

City Auditor's Whistleblower Hotline Activity Report: April 2018 – September 2018

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City of
SACRAMENTO
Office of the City Auditor

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Whistleblower Hotline Activity

April 2018 - September 2018

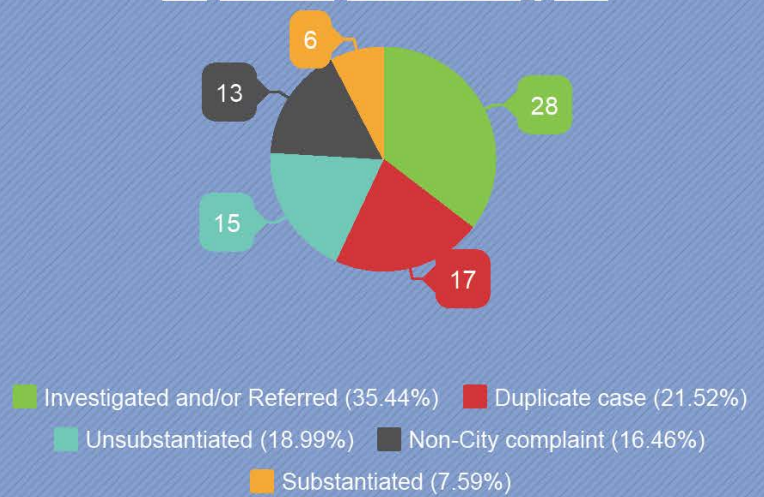
Hotline Productivity

Open Cases as of Apr 1	29
Cases Received Apr 1 – Sep 30	85
Cases Closed Apr 1 – Sep 30	88
Open Cases as of Sep 1	26

Top 10 Allegation Types



Top 5 Disposition Types



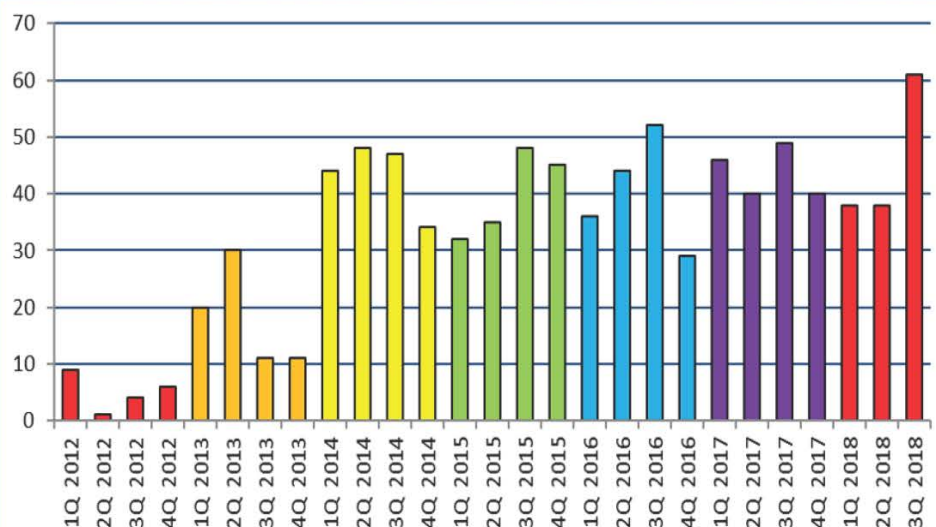
Caseload by Priority

◆ 0 High ◆ 11 Medium ◆ 73 Low ▲ 30 Unrelated to the City

964

The City of Sacramento has received 964 whistleblower reports since 2012.

The chart to the right outlines reports per quarter through September 2018.



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 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.

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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 in accordance with the City Council-approved audit plan, 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.

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

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

Unrelated to the City

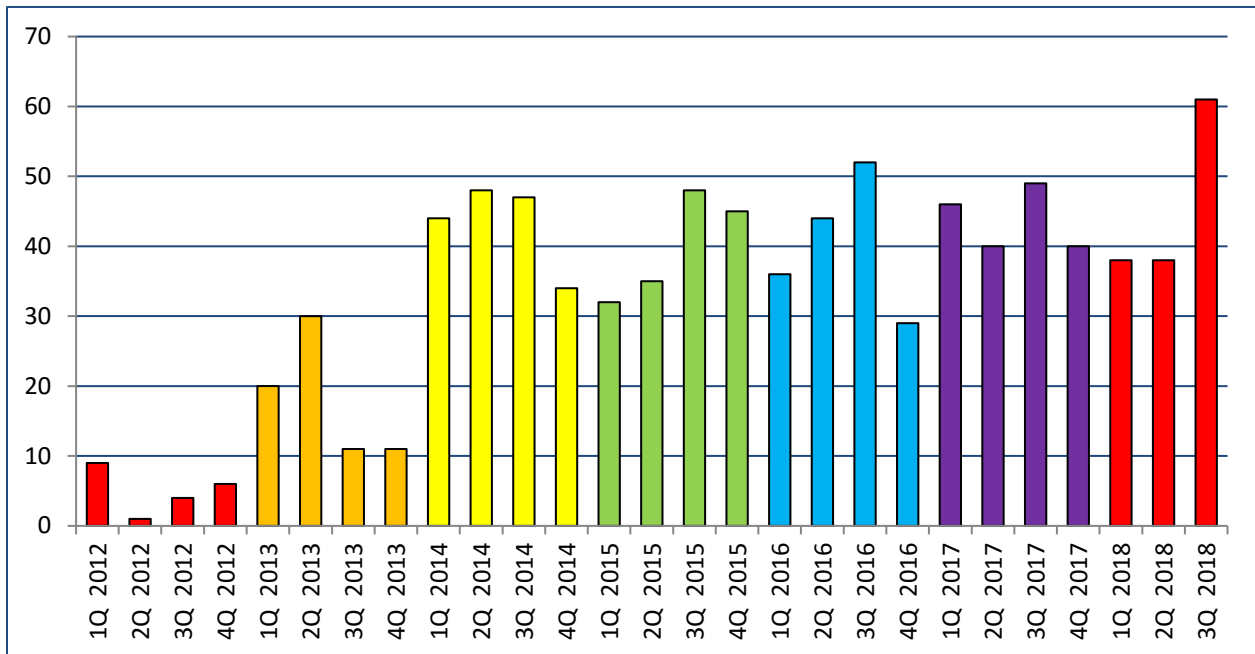
Some allegations received through the Whistleblower Hotline do not involve City of Sacramento agencies or staff. The Office of the City Auditor investigates these allegations for any City involvement. If no City involvement can be determined, those allegations are closed as “unrelated to the City”; some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

Status of Investigations

The Number of Whistleblower Reports has Remained Steady for Several Years

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 quarter since the program’s inception.

Exhibit 1: Whistleblower Allegations Received Per Quarter



97 Percent of Allegations have been Processed and Closed

As previously noted, the City Council directed the City Auditor in March 2012 to establish a Whistleblower Hotline Program. Since the hotline’s inception, the City Auditor’s Office has received more than 960 reports. At the beginning of the April-September 2018 reporting period, the Auditor’s Office had 29 open cases. During that six-month period, 85 new reports were entered into the hotline, and the Auditor’s Office investigated, processed, and closed 88 cases; 26 cases remained open at the end of the reporting period.

Exhibit 2 below provides information on all cases that were closed during the April-September 2018 reporting period. A summary of the investigation results is included for substantiated allegations. Some reports are canceled by the complainant before they are finalized, but after the system has assigned a case number. The Office of the City Auditor received no information on these cancelled reports other than their case numbers. Additionally, the Office of the City Auditor occasionally creates a “Test Case” in the system for training, testing, and other reasons; 11 cancelled cases and 1 test case were closed in the Whistleblower Hotline, but not included in Exhibit 2 below.

Exhibit 2: Eighty-Eight Cases Were Closed; Six Allegations Were Substantiated

Case #	Primary Type of Allegation	Priority	Result
621	Time Abuse	Low	Unsubstantiated: Per Investigation
687	Hiring Irregularities	Low	Unsubstantiated: Per Investigation
691	Reimbursement Abuse	Medium	Substantiated & Referred: We received a complaint alleging that Department of Utilities employees were submitting fraudulent receipts to receive reimbursement for personal protective equipment. It was substantiated that some Department of Utilities employees submitted fraudulent receipts to receive reimbursement for personal protective equipment. We have referred this case to the Department of Utilities and the Human Resources Department. We have highlighted the results of this investigation in the <i>Audit of the Department of Utilities Workplace Safety</i> and will follow-up on recommendations made in the audit through the audit's recommendation follow-up process.
712	Payroll	Low	Resolved During Investigation
713	Misuse City Property	Low	Unsubstantiated: No Investigation Warranted
743	Time Abuse	Low	Duplicate case
746	Violate Policy	Low	Unsubstantiated: Per Investigation
754	Misuse of funds	Medium	Investigated & Referred: Utilities Department
778	Conflict of Interest	Medium	Unsubstantiated: Per Investigation
779	Time Abuse	Low	Unsubstantiated: Per Investigation
788	Improper Controls	Low	Unsubstantiated: Per Investigation

814	Improper Controls	Medium	Incorporated Into A Performance Audit
818	Wasteful Practice	Low	Investigated & Referred: Fire Department
835	Employee Relations	Low	Unsubstantiated: Per Investigation
838	Conflict of Interest	Medium	Resolved During Investigation
839	Violate Policy	Medium	Investigated & Referred: Youth, Parks, & Community Enrichment Department
845	Payroll	Low	Investigated & Referred: Fire Department
849	Conflict of Interest	Low	Substantiated & Referred: We received a complaint alleging a City employee in the Youth, Parks, and Community Enrichment Department was utilizing the City's information technology resources to advertise and solicit for their personal business ventures. Our investigation found the allegation to be substantiated.
854	Wasteful Practice	Low	Informational Referral
858	Wasteful Practice	Low	Investigated & Referred: Utilities Department
861	Not Enough Information Provided	Low	Dismissed: Does not appear to have merit
862	Unrelated to the City	Unrelated to the City	Non-City complaint
863	Unneeded Purchases	Low	Investigated & Referred: Utilities Department
864	Violate Local/State/Fed Law	Low	Duplicate case
865	Unrelated to the City	Unrelated to the City	Non-City complaint
866	Unrelated to the City	Unrelated to the City	Non-City complaint
867	Hiring Irregularities	Low	Unsubstantiated: Per Investigation
868	Employee Relations	Low	Not enough Information provided
869	Violate Local/State/Fed Law	Low	Investigated & Referred: Finance Department
871	Employee Relations	Low	Informational Referral
872	Employee Relations	Low	Duplicate case
873	Employee Relations	Low	Informational Referral
874	Unrelated to the City	Unrelated to the City	Non-City complaint
875	Harassment	Medium	Investigated & Referred: City Attorney's Office
877	Illegal Dumping/311	Low	Informational Referral
879	Abuse of Position or Authority	Low	Resolved prior to investigation
881	Insufficient action by City	Low	Unsubstantiated: Per Investigation
882	Wasteful Practice	Low	Substantiated & Referred: We received a complaint alleging questionable work at a City facility. It was substantiated that the Department of Utilities remodeled one of their kitchens without obtaining plan reviews, permit fees, or City building inspections. We have referred this case to the Department of Utilities and the Community Development Department for further review.

885	Violate Policy	Low	Substantiated & Referred: We received a complaint alleging nepotism in the Department of Utilities. It was substantiated that a potential conflict of interest may exist due to nepotism. Although the relationship was disclosed in the appropriate documents, we have recommended the department take additional steps to mitigate the risk of any potential conflict of interest negatively impacting the department.
886	Unrelated to the City	Unrelated to the City	Non-City complaint
887	Violate Local/State/Fed Law	Low	Informational Referral
888	Housing/311	Low	Informational Referral
889	Violate Local/State/Fed Law	Low	Duplicate case
890	Housing/311	Low	Informational Referral
891	Violate Local/State/Fed Law	Low	Investigated & Referred: Finance Department
892	Unrelated to the City	Unrelated to the City	Non-City complaint
893	Employee Safety	Low	Substantiated & Referred: We received a complaint that a City vehicle was exceeding the speed limit in the area of Fruitridge Rd, Freeport Blvd, and 24th St. Using GPS data, we substantiated that the vehicle appeared to exceed the speed limit in those areas, during the day and time in question. We have referred the case to the Department of Youth, Parks, and Community Enrichment for further action.
894	Unrelated to the City	Unrelated to the City	Non-City complaint
896	Unrelated to the City	Unrelated to the City	Non-City complaint
898	Harassment	Low	Investigated & Referred: Human Resources Department
900	Abuse of Position or Authority	Low	Unsubstantiated: Per Investigation
901	Not Enough Information Provided	Low	Not enough Information provided
903	Violate Local/State/Fed Law	Low	Substantiated & Referred: We received a complaint alleging that a Department of Utilities vehicle ran a stop sign and exceeded the posted speed limits. While we could not determine if the vehicle ran the stop sign, it was substantiated that this vehicle traveled through the stop sign in question as well as exceeded the posted speed limit throughout the same day. We have referred this case to the Department of Utilities for further review.
906	Harassment	Low	Investigated & Referred: Human Resources Department
907	Employee Relations	Low	Unsubstantiated: Per Investigation
909	Employee Relations	Low	Unsubstantiated: Per Investigation
910	Insufficient action by City	Low	Informational Referral

912	Conflict of Interest	Low	Unsubstantiated: No Investigation Warranted
914	Unprofessionalism by City Employee	Low	Not enough Information provided
917	Unrelated to the City	Unrelated to the City	Non-City complaint
918	Unrelated to the City	Unrelated to the City	Duplicate case
919	Unrelated to the City	Unrelated to the City	Duplicate case
920	Unrelated to the City	Unrelated to the City	Duplicate case
921	Unrelated to the City	Unrelated to the City	Duplicate case
922	Unrelated to the City	Unrelated to the City	Duplicate case
923	Unrelated to the City	Unrelated to the City	Duplicate case
924	Unrelated to the City	Unrelated to the City	Duplicate case
925	Unrelated to the City	Unrelated to the City	Duplicate case
926	Unrelated to the City	Unrelated to the City	Duplicate case
927	Unrelated to the City	Unrelated to the City	Duplicate case
928	Unrelated to the City	Unrelated to the City	Duplicate case
929	Violate Local/State/Fed Law	Low	Informational Referral
930	Unrelated to the City	Unrelated to the City	Non-City complaint
931	Information Request	Low	Informational Referral
932	Harassment	Low	Investigated & Referred: Labor Relations Division
933	Harassment	Low	Investigated & Referred: Labor Relations Division
934	Unrelated to the City	Unrelated to the City	Non-City complaint
935	Conflict of Interest	Low	Unsubstantiated: Per Investigation
936	Hiring Irregularities	Low	Duplicate case
937	Hiring Irregularities	Low	Informational Referral
939	City Repair information/311	Low	Investigated & Referred: 311
940	Violate Local/State/Fed Law	Low	Investigated & Referred: Police Department
941	Violate Local/State/Fed Law	Low	Non-City complaint
944	Time Abuse	Low	Investigated & Referred: Utilities Department
945	Unrelated to the City	Unrelated to the City	Dismissed: Does not appear to have merit
946	City Property Issues/311	Low	Informational Referral
950	Unrelated to the City	Unrelated to the City	Duplicate case
954	Unrelated to the City	Unrelated to the City	Non-City complaint