

City Auditor's Whistleblower Hotline Activity Report: October 2020 – March 2021

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City of
SACRAMENTO
Office of the City Auditor

Investigations Division
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Contents

Whistleblower Infographic	3
Whistleblower Hotline Program	4
Contact the City’s Whistleblower Hotline.....	4
The City Auditor’s Independence, Authority, and Responsibility	4
Whistleblower Procedures Prioritize High-Risk Allegations	5
Whistleblower Hotline Dashboard.....	6
COVID-19 and the Whistleblower Hotline	6
Status of Investigations.....	6
The Number of Whistleblower Reports has Remained Steady	6
84 Cases Were Closed During the Period	7
Of the 84 Cases Closed During the Period, 4 Were Substantiated	10
Report on Actions Taken for Substantiated Cases Closed During Previous Reporting Periods.....	11

Whistleblower Hotline Activity Report

October 2020 - March 2021

Open Cases as of October 1, 2020 **33**



Cases Received During Period **73**



Cases Closed During Period **84**

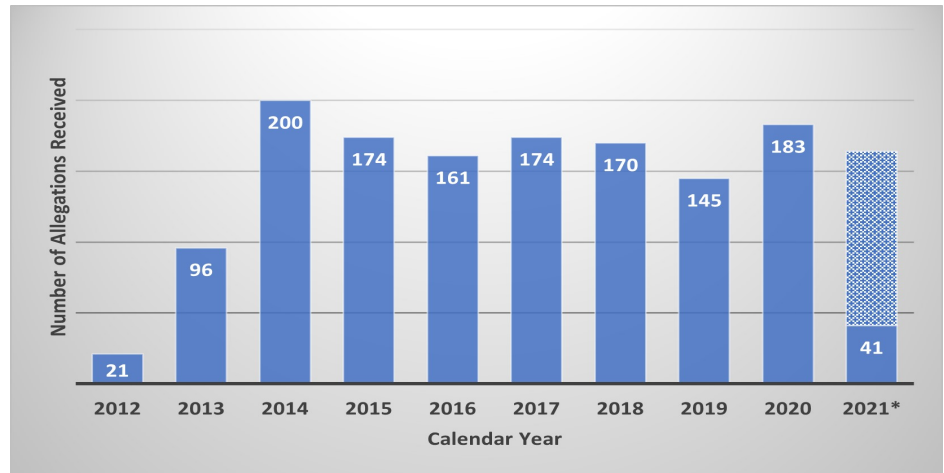


Open Cases as of April 1, 2021 **22**

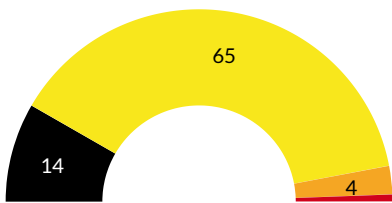
84 Cases Were Closed During the Period

The City of Sacramento's Whistleblower Hotline has received more than 1,300 allegations since 2012 with an estimated benefit of more than **\$1.0 million.**

Number of Allegations Received Each Year



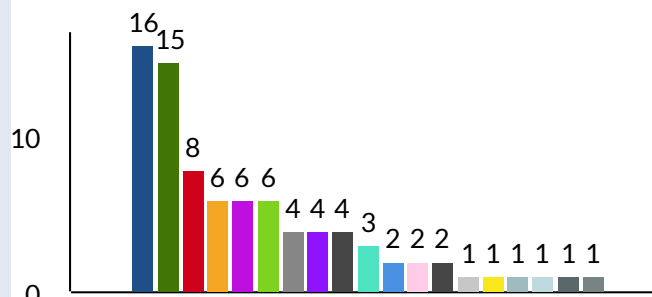
Case Priority



- Unrelated to the City (16.67%)
- Low (77.38%)
- Medium (4.76%)
- High (1.19%)

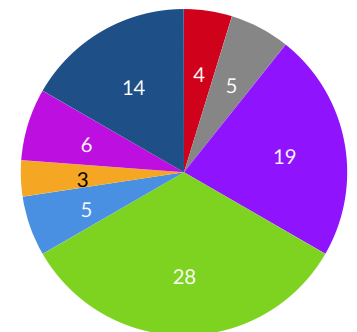


Types of Allegations



- Safety Issues and Sanitation
- Waste and Abuse
- Ethics Violation
- Employee Relations
- Policy Issues
- Discrimination
- Wage/Hour Issues
- Fraud
- Accounting/Audit Irregularities
- Improper Controls
- Sexual Harassment
- Theft of Goods/Services
- Conflicts of Interest
- 1/2

Disposition of Closed Cases



- Substantiated & Referred (4.76%)
- Investigated & Referred (5.95%)
- Informational Referral (22.62%)
- Unsubstantiated (33.33%)
- Resolved Prior to or During Investigation (5.95%)
- Not Enough Information Provided (3.57%)
- Duplicate (7.14%)
- Unrelated to the City (16.67%)

Whistleblower Hotline Program

Contact the City's Whistleblower Hotline

City staff or members of the public may submit reports by calling the Whistleblower Hotline's toll-free number [1-888-245-8859](tel:1-888-245-8859) or online at <https://www.reportlineweb.com/cityofsacramento>. Individuals may also submit whistleblower reports directly to any staff member in the Office of the City Auditor in person, over the phone, by voicemail, by e-mail, or by mail. Individuals who provide whistleblower information will have their identity kept confidential to the extent permitted by law unless the individual waives confidentiality in writing.

Sacramento Office of the City Auditor
915 "I" Street
Historic City Hall, 2nd floor
Sacramento, CA 95814

Office of the City Auditor Website: <http://www.cityofsacramento.org/auditor/>

The City Auditor's Independence, Authority, and Responsibility

The City Auditor reports directly to the Mayor and City Council, and is independent of other City departments and agencies. This independence reduces the threat of coercion, influence, or conflict of interest during whistleblower investigations.

California Government Code Section 53087.6 allows local governments to create whistleblower hotlines. While State law sets certain requirements for establishing and managing a whistleblower hotline, local auditors have discretion in how to operate their programs.

Key points of the Government Code section and how it pertains to the City of Sacramento include the following:

- The City Auditor shall obtain approval from City Council before establishing a whistleblower hotline. This approval was obtained from the Sacramento City Council in March 2012.
- The hotline is used to receive calls from people who have information regarding fraud, waste, or abuse.
- The City Auditor may refer calls received on the hotline to the appropriate government authority for review and investigation.
- During the initial review of calls received, the City Auditor (or the appropriate government authority to whom the call is referred) shall hold in confidence information disclosed through the hotline. This includes the identities of the callers disclosing information and the people identified by the callers.
- Upon receiving specific information that an employee has engaged in an improper government activity, the City Auditor may conduct an investigative audit.

- The identity of the people providing information that initiated the investigative audit shall not be disclosed without their written permission, unless the disclosures are to law enforcement agencies conducting criminal investigations.
- The investigative audit shall be kept confidential except to issue a report of an investigation that has been substantiated or to release findings from completed investigations that are deemed necessary to serve the interests of the public.
- The identities of individuals reporting the improper government activities and the subject employees investigated shall be kept confidential.
- The City Auditor may provide a substantiated audit report and other information (including subject employee identities) to appointing authorities for disciplinary purposes.

Whistleblower Procedures Prioritize High-Risk Allegations

Due to the limited staff in the Office of the City Auditor and the Office’s chief responsibility to conduct performance audits, research, and analysis in accordance with the City Council-approved workplan, conducting full investigations of all allegations is not feasible. Instead, the City Auditor applies a risk-based approach to investigate whistleblower allegations.

As part of the whistleblower program’s intake process, we rank initial reports by risk and focus investigative efforts on those that represent the greatest risk to the City. Allegations are generally classified in one of the following categories:

High Priority

Allegations may be considered high priority if they include a safety concern, loss¹ to the City of more than \$75,000, criminal activity resulting in a loss of at least \$400, high-level involvement, collusion of multiple wrongdoers, major department-wide issue, or need for immediate action to stop a potentially major issue. Addressing these items could take priority over other investigations and audits, at the City Auditor’s discretion.

Medium Priority

This category includes loss to the City of more than \$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. Some medium-priority items could be referred to a department for their review.

Low Priority

This category includes 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 category, but may not do so because of limited resources. However, if the same or similar issues were reported multiple times, low- priority

¹ Loss could entail actual or potential loss of money, waste, or inefficiencies.

items may become a higher priority. Additionally, some low-priority allegations could be referred to a department for their review.

Unrelated to the City

Some allegations received through the Whistleblower Hotline do not involve City of Sacramento agencies or staff. The Office of the City Auditor investigates these allegations for any City involvement. If no City involvement can be determined, those allegations are closed as “unrelated to the City”; some allegations not related to the City are referred to other jurisdictions.

Whistleblower Hotline Dashboard

The Office of the City Auditor maintains a Whistleblower Hotline Dashboard on its public website. City Officials and the public can use this dashboard to see statistics on the types of cases received through the City’s Whistleblower Hotline, the disposition of closed cases, brief descriptions of substantiated cases, actions taken as a result of substantiated cases, and the monetary benefit of the hotline. The dashboard is updated semi-annually with the release of each Whistleblower Hotline Activity Report. The Whistleblower Hotline Dashboard can be found at:

<https://www.cityofsacramento.org/Auditor/Reports/Whistleblower-Activity>

COVID-19 and the Whistleblower Hotline

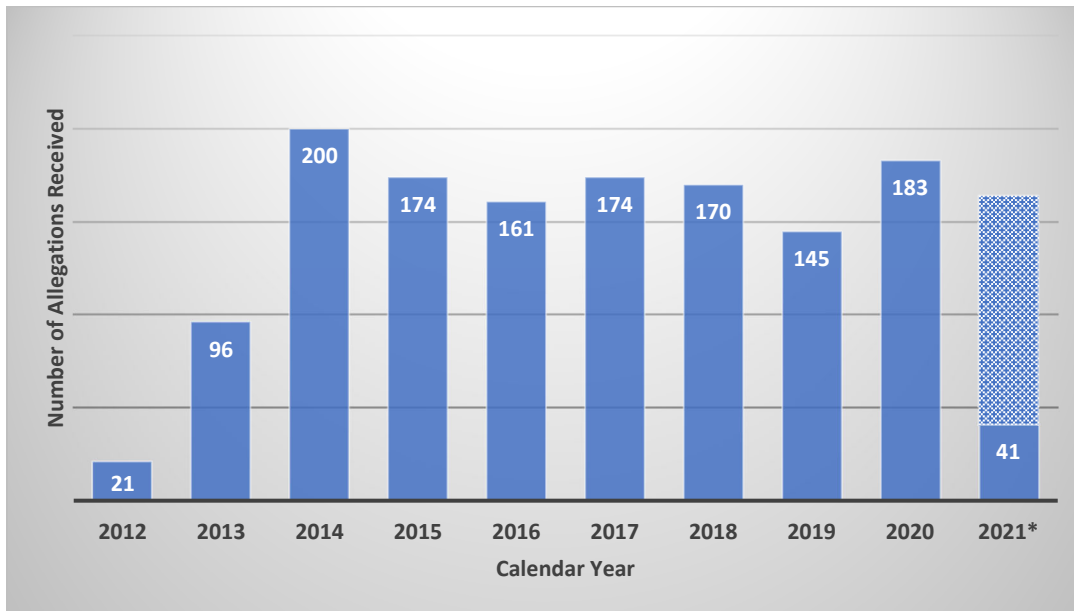
The Office of the City Auditor investigates reports of fraud, waste, and abuse related to the COVID-19 pandemic received through the City’s Whistleblower Hotline. As of March 31, 2021, the City’s Whistleblower Hotline has received 42 complaints related to COVID-19. For complaints that are related to employee health and safety, we refer the information to the City’s Risk Management Division. For complaints that are related to the public’s health and safety, we refer the information to Sacramento County. Any information referred to another department or agency is referred in compliance with California whistleblower regulations, which require our office protect the identity of the whistleblower.

Status of Investigations

The Number of Whistleblower Reports has Remained Steady

Since the hotline’s inception in 2012, the Office of the City Auditor has received more than 1,300 reports. Use of the City Auditor’s Whistleblower Hotline grew significantly in the first few years and has been steady since 2014 as shown in Exhibit 1. The table below shows the number of allegations received per year since the program’s inception.

Exhibit 1: Whistleblower Allegations Received Per Year



*Includes projected number of cases.

84 Cases Were Closed During the Period

At the beginning of the October 2020 through March 2021 reporting period, the Office of the City Auditor had 33 open cases. During that six-month period, 73 new reports were received by the hotline, and the Office of the City Auditor investigated, processed, and closed 84 cases; 22 cases remained open at the end of the reporting period. Exhibit 2 below provides information on all cases that were closed during the October 2020 through March 2021 reporting period.

Exhibit 2: 84 Cases Were Closed During the Period

Case #	Primary Type Of Allegation	Priority	Result
915	Violate City Policy, Local, State, or Federal Law	Low	Investigated and Referred
1084	Procurement of Goods or Services Issues	Medium	Investigated and Referred
1118	Corruption, Bribery, and Kickbacks	Low	Investigated and Referred
1148	Safety and Sanitation Issues	Low	Substantiated and Referred
1152	Insufficient Action by City	Low	Unsubstantiated
1155	Violate City Policy, Local, State, or Federal Law	Low	Substantiated and Referred
1174	Wasteful Practice	Low	Unsubstantiated
1175	Wasteful Practice	Low	Unsubstantiated
1176	Misuse of Government Property	Low	Unsubstantiated
1179	Wasteful Practice	Low	Unsubstantiated
1184	Safety and Sanitation Issues	Low	Substantiated and Referred
1214	Violate City Policy, Local, State, or Federal Law	Low	Investigated and Referred
1216	Fraud	Low	Unsubstantiated

1233	Violate City Policy, Local, State, or Federal Law	Low	Investigated and Referred
1258	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1259	Insufficient Action by City	Low	Unsubstantiated
1263	Violate City Policy, Local, State, or Federal Law	Medium	Unsubstantiated
1264	Wasteful Practice	Medium	Unsubstantiated
1268	Employee Relations	Low	Unsubstantiated
1289	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1291	Insufficient Action by City	Medium	Unsubstantiated
1292	Payroll and Timecard Issues	Low	Unsubstantiated
1293	Unrelated to the City	Unrelated to the City	Unrelated to the City
1295	Employee Relations	Low	Duplicate
1298	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1300	Abuse of Position or Authority	Low	Informational Referral
1301	Abuse of Position or Authority	Low	Informational Referral
1302	Violate City Policy, Local, State, or Federal Law	Low	Substantiated and Referred
1303	Employee Relations	Low	Resolved Prior To or During Investigation
1304	Violate City Policy, Local, State, or Federal Law	Low	Duplicate
1305	Safety and Sanitation Issues	Low	Informational Referral
1306	Unrelated to the City	Unrelated to the City	Unrelated to the City
1308	311	Low	Resolved Prior To or During Investigation
1309	Unrelated to the City	Unrelated to the City	Unrelated to the City
1310	Unrelated to the City	Unrelated to the City	Unrelated to the City
1311	Unrelated to the City	Unrelated to the City	Unrelated to the City
1312	311	Low	Duplicate
1313	Corruption, Bribery, and Kickbacks	Low	Unsubstantiated
1314	Unrelated to the City	Unrelated to the City	Unrelated to the City
1315	Unrelated to the City	Unrelated to the City	Unrelated to the City
1316	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1317	Unrelated to the City	Unrelated to the City	Unrelated to the City

1318	Information Request	Low	Unsubstantiated
1319	Unrelated to the City	Unrelated to the City	Unrelated to the City
1320	311	Low	Informational Referral
1321	Employee Relations	Low	Informational Referral
1322	Theft of Goods or Services	Low	Informational Referral
1323	Employee Relations	Low	Informational Referral
1324	Violate City Policy, Local, State, or Federal Law	Low	Informational Referral
1325	Safety and Sanitation Issues	Low	Informational Referral
1326	Employee Relations	Low	Informational Referral
1327	Unrelated to the City	Unrelated to the City	Unrelated to the City
1328	Unrelated to the City	Unrelated to the City	Unrelated to the City
1329	Violate City Policy, Local, State, or Federal Law	Low	Informational Referral
1330	Safety and Sanitation Issues	Low	Not Enough Information Provided
1331	Employee Relations	Low	Unsubstantiated
1332	Theft of Goods or Services	Low	Unsubstantiated
1333	Unrelated to the City	Unrelated to the City	Unrelated to the City
1334	Safety and Sanitation Issues	Low	Informational Referral
1335	Not Enough Information Provided	Low	Not Enough Information Provided
1336	Employee Relations	Low	Informational Referral
1337	Wasteful Practice	Low	Duplicate
1338	Wasteful Practice	High	Unsubstantiated
1339	Payroll and Timecard Issues	Low	Unsubstantiated
1340	Violate City Policy, Local, State, or Federal Law	Low	Resolved Prior To or During Investigation
1341	Employee Relations	Low	Resolved Prior To or During Investigation
1342	Employee Relations	Low	Resolved Prior To or During Investigation
1343	311	Low	Informational Referral
1344	311	Low	Informational Referral
1345	Unrelated to the City	Unrelated to the City	Unrelated to the City
1346	311	Low	Informational Referral
1347	Abuse of Position or Authority	Low	Duplicate
1348	Payroll and Timecard Issues	Low	Unsubstantiated
1349	Employee Relations	Low	Unsubstantiated
1350	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1352	311	Low	Informational Referral
1353	Abuse of Position or Authority	Low	Unsubstantiated

1354	Safety and Sanitation Issues	Low	Informational Referral
1355	Contested City Charges	Low	Unsubstantiated
1356	311	Low	Informational Referral
1357	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1358	Abuse of Position or Authority	Low	Not Enough Information Provided
1359	Unrelated to the City	Unrelated to the City	Unrelated to the City
1367	Violate City Policy, Local, State, or Federal Law	Low	Duplicate

Of the 84 Cases Closed During the Period, 4 Were Substantiated

For cases that are substantiated, the Office of the City Auditor requests departments to report back on actions taken as a result of our investigations and any recommendations made in the investigative audit within 60 days of receiving the completed investigative audit report. Of the 84 cases that were closed during the October 2020 through March 2021 reporting period, 4 allegations were substantiated. Exhibit 3 below provides a brief summary of the 4 substantiated cases during the period and the actions reported by the responsible department.

Exhibit 3: 4 Allegations Were Substantiated During the Period

Case #	Case Summary	Department Response
1148	We received allegations that Fire Department policies in the Arson Unit were insufficient and that the arson evidence storage facility is in a state of disrepair. We substantiated that the Arson Unit's policies were insufficient and the arson evidence storage facility required repairs.	The Fire Department is working on updating their internal policies and addressing the storage facility repairs.
1155	We received a complaint that an employee violated City policies relating to supplemental employment and also used a City address in relation to their supplemental employment. It was substantiated that the employee did not request City approval to engage in supplemental employment, a violation of Civil Service Board Rule 13.2 (a). It was substantiated that the employee used a City address for a license in their supplemental employment, which could potentially misrepresent the employee's position with the City. We referred this case to the Fire Department for further review.	The employee has since completed a supplemental employment form and updated their license reference address.
1184	We received an allegation that residential properties bordering Sump 10 are allowed private use of restricted DOU property at Sump 10 via a gate. We substantiated that residential properties do have direct access to the Sump 10 easement via residential gates. However, this property can also be accessed by members of the public from the American River bike trail. We recommend the Department of Utilities evaluate this site to determine if	DOU is working with the Real Estate Division and City Attorney's Office to evaluate the situation and develop a path forward.

	additional property security protocols need to be put in place.	
1302	We received a complaint alleging that a Department of Public Works vehicle exceeded posted speed limits. Our review found that the vehicle was traveling over the posted speed limit at the alleged date and approximate time. We referred this complaint to the Department of Public Works for further review.	The department has reinforced the importance of policy adherence.

Report on Actions Taken for Substantiated Cases Closed During Previous Reporting Periods

In general, the Office of the City Auditor requests departments report back on substantiated cases within 60 days of receiving the completed investigative audit report. Therefore, the Office of the City Auditor may not have received a response from a department for substantiated cases that were closed near the end of the reporting period. Exhibit 4 below provides a brief summary of substantiated cases closed prior to the current reporting period and the actions reported by the responsible department.

Exhibit 4: Report on Actions Taken for Substantiated Cases Closed During Previous Reporting Periods

Case #	Case Summary	Department Response
1094	We received an allegation that there were internal control failures in the City's access control program. We substantiated that these internal control failures exist and provided recommendations to address the issue. We referred this case to the Department of Public Works for further review.	The Information Technology Department is working to implement new processes that should alleviate the internal control failures found in the City's access control program.

Note: Once the Office of the City Auditor reports on the actions taken for a substantiated case, the case will no longer appear in this table.