



COUNTY OF VENTURA

AUDITOR-CONTROLLER

Employee Fraud Hotline Report ... Update #3 For the Period July through December 2002

I am pleased to present the Semi-Annual Report of the Employee Fraud Hotline, which was established as an avenue to report incidents of fraud, waste, and abuse occurring at the County of Ventura. I encourage employees to resolve concerns through their normal administrative channels whenever possible. However, the Employee Fraud Hotline provides an alternative reporting mechanism to ensure that concerns about possible wrongdoing in our County government are properly addressed. This report reflects information provided to the Board of Supervisors on January 28, 2003.

*Christine L. Cohen
Auditor-Controller*

Three ways to contact the Hotline:

Call:
(805) 644-6019



Write:
Employee Fraud Hotline
Ventura County Auditor-Controller
Administration Building L#1540
800 South Victoria Avenue
Ventura, CA 93009

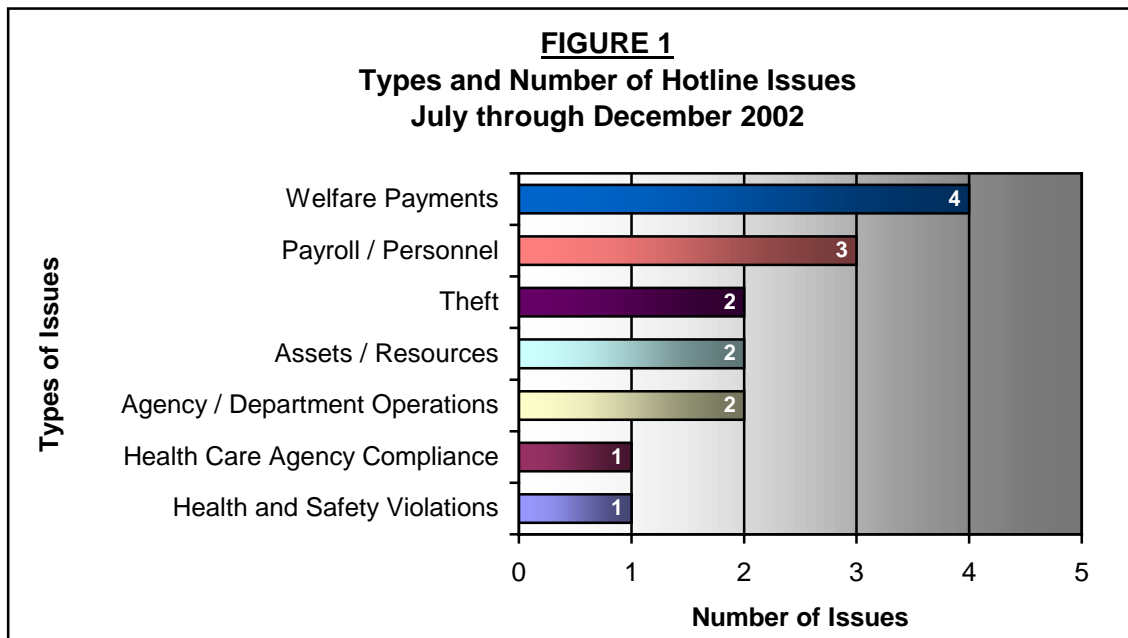
E-Mail*:
Fraud.Hotline@mail.co.ventura.ca.us

* E-mail is not confidential.

Hotline Activity at a Glance

During July through December 2002, we pursued 10 (67%) out of 15 new issues that we identified from the Employee Fraud Hotline (Hotline).** We did not pursue five issues because four callers were immediately redirected to other hotlines (i.e., either within or outside of the County) and one issue was immediately closed because of insufficient information.

The types of issues that were identified from the Hotline during July through December 2002 are presented in Figure 1 below.



** We consider a Hotline issue as "pursued" when the Hotline function initiates action and follows-up until the issue is resolved/closed.

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Hotline Activity at a Glance . . .continued

Since our last report for the prior fiscal year ending June 30, 2002, when we reported that 19 issues remained under review/open, we have since resolved/closed 13. The six issues that currently remain open from the prior fiscal year are being reviewed by the Auditor-Controller's Office, the District Attorney's Office, and other County agencies/departments.

During July through December 2002, in addition to resolving/closing 13 issues that remained open from the prior fiscal year as discussed above, we also resolved/closed 11 (73%) out of 15 new issues from the current fiscal year. The total of 24 issues from the prior and current fiscal year that were resolved/closed during July through December 2002, resulted in the following outcomes as illustrated in Figure 2:

FIGURE 2
Summary Outcomes of 24 Hotline Issues Resolved/Closed during July-December 2002

◆ Unsubstantiated	12
◆ Substantiated (see Figure 3 below)	5
◆ Redirected caller immediately to other hotlines	4
◆ Referred caller to other governmental agencies	2
◆ Insufficient information	1

The five substantiated issues generally resulted in improved internal controls, thereby reducing risk and exposure to the County, as illustrated in Figure 3 below.

FIGURE 3
Results of 5 Hotline Issues Substantiated during July-December 2002

✓ Adjusted employee timecards
✓ Safeguarded confidential documents
✓ Improved procedures for using County vehicles
✓ Counseled employees
✓ Issued internal reminders about outside employment

The four new issues identified during fiscal year 2002/03 that remain under review/open involve allegations regarding identity theft, payroll time abuse, misuse of County vehicles and other assets, and welfare payments. We are continually working to resolve these issues, which may include reviews by the Auditor-Controller's Office or by the applicable agency/department involved in the allegations.