



Annual Update on Hotline for Fraud, Waste and Abuse Activity

City Auditor's Office

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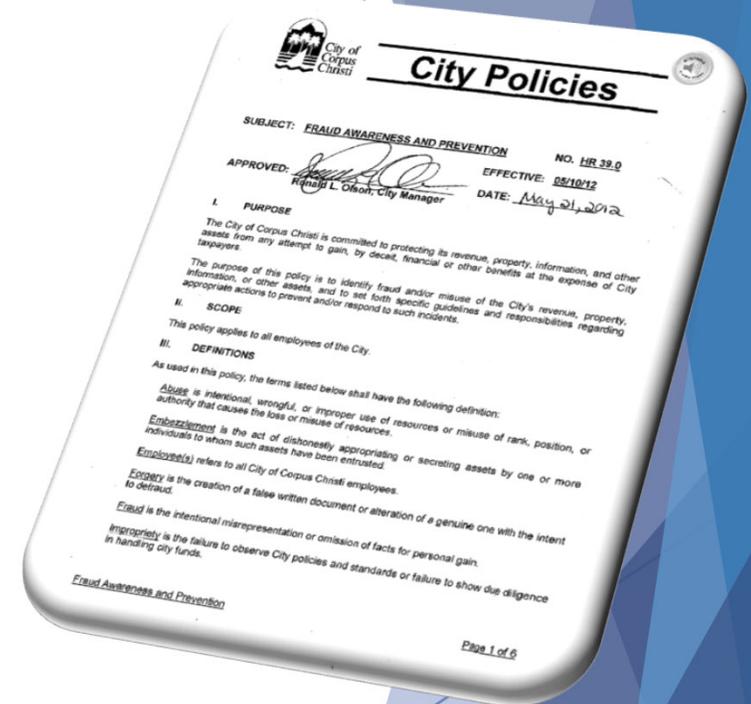
Hotline Activity

- ▶ Calendar Year (CY) 2017-2021
 - Allegations Reported
 - Allegation Types
 - Action Taken

City Policy HR 39.0 Fraud Awareness and Prevention

This policy provides City employees guidance what to do should they become aware of prohibited acts

- ▶ Employees are directed to notify their supervisor or the City Auditor should they have knowledge of an occurrence of irregular conduct or have reason to suspect fraud has occurred
- ▶ Supervisors/City Management are to communicate any suspected or known fraudulent acts to the City Auditor
- ▶ Upon receiving a fraud allegation, the City Auditor's office will document the allegation and conduct a preliminary investigation to determine the credibility of the reported allegation



Reporting Methods

The City Auditor's Hotline allows the public and city employees to report fraud, waste, or abuse of municipal resources, with the option of remaining anonymous.

Reporting methods include (but are not limited to):

- ▶ By Phone: (361) 826-TIPS (8477)
- ▶ By Email: fraudhotline@cctexas.com
- ▶ Online: <https://www.cctexas.com/departments/city-auditor>
- ▶ Tip Box: 6th floor, City Hall
- ▶ In Person
- ▶ Mail



CITY AUDITOR'S FRAUD ALLEGATION FORM

Date

Please provide details of the incident in which you believe fraud, waste, or abuse occurred:

Please provide dates and locations:

Please list the names of the person or persons, as well as the department or agency involved:

Please describe any evidence you have with as much detail as possible, including relevant ID numbers, such as vehicle # or vehicle make/model:

Would you prefer to remain anonymous?

Yes

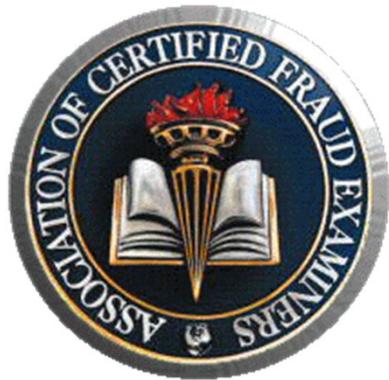
No

Submit

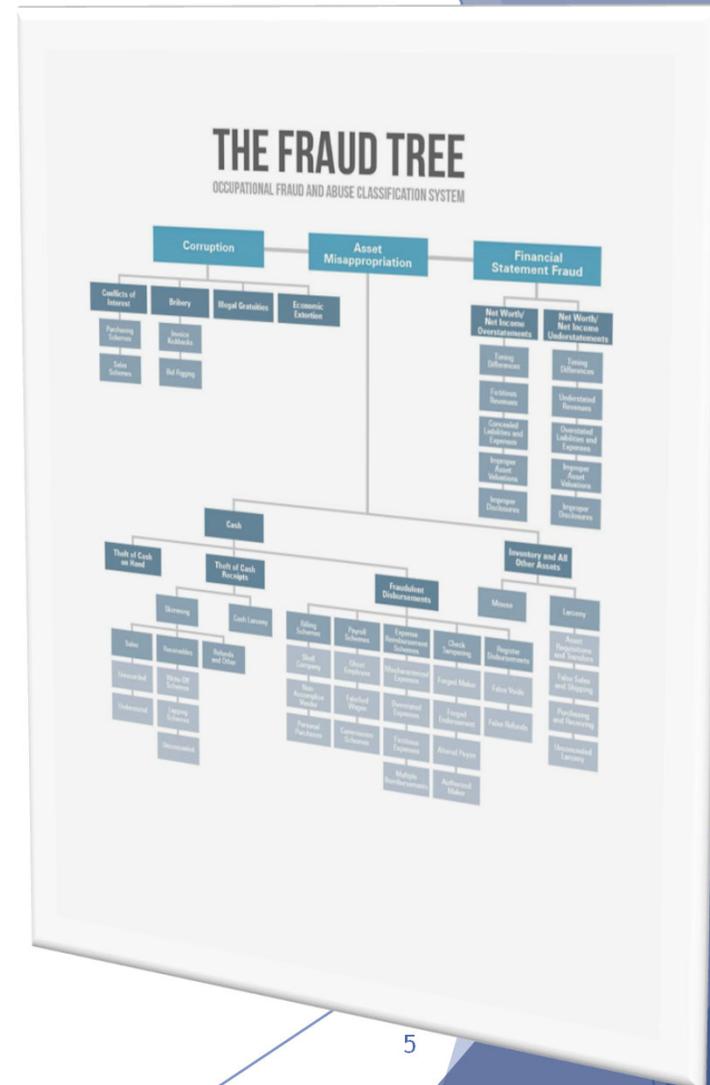
Association of Certified Fraud Examiners (ACFE)

ACFE Mission

- ▶ Reduce the incidence of fraud and white-collar crimes
- ▶ Aid in the detection and deterrence of fraud



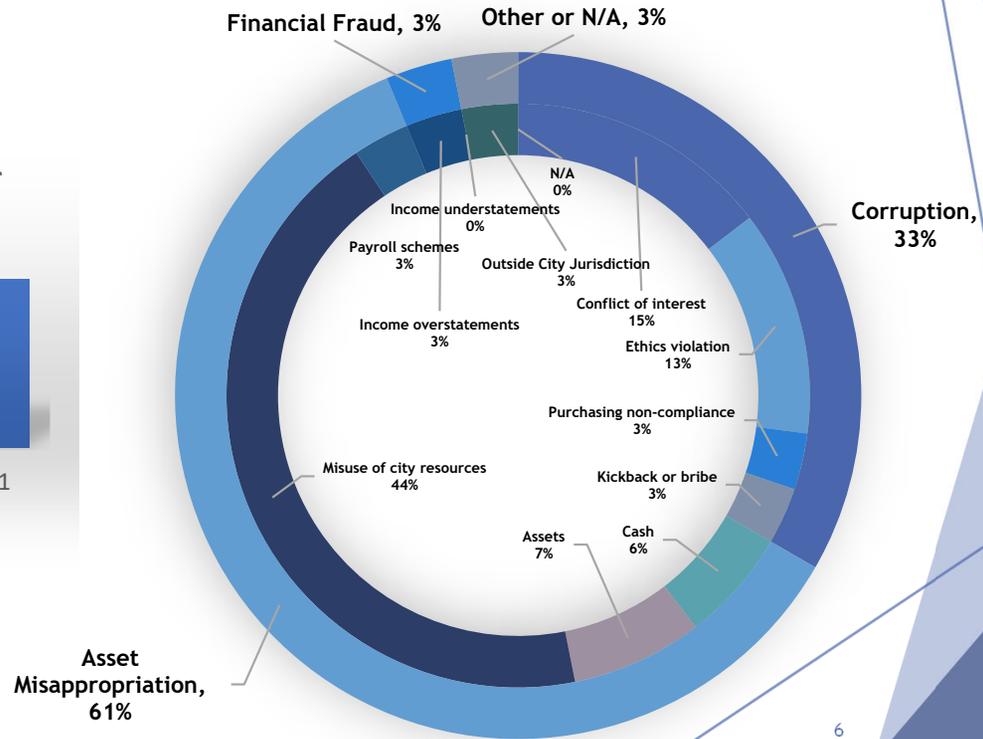
Source: Association of Certified Fraud Examiners



Five-Year Hotline Activity

For the period of CY2017-CY2021, 96 allegations were reported. These allegations have been classified by type using the ACFE Fraud Tree.

Reported Allegations by Year



Actions Taken

Preliminary investigations are conducted on all allegations reported to the City Auditor's Office. Depending on the context, a comprehensive investigation is conducted internally by Audit staff, or the information is forwarded accordingly.

Hotline Actions Taken by Calendar Year					
	2017	2018	2019	2020	2021
Corroborated	1	-	-	1	1
Not corroborated	7	7	3	6	-
Investigation led to an audit project	1	-	3	-	-
Insufficient information	-	1	1	1	1
Outside City's jurisdiction	1	-	-	-	2
Investigation in progress	-	-	-	-	7
Forwarded to Dept. Management	7	4	7	8	11
Forwarded to City Management	5	1	-	1	-
Forwarded to HR	-	7	1	-	-
Total	22	20	15	17	22