



COUNTY OF VENTURA

AUDITOR-CONTROLLER

Employee Fraud Hotline Report For the Fiscal Year Ended June 30, 2002

In January 2002, we distributed the first Employee Fraud Hotline Report in a flyer to all County employees. Beginning with this FY 01/02 year-end Hotline Report, we will no longer distribute a special employee flyer. Instead, the Hotline Report will be posted on the Auditor-Controller web site, which employees may print for their convenience, in conjunction with our periodic reports to the Board of Supervisors. In addition, the Hotline results will be reported in abbreviated form in the Auditor-Controller's Checks & Balances newsletter. The section marked "Hotline Activity at a Glance" below reflects information provided to the Board of Supervisors on July 16, 2002.

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

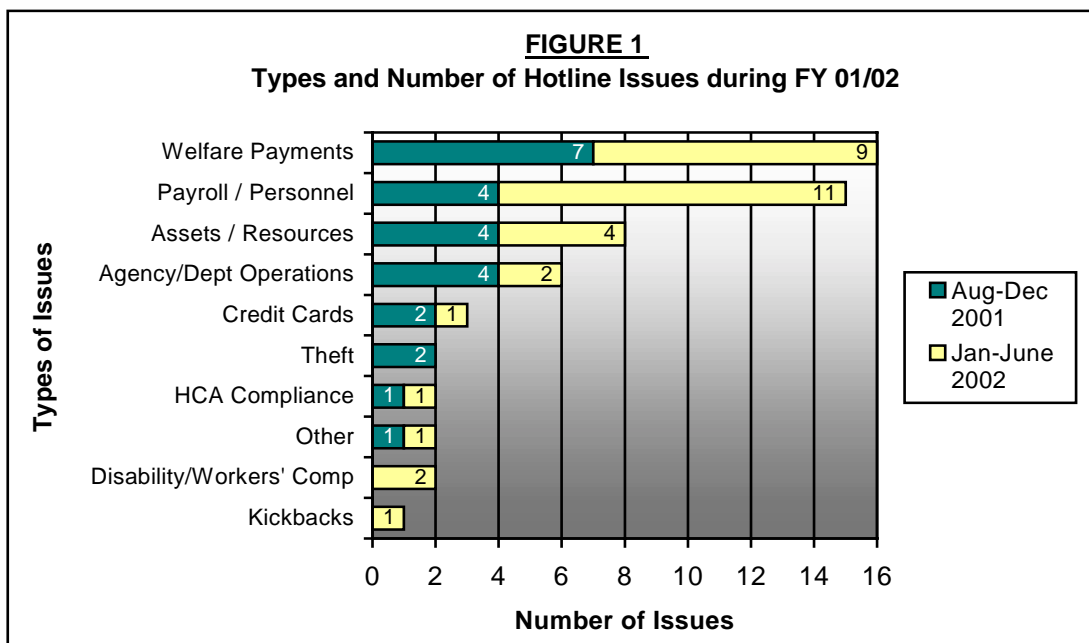
E-Mail*:
Fraud.Hotline@mail.co.ventura.ca.us

* E-mail is not confidential.

Hotline Activity at a Glance . . .

During FY 2001/02, we pursued 43 (75%) out of 57 issues that we identified from the Employee Fraud Hotline (Hotline).** We did not pursue 14 issues because 11 callers were immediately redirected to other County hotlines (i.e., either the Welfare Fraud Hotline or the Health Care Agency Compliance Hotline) and 3 issues were immediately closed because of insufficient information.

The types of issues that were identified from the Hotline are presented in Figure 1 below. We identified 25 (44%) out of the 57 issues during the first half of FY 01/02 and 32 (56%) issues during the second half, as illustrated below.



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

Ventura County Employee Fraud Hotline Report

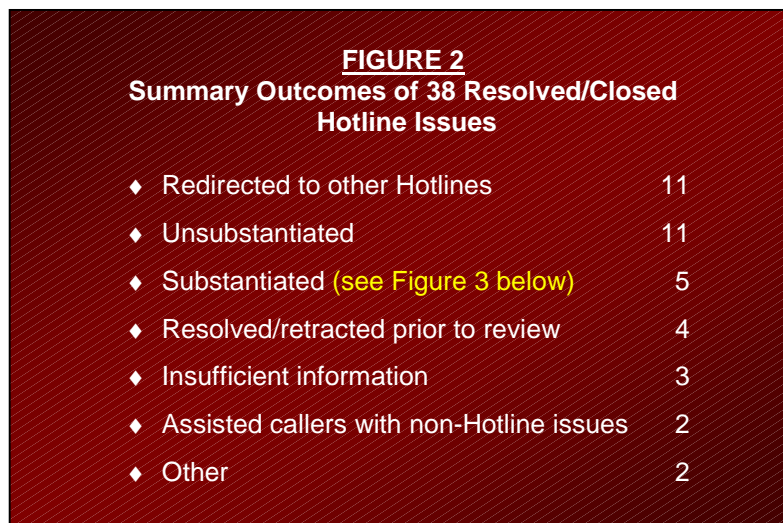
For the Fiscal Year Ended June 30, 2002

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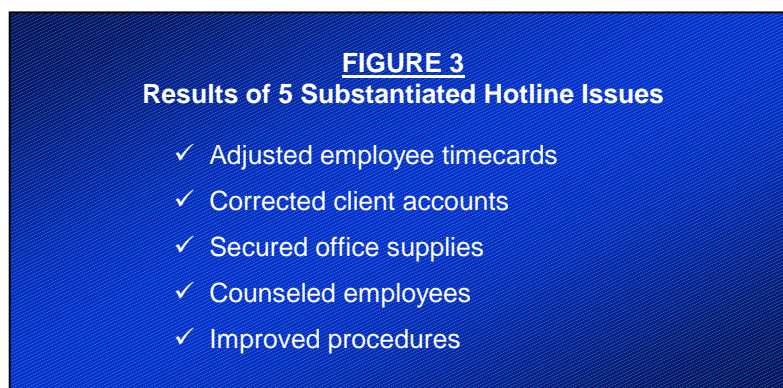
Hotline Activity at a Glance . . .continued

Since our last report for the period August through December 2001, when we reported that 9 issues were open, we have since resolved/closed 6. The 3 issues that remain open are currently being reviewed by other agencies/departments regarding welfare improprieties.

Of the 57 total issues identified during FY 01/02, we have resolved/closed 38 (67%) issues while 19 (33%) remain under review/open. Figure 2 summarizes the outcomes of the 38 issues we have resolved/closed.



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



The 19 issues that remain under review/open mainly involve allegations surrounding welfare payments, misuse of County credit cards, payroll/personnel issues, misuse of County vehicles and other assets, security over sensitive documents, and kickbacks. 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.

The Hotline's first year of service has proven successful in providing the Auditor-Controller's Office with valuable information. As a result, we have been able to identify areas of fraud, waste, and abuse, as well as many other areas, to assist in effecting positive change in County operations.