

Report #
2020/21-05

City Auditor's Whistleblower Hotline Activity Report: April 2020 – September 2020

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City Auditor



City of
SACRAMENTO
Office of the City Auditor

Investigations Division
November 2020



Whistleblower Hotline Activity Report

April 2020 - September 2020

Open Cases as of April 1, 2020
49



Cases Received During Period
103



Cases Closed During Period
119

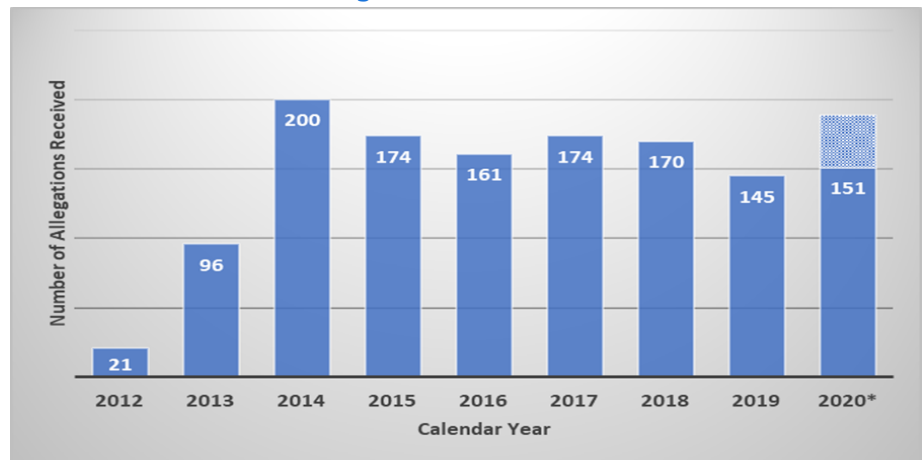


Open Cases as of October 1, 2020
33

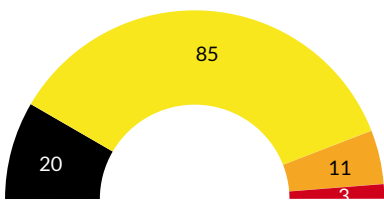
119 Cases Were Closed During the Period

The City of Sacramento's Whistleblower Hotline has received more than 1,200 allegations since 2012 with an estimated benefit of more than \$1.0 million.

Number of Allegations Received Each Year



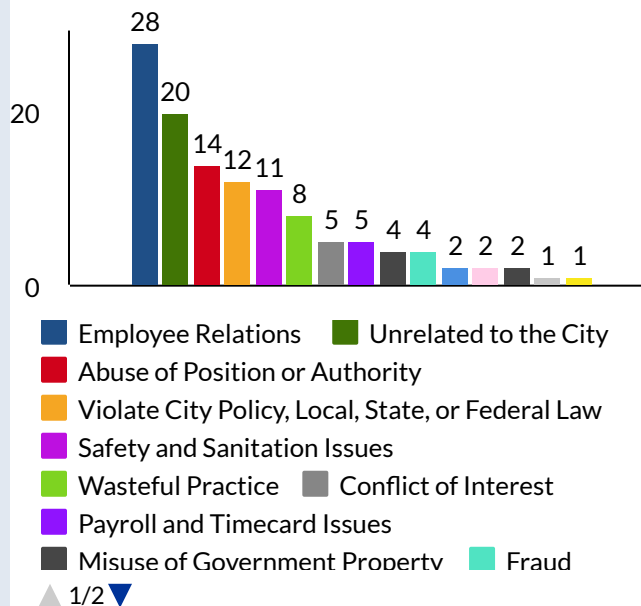
Case Priority



- Unrelated to the City (16.81%)
- Low (71.43%)
- Medium (9.24%)
- High (2.52%)

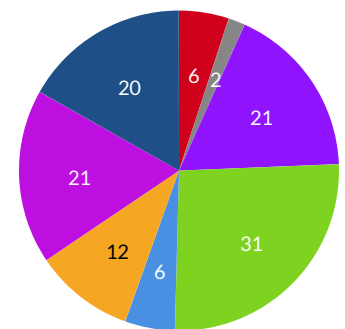


Types of Allegations



- Employee Relations
- Unrelated to the City
- Abuse of Position or Authority
- Violate City Policy, Local, State, or Federal Law
- Safety and Sanitation Issues
- Wasteful Practice
- Conflict of Interest
- Payroll and Timecard Issues
- Misuse of Government Property
- Fraud
- Substantiated & Referred
- Investigated & Referred
- Informational Referral
- Resolved Prior to or During Investigation
- Not Enough Information Provided
- Duplicate
- Unrelated to the City

Disposition of Closed Cases



- Substantiated & Referred (5.04%)
- Investigated & Referred (1.68%)
- Informational Referral (17.65%)
- Unsubstantiated (26.05%)
- Resolved Prior to or During Investigation (5.04%)
- Not Enough Information Provided (10.08%)
- Duplicate (17.65%)
- Unrelated to the City (16.81%)

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Whistleblower Hotline Program

Contact the City's Whistleblower Hotline

City staff or members of the public may submit reports by calling the Whistleblower Hotline's toll-free number [1-888-245-8859](tel:1-888-245-8859) or online at <https://www.reportlineweb.com/cityofsacramento>. Individuals may also submit whistleblower reports directly to any staff member in the Office the City Auditor in person, over the phone, by voicemail, by e-mail, or by mail. Individuals who provide whistleblower information will have their identity kept confidential to the extent permitted by law unless the individual waives confidentiality in writing.

Sacramento Office of the City Auditor
915 "I" Street
Historic City Hall, 2nd floor
Sacramento, CA 95814

Office of the City Auditor Website: <http://www.cityofsacramento.org/auditor/>

The City Auditor's Independence, Authority, and Responsibility

The City Auditor reports directly to the Mayor and City Council, and is independent of other City departments and agencies. This independence reduces the threat of coercion, influence, or conflict of interest during whistleblower investigations.

California Government Code Section 53087.6 allows local governments to create whistleblower hotlines. While State law sets certain requirements for establishing and managing a whistleblower hotline, local auditors have discretion in how to operate their programs.

Key points of the Government Code section and how it pertains to the City of Sacramento include the following:

- The City Auditor shall obtain approval from City Council before establishing a whistleblower hotline. This approval was obtained from the Sacramento City Council in March 2012.
- The hotline is used to receive calls from people who have information regarding fraud, waste, or abuse.
- The City Auditor may refer calls received on the hotline to the appropriate government authority for review and investigation.
- During the initial review of calls received, the City Auditor (or the appropriate government authority to whom the call is referred) shall hold in confidence information disclosed through the hotline. This includes the identities of the callers disclosing information and the people identified by the callers.
- Upon receiving specific information that an employee has engaged in an improper government activity, the City Auditor may conduct an investigative audit.
- The identity of the people providing information that initiated the investigative audit shall not be disclosed without their written permission, unless the disclosures are to law enforcement agencies conducting criminal investigations.

- The investigative audit shall be kept confidential except to issue a report of an investigation that has been substantiated or to release findings from completed investigations that are deemed necessary to serve the interests of the public.
- The identities of individuals reporting the improper government activities and the subject employees investigated shall be kept confidential.
- The City Auditor may provide a substantiated audit report and other information (including subject employee identities) to appointing authorities for disciplinary purposes.

Whistleblower Procedures Prioritize High-Risk Allegations

Due to the limited staff in the Office of the City Auditor and the Office's chief responsibility to conduct performance audits, research, and analysis in accordance with the City Council-approved workplan, conducting full investigations of all allegations is not feasible. Instead, the City Auditor applies a risk-based approach to investigate whistleblower allegations.

As part of the whistleblower program's intake process, we rank initial reports by risk and focus investigative efforts on those that represent the greatest risk to the City. Allegations are generally classified in one of the following categories:

High Priority

Allegations may be considered high priority if they include a safety concern, loss¹ to the City of more than \$75,000, criminal activity resulting in a loss of at least \$400, high-level involvement, collusion of multiple wrongdoers, major department-wide issue, or need for immediate action to stop a potentially major issue. Addressing these items could take priority over other investigations and audits, at the City Auditor's discretion.

Medium Priority

This category includes loss to the City of more than \$25,000, abuse of authority, medium to low-level employee involvement, minor department-wide issues, or patterns of small problems that could become serious when summed. Some medium-priority items could be referred to a department for their review.

Low Priority

This category includes loss to the City of less than \$25,000, isolated instances of time abuse, wasteful practices that would lead to limited gains in efficiencies if corrected, or allegations that lack credibility and evidence. The office would aim to investigate items in this category, but may not do so because of limited resources. However, if the same or similar issues were reported multiple times, low-priority items may become a higher priority. Additionally, some low-priority allegations could be referred to a department for their review.

¹ Loss could entail actual or potential loss of money, waste, or inefficiencies.

Unrelated to the City

Some allegations received through the Whistleblower Hotline do not involve City of Sacramento agencies or staff. The Office of the City Auditor investigates these allegations for any City involvement. If no City involvement can be determined, those allegations are closed as “unrelated to the City”; some allegations not related to the City are referred to other jurisdictions.

Whistleblower Hotline Dashboard

The Office of the City Auditor maintains a Whistleblower Hotline Dashboard on its public website. City Officials and the public can use this dashboard to see statistics on the types of cases received through the City’s Whistleblower Hotline, the disposition of closed cases, brief descriptions of substantiated cases, actions taken as a result of substantiated cases, and the monetary benefit of the hotline. The dashboard is updated semi-annually with the release of each Whistleblower Hotline Activity Report. The Whistleblower Hotline Dashboard can be found at:

<https://www.cityofsacramento.org/Auditor/Reports/Whistleblower-Activity>

NEW! - COVID-19 and the Whistleblower Hotline

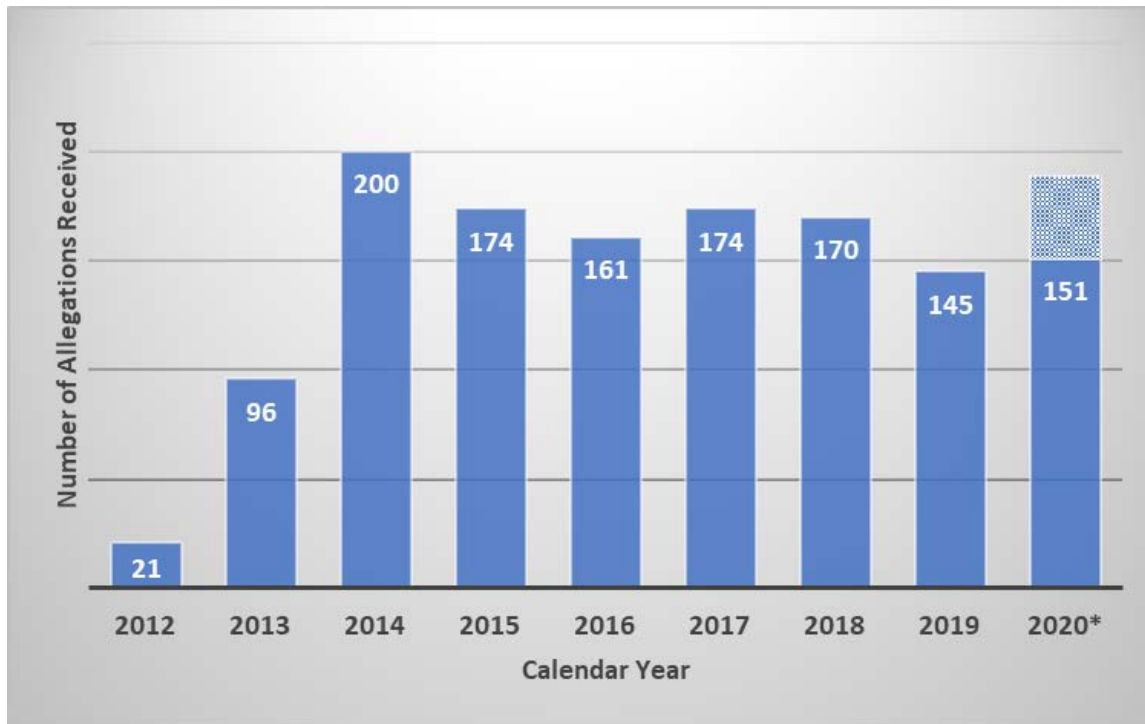
Our office investigates reports of fraud, waste, and abuse related to the COVID-19 pandemic received through the City’s Whistleblower Hotline. As of September 30, 2020, the City’s Whistleblower Hotline has received 25 complaints related to COVID-19. For complaints that are related to employee health and safety, we refer the information to the City’s Risk Management Division. For complaints that are related to the public’s health and safety, we refer the information to Sacramento County. Any information referred to another department or agency is referred in compliance with California whistleblower regulations, which require our office protect the identity of the whistleblower.

Status of Investigations

The Number of Whistleblower Reports has Remained Steady

Since the hotline’s inception in 2012, the Office of the City Auditor has received more than 1,200 reports. Use of the City Auditor’s Whistleblower Hotline grew significantly in the first few years and has been steady since 2014 as shown in Exhibit 1. The table below shows the number of allegations received per year since the program’s inception.

Exhibit 1: Whistleblower Allegations Received Per Year



*Denotes a partial year. Hatched area represents projected number of allegations based on number of cases received during the first three quarters of 2020. Data as of September 30, 2020.

119 Cases Were Closed During the Period

At the beginning of the April 2020 through September 2020 reporting period, the Office of the City Auditor had 49 open cases. During that six-month period, 103 new reports were received by the hotline, and the Office of the City Auditor investigated, processed, and closed 119 cases; 33 cases remained open at the end of the reporting period. Exhibit 2 below provides information on all cases that were closed during the April 2020 through September 2020 reporting period.

Exhibit 2: 119 Cases Were Closed During the Period

Case #	Primary Type Of Allegation	Priority	Result
843	Violate City Policy, Local, State, or Federal Law	Low	Informational Referral
1002	Fraud	Low	Unsubstantiated
1071	Payroll and Timecard Issues	Low	Substantiated and Referred
1082	Abuse of Position or Authority	Low	Unsubstantiated
1094	Internal Control Issues	Medium	Substantiated and Referred
1112	Abuse of Position or Authority	Low	Unsubstantiated
1115	Misuse of Government Property	Low	Investigated and Referred
1119	Violate City Policy, Local, State, or Federal Law	Low	Substantiated and Referred
1120	Violate City Policy, Local, State, or Federal Law	Low	Substantiated and Referred
1121	Fraud	High	Not Enough Information Provided

1132	Internal Control Issues	Medium	Substantiated and Referred
1136	Wasteful Practice	Low	Substantiated and Referred
1137	Unrelated to the City	Unrelated to the City	Unrelated to the City
1146	Employee Relations	Low	Unsubstantiated
1147	Conflict of Interest	Low	Unsubstantiated
1153	Employee Relations	Low	Informational Referral
1156	Abuse of Position or Authority	Low	Unsubstantiated
1162	Violate City Policy, Local, State, or Federal Law	Low	Investigated and Referred
1165	Employee Relations	Low	Unsubstantiated
1167	Unrelated to the City	Unrelated to the City	Unrelated to the City
1169	Information Request	Low	Resolved Prior To or During Investigation
1170	Abuse of Position or Authority	Low	Unsubstantiated
1172	Payroll and Timecard Issues	Medium	Unsubstantiated
1181	Payroll and Timecard Issues	Low	Not Enough Information Provided
1185	311	Low	Informational Referral
1186	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1187	Employee Relations	Low	Resolved Prior To or During Investigation
1188	Safety and Sanitation Issues	Low	Not Enough Information Provided
1189	Unrelated to the City	Unrelated to the City	Unrelated to the City
1190	Contested City Charges	Low	Unsubstantiated
1191	Employee Relations	Low	Unsubstantiated
1192	Safety and Sanitation Issues	Medium	Informational Referral
1193	Safety and Sanitation Issues	Medium	Not Enough Information Provided
1194	Unrelated to the City	Unrelated to the City	Unrelated to the City
1195	Payroll and Timecard Issues	Low	Unsubstantiated
1196	Employee Relations	Low	Duplicate
1197	Employee Relations	Low	Not Enough Information Provided
1198	Safety and Sanitation Issues	Low	Informational Referral
1199	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1200	Unrelated to the City	Unrelated to the City	Unrelated to the City
1201	Wasteful Practice	Low	Unsubstantiated
1202	Wasteful Practice	Low	Unsubstantiated
1203	Employee Relations	Low	Informational Referral
1204	Employee Relations	Low	Informational Referral
1205	Employee Relations	Low	Informational Referral
1206	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated

1207	Unrelated to the City	Unrelated to the City	Unrelated to the City
1209	Unrelated to the City	Unrelated to the City	Unrelated to the City
1210	Safety and Sanitation Issues	Low	Informational Referral
1211	Unrelated to the City	Unrelated to the City	Unrelated to the City
1212	Procurement of Goods or Services Issues	Low	Unsubstantiated
1213	Misuse of Government Property	Low	Not Enough Information Provided
1215	Abuse of Position or Authority	Medium	Informational Referral
1217	Unrelated to the City	Low	Unrelated to the City
1218	Employee Relations	Medium	Informational Referral
1219	Employee Relations	High	Duplicate
1220	Employee Relations	Low	Unsubstantiated
1221	Employee Relations	High	Duplicate
1222	Wasteful Practice	Low	Not Enough Information Provided
1223	Abuse of Position or Authority	Low	Resolved Prior To or During Investigation
1224	Employee Relations	Low	Unsubstantiated
1226	Employee Relations	Low	Not Enough Information Provided
1227	Wasteful Practice	Low	Unsubstantiated
1228	Safety and Sanitation Issues	Low	Informational Referral
1229	Employee Relations	Low	Duplicate
1231	Safety and Sanitation Issues	Medium	Not Enough Information Provided
1232	Safety and Sanitation Issues	Low	Duplicate
1234	Unrelated to the City	Unrelated to the City	Unrelated to the City
1235	Safety and Sanitation Issues	Low	Duplicate
1236	Fraud	Low	Not Enough Information Provided
1237	Unrelated to the City	Unrelated to the City	Unrelated to the City
1238	Employee Relations	Low	Duplicate
1239	Misuse of Government Property	Low	Unsubstantiated
1240	Abuse of Position or Authority	Low	Informational Referral
1241	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1242	Misuse of Government Property	Low	Duplicate
1243	Employee Relations	Low	Duplicate
1244	Abuse of Position or Authority	Low	Informational Referral
1245	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1246	Unrelated to the City	Unrelated to the City	Unrelated to the City
1248	Employee Relations	Low	Duplicate
1249	Safety and Sanitation Issues	Low	Informational Referral
1250	311	Low	Informational Referral

1251	Safety and Sanitation Issues	Low	Informational Referral
1252	Conflict of Interest	Medium	Unsubstantiated
1253	Employee Relations	Low	Duplicate
1254	Employee Relations	Low	Unsubstantiated
1255	Conflict of Interest	Low	Resolved Prior To or During Investigation
1256	Conflict of Interest	Low	Not Enough Information Provided
1257	Employee Relations	Low	Duplicate
1260	Wasteful Practice	Low	Duplicate
1261	Violate City Policy, Local, State, or Federal Law	Low	Informational Referral
1262	Abuse of Position or Authority	Low	Unsubstantiated
1265	Employee Relations	Medium	Informational Referral
1266	Employee Relations	Low	Duplicate
1267	Abuse of Position or Authority	Low	Duplicate
1269	Payroll and Timecard Issues	Low	Unsubstantiated
1270	Fraud	Medium	Duplicate
1271	Wasteful Practice	Low	Duplicate
1272	Employee Relations	Low	Duplicate
1273	Wasteful Practice	Low	Resolved Prior To or During Investigation
1274	Unrelated to the City	Unrelated to the City	Unrelated to the City
1275	Unrelated to the City	Unrelated to the City	Unrelated to the City
1276	Employee Relations	Low	Unsubstantiated
1277	Employee Relations	Low	Duplicate
1278	Conflict of Interest	Low	Not Enough Information Provided
1279	Violate City Policy, Local, State, or Federal Law	Low	Resolved Prior To or During Investigation
1280	Unrelated to the City	Unrelated to the City	Unrelated to the City
1281	Abuse of Position or Authority	Low	Informational Referral
1282	Abuse of Position or Authority	Low	Informational Referral
1283	Violate City Policy, Local, State, or Federal Law	Low	Unsubstantiated
1284	Abuse of Position or Authority	Low	Duplicate
1285	Abuse of Position or Authority	Low	Duplicate
1286	Unrelated to the City	Unrelated to the City	Unrelated to the City
1287	Information Request	Low	Unsubstantiated
1288	Unrelated to the City	Unrelated to the City	Unrelated to the City
1290	Unrelated to the City	Unrelated to the City	Unrelated to the City
1296	Unrelated to the City	Unrelated to the City	Unrelated to the City

1297	Unrelated to the City	Unrelated to the City	Unrelated to the City
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Of the 119 Cases Closed During the Period, Six Were Substantiated

For cases that are substantiated, the Office of the City Auditor requests departments to report back on actions taken as a result of our investigations and any recommendations made in the investigative audit within 60 days of receiving the completed investigative audit report. Of the 119 cases that were closed during the April 2020 through September 2020 reporting period, six allegations were substantiated. Exhibit 3 below provides a brief summary of the six substantiated during the period and the actions reported by the responsible department. Red highlighted cases indicate that the department did not respond within the requested timeframe.

Exhibit 3: Six Allegations Were Substantiated During the Period

Case #	Case Summary	Department Response
1071	We received an allegation that an employee from the Information Technology Department was not working the full time reported on their timesheets. Based on the limited timekeeping information that was available, we substantiated that not all of the employee’s hours could be accounted for. We have referred this information to the Information Technology Department for further review.	The department plans to re-emphasize proper time sheet accounting and general work expectations to all IT staff.
1094	We received an allegation that there were internal control failures in the City’s access control program. We substantiated that these internal control failures exist and provided recommendations to address the issue. We referred this case to the Department of Public Works for further review.	The Office of the City Auditor is currently working with the City Manager’s Office to resolve the identified internal control failures.
1119	We received an allegation that the Fire Department modified an incident report so that it could be billed as a HazMat call, in violation of City Code. Based on our review the call record was modified, but this action did not appear to constitute a code violation. However, upon further review, the hazardous material released during this incident was consumed when it combusted, thereby leaving no hazardous material to clean up. In this instance, the call could not be billed as a HazMat remediation incident under City Code. We referred this case to the Fire Department for further review.	The Fire Department reviewed this case and determined that a bill was not sent for this incident.
1120	We received a complaint alleging overtime was offered only to specific Fire Department employees, in violation of City policies. The investigation found that the overtime offer did not violate the City’s Equal Employment Policy, but did appear to violate the Fire Department’s Manual	The Fire Department substantiated that their internal policy was violated.

	of Operations. We have referred this case to the Fire Department for further review.	
1132	We received a complaint alleging a former employee was able to access confidential data because their systems access was not removed timely. Our investigation found that the former employee accessed confidential data shortly after they separated from the City. We referred the complaint and our findings to the Human Resources Department and the Information Technology Department for further review.	The Human Resources Department reviewed this case and determined that the written Employee Separation policy was followed. Considering the confidential nature of the information accessed, in the future, a phone call will be made to the Information Technology Department in addition to the required Citywide separation notice to ensure that all systems are shut down as of the employee's last day/hour worked.
1136	We received a complaint that a Public Works employee had excessive travel costs. It was substantiated that some elements of the employee's travel costs were not in compliance with the City's Travel Request and Reimbursement Policy or standard City practices. We have referred this case to the Department of Public Works and the Human Resources Department for further review.	The Department of Public Works (DPW) reviewed the case and is in agreement with the conclusions and recommendations. DPW is committed to improving internal processes and procedures regarding travel and reimbursement. DPW will provide the City's Travel Request and Reimbursement Policy to all employees and train the supervisors, managers, and travel coordinators to ensure they understand the policy and make sure it is followed when employees travel.