

# FRAUD HOTLINE

## 2018 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 76 cases closed in 2018. For more information and case summaries, please visit [CityAuditorLauraDoud.com/fraud-hotline-activity/cases-2018](http://CityAuditorLauraDoud.com/fraud-hotline-activity/cases-2018)

### Actions Taken on 76 Cases Closed

# 47%

#### 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.

# 25%

#### 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.

# 16%

**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.

### 76 Cases Closed by Tip Type

Founded Cases\*

Waste or Abuse of City Resources	13	4
City Payroll Fraud	12	2
City Contract or Vendor Fraud	5	2
Conflict of Interest	3	
Violations or Abuse of City Policy	3	
Theft of City Cash or City Property	2	1
Falsification of City Records	2	
Misuse of City Property or Information	0	
Kickbacks or Bribery	0	
Not in Purview of City Auditor's Hotline	36	
<b>Total</b>	<b>76</b>	<b>9</b>

\* Founded Cases have substantiated allegations or substantiated control weaknesses.

### Results of 76 Cases Closed

**THE 9 CASES WITH SUBSTANTIATED ALLEGATIONS OR CONTROL WEAKNESSES RESULTED IN 21 CORRECTIVE ACTION RECOMMENDATIONS SURROUNDING:**

- Contract enforcement
- Verification of vendor work and invoices
- Efficient staffing structure
- Collateral employment verification
- Policies and procedures for employee committees
- Policies and procedures for onboarding volunteers



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)



## Our Mission

is to advance an effective City government through independent, high quality audits, advisory services, and investigations to make Long Beach better.



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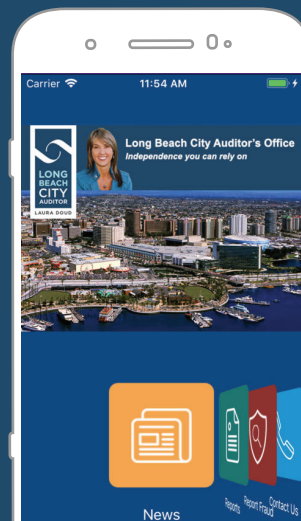
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### Report City Fraud, Waste or Abuse

If you suspect fraud, waste or abuse against the City, report your tip anonymously:

- Call 1-888-FRAUD-07
- Visit [CityAuditorLauraDoud.com/Report-Fraud](http://CityAuditorLauraDoud.com/Report-Fraud)
- Use our MyAuditor App

Our investigative team reviews all tips and will take appropriate action.

