

Report #
2021/22-03

City Auditor's Whistleblower Hotline Activity Report: April 2021 – September 2021

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City of
SACRAMENTO
Office of the City Auditor

Investigations Division
October 2021



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Whistleblower Hotline Activity Report

April 2021 - September 2021

Open Cases as of April 1, 2021
22



Cases Received During Period
71



Cases Closed During Period
74

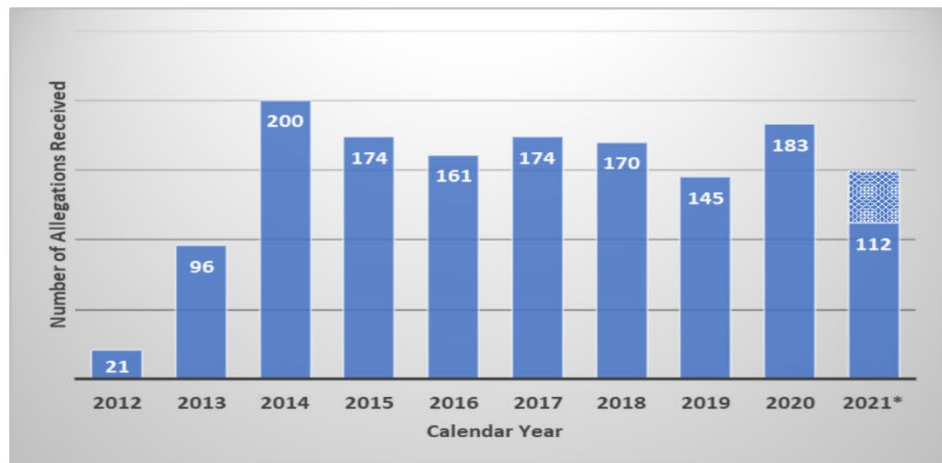


Open Cases as of October 1, 2021
19

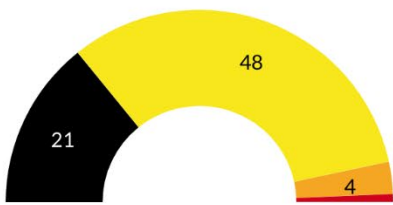
74 Cases Were Closed During the Period

The City of Sacramento's Whistleblower Hotline has received more than 1,400 allegations since 2012 with an estimated benefit of more than **\$1.0 million.**

Number of Allegations Received Each Year



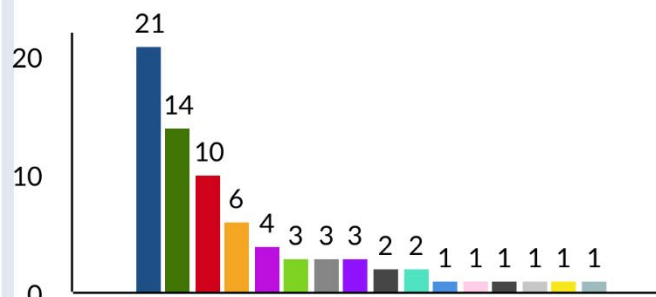
Case Priority



- Unrelated to the City (28.38%)
- Low (64.86%)
- Medium (5.41%)
- High (1.35%)

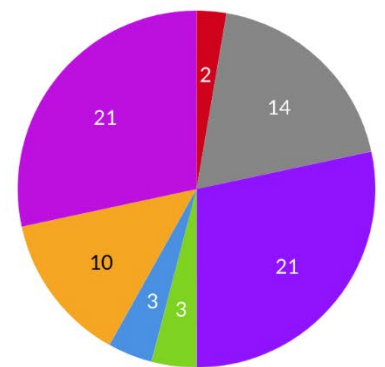


Types of Allegations



- Unrelated to the City
- Abuse of Position or Authority
- Employee Relations
- Safety and Sanitation Issues
- Insufficient Action by City
- Misuse of Government Property
- Fraud
- Conflict of Interest
- Wasteful Practice
- 311
- 1/3

Disposition of Closed Cases



- Investigated & Referred (2.7%)
- Informational Referral (18.92%)
- Unsubstantiated (28.38%)
- Resolved Prior to or During Investigation (4.05%)
- Not Enough Information Provided (4.05%)
- Duplicate (13.51%)
- Unrelated to the City (28.38%)

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

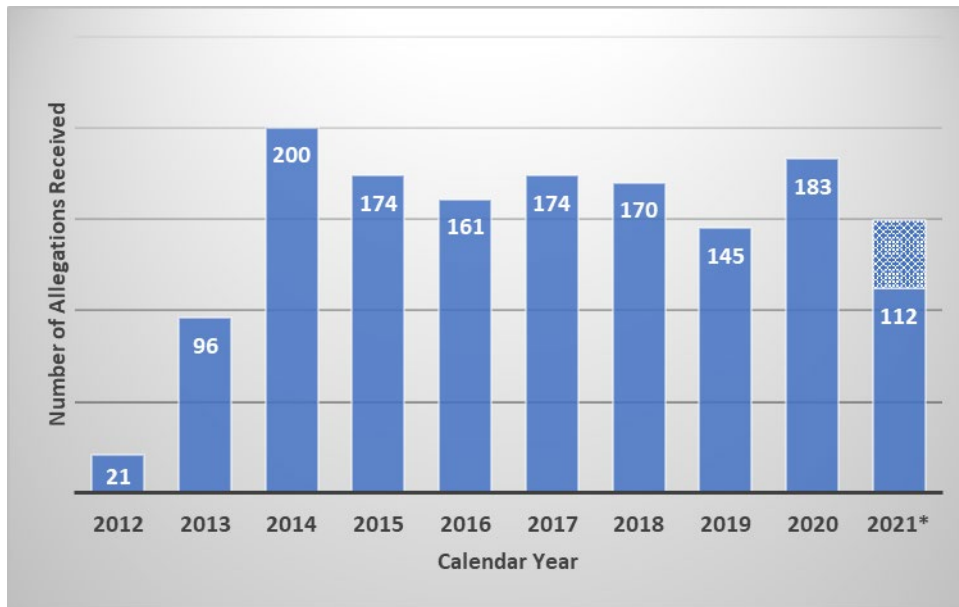
The Office of the City Auditor investigates reports of fraud, waste, and abuse related to the COVID-19 pandemic received through the City’s Whistleblower Hotline. As of September 30, 2021, the City’s Whistleblower Hotline has received 47 complaints related to COVID-19. For complaints that are related 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 1,400 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



*Denotes a partial year. Hatched area represents projected number of allegations based on number of cases received during the first three quarters of 2021. Data as of September 30, 2021.

74 Cases Were Closed During the Period

At the beginning of the April 2021 through September 2021 reporting period, the Office of the City Auditor had 22 open cases. During that six-month period, 71 new reports were received by the hotline, and the Office of the City Auditor investigated, processed, and closed 74 cases; 19 cases remained open at the end of the reporting period. Exhibit 2 below provides information on all cases that were closed during the April 2021 through September 2021 reporting period.

Exhibit 2: 74 Cases Were Closed During the Period

Case #	Primary Type of Allegation	Priority	Result
1177	Abuse of Position or Authority	Low	Investigated and Referred
1182	Wasteful Practice	Low	Unsubstantiated
1225	Wasteful Practice	Low	Investigated and Referred
1247	Misuse of Government Property	Low	Unsubstantiated
1294	Wasteful Practice	Medium	Unsubstantiated
1299	Internal Control Issues	Low	Resolved Prior To or During Investigation
1307	Fraud	High	Unsubstantiated
1351	Theft of Goods or Services	Medium	Unsubstantiated
1360	Abuse of Position or Authority	Low	Duplicate
1361	Abuse of Position or Authority	Low	Not Enough Information Provided
1362	Abuse of Position or Authority	Low	Duplicate
1363	Safety and Sanitation Issues	Low	Informational Referral
1364	Abuse of Position or Authority	Low	Duplicate

1365	Safety and Sanitation Issues	Low	Resolved Prior To or During Investigation
1366	Abuse of Position or Authority	Low	Duplicate
1368	Employee Relations	Low	Resolved Prior To or During Investigation
1369	Safety and Sanitation Issues	Low	Informational Referral
1370	Safety and Sanitation Issues	Medium	Informational Referral
1371	Fraud	Low	Unsubstantiated
1372	Safety and Sanitation Issues	Low	Informational Referral
1373	Conflict of Interest	Low	Informational Referral
1374	Insufficient Action by City	Low	Informational Referral
1376	Safety and Sanitation Issues	Low	Informational Referral
1377	Abuse of Position or Authority	Low	Duplicate
1378	Abuse of Position or Authority	Low	Duplicate
1379	Abuse of Position or Authority	Low	Duplicate
1380	Abuse of Position or Authority	Low	Unsubstantiated
1381	Abuse of Position or Authority	Low	Duplicate
1382	Abuse of Position or Authority	Low	Not Enough Information Provided
1383	Unrelated to the City	Unrelated to the City	Unrelated to the City
1384	Employee Relations	Low	Unsubstantiated
1385	Misuse of Government Property	Low	Unsubstantiated
1386	Contested City Charges	Low	Unsubstantiated
1387	Insufficient Action by City	Low	Unsubstantiated
1388	Misuse of Government Property	Low	Unsubstantiated
1389	Employee Relations	Low	Unsubstantiated
1390	Insufficient Action by City	Low	Informational Referral
1391	Employee Relations	Low	Duplicate
1392	Unrelated to the City	Unrelated to the City	Unrelated to the City
1393	Conflict of Interest	Low	Unsubstantiated
1394	Employee Relations	Low	Unsubstantiated
1395	Employee Relations	Low	Informational Referral
1396	Abuse of Position or Authority	Low	Unsubstantiated
1397	Unrelated to the City	Unrelated to the City	Unrelated to the City
1398	Unrelated to the City	Unrelated to the City	Unrelated to the City
1399	Unrelated to the City	Unrelated to the City	Unrelated to the City
1400	Employee Relations	Low	Informational Referral
1401	Unrelated to the City	Unrelated to the City	Unrelated to the City

1402	Abuse of Position or Authority	Low	Informational Referral
1404	Unrelated to the City	Unrelated to the City	Unrelated to the City
1405	Not Enough Information Provided	Low	Not Enough Information Provided
1406	311	Low	Informational Referral
1407	Unrelated to the City	Unrelated to the City	Unrelated to the City
1408	Unrelated to the City	Unrelated to the City	Unrelated to the City
1409	Payroll and Timecard Issues	Medium	Unsubstantiated
1410	Unrelated to the City	Unrelated to the City	Unrelated to the City
1411	Employee Relations	Low	Unsubstantiated
1412	Unrelated to the City	Unrelated to the City	Unrelated to the City
1413	Unrelated to the City	Unrelated to the City	Unrelated to the City
1414	Unrelated to the City	Unrelated to the City	Unrelated to the City
1415	Employee Relations	Low	Unsubstantiated
1416	Unrelated to the City	Unrelated to the City	Unrelated to the City
1418	Unrelated to the City	Unrelated to the City	Unrelated to the City
1420	311	Low	Informational Referral
1421	Unrelated to the City	Unrelated to the City	Unrelated to the City
1422	Insufficient Action by City	Low	Unsubstantiated
1423	Unrelated to the City	Unrelated to the City	Unrelated to the City
1425	Unrelated to the City	Unrelated to the City	Unrelated to the City
1426	Unrelated to the City	Unrelated to the City	Unrelated to the City
1427	Employee Relations	Low	Duplicate
1428	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1430	Unrelated to the City	Unrelated to the City	Unrelated to the City
1434	311	Low	Informational Referral
1438	Unrelated to the City	Unrelated to the City	Unrelated to the City

Of the 74 Cases Closed During the Period, 0 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 74 cases that were closed during the April 2021 through September 2021 reporting period, 0 allegations were substantiated. Exhibit 3 below provides a brief summary of the 0 substantiated cases during the period and the actions reported by the responsible department.

Exhibit 3: 0 Allegations Were Substantiated During the Period

Case #	Case Summary	Department Response
N/A	No substantiated cases during this reporting period.	N/A