

Office of the City Auditor

City of San Diego

Fraud Hotline Update

Second Quarter, Fiscal Year 2010

Audit Committee, February 1, 2010



Hotline Activity

Second Quarter, Fiscal Year 2010

- During October through December 2009, the Hotline received 14 complaints, and these complaints pertained to:
 - ♦ Fraud, Waste or Abuse – 43%
 - ♦ Theft of Time – 14%
 - ♦ Sexual Harassment – 14%
 - ♦ Falsification of Records – 7%
 - ♦ Other Non-Fraud, Waste , or Abuse – 21%

Hotline Activity Results

First & Second Quarter, Fiscal Year 2010

- A total of 29 complaints were made to the Hotline for the first and second quarter of fiscal year 2010.
- Of these 29 complaints, 10 warranted City Auditor investigation, and 19 were referred to departments for investigation.
- The volume of Hotline complaints received was fairly consistent during the first two quarters at 15 and 14 respectively.

Hotline Activity Results by Complaint Type First & Second Quarter, Fiscal Year 2010

Category	Quarter 1 Jul. – Sept.	Quarter 2 Oct. – Dec.	Subtotal	Percent	City Auditor Investigations	Referred to Departments
Fraud	3	5	8	27.60%	6	2
Waste and Abuse	1	1	2	6.90%	2	0
Policy Issues	3	0	3	10.30%	0	3
Customer Relations	2	1	3	10.30%	0	3
Discrimination	2	0	2	6.90%	0	2
Employee Relations	1	1	2	6.90%	0	2
Conflicts of Interest	1	0	1	3.40%	0	1
Retaliation of Whistleblowers	1	0	1	3.40%	0	1
Workplace Violence	1	0	1	3.40%	0	1
Falsification of Records	0	1	1	3.40%	1	0
Sexual Harassment	0	2	2	6.90%	1	1
Theft of Time	0	2	2	6.90%	0	2
Wage /Hour Issues	0	1	1	3.40%	0	1
Total	15	14	29	100.00%	10	19

Hotline Activity, July – December 2009 and Open Complaints from Previous Year

- In addition to the 29 complaints made between July and December 2009, there were 22 complaints open and unresolved at the end of the prior fiscal year, for a total of 51 complaints.
- The following table shows the status of these 51 complaints.

Hotline Activity, July – December 2009 and Open Complaints from Previous Year

Complaint Status	City Auditor Investigations	Department Investigations	Total	Percent
Complaints Open and Unresolved	14	13	27	52.90%
Investigations Closed	5	19	24	47.10%
<i>Complaint Substantiated and /or Corrective Action Taken</i>	<i>1</i>	<i>6</i>	<i>7</i>	<i>29.20%</i>
<i>Complaint Unsubstantiated</i>	<i>4</i>	<i>13</i>	<i>17</i>	<i>70.80%</i>
Total	19	32	51	100.00%

City Auditor Substantiated Complaint

- An investigation of a City Comptroller employee was conducted in response to a complaint, and we concluded allegations were substantiated in part.
- We found the employee misrepresented some information on City job applications, and enrolled an individual as a spousal dependent for City insurance benefits while not legally married to the individual.
- We recommended the City Comptroller take appropriate disciplinary action based on the information provided, and we recommended the Risk Management Department implement a new process to verify spousal and dependant eligibility before insurance benefits are provided.

Conclusion

Fraud Hotline (866) 809-3500

Available 24/7/365