

City Auditor's Whistleblower Hotline Activity Report: October 2017 – March 2018

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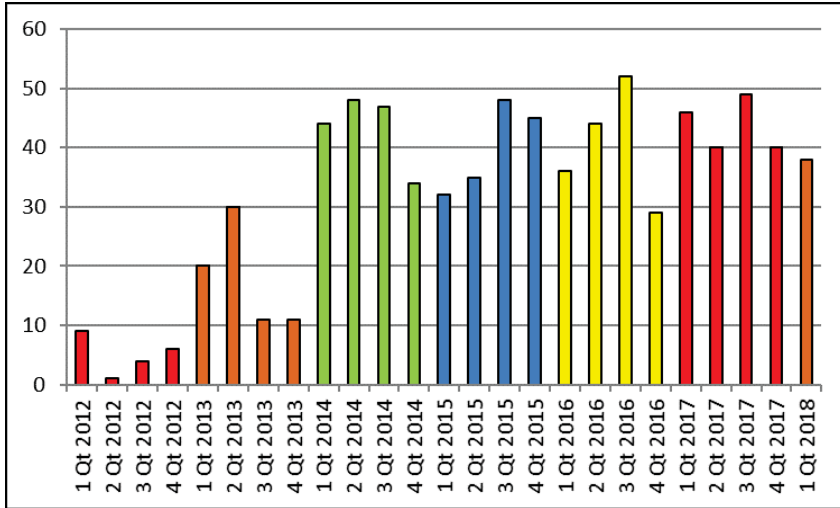


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Whistleblower Hotline Activity Report

October 2017 - March 2018



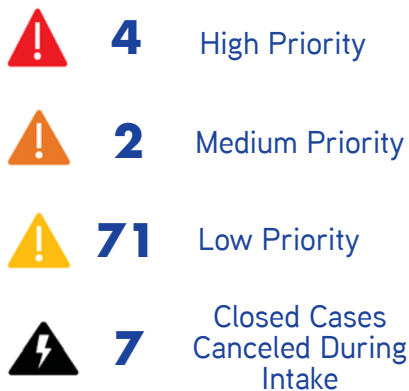
865

The City of Sacramento's Whistleblower Hotline has received 865 allegations since 2012. The number of allegations received each quarter are outlined in the figure to the left.

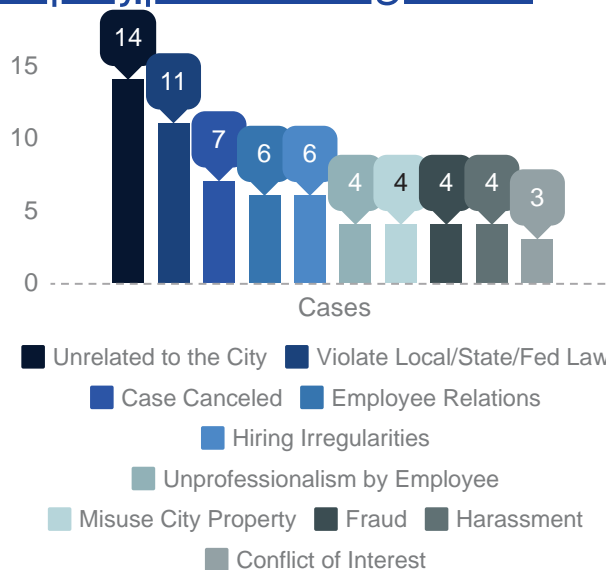
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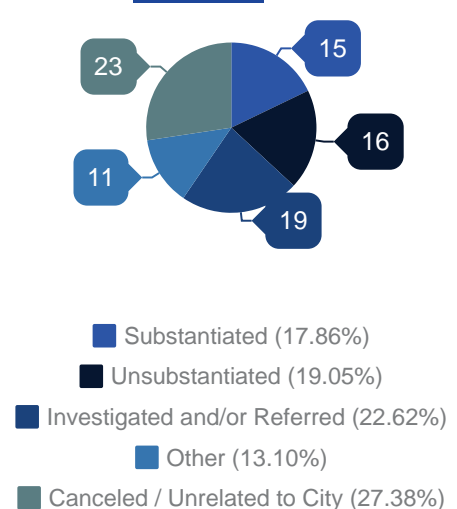
Case Priority



Top Types of Allegations



Disposition of Closed Cases



Whistleblower Hotline Program Background

To contact the City's Whistleblower Hotline

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

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/>

Auditor's role and responsibilities

The City's independent auditor reports directly to the Mayor and City Council. Council approves the Auditor's annual audit plan and has historically added audits to the plan when needed.

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

The following includes key points of the Government Code section and how it pertains to the City of Sacramento:

- 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 that are 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.
- However, the City Auditor may provide a substantiated audit report and other information (including subject employee identities) to appointing authorities for disciplinary purposes.

Whistleblower procedures target high-risk allegations

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

As part of the program's intake process, we rank allegations by risk and focus investigative efforts on those that represent the greatest risk to the City. The following shows how we generally classify types of allegations based on risk:

High Priority

Some reasons why allegations may be considered high priority are that they could 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 potential major issue. Addressing these items could take priority over other investigations and audits – at the City Auditor's discretion.

Medium Priority

Allegations in this category could include a 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

Allegations in this category could include a 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 list, 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 more of a priority. Additionally, some low-priority allegations could be referred to a department for their review.

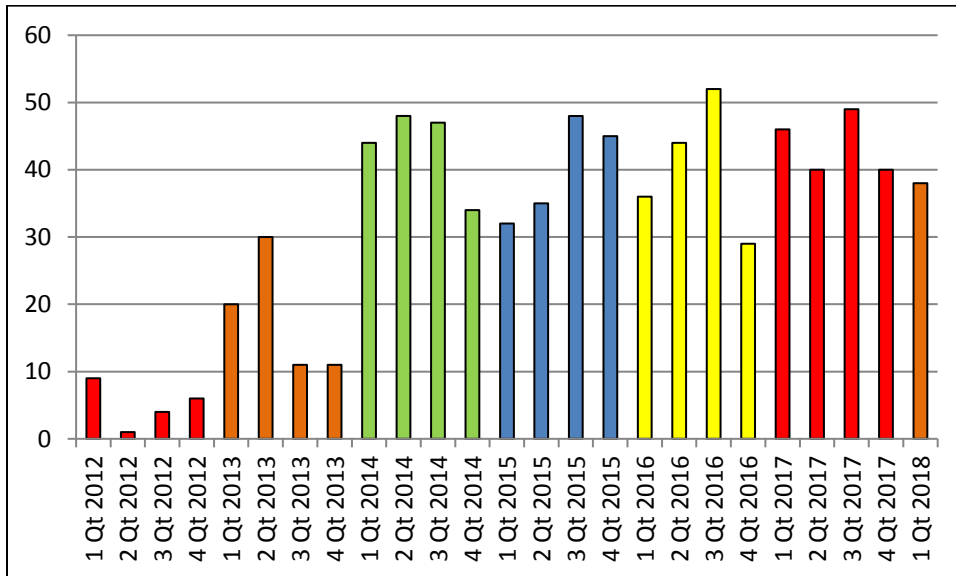
¹ Loss could entail actual or potential loss of money, waste, or inefficiencies.

Status of Investigations

The number of allegations received by the City Auditor has been steady

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 quarter since the program’s inception.

Exhibit 1: Whistleblower Allegations Received Per Quarter



We will continue to monitor call volume and report on the call activity.

Over 95 percent of allegations received have been processed and closed

As previously noted, the City Council directed the City Auditor in March 2012 to establish a Whistleblower Hotline Program. Since the inception, the City Auditor’s Office has received more than 850 allegations. In the beginning of the reporting period, the Auditor’s Office had 35 open cases. During the current reporting period of October 2017 through March 2018, the Auditor’s Office received 78 cases. During this same period, the Auditor’s Office processed and closed a total of 84 cases. The Auditor’s Office had 29 open cases at the end of the reporting period.

The following exhibit provides information regarding all cases that we closed since our last semiannual whistleblower hotline activity report. A summary of the investigation results are included for allegations that were substantiated.

Exhibit 2: Eighty-Four Cases Were Closed, of Which Fifteen Allegations Were Substantiated

Case #	Primary Type of Allegation	Priority	Result
449	Fraud	Medium	Investigated & Referred: Finance Department
593	Conflict of Interest	Low	Substantiated & Referred: We received a complaint alleging familial relationships between supervisors and their subordinates in the Department of Public Works. Our investigation found that there are familial relationships between a supervisor and their subordinate. In addition, we found that a supervisor had not disclosed a familial relationship with another employee in the department as required by the Nepotism and Conflict of Interest Policy. We referred the complaint and our findings to the Department of Public Works and the Human Resources Department for further review.
657	Misuse City Property	Low	Substantiated & Referred: We received a complaint alleging a City vehicle was regularly used to commute to and from a location outside the City radius for overnight vehicles. We substantiated that an employee, when on-call, drove and parked a City vehicle overnight approximately 60 miles from Sacramento in violation of Civil Service Board Rules. Ending this improper commuter activity of a City vehicle would reduce the vehicle use and associated wear and tear by over 4,000 miles per year. We have referred this case to the department for review and corrective action.
667	Time Abuse	Low	Unsubstantiated: Per Investigation
669	Conflict of Interest	Low	Unsubstantiated: Per Investigation
670	Misuse City Property	Low	Not enough Information provided
711	Employee Relations	Low	Substantiated & Referred: We received a complaint alleging violations of the Nepotism and Conflict of Interest Policy by employees in the Department of Public Works. Our investigation found that an employee violated the Nepotism and Conflict of Interest Policy. We referred the complaint and our findings to the Department of Public Works and the Human Resources Department for further review.

716	Misuse City Property	Low	Substantiated & Referred: We received a complaint alleging that a Department of Utilities employee uses a City vehicle to commute to and from work outside the City radius for overnight vehicles. It was substantiated that this employee commutes to and from work, approximately 100 miles roundtrip, in a City vehicle for part of each year. Ending this improper commuter activity of a City vehicle could reduce the vehicle use and associated wear and tear by approximately 12,000 or more miles per year. We have referred this case to the department for review and corrective action.
723	Improper Controls	Medium	Substantiated & Referred: We received a complaint alleging that a Department of Utilities employee offered training to employees that may have inadvertently compromised the department's security. Based on our investigation, a detailed process was not followed in determining who should be offered the training. This investigation raised serious concerns regarding the Department of Utilities' security. We have recommended the department review these issues and discuss with the Office of the City Auditor the incorporation of an audit of the Department of Utilities Security and Emergency Preparedness in the FY2018/19 Audit Plan.
730	Violate Local/State/Fed Law	Low	Substantiated & Referred: We received a complaint alleging a shelter employee violated state law by allowing a puppy to be released for adoption prior to it being neutered. Based on the information we reviewed, it appears the shelter did not obtain the appropriate adoption and health records for the adoptions in question. We made recommendations to 1) evaluate their offsite adoptions process to ensure signed agreement forms are obtained 2) review the practice of releasing animals without being spayed/neutered prior to adoption to ensure it complies with California Government Code and 3) determine if discipline is warranted.
737	City Resources for Other Job	Low	Duplicate case

747	Insufficient action by City	Low	Substantiated & Referred: We received a complaint alleging that a Department of Utilities employee violated City policies and procedures. It was substantiated that the employee violated the City's Information Technology Resources Policy. We have referred this case to the Department of Utilities and the Human Resources Department for further review and to determine if discipline is warranted.
748	Insufficient action by City	Low	Resolved prior to investigation
758	Abuse of Position or Authority	Low	Unsubstantiated: Per Investigation
768	Misuse City Property	Low	Substantiated & Referred: We received a complaint alleging that a Department of Utilities employee sent and received inappropriate content through City e-mail. It was substantiated that the employee violated the City's Information Technology Resources Policy. We have referred this case to the Department of Utilities and the Human Resources Department for further review and to determine if discipline is warranted.
769	Employee Safety	Low	Substantiated & Referred: We received a complaint alleging that a Department of Utilities employee consistently exceeds the posted speed limits when driving a City vehicle. It was substantiated that the employee has regularly exceeded the posted speed limits while operating a City vehicle. We have recommended that the Department of Utilities review the City's Employee Transportation Policy with the individual and document acknowledgement of the policy.
774	Employee Relations	Low	Substantiated & Referred: We received a complaint alleging that a retired annuitant was earning more than the maximum rate allowable in the pay schedule, in violation of CalPERS guidance. Based on the information we reviewed, the employee does appear to be earning more than the maximum hourly rate for the assigned job classification. We recommend the Human Resources Department align the employee's job classification and compensation rate with CalPERS requirements.
776	Unrelated to the City	Low	Non-City complaint
780	Harassment	Low	Investigated & Referred: Human Resources Department
781	Hiring Irregularities	Low	Investigated & Referred: Human Resources Department

783	Harassment	Low	Investigated & Referred: Human Resources Department
786	Insufficient action by City	Low	Resolved prior to investigation
787	Unrelated to the City	Low	Non-City complaint
789	Unrelated to the City	Low	Non-City complaint
790	Violate Policy	Low	Investigated & Referred: Human Resources Department
791	Time Abuse	Low	Unsubstantiated: Not enough information provided
792	Time Abuse	Low	Duplicate case
793	Employee Relations	Low	Investigated & Referred: Human Resources Department
794	Parking	Low	Unsubstantiated: Per Investigation
795	Violate Local/State/Fed Law	Low	Non-City complaint
796	Case Canceled	Canceled	Canceled
797	Employee Relations	Low	Substantiated & Referred: We received a complaint alleging violation of the Nepotism and Conflict of Interest Policy by employees in the Department of Public Works. Our investigation found that the Department of Public Works employees violated the Nepotism and Conflict of Interest Policy. We referred the complaint and our findings to the Department of Public Works and the Human Resources Department for further review.
798	Unrelated to the City	Low	Non-City complaint
799	Violate Local/State/Fed Law	Low	Unsubstantiated: Per Investigation
800	Hiring Irregularities	Low	Unsubstantiated: Per Investigation
802	Watering/311	High	Informational Referral
803	Harassment	High	Substantiated & Referred: We received a complaint alleging that a Public Works employee was sending inappropriate photos of himself to females during work hours. We worked with the Department of Human Resources to investigate and substantiate this complaint. We referred our findings to the Departments of Human Resources and Public Works for further review and possible discipline.
804	Unrelated to the City	Low	Non-City complaint
805	Abuse of Position or Authority	Low	Duplicate case
806	Unrelated to the City	Low	Non-City complaint
807	Unrelated to the City	Low	Non-City complaint
808	Case Canceled	Canceled	Canceled
809	Unprofessionalism by City Employee	Low	Resolved During Investigation
810	Violate Local/State/Fed Law	High	Investigated & Referred: Police Department

811	Hiring Irregularities	Low	Unsubstantiated: Per Investigation
812	Fraud	Low	Unsubstantiated: Per Investigation
813	Violate Policy	Low	Substantiated & Referred: We received a complaint of a Fire Department employee having the City decals removed from his assigned take-home vehicle. We substantiated that the decals had been removed by the City Fleet Shop in 2016. However, it appears that other Fire employees of the same rank also did not have City decals on their take-home vehicles. This practice does not appear to be in compliance with City policy and we have forwarded the details of our investigation to the Fire Department and the City Manager for further review.
815	Parking	Low	Incorporated Into A Performance Audit
816	Hiring Irregularities	Low	Substantiated & Referred: We received a complaint alleging that a City employee was promoted after receiving discipline. It was substantiated that the employee was promoted shortly after being disciplined. The Department of Human Resources was aware of this and took action to mitigate this issue prior to our investigation.
817	Violate Local/State/Fed Law	High	Investigated & Referred: Police Department
819	Unrelated to the City	Low	Non-City complaint
820	Hiring Irregularities	Low	Unsubstantiated: Per Investigation
821	Case Canceled	Canceled	Canceled
822	Contract Issue	Low	Unsubstantiated: Per Investigation
823	Case Canceled	Canceled	Canceled
824	Fraud	Low	Non-City complaint
825	Violate Local/State/Fed Law	Low	Informational Referral
826	Violate Local/State/Fed Law	Low	Informational Referral
827	Violate Policy	Low	Duplicate case
828	Payroll	Low	Substantiated & Referred: We received a complaint alleging that five employees under the Local 39 General Supervisors labor agreement were being incorrectly paid for an incentive/allowance. We reviewed the personnel and payroll information of the identified individuals and compared the incentive/allowance they received to the labor agreement. We determined the employees were incorrectly paid an incentive/allowance that resulted in a total overpayment of \$3,060 by the City.
829	Hiring Irregularities	Low	Duplicate case
830	Case Canceled	Canceled	Canceled
831	Case Canceled	Canceled	Canceled

832	Unrelated to the City	Low	Non-City complaint
833	Unrelated to the City	Low	Non-City complaint
834	Unrelated to the City	Low	Non-City complaint
836	Unprofessionalism by City Employee	Low	Unsubstantiated: Per Investigation
837	Fraud	Low	Unsubstantiated: Per Investigation
840	Violate Local/State/Fed Law	Low	Investigated & Referred: 311
841	Not Enough Information Provided	Low	Not enough Information provided
842	Unprofessionalism by City Employee	Low	Investigated & Referred: Youth, Parks, & Community Enrichment Department
844	Unrelated to the City	Low	Non-City complaint
846	Employee Relations	Low	Unsubstantiated: Per Investigation
847	Employee Relations	Low	Duplicate case
848	Harassment	Low	Informational Referral
850	Case Canceled	Canceled	Canceled
851	Unprofessionalism by City Employee	Low	Investigated & Referred: Youth, Parks, & Community Enrichment Department
852	Conflict of Interest	Low	Investigated & Referred: Youth, Parks, & Community Enrichment Department
853	Violate Local/State/Fed Law	Low	Investigated & Referred: Community Development Department
855	Wasteful Practice	Low	Resolved prior to investigation
856	Unrelated to the City	Low	Non-City complaint
857	Unrelated to the City	Low	Non-City complaint
859	Violate Local/State/Fed Law	Low	Investigated & Referred: Office of Public Safety Accountability
860	Violate Local/State/Fed Law	Low	Investigated & Referred: Office of Public Safety Accountability