

City Auditor's Whistleblower Hotline Activity Report: July - December 2024

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Investigative Audits Division

February 2025

Report # 2024/25-09



City of
SACRAMENTO
Office of the City Auditor



Our Mission

To provide a catalyst for improvements of municipal operations and promote a credible, efficient, effective, equitable, fair, focused, transparent, and fully accountable City government.

Our Vision

To improve City services by providing independent, objective, and reliable information regarding the City's ability to meet its goals and objectives and establish an adequate system of internal controls, root out improper governmental activities (i.e., fraud, waste, or abuse), and address racial, gender, and ethnic inequities.

Suggest an Audit

The Office of the City Auditor conducts performance audits of the City of Sacramento's operations to determine whether these operations and programs are operating efficiently and effectively. If you would like to offer ideas for audits to save the City money, increase revenues, or improve the efficiency and effectiveness of City operations and programs, please fill out our online form:

https://forms.cityofsacramento.org/f/Suggest_an_Audit_Form

Whistleblower Hotline

In the interest of public accountability and being responsible stewards of public funds, the City has established a whistleblower hotline. The hotline protects the anonymity of those leaving tips to the extent permitted by law. The service is available 24 hours a day, 7 days week, 365 days per year. Through this service, all phone calls and emails will be received anonymously by third party staff.

Report online at <http://www.cityofsacramento.ethicspoint.com> or call toll-free: 888-245-8859.

The City of Sacramento's Office of the City Auditor can be contacted by phone at 916-808-1166 or at the address below:

915 I Street
MC09100
Historic City Hall, Floor 2
Sacramento, CA 95814

Contents

| | |
|---|----|
| Whistleblower Infographic | 4 |
| Whistleblower Hotline Program | 5 |
| Contact the City’s Whistleblower Hotline..... | 5 |
| Whistleblower Protection Policy..... | 5 |
| The City Auditor’s Independence, Authority, and Responsibility..... | 6 |
| Understanding the Investigative Audit and Referral Process | 7 |
| Allegations Covered by Other City Departments..... | 7 |
| Allegations Covered by Non-City Agencies | 7 |
| Whistleblower Procedures Prioritize High-Risk Allegations | 8 |
| Whistleblower Hotline Dashboards | 9 |
| Status of Investigations..... | 9 |
| The Number of Whistleblower Complaints has Remained Steady..... | 9 |
| 78 Cases Were Closed During the Period | 10 |
| Appendix A: Contact Information for Various City Departments | 13 |
| Appendix B: Contact Information for Various Non-City Agencies | 14 |



Whistleblower Hotline Activity Report: July - December 2024

Open Cases as
of July 1, 2024

11

Cases Received
During the Period

90

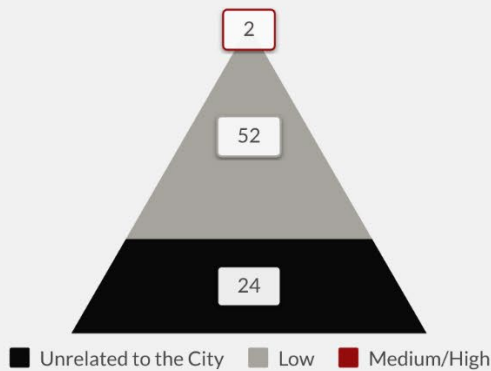
Cases Closed
During the Period

78

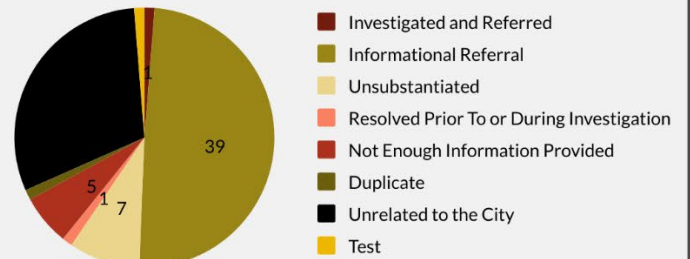
Open Cases as
of January 1,
2025

23

Whistleblower Case Priority



Disposition of Closed Cases



Types of Allegations



Since 2012, the City of Sacramento's Whistleblower Hotline has received more than **1,900** allegations with an estimated benefit of more than **\$1.0 million**.

To report fraud, waste, or abuse to the Office of the City Auditor, please call toll-free **1-888-245-8859** or submit the concern online at www.cityofsacramento.ethicspoint.com

Whistleblower Hotline Program

The City Auditor's Whistleblower Hotline promotes good government by providing City employees and members of the public with a way to report allegations of improper government activities (i.e. fraud, waste, or abuse). California Government Code 53087.6 defines fraud, waste, or abuse in the context of a Whistleblower program as

"any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct."

This report contains the disposition of alleged improper government activity reported through the City's Whistleblower Hotline; disposition is listed for cases that were closed during the reporting period. Additionally, this report provides a high-level description of how the City's Whistleblower Hotline operates; additional details can be found in the City Auditor's Policies and Procedures Manual.¹

Contact the City's Whistleblower Hotline

City staff or members of the public may submit reports by calling the Whistleblower Hotline's toll-free number [1-888-245-8859](tel:1-888-245-8859) or online at www.cityofsacramento.ethicspoint.com. Individuals may also submit whistleblower reports directly to any staff member in the Office of the City Auditor² in person, over the phone, by voicemail, by e-mail, or by mail. Individuals who provide whistleblower information will have their identity kept confidential to the extent permitted by law unless the individual waives confidentiality in writing.

Sacramento Office of the City Auditor
915 "I" Street
Historic City Hall, 2nd floor
Sacramento, CA 95814

Whistleblower Protection Policy

The City's Whistleblower Protection Policy states "No City official or employee shall take retaliatory action against any employee who, in good faith, has made a complaint or allegation concerning improper governmental action." The policy defines retaliatory action as "any adverse change in an employee employment status or the terms and conditions of employment resulting from an employee's good faith complaint or allegation of an improper governmental action."

¹ <https://www.cityofsacramento.gov/content/dam/portal/auditor/Policies-and-Procedures/City%20Auditor%27s%20Policies%20and%20Procedures.pdf>

² <https://www.cityofsacramento.gov/auditor/what-we-do/contact-us>

The City Auditor's Independence, Authority, and Responsibility

The City Auditor reports directly to the Mayor and City Council, and is independent of other City departments and agencies. This independence reduces the threat of coercion, influence, or conflict of interest during investigative audits.

California Government Code Section 53087.6 allows local governments to create whistleblower hotlines. Under this authority, City Code 2.18.050 establishes the City Auditor's responsibility to manage the City's Whistleblower Hotline and determine if allegations of fraud, waste, abuse, or illegal acts need further investigation. Key points of Government Code section 53087.6 are outlined in Exhibit 1.

Exhibit 1: Key Points of California Government Code 53087.6



Understanding the Investigative Audit and Referral Process

While State law sets certain requirements for establishing and managing a whistleblower hotline, local auditors have broad discretion in how to operate their programs. The Office of the City Auditor thoroughly reviews each allegation submitted through the Whistleblower Hotline and determines the appropriate avenue for resolution. While this may result in office staff conducting investigative audits, in certain circumstances, it may instead be appropriate to refer allegations to other City departments for investigation.

Upon completion of an investigative audit which substantiates an allegation, an investigative summary will be prepared for inclusion in the semi-annual Whistleblower Activity Report. State law mandates that, even in the event of a substantiated allegation, personnel information is to remain confidential.

Allegations Covered by Other City Departments

The intent of establishing a Whistleblower Hotline is not to replace or limit other reporting options, as some allegations are more appropriately investigated by other City departments or offices. For example, many Human Resources-related issues should be reported to the appropriate Human Resources staff; labor grievances, allegations of workplace discrimination, and workers' compensation claims should be reported using City procedures established for that purpose. Similarly, complainants may need to report legal issues to the City Attorney's Office or code enforcement violations to the Community Development Department.

As appropriate, the City Auditor will refer cases to other City departments or offices.³ However, it may still be appropriate for staff to gather initial information to better understand issues involved and to review the outcomes, responses, and investigation documents from other City departments or offices to ensure the allegations were addressed.

Allegations Covered by Non-City Agencies

By nature of being the State Capitol as well as the County Seat, the City of Sacramento is home to a large number of Federal, State, and County agencies. As a result, some complaints made to the City's Whistleblower Hotline may be partly or solely related to government agencies external to the City of Sacramento.

Allegations involving an external government agency or employee will be referred in whole or in part to the most appropriate government entity.⁴ Complaint investigation services are available at many government agencies and may include fraud, waste, and abuse whistleblower programs, internal affairs programs, judicial oversight authorities, offices of professional responsibility, etc.

³ See Appendix A for contact information for various City departments and divisions, such as the Equal Employment Office, Labor Relations Division, the Risk Management Division, the City Attorney's Office, and the Sacramento Ethics Commission.

⁴ See Appendix B for contact information for various government agencies such as the California State Auditor, the Sacramento County Auditor-Controller, and the California Office of the Attorney General.

Whistleblower Procedures Prioritize High-Risk Allegations

Due to the limited staff in the Office of the City Auditor and the Office's chief responsibility to conduct performance audits, research, and analysis in accordance with the City Council-approved workplan, conducting full investigative audits of all allegations is not feasible. Instead, the City Auditor applies a risk-based approach to investigate whistleblower allegations to focus investigative efforts on those allegations that represent the greatest risk or loss to the City. The following guidance applies when rating allegations:

High Priority

Allegations may be considered high priority if they include a health, safety, or welfare concern, loss⁵ to the City of more than \$75,000, criminal activity resulting in a loss of at least \$400, high-level involvement, collusion of multiple wrongdoers, major department-wide issue, or need for immediate action to stop a potentially major issue. Addressing these items could take priority over other investigations and audits, at the City Auditor's discretion.

Medium Priority

This category includes loss to the City of more than \$25,000, abuse of authority, medium to low-level employee involvement, minor department-wide issues, or patterns of small problems that could become serious when summed. Some medium-priority items could be referred to a department for their review.

Low Priority

This category includes loss to the City of less than \$25,000, isolated instances of time abuse, wasteful practices that would lead to limited gains in efficiencies if corrected, or allegations that lack credibility and evidence. The office would aim to investigate items in this category, but may not do so because of limited resources. However, if the same or similar issues were reported multiple times, low-priority items may become a higher priority. Additionally, some low-priority allegations could be referred to a department for their review.

Unrelated to the City

Some allegations received through the Whistleblower Hotline do not involve City of Sacramento departments or employees. The Office of the City Auditor assesses these allegations for any City involvement. If no City involvement can be determined, those allegations are closed as "Unrelated to the City"; some allegations not related to the City are referred to other jurisdictions.

⁵ Loss could entail actual or potential loss of money, waste, or inefficiencies.

Whistleblower Hotline Dashboards

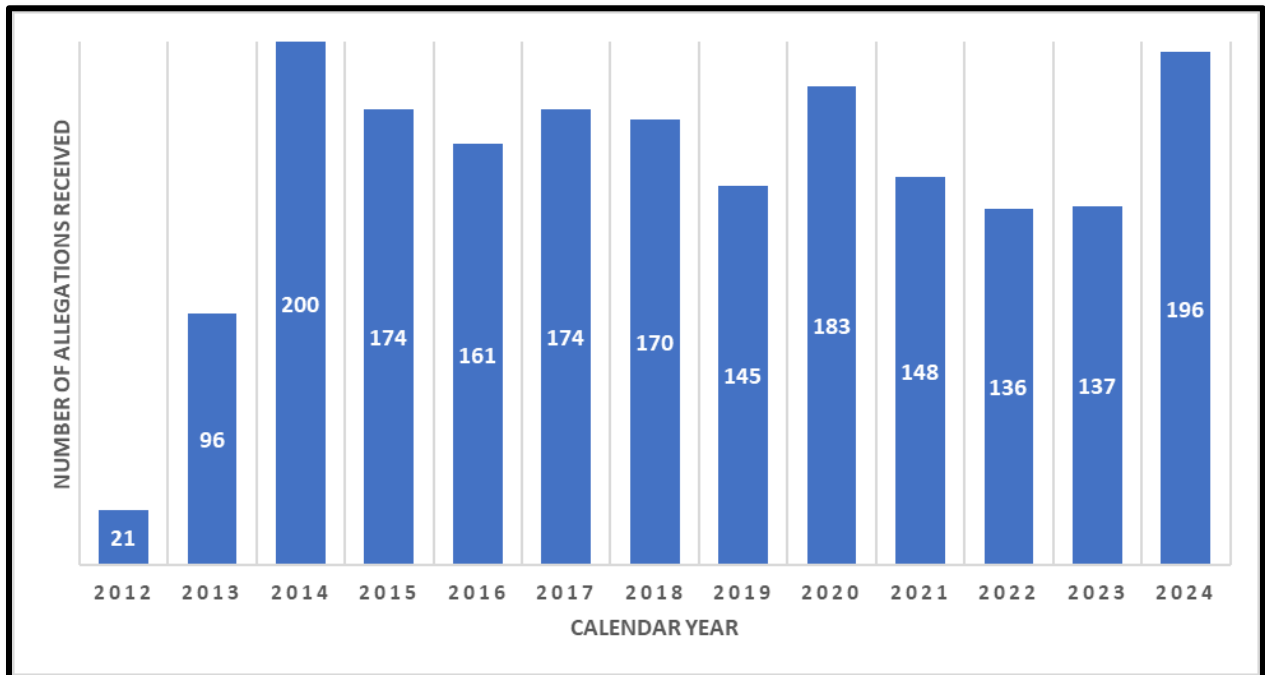
The Office of the City Auditor maintains several Whistleblower Hotline dashboards on its public website. City Officials and the public can use these dashboards to see statistics on the types of cases received through the City’s Whistleblower Hotline, the disposition of closed cases, brief descriptions of substantiated cases, actions taken as a result of substantiated cases, and the monetary benefit of the hotline. The dashboards are typically updated semi-annually with the release of each Whistleblower Hotline Activity Report and can be found at: <https://www.cityofsacramento.gov/auditor/our-reports/whistleblower-activity>

Status of Investigations

The Number of Whistleblower Complaints has Remained Steady

Since the hotline’s inception in 2012, the Office of the City Auditor has received more than 1,900 complaints. Use of the City Auditor’s Whistleblower Hotline grew significantly in the first few years and has been steady since 2014. Exhibit 2 illustrates the number of allegations received per year since the program’s inception.

Exhibit 2: Whistleblower Allegations Received Per Year



78 Cases Were Closed During the Period

At the beginning of the July 2024 through December 2024 reporting period, the Office of the City Auditor had 11 open cases. During this reporting period, 90 new cases were received by the hotline, and the Office of the City Auditor processed and closed 78 cases; 23 cases remained open at the end of the reporting period. Exhibit 3 illustrates the number of closed cases during the period by primary type of allegation.

Exhibit 3: 78 Closed Cases by Primary Type of Allegation

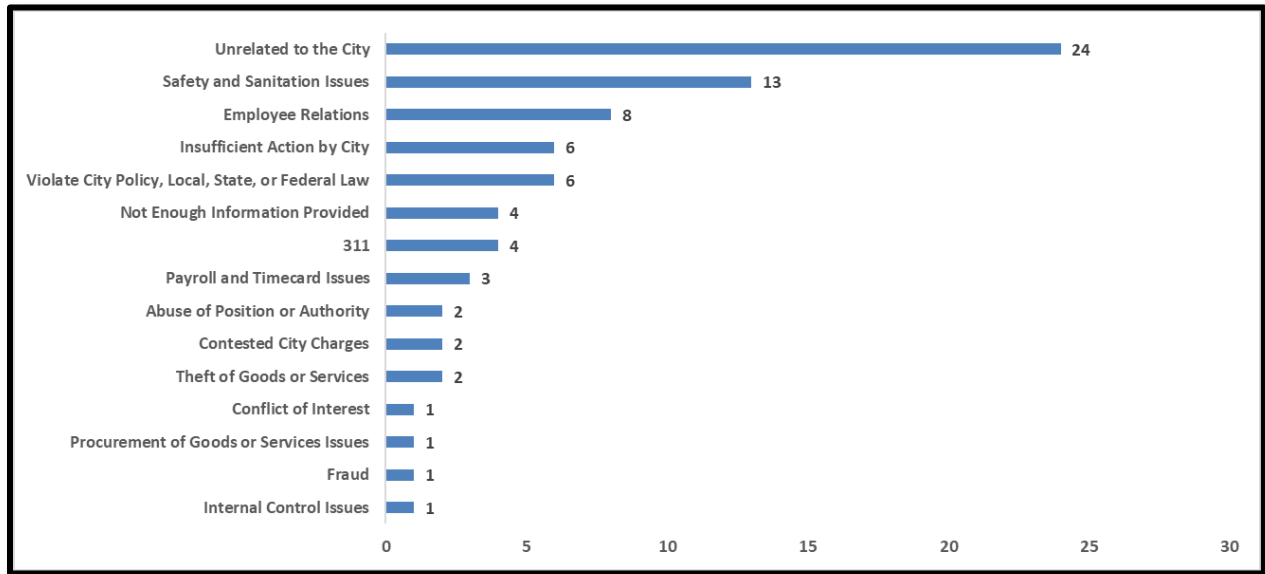


Exhibit 4 provides the primary type of allegation, priority, and disposition of the 78 cases closed during the period.

Exhibit 4: 78 Closed Cases Details Table

| Case # | Primary Type of Allegation | Priority | Disposition |
|--------|---|-----------------------|---------------------------------|
| 1800 | Procurement of Goods or Services Issues | Low | Unsubstantiated |
| 1827 | Abuse of Position or Authority | Low | Informational Referral |
| 1846 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |
| 1848 | Fraud | Low | Informational Referral |
| 1849 | Contested City Charges | Low | Informational Referral |
| 1851 | Insufficient Action by City | Low | Not Enough Information Provided |
| 1852 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1853 | Insufficient Action by City | Low | Informational Referral |
| 1854 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1855 | Payroll and Timecard Issues | Low | Unsubstantiated |
| 1856 | Insufficient Action by City | Low | Unsubstantiated |
| 1857 | Not Enough Information Provided | Low | Not Enough Information Provided |
| 1858 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1859 | Unrelated to the City | Unrelated to the City | Unrelated to the City |

| Case # | Primary Type of Allegation | Priority | Disposition |
|--------|---|-----------------------|---|
| 1860 | Insufficient Action by City | Low | Informational Referral |
| 1861 | 311 | Low | Resolved Prior To or During Investigation |
| 1862 | Safety and Sanitation Issues | Low | Informational Referral |
| 1863 | Employee Relations | Low | Informational Referral |
| 1864 | Employee Relations | Low | Informational Referral |
| 1865 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1866 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1867 | Contested City Charges | Low | Unsubstantiated |
| 1868 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1869 | Payroll and Timecard Issues | Low | Not Enough Information Provided |
| 1870 | Not Enough Information Provided | Low | Test |
| 1871 | Not Enough Information Provided | Low | Unsubstantiated |
| 1873 | 311 | Low | Informational Referral |
| 1874 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |
| 1875 | Safety and Sanitation Issues | Low | Informational Referral |
| 1876 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |
| 1877 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1878 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1879 | Safety and Sanitation Issues | Low | Informational Referral |
| 1880 | Insufficient Action by City | Low | Informational Referral |
| 1881 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1882 | Safety and Sanitation Issues | Low | Informational Referral |
| 1883 | Safety and Sanitation Issues | Low | Unsubstantiated |
| 1884 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1885 | Payroll and Timecard Issues | Low | Informational Referral |
| 1886 | 311 | Low | Informational Referral |
| 1887 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1888 | Internal Control Issues | Low | Informational Referral |
| 1889 | Conflict of Interest | Low | Informational Referral |
| 1890 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1891 | Insufficient Action by City | Low | Informational Referral |
| 1892 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1893 | Safety and Sanitation Issues | Low | Informational Referral |
| 1894 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1895 | 311 | Low | Informational Referral |
| 1896 | Not Enough Information Provided | Low | Not Enough Information Provided |
| 1897 | Safety and Sanitation Issues | Low | Duplicate |
| 1898 | Employee Relations | Low | Informational Referral |
| 1899 | Safety and Sanitation Issues | Low | Not Enough Information Provided |
| 1900 | Unrelated to the City | Unrelated to the City | Unrelated to the City |

| Case # | Primary Type of Allegation | Priority | Disposition |
|--------|---|-----------------------|------------------------|
| 1901 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1902 | Employee Relations | Low | Informational Referral |
| 1903 | Safety and Sanitation Issues | Medium | Informational Referral |
| 1904 | Safety and Sanitation Issues | High | Informational Referral |
| 1905 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1906 | Abuse of Position or Authority | Low | Informational Referral |
| 1908 | Employee Relations | Low | Informational Referral |
| 1909 | Safety and Sanitation Issues | Low | Informational Referral |
| 1910 | Employee Relations | Low | Informational Referral |
| 1911 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1912 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1913 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1914 | Theft of Goods or Services | Low | Informational Referral |
| 1915 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |
| 1916 | Theft of Goods or Services | Low | Informational Referral |
| 1917 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1918 | Employee Relations | Low | Informational Referral |
| 1921 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1922 | Safety and Sanitation Issues | Low | Informational Referral |
| 1924 | Safety and Sanitation Issues | Low | Unsubstantiated |
| 1925 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |
| 1928 | Employee Relations | Low | Informational Referral |
| 1929 | Unrelated to the City | Unrelated to the City | Unrelated to the City |
| 1932 | Violate City Policy, Local, State, or Federal Law | Low | Informational Referral |

Appendix A: Contact Information for Various City Departments

- **Risk Management for workers' compensation information:**
916-808-5741
<https://www.cityofsacramento.gov/HR>
- **Risk Management for environmental health and safety programs like OSHA and DOT compliance:**
916-808-5278
<https://www.cityofsacramento.gov/HR>
- **Risk Management for liability claims:**
916-960-0980
<https://www.cityofsacramento.gov/HR/hr-documents-resources>
- **Labor Relations for union grievance procedures:**
916-808-5424
<https://www.cityofsacramento.gov/HR/hr-documents-resources>
- **Equal Employment Opportunity for the grievance procedures alleging discrimination:**
916-808-5825
<https://www.cityofsacramento.gov/HR/equal-employment-opportunity>
- **Other Human Resources related issues:**
916-808-5731
<https://www.cityofsacramento.gov/HR>
- **City Attorney:**
916-808-5346
<https://www.cityofsacramento.gov/attorney>
- **Code Enforcement for neighborhood code, housing and dangerous buildings, business compliance, landscape requirements, rental house standards, and anti-graffiti:**
311 or 916-808-5011 (*inside City limits*)
916-264-5011 (*outside of City limits*)
<https://www.cityofsacramento.gov/information-technology/311>
- **Sacramento Ethics Commission:**
916-808-7200
<https://www.cityofsacramento.gov/clerk/good-governance-and-compliance/filing-an-ethics-complaint>
- **Police for non-emergencies:**
916-808-5471
<https://www.cityofsacramento.gov/police>

Appendix B: Contact Information for Various Non-City Agencies

| Jurisdiction | Organization | Reporting | Methods |
|---|---|-------------------------|---|
| County of Sacramento | County Auditor-Controller | Fraud Hotline | 916-874-7822 audits@saccounty.net Fraud Hotline - Confidential County of Sacramento 10481 Armstrong Ave., Mather, CA 95655 https://www.saccounty.gov/Government/Pages/FraudHotline.aspx |
| State of California | California State Auditor | Whistleblower Hotline | 800-952-5665 Investigations California State Auditor P.O. Box 1019 Sacramento, CA 95812 http://www.bsa.ca.gov/hotline/filecomp |
| Health, Safety, and other complaints against employers | US Department of Labor (OSHA) | Whistleblower Hotline | 800-321-OSHA (6742) https://www.whistleblowers.gov/ |
| Consumer Complaints Against a Business | California Office of the Attorney General | Comment/ Complaint Form | https://oag.ca.gov/contact/consumer-complaint-against-business-or-company |
| Consumer Complaints Against a Business | Better Business Bureau | Complaints | https://www.bbb.org/file-a-complaint |
| California Attorneys | State Bar of California | Complaints | 800-843-9053 http://www.calbar.ca.gov/Public/Complaints-Claims |
| California Judges | Commission on Judicial Performance | Complaints | Commission on Judicial Performance 455 Golden Gate Avenue, Suite 14400 San Francisco, California 94102 http://cjp.ca.gov/file_a_complaint/ |