies regarding:

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