



PRESS RELEASE

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For Immediate Release

Long Beach City Auditor Laura Doud Presents Annual Fraud Hotline Update at Ethics Commission Meeting

Long Beach, CA – Today, Long Beach City Auditor Laura Doud will present the results of tips received through the City Auditor’s Fraud Hotline (Fraud Hotline). These tips helped deter, detect, and disclose fraud within the City of Long Beach (City).

Last year, in 2023, the Long Beach City Auditor’s Office (Office) investigated and closed 51 Fraud Hotline cases. Of the 51 cases closed, there were seven cases with substantiated elements of City fraud, waste, and abuse. As a result, the Office issued 22 corrective action recommendations to City departments to better protect taxpayer dollars.

The value of the Fraud Hotline is that it allows anyone including City employees, vendors, business owners, and citizens to easily and confidentially report tips of fraud, waste, or abuse against the City at any time. According to the Association of Certified Fraud Examiners, tips are important and are the most common source for detecting fraud.

For each tip received, the Office conducts a preliminary analysis. If tips are substantiated, the Office will either report the findings to law enforcement or make recommendations to City departments for corrective action. If a tip leads to issues that are more widespread, the Office may initiate a performance audit or detailed forensic review.

Some of the Office’s most impactful performance audits and reviews have been triggered by tips received through the Fraud Hotline – which include:

Parking Meter Coin Collection

- Found poor cash handling controls for collecting \$1 million in parking meter coin revenue annually. Recommendations such as implementing segregation of duties and proper cash handling training were made to ensure parking meter coin operations is secure.

Queen Mary

- Identified \$23 million in City funds given to Urban Commons for Queen Mary urgent repairs was not spent as intended. The review found repair work was subcontracted out by Urban Commons, and the City ended up paying more than intended, even up to 40% more for repairs in some cases due to excessive markups and \$1.1 million in management fees that were not part of the agreement.

Park Maintenance

- Discovered a \$1 million annual shortfall in the Parks budget for park and park tree maintenance as the City continued to expand parks without managing resources. Recommendations resulted in the Parks, Recreation and Marine Department receiving an increase up to \$710,000 annually to the aggregate amount of two landscape maintenance contracts.

Emergency Dispatcher Overtime

- Found 9-1-1 dispatchers were working a significant amount of overtime, up to nearly 100% of their salaries. Not only was there a cost of \$1.3 million incurred by the overtime, but this excessive overtime can lead to serious dispatcher fatigue, posing an unnecessary risk to public safety. Recommendations resulted in a review of emergency dispatcher staffing levels and schedules, the disproportionate distribution of overtime within the dispatcher workforce, as well as their recruitment efforts.

“If something doesn’t add up, sound right or feel right, it’s probably not right,” said City Auditor Laura Doud. “We encourage anyone who suspects fraud to report the detailed tip to the City Auditor’s Fraud Hotline.”

There are three simple ways to confidentially report tips of 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
- MyAuditor App

The latest annual Long Beach City Auditor's Fraud Hotline Activity Report can be viewed [here](#) and a summary chart of cases closed can be viewed [here](#).

About the Long Beach City Auditor's Office

The Long Beach City Auditor's Office's mission is to make Long Beach better through independent audits and fraud investigations. The Office works to provide assurance City funds are spent as intended, promote transparency and accountability of City operations, and prevent fraud, waste and abuse of City resources. For more information visit CityAuditorLauraDoud.com and connect with the Office @LBCityAuditor on [Facebook](#), [Instagram](#) and [X](#). Sign up to receive email [updates](#) and download the MyAuditor App at the [App Store](#) or [Google Play](#).

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