What is a Fraud and Waste Hotline?

The general public, City staff, and those doing business with the City can report **suspected fraud, waste or wrongdoing involving City resources**.

- Confidential and anonymous service
- Independently operated by a third party
- Accessible by phone or online
- Available 24 hours a day 7 days a week
Alignment to the 2016-2025 Strategic Plan

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

The Fraud and Waste Hotline empowers all City of Hamilton Employees and the Public to enable the City of Hamilton to operate with a high level of honesty and integrity.
2019-2020 Statistics

• 99 reports were received January 1, 2019 to June 30, 2020

• The Hotline launched in July 2019, 85 reports were received during the first 12 months of operation

• Previously, the all-time high for reports in a calendar year was 12 reports
• Of these 85 reports, 20 were made directly to the OCA, remainder were made using the Hotline service provider

Proxy Reports from Management, Finance, Human Resources - **8**

- Proxy (24%)
- Hotline (76%)
<table>
<thead>
<tr>
<th>Top Report Categories</th>
<th>Total Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Time Theft/Misconduct</td>
<td>12</td>
</tr>
<tr>
<td>Social Services Fraud/Wrongdoing</td>
<td>12</td>
</tr>
<tr>
<td>Theft/Misappropriation</td>
<td>12</td>
</tr>
<tr>
<td>Other Various Categories</td>
<td>12</td>
</tr>
<tr>
<td>Out of Jurisdiction</td>
<td>11</td>
</tr>
<tr>
<td>Service Complaint/Concern</td>
<td>10</td>
</tr>
<tr>
<td>Multiple Categories Applicable</td>
<td>7</td>
</tr>
<tr>
<td>Improper Financial Reporting/Budgeting</td>
<td>6</td>
</tr>
<tr>
<td>Misuse of City Resources</td>
<td>6</td>
</tr>
<tr>
<td>Waste</td>
<td>6</td>
</tr>
<tr>
<td>Employee Benefits Fraud</td>
<td>5</td>
</tr>
</tbody>
</table>

Total Reports: 99
45% (45 of 99) of reports made by self-identified employees

55% (54 of 99) of reports made by non-employees
• 48 of 85 (56%) reports made anonymously since Hotline launch (July 2019 - June 2020)

• Reporters are choosing to utilize the anonymous option provided by the Hotline
What We Did With The Reports

- No Response Required / Not Enough Information / Out of Jurisdiction (20)
- Referral - No Action Required (25)
- Referral - Response Required (23)
- Investigations Launched (31)
What types of investigations were undertaken

- Fraud – 8
- Waste/Mismanagement – 15
- Combined Fraud and Waste/Mismanagement – 8
Outcomes

- Substantiated (16)
- Partially Substantiated (4)
- Unsubstantiated (26)
- Pending (15)

Total: 61

Loss or Waste Substantiated

- Fraud - $100K
- Waste - $45K
- Unable to Determine Most Appropriate Category - $57K

As at September 22, 2020

Loss or waste substantiated

- $202K

Disciplinary Actions

- 3

Losses recovered by City of Hamilton

- $21K
<table>
<thead>
<tr>
<th>Report Examples</th>
<th>Description</th>
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</thead>
</table>
| **Conflict of Interest and Waste**  | - $10K-$15K (estimated) complimentary leadership coaching received by a Manager from a vendor City conducts significant business  
- $40K (approx.) contract amendment could be covered or obtained under original contract initial payment ($68K) |
| **Discarded and Missing Inventory** | - $52K missing inventory discrepancy  
- $5K (approx.) wire inventory discarded in dumpster |
| **Long Term Disability (LTD) Overpayment** | - $55K (approx.) LTD overpayment to a former City of Hamilton employee |
| **Misappropriation**                | - $21K (estimated) misappropriated over 4 years |
| **Missing Cash and Fare Media**     | - $4K (approx.) misappropriated and/or failed to account for cash and fare media stock (e.g. bus tickets, taxi scrips) |
| **Payroll Phishing Incident**       | - Over $4K stolen from individual impersonating a new employee |
| **Seniors Tax Rebate Program**      | - $198 property tax credit for seniors not properly applying split income provisions for seniors since 2007 |
Closing Remarks: City Auditor Reflections

The Fraud and Waste Hotline provides benefits that cannot always be quantified:

- Deters fraud, waste, and wrongdoing
- Strengthens internal controls and mitigation of risks
- Improves policies and standard operating procedures
- Hotline report data can be used to identify trends and inform future audits for the Office of the City Auditor work plan
- Demonstrates the City’s commitment to accountability and transparency
How to Report

Online
hamilton.ca/fraud
integritycounts.ca/org/cityofhamilton

Email
cityofhamilton@integritycounts.ca

Phone
1-888-390-0393

Mail
PO Box 91880, West Vancouver, BC V7V 4S4

Fax
1-604-926-5668
Thank you

For submitting reports and cooperating during report assessments and investigations