



## MEMORANDUM

### Office of the City Manager – Internal Audit

**DATE:** 07/03/2013

**TO:** SCOTT BARBER, CITY MANAGER  
BELINDA GRAHAM, ASSISTANT CITY MANAGER  
DEANNA LORSON, ASSISTANT CITY MANAGER  
GREG PRIAMOS, CITY ATTORNEY

**FROM:** CHERYL JOHANNES, INTERNAL AUDIT MANAGER

**RE:** FRAUD HOTLINE SUMMARY REPORT ~ FISCAL YEAR 2012-13

---

The Internal Audit Division of the City Manager's Office administers the City's Fraud HOTLINE program. The primary objective of the Fraud HOTLINE is to provide a means for a City of Riverside employee or citizen to confidentially report any activity or conduct related to or involving City personnel, resources or operations, for which he/she suspect instances of fraud, waste or abuse.

In May 2013, at the request of the HR Director, the Fraud HOTLINE [webpage](#) was updated to include the following:

**Complaints pertaining to City employees in the areas of employee relations, discrimination, harassment, safety, workers' compensation fraud, and related personnel matters will be forwarded to the Human Resources Director for appropriate handling and investigation, which may include the Police Department and/or outside investigators, depending on the nature of the issue and whether criminal conduct is alleged.**

Complaints/allegations may be submitted via a dedicated phone number (951-826-2232), or the Internet <http://www.riversideca.gov/audit/fraud-form.aspx>. Complainants (phone or Internet) can choose to remain anonymous. Complaints can also be submitted directly to the Internal Audit Manager.

Internal Audit is dedicated to investing the staffing resources necessary to investigate and follow-up on all reported claims of material fraud, waste and abuse related to City operations. The table below summarizes the complaints/allegations received during the fiscal year 2012-13<sup>1</sup>.

If you have any questions, please do not hesitate in contacting me directly.  
- Cheryl

---

<sup>1</sup> Not listed are the numerous complaints/allegations received regarding potential identity theft or complaints that do not provide enough information for follow-up; or complaints related to Riverside County employees/operations, which are forward to the appropriate agency.

**FY2012/2013 Fraud HOTLINE SUMMARY**

<b>General Description of Complaint</b>	<b>Outcome/Status</b>
<b>Allegation that resident was illegally selling trailers at his home address without a business license or DMV permit to sell vehicles. Address: 3936 Rancho Reina Ct.</b>	<b>Forwarded to Code Enforcement and Business Tax. Case 12-10312 was opened by Code Enforcement. Upon inspection no violations were observed; case closed.</b>
<b>Complaint by two Fairmount Golf Course employees regarding vendor managing the site; paychecks were being returned from the bank as insufficient funds.</b>	<b>Forwarded complaint to CAO and PRCSD. Explained to complainants that they should file a report with the Police Dept. or County DA's office.</b>
<b>Allegation by City employee in Public Utilities regarding non-compliance by PU upper management of certain sections in the Energy Risk Management Policy.</b>	<b>Discussed the documented allegations with management in PU and in the CAO. Researched and assessed the validity and seriousness of the allegations. Found the allegations to be without merit. Prepared a formal report for the CM and ACM.</b>
<b>Allegation CAO employee and CDD employee were engaged in unethical activity at workplace.</b>	<b>Discussed allegations with CAO and CDD Director. Based on their investigation, complaint was considered to be without merit.</b>
<b>Allegation GS employee was using illegal drugs (smoking marijuana) while at work.</b>	<b>Forwarded to General Services Director. Director followed up with HR. Because there was no "reasonable suspicion" the employee was confronted by his Director for an explanation. GS Director was satisfied with employees' response. No further action taken.</b>
<b>Complaint regarding Parking Citation payment process for rental car. Citizen concerned being charged twice.</b>	<b>Forwarded to PW Parking Services for investigation and resolution. Parking Services contacted complainant to assure them of no overcharge; a timing issue with the system.</b>

<p>Complaint by an ETS RN regarding unprofessional behavior by a Riverside Police Officer.</p>	<p>Forwarded to RPD Deputy Chief for investigation. Advised by RPD that the issue had been resolved internally with all parties.</p>
<p>Allegations Code Enforcement employee was conducting personal business during work hours; using City assets.</p>	<p>Forwarded to Code Enforcement Manager for investigation. Found to be without merit; complaint was made in retaliation.</p>
<p>Allegations of unprofessional conduct by groundskeepers at Doty Trust Park.</p>	<p>Forwarded to PRCSD for investigation. Found to be without merit.</p>
<p>Allegation PRCSD Director conducting business in an unprofessional manner.</p>	<p>Forwarded to ACM. Resolved internally with both parties.</p>
<p>Allegation HR employee not following City dress code/policy.</p>	<p>Forwarded to HR Director for investigation/resolution.</p>
<p>Complaint that PW Solid Waste employee allowed resident to refill recycle trash can several times for emptying into refuse truck.</p>	<p>Forwarded to PW Solid Waste Manager for investigation. SW Supv gave driver permission to refill cans as a "courtesy pickup".</p>
<p>Allegation PW Solid Waste employee using City vehicle for personal use during business hours.</p>	<p>Forwarded to PW Solid Waste Manager for investigation. Employee was responding to a Service Request to pick up trash bin in Moreno Valley.</p>
<p>Allegation Purchasing employee using City vehicle for personal use during lunch hours.</p>	<p>Forwarded to Finance Director. Allegation without merit; employee has a vehicle that looks similar to City vehicles.</p>