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City Internal Auditor

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

**FRAUD HOTLINE ACTIVITY
REPORT FOR THE PERIOD
JANUARY 1, 2015
THROUGH
DECEMBER 31, 2015**

February 25, 2016

Report Highlights	Page
• 14 new cases were opened during the year	1
• 12 cases were carried forward from 2014	1
• 20 cases were closed	1



The Council
City of Shreveport

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February 25, 2016

Councilman Willie Bradford
Chairman, Shreveport City Council

Dear Councilman Bradford:

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, 2015 through December 31, 2015.

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, 2015 through December 31, 2015

During the reporting period, fourteen (14) allegations of possible fraud, waste, and abuse were recorded. Twelve (12) allegations were carried forward from 2014. The following report details the status of each of the allegations recorded.

- **Substantiated (or referred for corrective action):** Nine (9) allegations were substantiated and/or referred for corrective action (*Fraud Hotline* Allegations 14-006, 14-008, 14-017, 15-003, 15-004, 15-006, 15-008, 15-009, and 15-010).
- **Non-substantiated:** The validity of eight (8) allegations could not be substantiated (*Fraud Hotline* Allegations 14-009, 14-010, 14-013, 14-020, 15-001, 15-005, 15-007 and 15-014).
- **Other:** Three (3) allegations were merged into newer allegations received in 2015 that included new information and potential evidence directly related to the older allegations. The older cases were closed as they were merged. (*Fraud Hotline* Allegations 14-007, 14-011, and 15-002 were merged into Allegations 15-012, 15-011 and 15-008 respectively).
- **Pending:** There were six (6) pending allegations at December 31, 2015 (*Fraud Hotline* Allegations 14-003, 14-012, 14-014, 15-011, 15-012, and 15-013). These cases were all under active investigation at December 31.
- **Source of Allegations:** Of the twenty-six (26) allegations pursued, twelve (12) were received over the *Fraud Hotline* telephone, nine (9) were received thru the internet, three (3) from other City Departments, and one (1) each were received from citizens making their allegation in person, or by mail.
- **Allegations Not Pursued:** Twenty-seven (27) other allegations were received over the internet that could not be pursued because of insufficient information, or not within the purview of the City Fraud Hotline and lacking sufficient information to pass them to other authorities.

Additionally, we received some 47 other allegations or complaints that were not within the purview of the Internal Audit Office. These allegations or complaints were received over the *Fraud Hotline* telephone line. They were referred to other agencies as follows:

➤ Federal Bureau of Investigation (FBI)	11
➤ Internal Revenue Service (IRS)	11
➤ Shreveport Police Department	8
➤ Shreveport/Caddo Financial Crimes Task Force	4
➤ Other City Departments	3
➤ U. S. Postal Inspection Service	1
➤ Other agencies and services	9

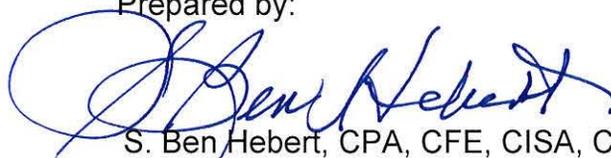
None of these calls was assigned a case number.

During the year, personnel within the Internal Audit Office continued to pursue 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 have educated our fellow employees about the reporting process, including the kinds of information necessary to begin and successfully conclude an investigation, we are finding that the number of quality tips we receive has increased.

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:



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Staff Auditor III

Approved by:



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City Internal Auditor

bh:nd

c: City Council
Clerk of Council
Mayor
Chief Administrative Officer
Carr, Riggs & Ingram