



OFFICE OF THE CITY AUDITOR
Long Beach, California

R-27

LAURA L. DOUD, CPA
City Auditor

November 13, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Request that the City Manager direct each department to post and display Fraud Hotline educational posters and brochures within 30 days in prominent areas of all City locations for City employees and members of the public to view.

DISCUSSION:

The Association of Certified Fraud Examiners (ACFE) has declared International Fraud Awareness for the week of November 11-17, 2012. In its 2012 Report to the Nations, the ACFE estimates that the typical organization loses 5% of its annual revenue to fraud. The report also found that, as in previous studies, fraud in the workplace is more likely to be detected by tip than by any other method.

In 2006, the City Auditor's Fraud Hotline was launched to give City employees and the public an opportunity to anonymously report fraud, waste, and abuse of City of Long Beach (City) funds, resources or assets. Recently, in collaboration with CSULB School of Art, Graphic Design Class, the Office of the City Auditor has developed educational posters and brochures for the Fraud Hotline with a new theme:

Let's Be Clear

About Stopping Fraud Against the City of Long Beach

These materials were designed for all City employees, consultants, vendors, contractors, officials, and members of City Boards and Commissions as well as members of the public. We recommend placing posters in all City departments and buildings, including those areas where the public does business with the City.

Informational fraud brochures were distributed to all City employees with the paycheck of November 9. We recommend placing a supply of the attached brochures in all locations where the public does business with the City.

The Fraud Hotline page of the City Auditor's website, CityAuditorLauraDoud.com, provides additional information, and a supply of the posters and brochures is available immediately from the City Auditor's office.

TIMING CONSIDERATIONS:

City Council action is requested on November 13, 2012.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action at this time. Dissemination of this educational material will help reduce fraud, waste, and abuse of City resources.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura L. Doud". The signature is written in black ink and is positioned above the printed name.

LAURA L. DOUD, CPA
CITY AUDITOR

Attachment

let's be
CLEAR

ABOUT STOPPING FRAUD AGAINST THE CITY OF LONG BEACH.

STOP FRAUD. REPORT IT ANONYMOUSLY.

Fraud is a crime that robs the City of Long Beach of funds and resources.

Fraud, waste, and abuse against our City impacts each of us – citizens and City employees. It reduces budgets for City services, including public safety, street repair, libraries, and parks.

How do you recognize City fraud or theft?

Common examples include:

- Theft of City property, such as inventory or supplies
- Submitting invoices for fictitious or personal goods and services
- Payroll or timekeeping fraud
- Falsely reporting expenses for reimbursement
- Stealing a check the City issued to another person or business
- Taking or "skimming" cash paid for City services – such as parking, permits, or fines
- Voiding legitimate cash register sales and stealing the money
- Using City property for personal use
- Computer fraud or theft of information
- Conflicts of interest
- Accepting a bribe, kickback, or illegal gratuity
- Bid-fixing
- Recording fictitious sales
- Auditing or accounting irregularities

A message from Long Beach City Auditor Laura Doud

As a Certified Fraud Examiner, I know fraud exists more than most people realize. As your City Auditor, I am committed to stopping fraud and ensuring that our City operates with the highest integrity.

Let's be clear about the effects fraud has on the City of Long Beach.

Fraud, waste and abuse of City resources hurts everyone – citizens and City employees.

If you see or suspect fraudulent, illegal or unethical activity, don't ignore it! Please take a few minutes and report your suspicions to our Long Beach City Auditor's Fraud Hotline.

How do you report it?

Hotline: 1-888-FRAUD-07 (1-888-372-8307)
Toll-free – 24 hours a day, 7 days a week

Online: www.CityAuditorLauraDoud.com

What can you do to stop fraud?

If you suspect or witness any fraud, waste, or abuse against City of Long Beach resources, TAKE ACTION and REPORT IT.

The Long Beach City Auditor's Office sponsors a Fraud Hotline for City employees, vendors, and citizens.

Why should you report fraud and theft?

It's the right thing to do. All types of fraud, both large and small, impact the City.

How to report fraud

Call the toll-free phone number 1-888-FRAUD-07, or report it online at www.CityAuditorLauraDoud.com. Your identity can remain confidential and anonymous.

- Fraud reports can be made 24 hours a day, 7 days a week
- You can choose to stay anonymous
- Calls are received by a third-party interviewer – not voicemail
- The City Auditor's Office reviews and takes appropriate action on all reports

How to report Non-City fraud

Government agencies or hotlines to report other issues:

Medi-Cal Fraud	800-822-6222
Medicare Fraud	800-447-8477
Identify Theft	877-438-4338
L.A. County Welfare Fraud	800-349-9970
Mail Tampering or Theft	888-877-7644
Social Security Fraud	800-447-8477
Tax Fraud	800-366-4484

To report crimes in Long Beach

Long Beach Police 562-570-7260



Against the City of Long Beach

ABOUT STOPPING FRAUD

CLEAR

let's be

1-888-FRAUD-07 | www.CityAuditorLauraDoud.com

Stop Fraud.
Report It Anonymously.

“ ‘Skimming’ is OK when
cleaning swimming
pools, not when
handling City cash ”

Theft of City funds is fraud.

let's be

CLEAR

ABOUT STOPPING FRAUD

“ Being the ‘breadwinner’
does not give you
permission to cook
the City books ”

Falsifying accounting records is fraud.



Stop Fraud. Report It Anonymously.

1-888-FRAUD-07 | www.CityAuditorLauraDoud.com

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ABOUT STOPPING FRAUD

“ Accepting free Lakers tickets in exchange for a favor is not considered an ‘assist’ ”

Accepting bribes, kickbacks or gratuities is fraud.



Stop Fraud. Report It Anonymously.

1-888-FRAUD-07 | www.CityAuditorLauraDoud.com

let's be

CLEAR

ABOUT STOPPING FRAUD

“ Working at another job while on City time doesn't make you a great 'multi-tasker' ”

Misreporting hours on your time sheet is fraud.



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let's be

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ABOUT STOPPING FRAUD

“ ‘Skimming’ is OK when cleaning swimming pools, not when handling City cash ”

Theft of City funds is fraud.



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