

FRAUD, WASTE AND ABUSE SUBCOMMITTEE UPDATE

Charter Review Committee

City Council
September 7, 2021

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BACKGROUND

- On July 21, 2020, the City Council referred granting a publication of an annual report on written complaints or whistle-blower complaints alleging fraud, waste, abuse, or criminal conduct and a potential need for an oversight position of such program to an Ad Hoc Charter Review Committee (CRC) for consideration for placement on the ballot in November 2, 2021, and/or November 1, 2022
- In February 2021, the CRC identified an Ad Hoc Committee, from the newly appointed CRC members, to research the need of an oversight position



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BACKGROUND

- CRC concluded that an additional position was needed for oversight and tasked the subcommittee with conducting additional research
- At the 4/21/21 CRC meeting, it was approved to direct the subcommittee to explore the creation of a new position with recommendations including options of outside audit agency, appointed or elected position, and point of contact
- At the 08/18/21 meeting, the CRC voted on the best option for an oversight position and approved these results to be presented to City Council in September 2021 for discussion



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Subcommittee Scope of Work

The Charter Review Subcommittee has agreed to present the facts to the Charter Review Committee whether to publish an annual report on written complaints or whistle-blower complaints alleging fraud, waste, abuse, or criminal conduct and/or possibly identify the need of an Inspector General/Internal Auditor-type position for Issues of Fraud, Waste, Abuse, Whistleblowing, etc.



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Research Conducted

Since the initial Charter Review Committee meeting, where this group was assigned, the subcommittee has met on multiple occasions, had email and telephone correspondence, interviewed key community members, interviewed City staff, and embarked on independent research to seek answers to questions surrounding the need for additional accountability within the City of Riverside.



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Research Conducted

- Meeting with constituents (i.e. local watch dogs)
- Meeting with City staff
- 5 subcommittee meetings
- 2 updates to full Charter Review Committee
- Outreach to City of Modesto, Los Angeles, Baltimore, Tallahassee, Albuquerque, and various counties



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Timeline of Research

- **February 3, 2021:** A subcommittee was formed to explore the issues of Fraud, Waste, Abuse and Whistleblowing in the City of Riverside
- **February 17, 2021:** The subcommittee set a schedule to discuss an audit or inspector general position and define the scope and powers and return with recommendations for consideration at the next regular CRC meeting
- **March 4, 2021:** Subcommittee meeting
- **March 15, 2021:** Subcommittee meeting with members of the public
- **March 17, 2021:** City Manager Al Zelinka reported on the internal and external audits and investigations tracking and reporting



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Timeline of Research

- **March 31, 2021:** Subcommittee meeting with City Staff
- **April 14, 2021:** Subcommittee meeting
- **April 21, 2021:** Subcommittee presented preliminary findings to full CRC and the CRC voted that ultimate oversight of fraud, waste & abuse was needed
- **May 2021 – July 2021:** *CRC focus was the General Fund Transfer*
- **August 17, 2021:** Subcommittee meeting
- **August 18, 2021:** Subcommittee presented to full CRC on additional research



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Options Presented to CRC

Job Title Options

1. City Controller
2. Inspector General
3. Chief Accountability Officer

Subpoena Powers

1. Full
2. Light
3. None

Selection Process

1. Appointed
2. Elected

Structure/Reporting

1. Who does this position report to?
2. What does the structure look like?



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CRC Recommendations

Inspector General

- Performs complex investigative enforcement work; work involves coordinating and conducting investigations of criminal violations; administrative investigations of allegations of employee misconduct; and investigations of waste, fraud, and abuse; and serving as lead worker providing direction to others; works under limited supervision with moderate latitude for the use of initiative and independent judgment.

Elected Position

- Person is elected in a general election conducted every 4 years

Subpoena Powers

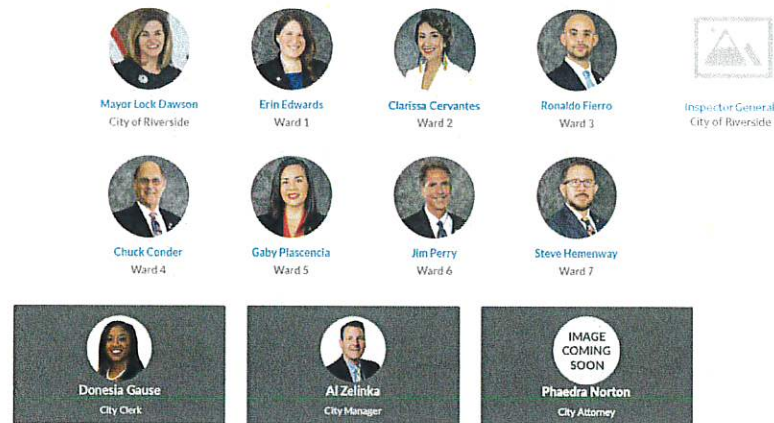
- Full subpoena powers to have full legal authority to issue court-enforceable administrative subpoenas for documentary requests, which includes documents, reports, answers, records, accounts, papers and other data, relevant to the investigation



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Position Structure



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Reporting

- Annually report to the Council and the Mayor regarding their activities and investigations
- Within 60 days of the end of each fiscal year, the Inspector General shall issue a published report to the Council that separately lists investigations and other assistance efforts completed during the fiscal year
- Notify members of the media and the public of the issuance of the published report
- Provide copies of the published report upon request



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Justification for Position

- Reduce outside legal fees
- Provide equity and fairness for all investigations
- Provide true layer of transparency
- Streamlines processes for reporting fraud, waste, abuse
- Single point of contact and single point of responsibility
- Growing community requires additional accountability



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