

**Office of the City Auditor  
City of San Diego**

**Fraud Hotline Update  
FY2014 Quarter 2  
(October 2013 – December 2013)**

**Audit Committee, January 13, 2014**



# Fraud Hotline Complaints Received FY 2014 Quarter 2 Summary

	Qtr 1	Qtr 2	Total FY 2013	% of Total
<b>Office of City Auditor Investigations</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>26.9%</b>
<b>Referred to City Departments for Investigation</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>23.1%</b>
<b>Total Complaints received in Purview of the Fraud Hotline</b>	<b>7</b>	<b>6</b>	<b>13</b>	<b>50%</b>
<b>Complaints Not in Purview of Fraud Hotline- Referred to Proper Authority</b>	<b>5</b>	<b>8</b>	<b>13</b>	<b>50%</b>
<b>Total Complaints Received in FY2013</b>	<b>12</b>	<b>14</b>	<b>26</b>	<b>100%</b>

# Hotline Activity, October 2013– December 2013 and Open Complaints from Previous Qtr

• <b>Complaints Open/Unresolved 9/30/2013</b>		<b>12</b>
• Complaints Received	14	
• Complaints Not in Fraud Hotline Purview	<u>-8</u>	
• New Complaints Requiring Investigation		<u>6</u>
• Active Complaints in 4th Quarter of FY 12		18
• <b>Complaints closed</b>		<b>-9</b>
• <b>1</b> (11%) allegations were unsubstantiated but corrective action taken by Department		
• <b>8</b> (89%) complaints were unsubstantiated		
• <b>Complaints Open/Unresolved on 12/31/2012</b>		<b>9</b>

# Summary of Expenses Paid by City for Former Mayor's Trip to Paris in June 2013

Expense Type	Security Officer #1	Security Officer #2	Total
Transportation: Airfare and Seat Fees	\$8,269.10	\$8,280.10	\$16,549.20
Less: Airfare Refunds	(\$2,525.00)	(\$2,525.00)	(\$5,050.00)
Lodging	\$1,616.02	\$1,616.02	\$3,232.04
Telephone Internet	\$16.28	\$0.00	\$16.28
Per Diem	\$891.00	\$891.00	\$1,782.00
Less: Meals Provided	(\$93.19)	(\$45.47)	(\$138.66)
Total Travel Expenses	\$8,174.21	\$8,216.65	\$16,390.86
Overtime Pay-Security Officers	\$4,664.00	\$3,587.00	\$8,251.00
<b>Total Trip Expense</b>	<b>\$12,838.21</b>	<b>\$11,803.65</b>	<b>\$24,641.86</b>

# Summary of Findings with Former Mayor's Trip to Paris in June 2013

- City funds in the total amount of \$24,641.86 were spent for the two security officers to accompany and provide protection.
- The expenses of the former mayor and his companion on the Paris trip were not paid with City funds.
- This particular mayoral trip identified the need to update procedures to the Police Department's Executive Protection Detail (EPD) Operations Manual when the cost of air travel for the EPD exceeds the transaction limit established in the San Diego Municipal Code.
- The former mayor's Business Class ticket procured with Non-City funds required the security detail to *"request an aisle seat assignment within view of the Mayor's seat assignment."*
- We recommended that the Police Department add some financial procedures to their EPD Operations Manual to address the situation when the cost of air travel for the EPD may exceed the transaction limit established in the San Diego Municipal Code, and they agreed with our recommendation.

# **Additional Fraud Hotline Reporting Availability- New Web Form**

- During the first quarter of FY 2014 we plan to add secure and customized self-reporting capabilities via the web.
- As an alternative to placing a phone call, employees and citizens will be able to file a complaint online from a link on the City Auditor's webpage.
- We believe that the webpage interface will be more in tune with today's digital preference for conducting business.
- The escalation of web-enabled devices such as smart phones and tablets, as well as the more common standard practice of using some form of connected device for most every job will add convenience and functionality to the City's Fraud, Waste, and Abuse Hotline.

# Conclusion

Fraud Hotline (866) 809-3500