

Office of the City Auditor City of San Diego

Fraud Hotline Update July 2009 – June 2010

Audit Committee, September 13, 2010



Hotline Activity

Fourth Quarter, Fiscal Year 2010

During April 2010 through June 2010, the Hotline received 20 complaints, and these complaints pertained to:

Category	Quarter 4	Percent
	Apr-Jun	
Accounting/Audit Irregularities*	2	10.0%
Conflicts of Interest*	2	10.0%
Customer Relations	2	10.0%
Employee Relations	1	5.0%
Fraud*	4	20.0%
Policy Issues	3	15.0%
Substance Abuse	2	10.0%
Theft of Time*	3	15.0%
Wage/Hour Issues	1	5.0%
Total	20	100.0%

* Fraud-Related Issues

Hotline Activity Results

Summary Fiscal Year 2010

- A total of 61 complaints were made to the Hotline for fiscal year 2010.
- Of these 61 complaints, 14 warranted City Auditor investigation, and 47 were referred to departments for investigation or were outside the purview of the City.
- The volume of Hotline complaints received varied from 12 complaints in the 3rd quarter to 20 complaints in the 4th quarter. Quarters 1 and 2 were somewhat consistent with 15 and 14 received in each respective quarter.

Hotline Activity Results by Complaint Type

Fiscal Year 2010-Fraud Related

Category	Qtr 1 Jul. – Oct.	Qtr 2 Oct.– Dec.	Qtr 3 Jan- Mar	Qtr 4 Apr- Jun	Sub- total	% of Grand Total	City Auditor Investigations	Not in Purview of OCA/ Referred to Departments
Fraud, Waste, and Abuse Related Categories:								
Accounting/Audit Irregularities	0	0	0	2	2	3.3%	1	1
Conflicts of Interest	1	0	0	2	3	4.9%	0	3
Fraud	3	5	2	4	14	23.0%	7	7♦
Falsification of Company Records	0	1	0	0	1	1.6%	0	1
Fraudulent Insurance Claims	0	0	1	0	1	1.6%	0	1
Kickbacks	0	0	1	0	1	1.6%	1	0
Theft of Time	0	2	0	3	5	8.2%	1	4
Waste and Abuse	1	1	1	0	3	4.9%	2	1
Subtotal Fraud	5	9	5	11	30	49.2%	12	18

♦ 5 of these “Fraud” calls listed as “Referred to Departments” were not in the purview of the City of San Diego

Hotline Activity Results by Complaint Type

Fiscal Year 2010-Non-Fraud Related

Category	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sub-total	% of Grand Total	City Auditor Investigations	Not in Purview of OCA/ Referred to Departments
Non-Fraud Related Categories:								
Customer Relations	2	1	1	2	6	9.8%	0	6
Discrimination/ Sexual Harassment	2	0	0	0	2	3.3%	0	2
Employee Relations	1	1	1	1	4	6.6%	0	4
Policy Issues	3	0	3	3	9	14.8%	1	8
Retaliation of Whistleblowers	1	0	0	0	1	1.6%	0	1
Safety Issues/ Sanitation	0	0	1	0	1	1.6%	0	1
Sexual Harassment	0	2	0	0	2	3.3%	1	1
Substance Abuse	0	0	0	2	2	3.3%	0	2
Wage/Hour Issues	0	1	1	1	3	4.9%	0	3
Workplace Violence	1	0	0	0	1	1.6%	0	1
<i>Subtotal Non-Fraud</i>	10	5	7	9	31	50.8%	2	29
Grand Total	15	14	12	20	61	100%	14	47

Hotline Activity, FY 2010 and Open Complaints from Previous Year

- As reported, 61 complaints were made to the Hotline between July 2009 and June 2010.
- In addition, at the end of the previous fiscal year, 22 complaints remained open and unresolved for a total of 83 complaints.
- The following table shows the status of these 83 complaints.

Hotline Activity, July 2009 – June 2010 and Open Complaints from Previous Year

Complaint Status	City Auditor Investigations	Not in Purview of OCA	Total	Percent
Complaints Open and Unresolved	9	15	24	28.9%
Investigations Closed	14	45	59	71.1%
Substantiated/Corrective Action	1	13	14	23.7%
Unsubstantiated	13	32	45	76.3%
Total	23	60	83	100.0%

Hotline Activity Comparison

FY 2009 v. FY 2010

	FY 2009		FY 2010	
Total Complaints	140	100.0%	61	100.0%
Fraud Related	43	30.7%	30	49.2%
Non-Fraud Related	97	69.3%	31	50.8%

Conclusion

Fraud Hotline (866) 809-3500