

# REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

## FRAUD HOTLINE ACTIVITY REPORT

FOR THE PERIOD  
JANUARY 1 THROUGH DECEMBER 31, 2009

MARCH 3, 2010



March 3, 2010

Councilwoman Joyce Bowman  
Chairman, Shreveport City Council

Dear Councilwoman Bowman:

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 through December 31, 2009.

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

Sincerely,

Leanis L. Graham, CPA, CIA  
City Internal Auditor

BL:lp

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

**FRAUD HOTLINE ACTIVITY REPORT**  
**For Allegations Received During the Period**  
**January 1 through December 31, 2009**

During the reporting period, three allegations of possible fraud, waste, and abuse were reported. Work on three allegations was completed, including one pending from 2008. *Fraud Hotline* Allegation 09-003, ***Indication of Illicit Practices by Employees***, dated September 30, 2009, remained pending as of December 31, 2009. The following report details the disposition of investigations received.

- **Substantiated (or referred for corrective action):** One allegation was referred to the appropriate level of management for necessary action. (*Fraud Hotline* Allegation 09-002)
- **Non-substantiated:** The validity of two allegations could not be substantiated. (*Fraud Hotline* Allegations 08-008 and 09-001. The latter disclosed administrative weaknesses that will be addressed to management in a pending report of audit.)
- **Pending:** Disposition on one allegation remained pending. (*Fraud Hotline* 09-003)

Additionally, numerous calls were received 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. None of these calls was assigned a case number.

**Prepared by:**

**Jose B. Lugo, CFE, CGFM**  
**Staff Auditor**

**Approved by:**

**Leanis L. Graham, CPA, CIA**  
**City Internal Auditor**

**BL:lp**