

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

943



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
November 10, 2010

**SUBJECT:** *Speak Out!* Program Activity Report for the Period of September 1, 2009 through August 31, 2010

**RECOMMENDED MOTION:** Receive and File the *Speak Out!* Program Activity Report for the Period of September 1, 2009 through August 31, 2010.

**BACKGROUND:** On September 1, 2009, the Board of Supervisors' approved the establishment of a countywide Fraud, Waste and Abuse Prevention Program (Board Policy C-35: Standards of Ethical Conduct to Address Fraud, Waste and Abuse), also known as *Speak Out!* The attached program activity report provides highlights and statistics of the program's first year.

(Continued)

Robert E. Byrd  
County Auditor-Controller

**FINANCIAL  
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
Karen L. Johnson

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.:

District: ALL

Agenda Number:

**2.10**

Departmental Concurrence

**BACKGROUND CONTINUED:**

Specific details of the incidents cannot be provided at this time due to the confidential nature of pending investigations.

The Association of Certified Fraud Examiners (ACFE) 2010 Annual Report to the Nation, issued after the Board's creation of the *Speak Out!* program, notes the government sector continues to be one of the most commonly victimized organizations, with a median loss of \$81,000 per incident. Anonymous reporting tools and employee awareness are critical to prevent and detect fraud, waste and abuse.

In partnership with the Center for Government Excellence, the Auditor-Controller's Office developed an online fraud, waste and abuse prevention training program to be completed by all county employees beginning in November 2010. The training program was designed to educate employees on Board of Supervisors' Policy C-35 (Standards of Ethical Conduct to Address Fraud, Waste and Abuse) and to promote the county's commitment to maintain the highest level of ethics and integrity in the County of Riverside.

# Speak Out!

Against Fraud, Waste & Abuse



## Program Activity Report

September 1, 2009–August 31, 2010

The Board of Supervisors implemented the county's Fraud, Waste and Abuse Prevention Program (Board Policy C-35: Standards of Ethical Conduct to Address Fraud, Waste and Abuse) on September 1, 2009. Since then, 114 allegations of improper activity have been received, all of which were directed for investigation.

Of the seventy-five incidents for which the investigating department has completed its investigation, fifty (67%) were unsubstantiated and twenty-five (33%) were substantiated. Twenty-eight (25%) of the 114 allegations are still active and are pending further investigation. Ten incidents were combined to a pre-existing incident because the same allegation was already reported. One incident was closed out and referred for investigation to the Superior Court of the County of Riverside.

The majority of the allegations reported were classified as other (26%), waste (22%) or fraud (13%). Of the thirty incidents reported as other, thirteen were misclassified and should have been reported as "abuse" and five were misclassified and should have been reported as "waste." The remaining twelve included allegations such as untimely payments, lack of competitive bidding and self-dealing transactions.

### Reporting Statistics

- 66 (58%) of the incidents were received via the internet
- 48 (42%) were received via the call center
- 79 (69%) chose to remain completely anonymous
- 23 (20%) chose to remain anonymous to the County
- 12 (11%) did not care about anonymity

