

# Office of the City Auditor

## City of San Diego

### **Fraud Hotline Update FY2011 Quarter 3 (January 2011 – March 2011)**

**Audit Committee, May 2, 2011**



# Hotline Activity

## Fiscal Year 2011 Qtrs 1-3

Category: Fraud	Qtr 1 Jul- Sep	Qtr 2 Oct- Dec	Qtr 3 Jan- Mar	Sub- total	% of City- Related Total	City Auditor	Referred to Dept	Non-City
Accounting/Audit Irregularities	2	0	0	2	3.3%	2	0	0
Fraud	4	1	2	7	11.7%	4	1	2
Fraudulent Insurance Claims	1	0	0	1	1.7%	0	1	0
Theft of Goods/Services	2	2	1	5	8.3%	0	3	2
Theft of Time	2	0	1	3	5.0%	0	3	0
Waste and Abuse	0	2	4	6	10.0%	5	1	0
<b>Subtotal Fraud</b>	<b>11</b>	<b>5</b>	<b>8</b>	<b>24</b>	<b>40.0%</b>	<b>11</b>	<b>9</b>	<b>4</b>
<b>Subtotal Non-Fraud</b>	<b>12</b>	<b>11</b>	<b>13</b>	<b>36</b>	<b>60.0%</b>	<b>5</b>	<b>21</b>	<b>10</b>
<b>Total Complaints FY11</b>	<b>23</b>	<b>16</b>	<b>21</b>	<b>60</b>	<b>100.0%</b>	<b>16</b>	<b>30</b>	<b>14</b>

# Hotline Activity

## Fiscal Year 2011 Qtrs 1-3

Category: Non-Fraud	Qtr 1 Jul- Sep	Qtr 2 Oct- Dec	Qtr 3 Jan- Mar	Sub- total	% of City- Related Total	City Auditor	Referred to Dept	Non-City
Employee Relations	1	2	1	4	6.7%	0	3	1
Customer Relations	0	4	5	9	15.0%	1	5	3
Policy Issues	4	4	5	13	21.7%	4	7	2
Retaliation of Whistleblowers	3	0	0	3	5.0%	0	1	2
Safety Issues and Sanitation	1	0	2	3	5.0%	0	1	2
Substance Abuse	1	0	0	1	1.7%	0	1	0
Wage/Hour Issues	2	0	0	2	3.3%	0	2	0
Workplace Violence/Threats	0	1	0	1	1.7%	0	1	0
<b>Subtotal Non-Fraud</b>	<b>12</b>	<b>11</b>	<b>13</b>	<b>36</b>	<b>60.0%</b>	<b>5</b>	<b>21</b>	<b>10</b>
<b>Subtotal Fraud</b>	<b>11</b>	<b>5</b>	<b>8</b>	<b>24</b>	<b>40.0%</b>	<b>11</b>	<b>9</b>	<b>4</b>
<b>Total Complaints FY11</b>	<b>23</b>	<b>16</b>	<b>21</b>	<b>60</b>	<b>100.0%</b>	<b>16</b>	<b>30</b>	<b>14</b>

# Source of Hotline Complaints

<b>FY</b>	<b>Anonymous</b>		<b>Identified</b>		<b>Total</b>
<b>2009</b>	<b>69</b>	<b>49%</b>	<b>71</b>	<b>51%</b>	<b>140</b>
<b>2010</b>	<b>28</b>	<b>46%</b>	<b>33</b>	<b>54%</b>	<b>61</b>
<b>2011</b>	<b>28</b>	<b>47%</b>	<b>32</b>	<b>53%</b>	<b>60</b>

# Hotline Activity, January 2011 – March 2011 and Open Complaints from Previous Qtr

- As reported, 21 complaints were filed with the Hotline between January 2011 and March 2011.
- In addition, at the end of the previous quarter (12/31/2010), 11 complaints remained open and unresolved for a total of 32 complaints.
- The following table shows the status of these 32 complaints.

# Hotline Activity, January 2011 – March 2011 and Open Complaints from Previous Qtr

Complaint Status	City Auditor	Referred to Dept	Sub-Total	Percent (City Operations Only)	Not Related to City Operations	Total
Complaints Unresolved 12/31/2010	7	4	11		0	11
Complaints Received in 3rd Qtr	7	9	16		5	21
Subtotal	14	13	27		5	32
Complaints Closed	-8	-12	-20		-5	-25
Substantiated/Corrective Action	1	4	5	25%	0	5
Unsubstantiated	7	8	15	75%	5	20
Complaints Unresolved 3/31/2011	6	1	7	NA	0	7

# Hotline Activity, Cumulative FY 2011

<b>FY 2011 Cumulative Statistics for Qtrs 1&amp;2</b>	<b>City Auditor</b>	<b>Referred to Dept</b>	<b>Sub-Total</b>	<b>Percent (City Operations Only)</b>	<b>Not Related to City Operations</b>	<b>Total</b>
<b>Complaints Unresolved 7/1/2010</b>	<b>9</b>	<b>15</b>	<b>24</b>	<b>NA</b>	<b>0</b>	<b>24</b>
<b>Total Complaints Received FY 2011</b>	<b>15</b>	<b>31</b>	<b>46</b>		<b>14</b>	<b>60</b>
<b>Subtotal</b>	<b>24</b>	<b>46</b>	<b>70</b>		<b>14</b>	<b>84</b>
<b>Total Complaints Closed FY 2011</b>	<b>-17</b>	<b>-46</b>	<b>-63</b>		<b>-14</b>	<b>-77</b>
<b>Substantiated /Corrective Action</b>	<b>5</b>	<b>15</b>	<b>20</b>	<b>31.7%</b>		
<b>Unsubstantiated</b>	<b>12</b>	<b>31</b>	<b>43</b>	<b>68.3%</b>		
<b>Complaints Referred after preliminary Investigation</b>	<b>-1</b>	<b>1</b>	<b>0</b>			<b>0</b>
<b>Complaints Unresolved 3/31/2011</b>	<b>6</b>	<b>1</b>	<b>7</b>		<b>0</b>	<b>7</b>

# City Auditor Fraud Hotline

## Public Report Issued

- The Office of the City Auditor conducted an investigation of Park and Recreation employees in response to a complaint made to the City's Fraud Hotline. The complaint alleged that an employee may have been responsible for missing funds from the recreation center at which the employee was assigned. The investigation determined that the allegations of missing funds, making false entries into financial records and concealing or destroying financial records were substantiated. The missing funds totaled \$100,998. This case was referred to the San Diego Police Department for investigation.
- The Hotline Report of this investigation, including management's response, can be found on our website at:

[http://www.sandiego.gov/auditor/reports/fy11\\_pdf/hotline/holine\\_inv\\_misappropriation\\_of\\_funds.pdf](http://www.sandiego.gov/auditor/reports/fy11_pdf/hotline/holine_inv_misappropriation_of_funds.pdf)

# Conclusion

Fraud Hotline (866) 809-3500