



# FRAUD HOTLINE ACTIVITY REPORT FOR THE PERIOD JANUARY 1, 2022 THROUGH DECEMBER 31, 2022 February 7, 2023

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## Report Highlights

## Page(s)

- |   |   |
|---|---|
| • 6 cases were opened and closed during the year  | 3 |
| • 5 cases were referred to other City Departments | 3 |
| • 1 case was investigated by Internal Audit       | 3 |



The Council  
City of Shreveport

Leanis L. Steward, CPA, CIA  
City Internal Auditor  
P.O. Box 31109  
Shreveport, LA 71130-1109

E-Mail Address:  
Leanis.Steward@shreveportla.gov  
Phone: 318.673.7900  
Fax: 318.673.7911

February 7, 2023

Councilman James Green  
Chairman, Shreveport City Council

Dear Councilman Green:

Subject: Fraud Hotline Activity Report

This report provides the City Council with information on the activities of the *Fraud Hotline* for the period of January 1, 2022, through December 31, 2022.

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

# FRAUD HOTLINE ACTIVITY REPORT

## **Introduction:**

The scope of the City of Shreveport's Fraud Hotline activity applies to acts of wrongdoing within the City of Shreveport government or outside of city government if it involves city assets or services. The Fraud Hotline investigates fraud, waste, or abuse of city assets, and services. When the tips received on acts of wrongdoing within the City of Shreveport government are outside the scope of the Internal Auditor's Office jurisdiction, the tips are referred to the appropriate entities.

## **Background:**

Fraud is defined as the "intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right" or as "an act of deceiving or misrepresenting." According to the Association of Certified Fraud Examiners (ACFE), the typical Fraud case costs the organization \$8,300 per month and lasts 14 months before being detected. Twenty one percent of Fraud cases cost the organization over \$1 million.

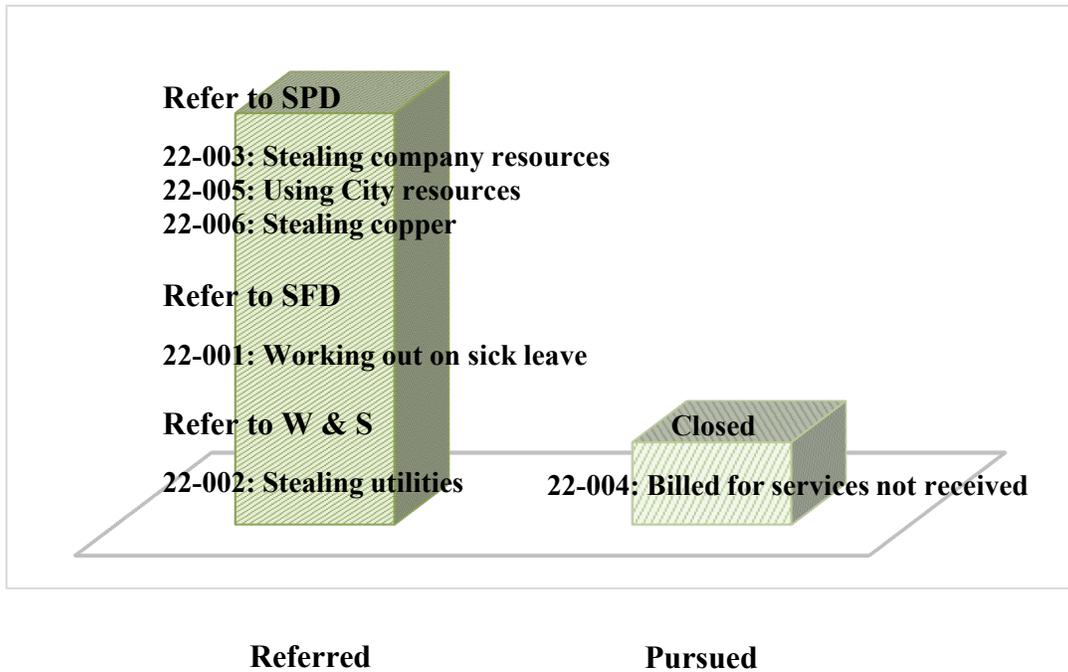
Fraud hotlines are a critical tool for fraud detection. In 2022, the ACFE reported that fraud tips (32%) were twice as likely to detect fraud than internal audits (18%). The Fraud Hot Line is one of the services the Internal Audit Office uses to provide confidence in the integrity and financial reliability of City operations and instills confidence that the City is operated with efficiency and effectiveness. The phone line and the website allow individuals to submit complaints without making direct contact with our office. We work diligently to educate City employees about the reporting process and what information is important to help us thoroughly investigate.



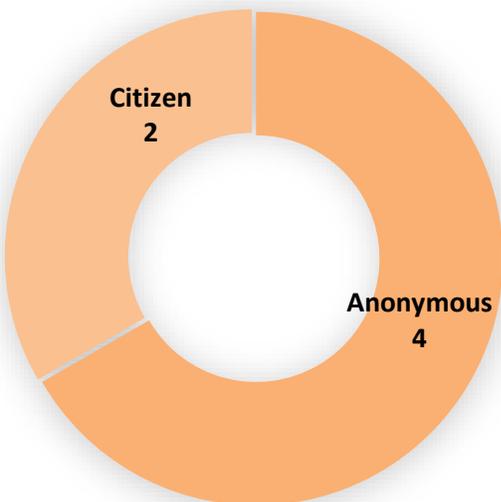
## For Allegations Worked During the Period January 1, 2022 through December 31, 2022

During the reporting period: 6 new allegations of possible fraud, waste, and abuse were recorded, out of which 3 cases were referred to the Shreveport Police Department (SPD), 1 case was referred to the Shreveport Fire Department (SFD), 1 case was referred to the Water & Sewer (W & S), and 1 case was closed. The following charts detail the 2022 allegations by source and the status of each of the allegations recorded.

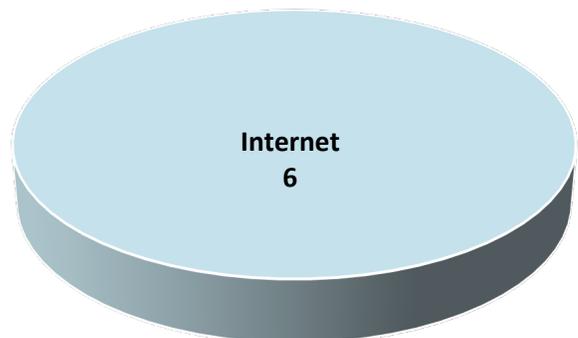
### FHL Allegation Status by Case Number



### Allegation Source

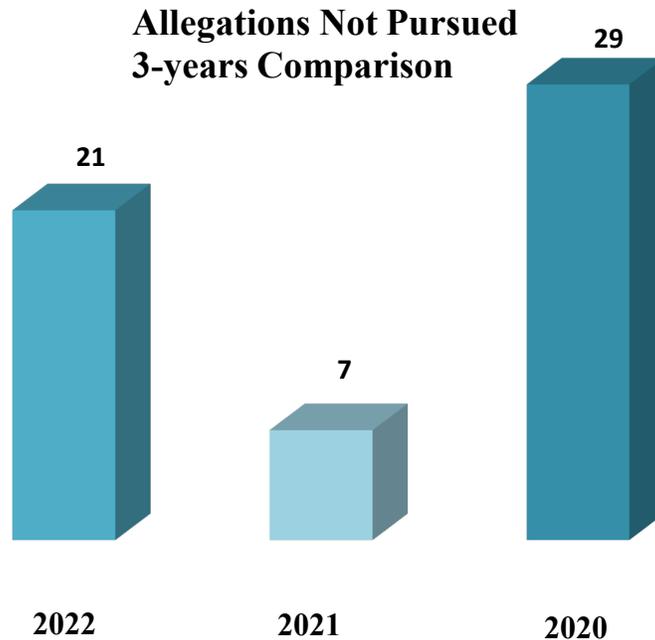


### Submission Format



## Allegations Not Pursued

We did not pursue a total of 21 allegations that we received in 2022, compared to 7 in 2021 and 29 in 2020. Sometimes we could not obtain enough information to pursue the allegation. City personnel matters were transferred to the proper Department Head. Any criminal allegations were forwarded to the appropriate law enforcement agency, or we assisted the citizen in contacting the agency. In some instances, the complainants had already been in contact with the appropriate agencies.



Internal Audit Hotline staff assesses each Hotline complaint to determine whether the reported issue includes sufficient information to be investigated or verified, as well as whether additional information is needed from the complainant (if the complainant provided valid contact information).

Each Hotline complaint is given a unique case number, which is entered into the Hotline database, and tracked until final case disposition is reached. An initial assessment by Hotline staff determines whether the complaint involves city assets and can be investigated by our office or another department. If a complaint is deemed viable and it contains sufficient information for the investigation, it is referred to the appropriate parties for follow-up action or, in some cases, investigated by Internal Audit. Complainants who request notification of an investigation's outcome are notified when a final resolution or disposition is reached. We worked diligently to keep track of complaints and review them in a timely manner while working remotely as well as in-person.

We thank the Council for the support you provide, particularly the Audit and Finance Committee. We appreciate the opportunity to serve our citizens and continue striving to improve our work every day.

Prepared by:

*Promo Jaishi* 02/07/2023

Promo Jaishi  
Associate Auditor

Approved by:

*Leani L. Steward*

Leani L. Steward, CPA, CIA  
City Internal Auditor

pj:ts

c: City Council  
Clerk of Council  
Mayor  
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