



## Internal Audit Department

*City of Arts & Innovation*

September 2024

To: Mike Futrell, City Manager

From: Brian Freeland, Internal Audit Manager

### **Subject: Summary of Fraud, Waste, Abuse Hotline Report – FY 2023/2024**

The City of Riverside maintains a Fraud, Waste, & Abuse Hotline. The primary objective of this Hotline is to provide a means for city employees and citizens to confidentially report any activity or conduct related to or involving city personnel, resources, or operations for which he/she suspects instances of fraud, waste, or abuse.

The City also implemented a Fraud, Waste, and Abuse Reporting and Investigation Policy to provide communication and guidance to employees when misuse or misappropriation of City assets is suspected (City of Riverside Administrative Manual [01.011.00](#)).

The City's Fraud, Waste, & Abuse Hotline operates pursuant to California Government Code Section 53087.6 (Appendix B). However, the Hotline is not a substitute for employment-related grievances or appeals; such matters received through the Hotline will be forwarded to the appropriate departments best suited to address these issues.

Developing effective lines of communication is one of the fundamental elements of an effective compliance program and the Hotline is one available option. Some advantages of providing this Hotline include:

- Encouraging employees to report
- Offering convenience and availability
- Ensuring anonymity
- Reinforcing an ethical workplace culture

### **HOW THE HOTLINE WORKS**

The Internal Audit Division accepts comment/allegations online at <http://www.riversideca.gov/internalaudit/3-1-1-whistleblower-hotline> or by calling (951) 826-2232 (Appendix A). All Whistleblowers can choose to remain anonymous, and all information provided via the Hotline remains confidential. Comments/allegations can also be submitted to management or directly to the Internal Audit Manager.

## **CONFIDENTIALITY**

The Internal Audit Manager will investigate all comments/allegations received related to fraud, waste, and abuse and/or may forward the complaint to the City Attorney, City Manager, or Human Resources. The Internal Audit Manager will maintain the confidentiality of all complaints, associated reports, working papers, and other documents. Similarly, departments investigating/reviewing allegations are also expected to maintain the confidentiality of all complaints.

## **NON-FRAUD/WASTE/ABUSE RELATED COMPLAINTS/ALLIGATIONS**

In most cases, concerns that are not related to Fraud/Waste/Abuse will be referred to the relevant departments for further review and investigation. The Internal Audit Manager will send the appropriate department notice of the concern/allegation and request a response as to the process of resolving the concern/allegation and outcome, if necessary.

All matters that are brought forth may include management intervention, disciplinary actions, referral to another department or agency, and/or response to the petitioner.

## **FISCAL YEAR 2023-2024 RESULTS**

During the fiscal year 2023/2024, Internal Audit received zero concerns/allegations of fraud/waste/abuse.

## **SYSTEM VALIDATION**

In August 2024, Internal Audit performed a test of both Hotline reporting methods (online and phone) to ensure they are functioning and delivering information to the responsible parties. Both systems were confirmed to be operating as intended.

**Appendix A**  
General Information

## Reporting Process & Contact Information

- The city’s whistleblower hotline is a confidential resource for reporting concerns such as fraud, waste, abuse, and ethical violations.
- We encourage all city employees to use the hotline to report any concerns. Your voice is vital in maintaining the integrity and trust within our community.
- Reports can be made anonymously from anywhere, 24/7, via phone at 951-826-2232 or online using the city’s 311 online reporting service.

To submit a whistleblower issue, access 311 at:



<https://crmweb.riversideca.gov/>

Select Whistleblower Hotline option:

**SELECT THE TYPE OF PROBLEM YOU ARE REPORTING:**

\*Nature of the problem:

To report theft of City resources (cash, equipment, supplies, or material), record falsification including time-cards, misuse of City equipment or property, misuse or waste of City resources including government funds, improper activities by contractors.

\*Please answer the requested Questions:

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## Confidentiality and Non-Retaliation

- All reports are handled with strict confidentiality by the Internal Audit department\*. You have the option to remain anonymous regardless of how you submit a claim.
- The city has a zero-tolerance policy for retaliation. You are protected when reporting in good faith through the State of California Whistleblower Protection Statute, *California Labor Code Sections 1102.5 and 1106.*

\* Internal Audit will investigate all complaints received related to fraud, waste and abuse. 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.

- For more information and additional resources:

3-1-1 Whistleblower Hotline  
<https://riversideca.gov/internalaudit/3-1-1-whistleblower-hotline>

City of Riverside – Internal Audit  
<https://riversideca.gov/internalaudit/>

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**Appendix B****California Code, Government Code - GOV § 53087.6**

(a) (1) A city, county, or city and county auditor or controller who is elected to office may maintain a whistleblower hotline to receive calls from persons who have information regarding fraud, waste, or abuse by local government employees.

(2) A city, county, or city and county auditor or controller who is appointed by, or is an employee of, a legislative body or the government agency that is governed by the city, county, or city and county, shall obtain approval of that legislative body or the government agency, as the case may be, prior to establishing the whistleblower hotline.

(b) The auditor or controller may refer calls received on the whistleblower hotline to the appropriate government authority for review and possible investigation.

(c) During the initial review of a call received pursuant to subdivision (a), the auditor or controller, or other appropriate governmental agency, shall hold in confidence information disclosed through the whistleblower hotline, including the identity of the caller disclosing the information and the parties identified by the caller.

(d) A call made to the whistleblower hotline pursuant to subdivision (a), or its referral to an appropriate agency under subdivision (b), may not be the sole basis for a time period under a statute of limitation to commence. This section does not change existing law relating to statutes of limitation.

(e) (1) Upon receiving specific information that an employee or local government has engaged in an improper government activity, as defined by paragraph (2) of subdivision (f), a city or county auditor or controller may conduct an investigative audit of the matter. The identity of the person providing the information that initiated the investigative audit shall not be disclosed without the written permission of that person, unless the disclosure is to a law enforcement agency that is conducting a criminal investigation. If the specific information is in regard to improper government activity that occurred under the jurisdiction of another city, county, or city and county, the information shall be forwarded to the appropriate auditor or controller for that city, county, or city and county.

(2) Any investigative audit conducted pursuant to this subdivision shall be kept confidential, except to issue any report of an investigation that has been substantiated, or to release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals reporting the improper government activity, and the subject employee or employees shall be kept confidential.

(3) Notwithstanding paragraph (2), the auditor or controller may provide a copy of a substantiated audit report that includes the identities of the subject employee or employees and other pertinent information concerning the investigation to the appropriate appointing authority for disciplinary purposes. The substantiated audit report, any subsequent investigatory materials or information, and the disposition of any resulting disciplinary proceedings are subject to the confidentiality provisions of applicable local, state, and federal statutes, rules, and regulations.

(f) (1) For purposes of this section, "employee" means any individual employed by any county, city, or city and county, including any charter city or county, and any school district, community college district, municipal or public corporation, or political subdivision that falls under the auditor's or controller's jurisdiction.

(2) For purposes of this section, "fraud, waste, or abuse" means any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct.