



Office of the Controller, Fraud, Waste and Abuse Unit
Report for the Quarter Ending June 30, 2019

KEY FIGURES

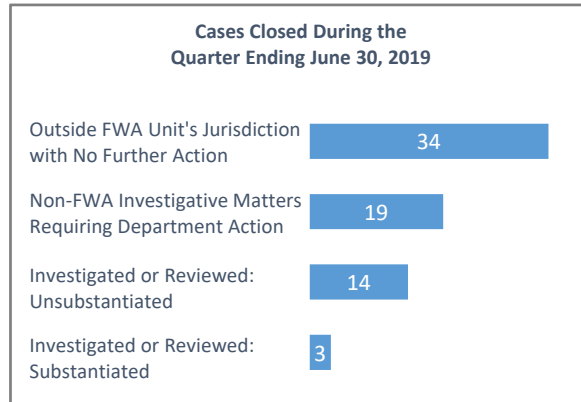
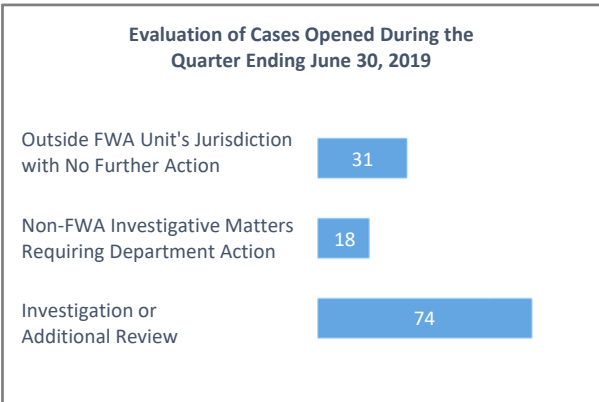
New Cases	Total Closed Cases	Closed Cases Investigated or Reviewed	Total Open Cases
123	70	17	144

FWA ACTIVITY

For the quarter beginning April 1, 2019, and ending June 30 this year, the Fraud, Waste and Abuse (FWA) Unit received 123 new cases and closed 70 cases. As of the end of this quarter, the FWA Unit has a total of 144 open cases.

The FWA Unit’s evaluation of the 123 cases received between April and June 2019 determined that 31 (25 percent) were outside FWA Unit’s jurisdiction did not merit any further action.¹ Of the remaining cases, the FWA Unit referred 18 cases to other City departments or agencies for appropriate action.² Seventy-four cases were determined to require an investigation or additional review of which the FWA Unit referred 40 cases to the respective department; the FWA Unit retained the remaining 34 cases for investigation or additional review.

As of the end of this quarter, the FWA Unit closed a total of 70 cases. Thirty-four cases were outside FWA Unit’s jurisdiction and did not merit any further action, 19 cases were non-FWA investigative matters requiring department action, and 17 cases were investigated or reviewed. Of the 17 closed cases investigated or reviewed, 3 cases substantiated the allegations while 14 were found to be unsubstantiated.



Examples of Cases Closed this Quarter

- **Falsified Documents and Time Fraud** – Resulted in the resignation of the employee. Referred to Ethics Commission that may result in additional disciplinary outcomes of the former employee.
- **Theft of Time** – The investigation resulted in policy changes made within the department.
- **Misuse of Authority or Position** – The department took remedial action to reassign the employee’s oversight of the area of concern raised in the FWA case.

¹ Cases identified as outside FWA Unit’s jurisdiction requiring no further action included cases outside of City jurisdiction, personnel related matters, and cases with no FWA allegation. Cases are referred to the appropriate outside agency or City department, as appropriate.

² Cases identified as non-FWA investigative matters requiring department action included allegations involving employee misconduct, risk management, and customer service concerns which are suited for the department to take action and did not warrant an FWA investigation.

- **Waste of Resources and Safety Issues** – The department will provide additional training. Theft of time was the leading type of issue reported for cases received during the quarter, which accounted for 13 of the 74 cases determined to require an investigation or additional review.

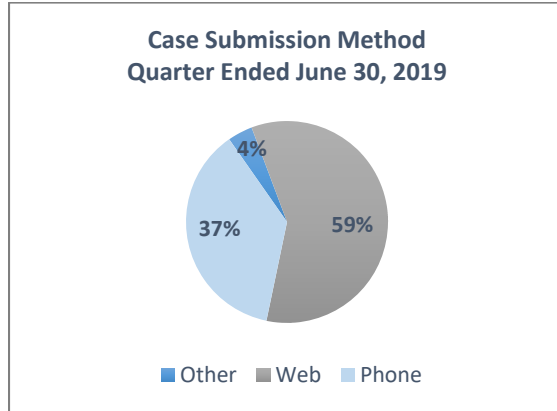
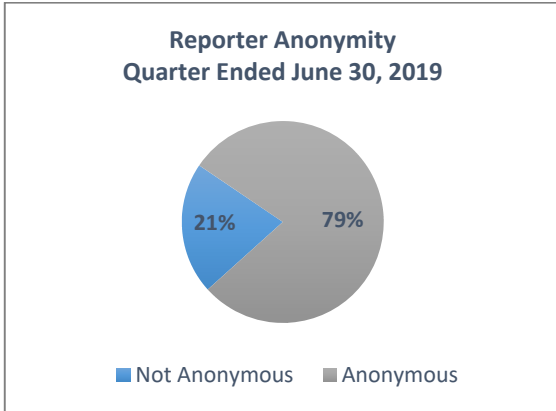
Investigation or Additional Review By Issue Type for the Cases Received during the Quarter Ending June 30, 2019		
Issue Type	Total	%
Theft of Time	13	18%
Waste or Efficiency of City Resources	11	15%
Other Human Resource Concerns	9	12%
Fraud	8	11%
Misuse of Authority or Position	6	8%
Contractor Fraud and Selection Process	6	8%
Conflicts of Interest	5	7%
Wage/Hour Issues	5	7%
Safety Issues and Sanitation	3	4%
All Other Issues	8	11%
Total	74	100%

The breakdown of cases requiring investigation or review by departments and the number of cases referred to departments for action are as follows:

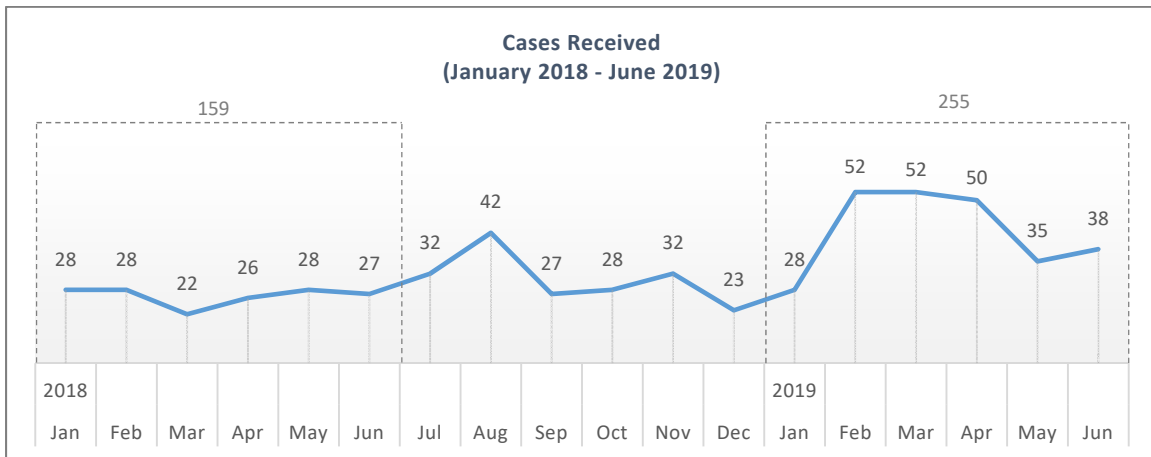
Schedule of Cases by Department			
Primary Department	Total Open Cases	Closed Cases Investigated or Reviewed	Closed Cases Non-FWA Investigative Matters Requiring Department Action
Water and Power	56	8	7
Airport	16	1	3
Police	12	0	1
Public Works - Bureau of Sanitation	10	0	2
Recreation and Parks	10	0	1
Harbor	6	0	0
Personnel	5	0	0
Public Works - Bureau of Contract Administration	4	1	0
General Services	3	2	1
Fire	3	1	0
Public Works - Bureau of Street Services	3	0	1
Public Works - Bureau of Street Lighting	3	0	0
Information Technology Agency	3	0	0
Emergency Management Department	3	0	0
Housing and Community Investment	2	0	1
Building and Safety	1	3	0
Economic Workforce Community Development	1	0	1
Transportation	1	0	0
Disability	1	0	0
City Attorney	1	0	0
Library	0	1	0
Cultural Affairs	0	0	1
Grand Total	144	17	19

FWA METRICS

This quarter, the majority of cases reported were anonymous. Most cases received were through the Controller’s Fraud Hotline through the web intake form or hotline phone calls. A small number of additional cases received were via email, U.S. mail, or in-person.



This quarter, the FWA Unit received 123 cases, compared to 132 cases in the prior quarter. The FWA Unit has received 255 cases for the first six months of the year compared to 159 cases for the first six months in the prior year, an increase of 60%. The Fraud Awareness Training deployed to all City departments, and offices in January 2019 has attributed to an increase in reported cases.



FWA GOALS & INITIATIVES UPDATE

The FWA Unit has focused our goals and initiatives into two key areas:

“Prevention Centered” FWA Team

- FWA Investigators have met with nearly each City department general Manager and/or FWA Liaison to develop an individualized plan for each department to increase employee awareness of FWA.
- FWA is actively working to develop new marketing materials and increase the visibility of FWA. Upcoming in-person FWA information sessions coordinated are with new employee training across different departments.

Data Intelligence

- FWA is assisting the Fiscal Monitoring unit, in an upcoming Citywide data analysis report.