




THE CITY OF SAN DIEGO

DATE: January 16, 2009

TO: Tracy Jarman, Fire Chief

FROM: Eduardo Luna, City Auditor 

SUBJECT: **Hotline Investigation of the Junior Lifeguard Program's Deposits of Fundraiser Monies**

The Office of the City Auditor conducted an investigation of the Lifeguard Division's Junior Lifeguard Program's deposits of fundraiser monies in response to a call made to the City's Fraud Hotline. The citizen caller alleged the Lifeguard Division held fundraiser monies for approximately two months prior to depositing.

Our investigation concluded the allegation was substantiated and the Lifeguard Division concurs (see attached memo dated January 5, 2009). We found that approximately \$26,000 received in July and August of 2008 for the Junior Lifeguard Program was not deposited until mid-September 2008. The City of San Diego City Charter Section 86 requires City employees collecting fees to make timely deposits in the City Treasury.

We recommend the Junior Lifeguard Program adhere to Department wide written policies and procedures for making deposits in a timely manner in accordance with Charter section 86.

Please contact me if you have any questions.

cc: Honorable Mayor Jerry Sanders
Honorable City Council Members
Honorable Audit Committee Members
Jay M. Goldstone, Chief Operating Officer
Mary Lewis, Chief Financial Officer
Jan Goldsmith, City Attorney
Andrea Tevlin, Independent Budget Analyst
Stanley Keller, Independent Oversight Monitor





THE CITY OF SAN DIEGO

MEMORANDUM

DATE: January 5, 2009

TO: DeeDee Alari, Principal Auditor

FROM: Greg Buchanan, Lifeguard Lieutenant

SUBJECT: Junior Lifeguard (JG) Program and Money Deposits

The Junior Lifeguard Program is a revenue recovery operation that charges students tuition to participate in the Program. Last year, over 1,000 children participated and 146 of those children were on scholarship. Students can enroll in one of four sessions and each session consists of a ½-day instruction that lasts for approximately four weeks.

Over the years, the JG program has worked closely with the City of San Diego web team and the Treasurer's office to create an on-line registration process. In 2008, we created the ability for families to pay their tuition on-line. This on-line payment engine concept required multiple meetings and concluded with a set of standard operating procedures for how and when the money should be deposited.

Based on our limited administrative staff and seasonal aspect of our Program, it was agreed that our Office Manager would complete weekly DCR's for all payments. When the Program receives donations or is involved in fundraising, the same process would apply.

Recently, it was revealed that the JG Program had not followed our standard procedures for depositing donations received during our 2008 "Hawaii Day" fundraiser. We did not deposit the donated checks within the one-week timeline required. This delay was regrettable and will not be repeated in the future.

The JG Program has a proud history of providing excellent service and delivering a quality product. We value our reputation in the San Diego community and will continue to work toward being the best junior lifeguard program in the world.

GPB/gpb

cc: Ken Hewitt, Lifeguard Chief
Rick Wurts, Lifeguard Captain
Gloria Saldivar, Office Manager