



On the Lookout: Review of the Fraud, Waste and Abuse Quarterly Report



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LA CONTROLLER



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

KEY FIGURES

New Cases	Total Closed Cases	Closed Cases Investigated or Reviewed	Total Open Cases
154	166	32	132

FWA ACTIVITY

For the quarter beginning July 1, 2019, and ending September 30, the Fraud, Waste and Abuse (FWA) Unit received 154 new cases and closed 166 cases. As of the end of this quarter, the FWA Unit has a total of 132 open cases. The FWA Unit's evaluation of the cases received during the quarter is summarized in the following chart.

Cases Received During the Quarter Ending September 30, 2019				
Case Status	Total	Evaluation of Cases Received		
		Non-FWA Investigative Matters Requiring Department Action ¹	Investigation or Additional Review by Department or Other Agency	Investigation or Additional Review by FWA Unit
New Cases Received	154			
- Cases Outside FWA Unit's Jurisdiction with No Further Action ²	(94)			
Remaining Cases for Evaluation	60	22	22	16

During this quarter, the FWA Unit closed a total of 166 cases. The case closure by category is summarized in the following chart.

Cases Closed During the Quarter Ending September 30, 2019				
Case Status	Total	Case Closure by Category		
		Non-FWA Investigative Matters Requiring Department Action ¹	Investigated or Reviewed: Unsubstantiated	Investigated or Reviewed: Substantiated
Total Closed Cases	166			
- Cases Outside FWA Unit's Jurisdiction with No Further Action ²	(109)			
Remaining Closed Cases	57	25	26	6

Examples of Cases Closed this Quarter

- **Employee Theft** – Resulted in an employee's resignation in lieu of termination. Case referred to LAPD for criminal investigation.
- **Misuse of Authority or Position** – The investigation revealed an employee accessed and tampered with a departmental database for personal reasons. The employee was dismissed.
- **Misuse of City Equipment** – An employee misused a City vehicle for personal use. Disciplinary action was taken.

¹ Cases identified as non-FWA investigative matters requiring department action are those suited for the department to take action but did not warrant an investigation. Examples include concerns regarding risk management or customer service operations.

² Cases identified as outside FWA Unit's jurisdiction with no further action included those unrelated to City operations, personnel related matters, and cases with no FWA allegation. Nevertheless, cases are referred to the appropriate outside agency or City department. For example, this quarter a number of cases were received related to phone scammers posing as utility employees.

Theft of time was the leading type of issue reported for cases received during the quarter which accounted for 7 of the 38 cases determined to require an investigation or additional review.

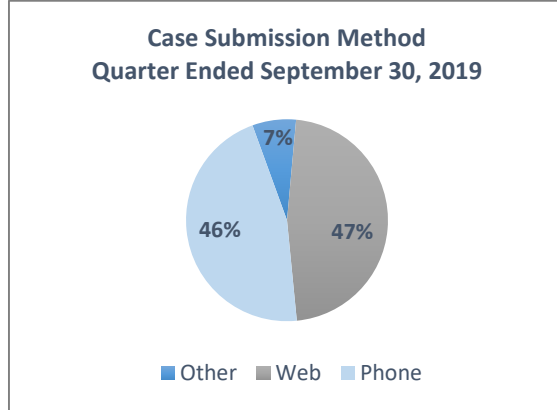
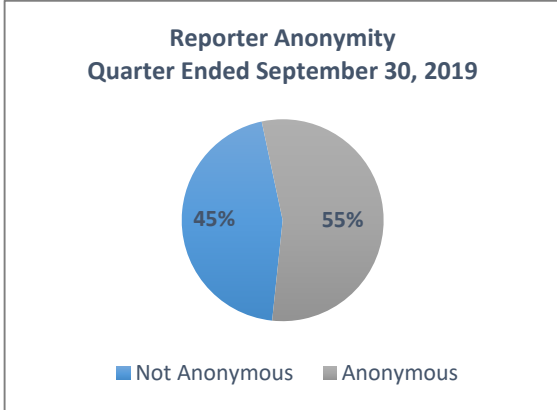
Investigation or Additional Review By Issue Type for the Cases Received during the Quarter Ending September 30, 2019					
Issue Type	Total	%	Issue Type	Total	%
Theft of Time	7	18%	Wage/Hour Issues	3	8%
Misuse of Authority or Position	5	13%	Conflicts of Interest	2	5%
Waste or Efficiency of City Resources	5	13%	Contractor Fraud or Selection Process	2	5%
Theft of Cash, Goods, or Services	4	11%	Other Human Resource Concerns	2	5%
Fraud	4	11%	All Other Issues	4	11%
			Total	38	100%

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

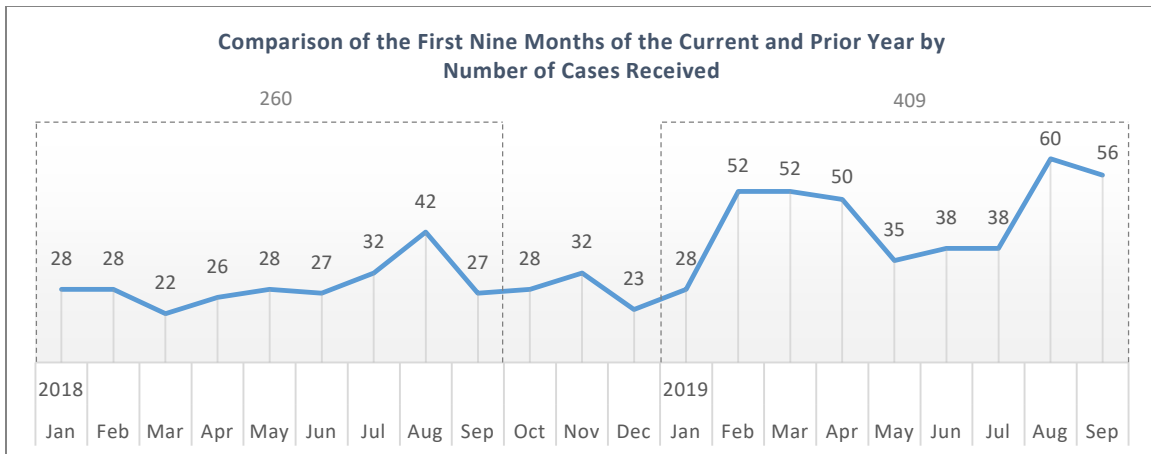
Schedule of Cases by Department			
Primary Department	Total Open Cases	Closed Cases Investigated or Reviewed	Closed Cases Non-FWA Investigative Matters Requiring Department Action
Water and Power	54	3	11
Police	17	-	-
Airport	16	3	-
Recreation and Parks	12	1	-
Public Works - Bureau of Sanitation	5	5	2
Emergency Management Department	3	-	1
General Services	3	3	-
Information Technology Agency	3	-	-
Transportation	3	1	2
Building and Safety	2	-	2
Fire	2	1	-
Harbor	2	5	1
Personnel	2	1	-
PW - Bureau of Street Services	2	1	-
Disability	1	-	-
Library	1	-	1
Neighborhood Empowerment	1	-	-
PW - Bureau of Contract Administration	1	3	-
Outside Jurisdiction Referral In Progress	1	-	-
Zoo	1	-	-
PW – Bureau of Street Lighting	-	2	2
City Attorney	-	1	-
City Employees’ Retirement System	-	1	-
Housing and Community Investment	-	1	-
Council District	-	-	2
Animal Services	-	-	1
Grand Total	132	32	25

FWA METRICS

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



The FWA Unit has received 409 cases for the first nine months of the year, compared to 260 cases for the first nine months in the prior year, an increase of 57 percent. The increase may be attributed to the enhanced Fraud Awareness Training deployed to all City departments and offices, combined with the FWA Unit’s outreach and in-person FWA training given to employees.



FILE A REPORT

Report fraud, waste, and abuse of City resources and operations by contacting the Controller’s FWA Unit.

Web Intake Form: http://www.lacontroller.org/fraud_hotline

Telephone: (866) 428-1514

Mail: Office of the Controller
Attention: FWA Unit
200 N. Main Street, Room 460
Los Angeles, CA 90012