

# Sacramento City Auditor's Whistleblower Hotline Procedures

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## Policy Background

City Council directed the Office of the City Auditor (Auditor) in March 2012 to begin implementing a Whistleblower Hotline in order to receive and investigate allegations of possible City Fraud, Waste, and Abuse.

The following procedures and supplemental documents aim to ensure accountability by creating a consistent and logical method for receiving and tracking allegations. These procedures describe how the Auditor's Staff will handle these allegations. Additionally, the procedures lay out a risk-based approach for using the Auditor's limited resources to investigate the allegations that could place the City of Sacramento at the greatest risks.

## Receiving Allegations

City staff or members of the public may submit allegations by either calling the Whistleblower Hotline's toll-free number, [1-888-245-8859](tel:1-888-245-8859), or by completing the online form located at <https://www.reportlineweb.com/cityofsacramento>. In addition, individuals may also submit allegations directly to the City Auditor or the Auditor's Staff. Any individual who files a complaint may elect to have their identity kept confidential. The individual's identity will be kept confidential to the extent permitted by law unless the individual waives confidentiality in writing. Information can be submitted in person, over the phone, by voicemail, by e-mail, or by mail. The following provides the general procedure for receiving allegations. The supplemental documents referenced provide more detailed information about receiving allegations.

### *In-Person or Phoned-In Allegations*

1. Ask about the subject of the allegation to ensure that the complainant is reporting to the correct entity. Determine if the allegation is about a City Department, Employee, Vendor, or Contractor. Or, if the complaint would fall under another jurisdiction.
  - a. If the allegation is not related to City Government (for example, it is about a State or County Employee), refer the complainant to other relevant reporting options. See Reporting Options spreadsheet.
  - b. Enter the information in the Intake Log with a note about which entity the complainant was referred to.
2. If the allegation is about a City Department, Employee, Vendor, or Contractor, start a conversation with the complainant about the allegation.



3. After obtaining a basic understanding of the allegation, if the complainant had not already provided his or her name, ask for their name and contact information. Discuss the complainant's preference about remaining anonymous. Note this information on the Intake Form. Staff receiving allegations may enter notes on paper or directly into the electronic form.
4. After gathering this information, continue the conversation about the allegation. Ask the questions from the Intake Form, if appropriate. However, use your discretion to ask additional questions. The form's questions are meant to be used as a tool to aid the conversation and to solicit possible additional evidence.
5. After completing the conversation, enter/review Intake Form notes and save the file on the Investigations Flash Drive.
6. Log the allegation information on the Intake Log.
7. Discuss the allegation with the City Auditor or other appropriate Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.

### ***Voicemail Allegations***

1. Listen to the voicemail.
2. Log the allegation information on the Intake Log.
3. Complete the Intake Form.
4. If necessary and contact information is available, seek additional information by using any contact information that the complainant provided.
5. If contact is made, update the Intake Form to reflect additional information.
6. Discuss the allegation with the City Auditor or other appropriate Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.

### ***E-mailed or Mailed-In Allegations***

1. Read the e-mail or letter.
2. Log the allegation information on the Intake Log.
3. Complete the Intake Form.
4. If necessary and contact information is available, seek additional information by using any contact information that the complainant provided.
5. If contact is made, update the Intake Form to reflect additional information.
6. Discuss the allegation with the City Auditor or other appropriate Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.



## *Screening for Merit and Relevance*

Our Whistleblower Hotline is open to the public at large. As such, it welcomes an expansive range of complaints. Therefore, it is important to consider, during the interview process, how the allegation may relate to waste, fraud, or abuse by the City or its Employees. To do this, staff should think broadly about how the provided statements could tie into a related matter. Allegations, from a cursory review, could appear to lack in Merit or Relevance due to a myriad of reasons. However, upon a thorough and professional evaluation, they may lead to an issue that puts the City at risk; wherefore, they should be investigated. However, cases that lack Merit and Relevance, as determined by insubstantial statements, should be documented and closed as 'Dismissed: Does Not Appear to Have Merit' in the Whistleblower Intake Log in order to preserve Auditor resources. By taking these necessary steps we are protecting the integrity of the Whistleblower Hotline and efficiently preserving our resources for matters that have Merit and Relevance.

## **Allegations**

The Intake Log and Intake Form requires Auditor staff conducting the intake to rate the priority of the complaint using "low," "medium," and "high." This method is to help the Auditor prioritize its investigations by targeting overall risk to the City of Sacramento. Any allegations that are rated "medium" or "high" should be presented to the City Auditor or relevant Auditor staff as soon as practicable. Those rated "low" can be discussed during periodic hotline discussions. The following provides guidance about rating allegations:

### *High Priority*

Reasons why allegations may be considered high priority include a safety concern, losses to the City of Sacramento for more or equal to \$75,000, criminal activity resulting in a loss of at least \$400, high-level involvement, collusion of multiple wrongdoers, a major department-wide issue, or need for immediate action to stop a potential major issue. High-priority items should be discussed immediately. In addition, addressing these items could take priority over other investigations and audits – at the City Auditor's discretion.

### *Medium Priority*

Allegations in this category could include a loss to the City of Sacramento for more or equal to \$25,000, abuse of authority, medium to low-level employee involvement, minor department-wide issues, or patterns of small problems that could become serious when summed.

### *Low Priority*

Allegations in this category could include a loss to the City of less than \$25,000, isolated instances of time abuse, wasteful practices that would lead to limited gains in efficiencies if corrected, or allegations



that lack credibility and evidence. The office would aim to investigate items in this list, but may not do so because of limited resources or if the complaint is insubstantial due to a lack of sufficient information to warrant an investigation. However, if the same or similar issues were reported multiple times, low priority items may become more of a priority.

## **Allegations Covered By the Office of the City Auditor**

The hotline is designed to promote good government by providing City employees and members of the public with a way to report allegations of fraud, waste, and abuse.

In 2009, State Law went into effect that enabled local government auditors to establish whistleblower hotlines and to provide whistleblower protections. Local auditors are authorized under California Government Code Section 53087.6 to create whistleblower hotlines with the approval of their respective legislative bodies.

The California Government Code defines “fraud, waste, or abuse” in this context as an activity by a local government or employee “that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct.”

The following further defines fraud, waste, and abuse:

**Fraud** -- The Association of Certified Fraud Examiners defines occupational fraud as “the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets.”

Some examples of possible fraud include theft of City funds or property, accepting or soliciting a bribe or kickback, falsifying payroll information, falsifying financial records to hide theft, submitting a false voucher, or using city property for non-City business.

**Waste** -- Waste can be intentional or unintentional and can involve unnecessary or extravagant City expenditures or misuse of City resources.

**Abuse** -- This is the use of an employee’s position in the City to obtain personal gain for that employee or for someone else like a family member or friend.

The above definitions are meant to provide guidance, and are not meant to cover all types of allegations that will be investigated.

## **Allegations Covered by Other City Offices**

Some allegations are more appropriately investigated by other City Departments. The intent of establishing a whistleblower hotline is not to replace or limit other reporting options. Specifically, many



Human Resources related issues should still be reported to the appropriate Human Resources staff. For example, labor grievances, discrimination allegations, and workers' compensation claims should be reported under the City's current procedures. Also, some callers may want to report legal issues to the City Attorney's Office, or code enforcement issues to the Community Development Department. As appropriate, the Auditor's Office will refer reporters to other City divisions. However, it may also be appropriate for Audit staff to gather initial information in these areas to better understand the issues involved.

### *Internal Referrals:*

Risk Management for workers' compensation information:

916-808-5741

<http://www.cityofsacramento.org/HR/Divisions/Risk-Management/Workers-Compensation>

Risk Management for environmental health and safety programs like OSHA and DOT compliance:

916-808-5278

<http://www.cityofsacramento.org/HR/Divisions/Risk-Management>

Risk Management for liability claims:

Insurance: 916-808-5556

Liability Claims: 916-808-5502

<http://www.cityofsacramento.org/HR/Divisions/Risk-Management/Risk-Administration/Claim-Form>

Labor Relations for union grievance procedures:

<http://www.cityofsacramento.org/HR/Divisions/Labor-Relations/Grievance-Process>

Office of Civil Rights for the grievance procedures alleging discrimination based on disability:

916-808-5270

<http://www.cityofsacramento.org/HR/Divisions/Office-of-Civil-Rights>

Other Human Resources related issues:

<http://www.cityofsacramento.org/hr/>

City of Attorney:

916-808-5346

<http://www.cityofsacramento.org/CityAttorney>

Code Compliance Division for neighborhood code, housing and dangerous buildings, business compliance, landscape requirements, rental house standards, and anti-graffiti:

311 or 916-264-5011 outside of City limits

<http://www.cityofsacramento.org/dsd/code-compliance/>

Police for non-emergencies:

916-264-5471

<http://www.sacpd.org/>



*Allegations Covered by Non-City Agencies*

<b>Jurisdiction</b>	<b>Organization</b>	<b>Reporting</b>	<b>Methods</b>
<b>County of Sacramento</b>	County Auditor-Controller	Audit Fraud Hotline	916-874-7822  TDD callers 800-735-2929  Audit Fraud Hotline/ County of Sacramento/ 700 H St, Room 3650/ Sacramento, CA 95814
<b>State of California</b>	Bureau of State Audits	Whistleblower Hotline	800-952-5665  Investigations/ Bureau of State Audits/ 555 Capitol Mall, Suite 300/ Sacramento, CA 95814  <a href="http://www.bsa.ca.gov/hotline/filecomp">http://www.bsa.ca.gov/hotline/filecomp</a>
<b>Consumer Complaints Against a Business</b>	California Office of the Attorney General	Comment/ Complaint Form	<a href="https://oag.ca.gov/contact/consumer-complaint-against-business-or-company">https://oag.ca.gov/contact/consumer-complaint-against-business-or-company</a>
<b>Consumer Complaints Against a Business</b>	Better Business Bureau	Complaints	<a href="https://www.bbb.org/consumer-complaints/file-a-complaint/get-started">https://www.bbb.org/consumer-complaints/file-a-complaint/get-started</a>
<b>California Attorneys</b>	State Bar of California	Complaints	800-843-9053  <a href="http://www.calbar.ca.gov/Attorneys/LawyerRegulation/FilingaComplaint.aspx">http://www.calbar.ca.gov/Attorneys/LawyerRegulation/FilingaComplaint.aspx</a>
<b>California Judges</b>	Commission on Judicial Performance	Complaints	415-557-1200  <a href="http://cjp.ca.gov/file_a_complaint.htm">http://cjp.ca.gov/file_a_complaint.htm</a>



## Special Circumstance

1. The Auditor's Office may receive allegations about elected officials. As the Auditor's Office does not generally have the authority to audit the Mayor and City Council without their request to be audited, allegations involving these officials shall be discussed with the City Auditor immediately. The City Auditor, Auditor Staff, and other City officials, if necessary, will discuss how to evaluate these types of allegations.
2. Additionally, allegations may be received about members of the Auditor's Office. If such allegations occur, those receiving the allegations should report them to the City Auditor immediately. The City Auditor and any other Auditor Staff who become aware of the complaint will evaluate the allegation, possibly with the advice of other City Staff and Officials, to determine if an investigation shall be conducted within the office or by an entity outside of the office. The Auditor's Staff is expected to keep the allegation confidential and not inform the individual for whom the allegation is about. If the complaint is about the City Auditor, the individual receiving the allegation should discuss it with another staff member and possibly seek guidance from staff or officials outside of the office to determine how to proceed.

Jorge Osequera  
Sacramento City Auditor

12/02/15



## Sacramento Office of the City Auditor Contact Information

SACRAMENTO OFFICE OF THE CITY AUDITOR  
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915 "I" STREET, 2ND FLOOR  
SACRAMENTO, CA 95814

WEBSITE: [HTTP://WWW.CITYOFSACRAMENTO.ORG/AUDITOR/](http://www.cityofsacramento.org/auditor/)

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