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**REPORT TO THE CITY
COUNCIL
BY THE CITY INTERNAL
AUDITOR**

**FRAUD HOTLINE ACTIVITY
REPORT FOR THE PERIOD
JANUARY 1, 2014
THROUGH
DECEMBER 31, 2014**

February 26, 2015

Report Highlights

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|--|---|
| • 21 new cases were opened during the year | 1 |
| • 8 cases were closed | 1 |



The Council
City of Shreveport

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February 26, 2015

Councilman Jeff Everson
Chairman, Shreveport City Council

Dear Councilman Everson:

Subject: Fraud Hotline Activity Report

This report is to provide the City Council with information on the activities of the *Fraud Hotline* for the period of January 1, 2014 through December 31, 2014.

Please review the report. Should you have questions or comments, feel free to contact me.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor

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FRAUD HOTLINE ACTIVITY REPORT
For Allegations Received During the Period
January 1, 2014 through December 31, 2014

During the reporting period, Twenty-one (21) allegations of possible fraud, waste, and abuse were recorded. None were carried over from 2013. The following report details the status of each of the allegations recorded.

- **Substantiated (or referred for corrective action):** Three (3) allegations were substantiated and/or referred for corrective action (*Fraud Hotline* Allegations 14-005, 14-016 and 14-018).
- **Non-substantiated:** The validity of five (5) allegations could not be substantiated (*Fraud Hotline* Allegations 14-001, 14-004, 14-015, 14-019 and 14-021).
- **Other:** One allegation was found to be outside the scope of Internal Audit Office jurisdiction and was referred to the appropriate agency (*Fraud Hotline* Allegation 14-002).
- **Pending:** There were twelve (12) pending allegations at December 31, 2013 (*Fraud Hotline* Allegations 14-003, 14-006, 14-007, 14-008, 14-009, 14-010, 14-011, 14-012, 14-013, 14-014, 14-017, and 14-020). These cases were all under active investigation at December 31.
- **Source of Allegations:** Of the twenty-one (21) allegations pursued, nine (9) were received over the *Fraud Hotline* telephone, six (6) were received thru the internet, four (4) were received from citizens making their allegations in person, and two (2) were received by mail.

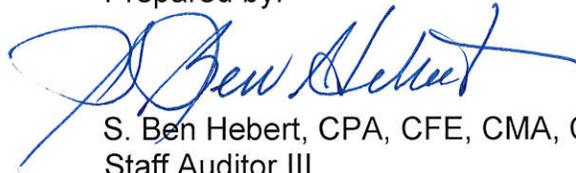
Additionally, some one hundred fifty (150) or more allegations were received over the *Fraud Hotline* phone line and referred to other agencies including the Shreveport and Bossier City Police Departments, Internal Revenue Service, Social Security Administration, State Legislative Auditor's Office, State Social Services Department, Caddo Parish Sheriff, U.S. Postal Service, and others; or were not pursued for lack of sufficient information to provide a basis for investigation. Another twenty-five (25) or more anonymous allegations were made thru the internet, but lacked sufficient information to allow investigations to begin. None of these calls was assigned a case number.

During the year, personnel within the Internal Audit Office began new initiatives to publicize the ***Fraud Hotline***, especially among City personnel. We believe that many of the allegations received that are not pursued for lack of sufficient information may have come from City personnel who take advantage of the ability to report anonymously. As we move forward with plans to educate our fellow employees about the reporting process, including the kinds of information necessary to begin and successfully conclude an investigation, we expect the number of quality tips we receive will increase. Simultaneously, we expect that the number of allegations we receive without sufficient information to allow successful investigation will decline.

Many of the calls we receive over the **Fraud Hotline** telephone are from citizens who have been scammed, had their identity stolen, or other acts susceptible of investigative action or assistance, but outside the purview of this office. They find our **Fraud Hotline** phone number and call looking for answers and assistance. We believe that maintaining a current listing of the various agencies charged with investigating these allegations and assisting citizens in making contact with those agencies leaves citizens with positive attitudes about City government. We have, in fact, received subsequent calls from some of these citizens thanking us for our assistance and information.

We appreciate the continuing support we receive from the Council, and particularly the Audit and Finance Committee. We thank you for the opportunity to serve our citizens and strive to improve our work every day.

Prepared by:

A handwritten signature in blue ink, appearing to read "S. Ben Hebert".

S. Ben Hebert, CPA, CFE, CMA, CISA, CGMA
Staff Auditor III

Approved by:

A handwritten signature in blue ink, appearing to read "Leanis L. Steward".

Leanis L. Steward, CPA, CIA
City Internal Auditor

bh:nd

c: City Council
Clerk of Council
Mayor
Chief Administrative Officer
BKD