

## Bits 'n' Pieces

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### Annual Fraud Hotline Activity Report

City Auditor Laura Doud has released her annual Fraud Hotline Activity Report. The report highlights the City Auditor's Fraud Hotline operations, investigations and the 21 corrective action recommendations as a result of the 76 cases closed in 2018.

Of the 76 cases closed in 2018, the report highlights the top fraud tip types as:

1. Waste/abuse of city resources
2. City payroll fraud
3. City contract or vendor fraud

For every tip received through the City Auditor's Fraud Hotline, the office creates a case and conducts analysis to determine if there is sufficient basis to investigate. Of the 76 cases closed in 2018, 47 percent were related to city fraud, waste or abuse, had sufficient basis and were investigated by the office or in conjunction with a city department. As a result of these investigations, there were nine cases with founded allegations or control weaknesses which led to 21 corrective action recommendations surrounding:

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

Some cases (16 percent) were not actionable, because they lacked sufficient information or merit. Other closed cases fell outside of the City Auditor's Fraud Hotline purview and were referred to the appropriate city department (25 percent) or external agency with jurisdiction (12 percent) for review.

There are three ways to anonymously report tips of alleged City fraud, waste or abuse 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 for free at the App Store or Google Play.

Studies show that tips are the most common method of fraud detection. To emphasize this and improve understanding of fraud hotline operations, the office implemented an internal educational campaign,