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**Fraud, Waste and Abuse  
Hotline Report  
for the Year Ended  
December 31, 2022**

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**Aycha Sawa**  
City Comptroller

**Charles Roedel**  
Audit Manager

January 2023

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**Aycha Sawa, CPA, CIA**  
Comptroller

**Bill Christianson**  
Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Richard Bare, CPA**  
Special Deputy Comptroller

January 20, 2023

Honorable Cavalier Johnson, Mayor  
The Members of the Common Council  
City of Milwaukee

Dear Mayor and Council Members:

Section 350-247 of the Code of Ordinances authorizes Internal Audit to manage the City of Milwaukee Fraud Hotline and requires the release of an annual report of Hotline statistics and activity for the year. Internal Audit has operated the City of Milwaukee Fraud, Waste, and Abuse Hotline since its inception in 2004. The enclosed report summarizes Hotline operations for the year ending December 31, 2022.

The Hotline continues to benefit the citizens of Milwaukee and City employees, by providing a confidential means to report potential fraud, waste, and abuse within City government. The established process of follow-up on these complaints has provided positive results through timely and appropriate action.

For the 2022 calendar year, the Hotline received 27 actionable complaints of which 8 were substantiated. The most common types of complaints received were service requests; non-City issues; and cases of potential fraud, waste, or abuse. Complainants file a report via secure voicemail, email, or electronically through the City's Fraud Hotline webpage.

Appreciation is expressed for the cooperation extended to Internal Audit's Hotline personnel by City Management.

Sincerely,

A handwritten signature in black ink that reads "Charles Roedel".

Charles Roedel, CPA, CIA  
Audit Manager

CRR

## **Introduction**

This annual report of the City of Milwaukee's Fraud, Waste, and Abuse Hotline is for the Hotline activity occurring from January 1, 2022 through December 31, 2022. The scope of the City's Fraud Hotline activity applies to complaints related to the City of Milwaukee's legal assets, misuse or abuse of city resources, improper use of one's authority, and gross misconduct. Complaints received outside this scope are non-city complaints, referred to the appropriate entities.

This report does not delineate actual or potential dollar amounts related to fraud, waste, or abuse; and therefore, is not intended to be used for that purpose. Thus, no fiscal analysis is provided for reported issues. Rather, this report provides information about how the Hotline is being utilized.

## **Overview**

In November 2014, the Common Council adopted 350-247 of the Code of Ordinances, which codified Internal Audit's management role over the Fraud Hotline and established formal reporting requirements. The Internal Audit Department receives, tracks, and investigates or refers for investigation complaints received. Suspected fraud, waste, and/or abuse complaints may be reported via the telephone hotline, email, website (online form), or by mail. Annually, Internal Audit presents before Common Council a report identifying: the number of complaints received; the type of complaints received; and the number of referrals to the department of employee relations or other city departments.

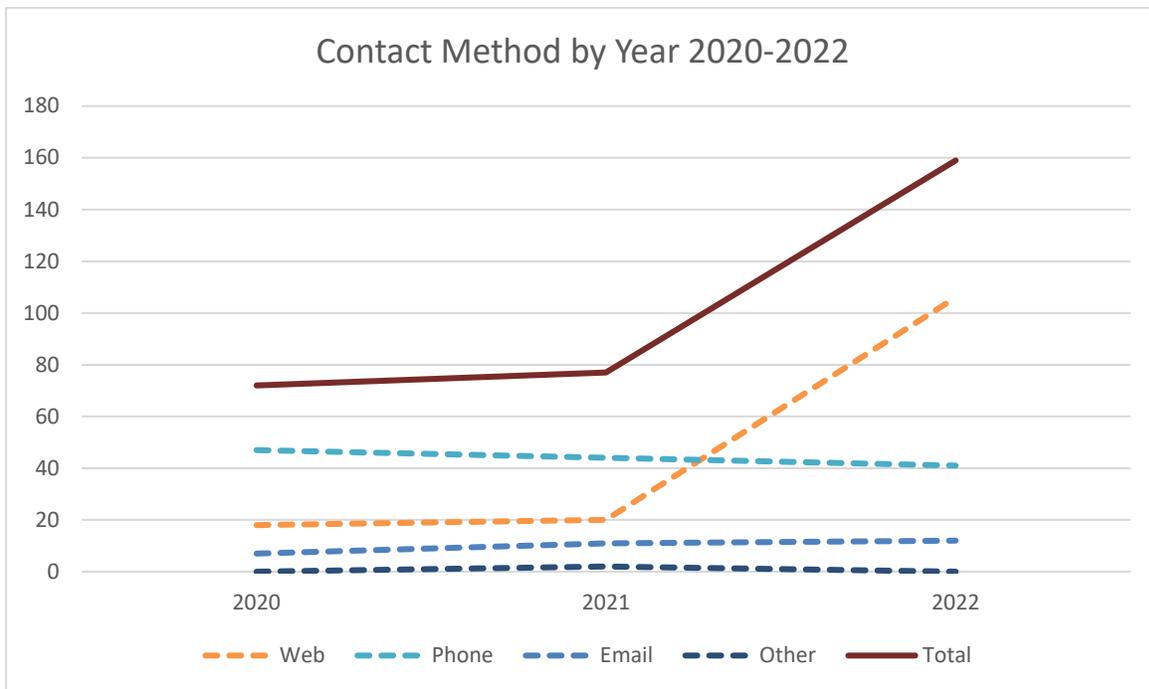
In addition to codifying the Hotline, 350-247 created a "safe harbor" provision for City employees who file a fraud complaint. The ordinance encourages City employees to file complaints of merit without fear of retaliation or loss of employment. Whistleblower protection is a governmental best practice that encourages the use of the Hotline. The ordinance also established the ability of anonymity for complainants that do not wish to identify themselves.

## Hotline Activity – 2022

### A. Number of Complaints

In 2022, the Hotline received 159 complaints of which 27 complaints were actionable compared to 77 complaints in 2021 of which 21 were actionable. Fraud Hotline reporting information was added to the “Click for Action” page on the City’s website, which was the main driver of increased complaints from 2021 to 2022. Phone, email, and the online webpage were the most common methods of contact for complaints (see Chart 1).

**Chart 1**



## B. Types of Complaints

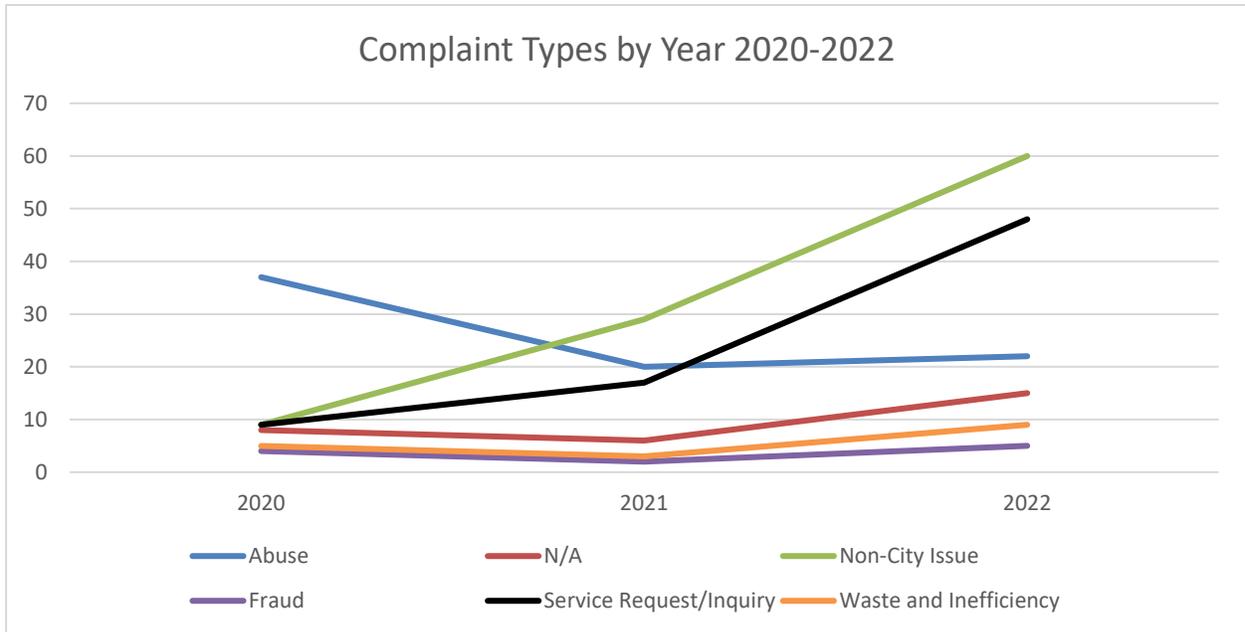
All complaints are assigned to a complaint type to ensure reports received by the Hotline are properly recorded, investigated, monitored, and reported.

Complaint types are defined as follows:

- **Fraud** means any intentional act or omission for personal gain designed to deprive the city of its resources or assets to which the individual or person is not entitled.
- **Waste and Inefficiency** means the careless expenditure of city funds or resources above and beyond the level that is reasonably required to meet the needs of the city, or the consumption or use of city resources that is not authorized.
- **Abuse, Misuse, and Misappropriation** means the improper use of city resources in a manner contrary to law, city policy or work rules, or the improper use of one's position for private gain or advantage for himself or herself or any other person.
- **Service Requests and Inquiries** includes requests for information or services such as sanitation collection, snow removal, reports of properties in disrepair, and requests for law enforcement non-emergency contact information. Complainants are given Call for Action and Click for Action information.
- **Non-City Issues** involve a complaint that requires referral to a different level of government or to an external agency. Examples include Milwaukee Public Schools, Milwaukee County, the State of Wisconsin, and the Federal Trade Commission's Bureau of Consumer Protection.

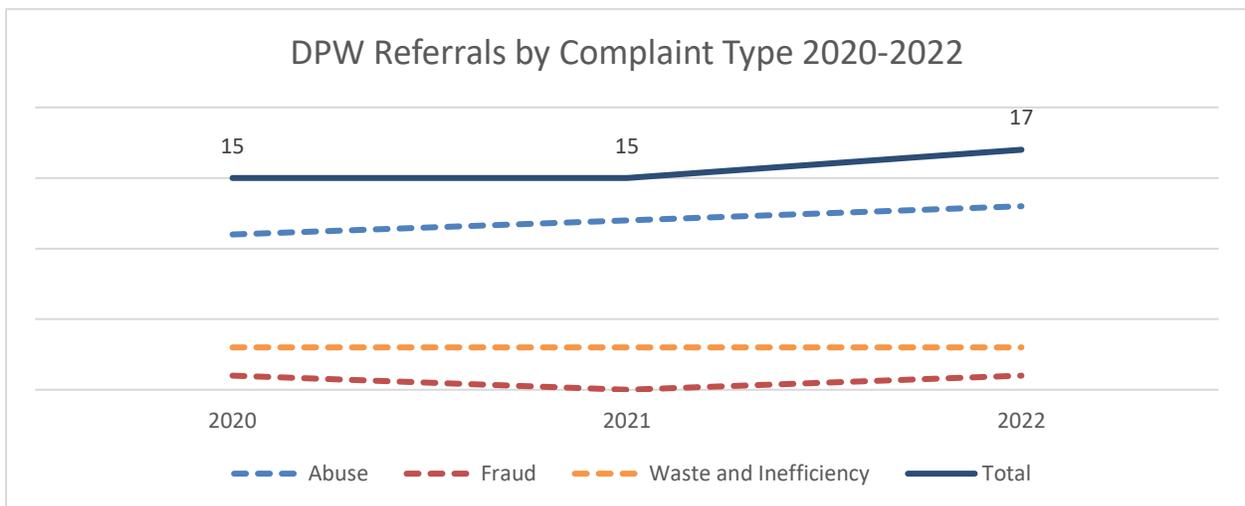
Chart 2 illustrates the breakdown of reported complaints received by the Hotline in 2022 by category type and year from 2020 through 2022.

**Chart 2**



The most common actionable complaint type is Abuse, Misuse, and Misappropriation of City Assets. Complaints arising from resident interaction with DPW employees in the field is the most significant driver behind this complaint type. DPW referrals increased slightly in 2022 due to increased awareness of the Hotline. Chart 3 below shows DPW referrals by complaint type from 2020 through 2022.

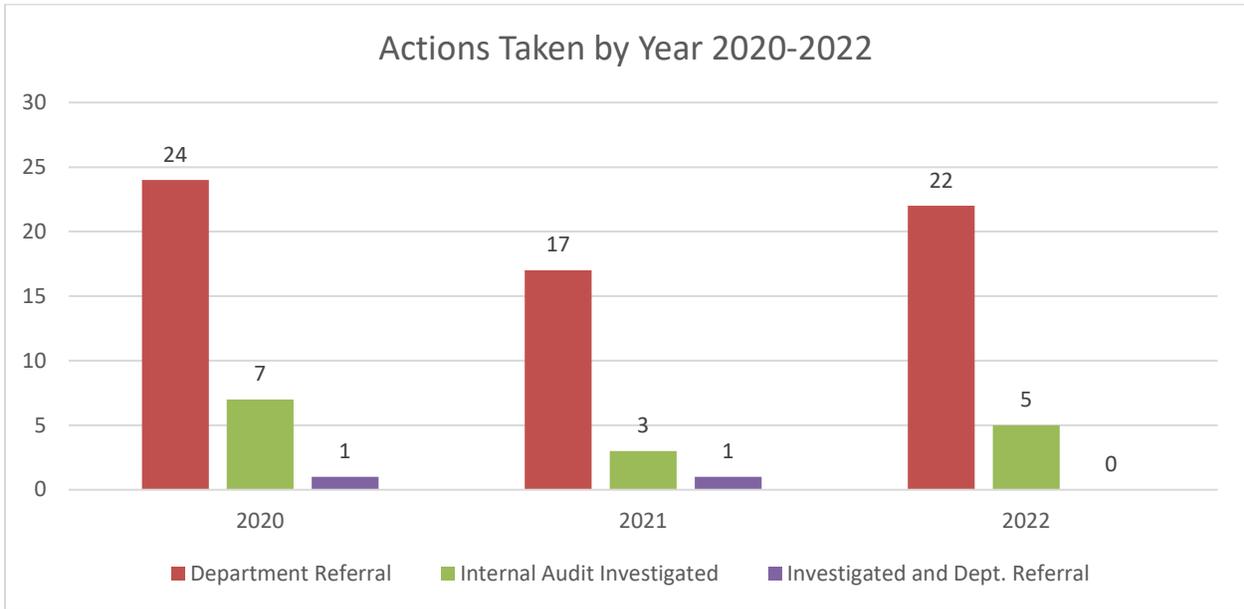
**Chart 3**



### C. Actions Taken

Twenty-seven complaints (17% of those received in 2022) were actionable. Internal Audit refers complaints to department management when they are in a position to conduct an objective investigation of the complaint and refers cases to the Department of Employee Relations for the most serious employee conduct allegations and complaints regarding the conduct of departmental leaders. Internal Audit investigates cases when it is best positioned to conduct an investigation. Chart 4 below provides a breakdown of actions taken by the Hotline in 2022, with comparative data provided for 2020 through 2022.

**Chart 4**



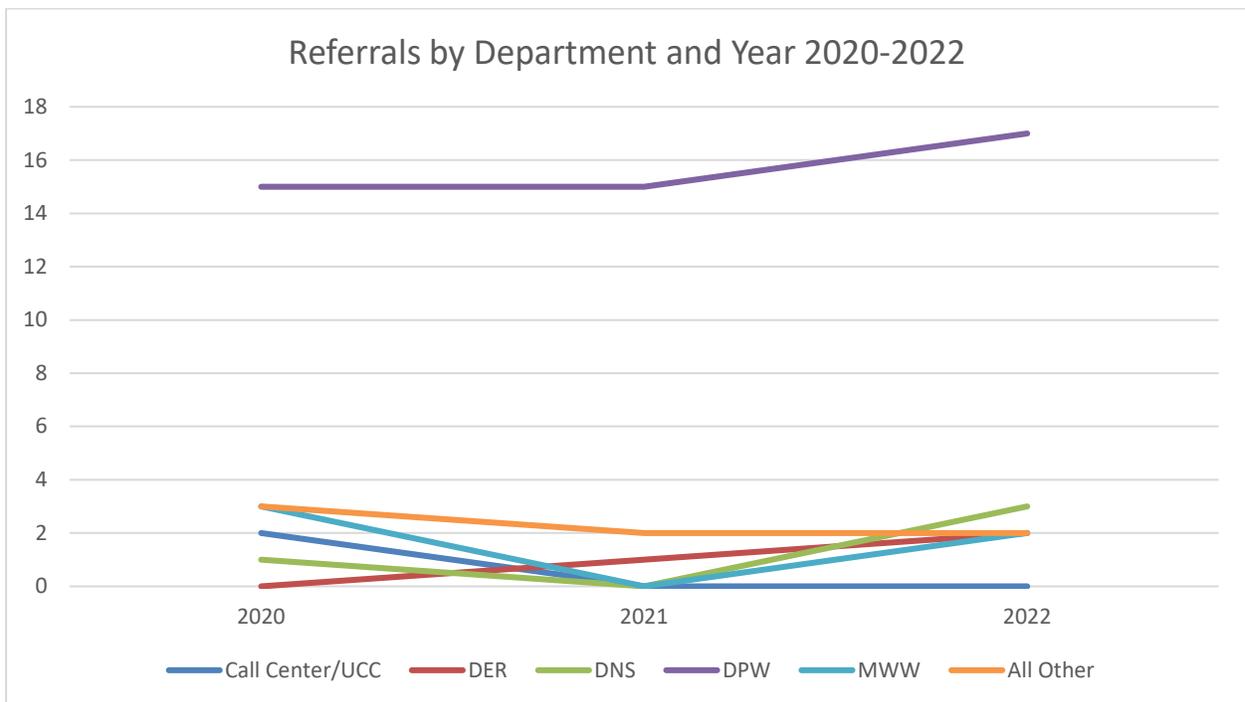
The Fraud Hotline occasionally receives multiple complaints from an individual complainant or multiple complainants regarding the same incident. Chart 5 below shows actions by year based on unique complaints by counting each incident as one action.

**Chart 5**



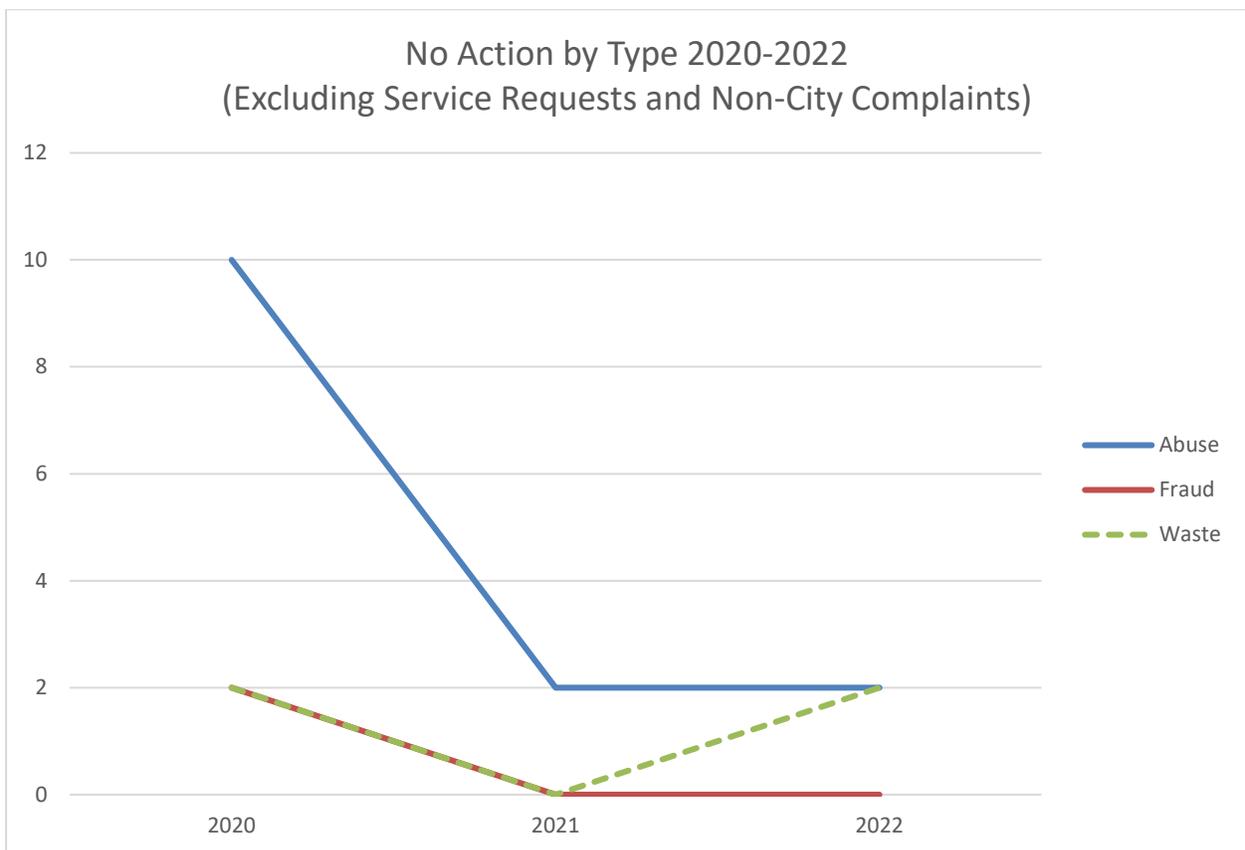
Chart 6, below, details which City departments received Hotline referrals from 2020 through 2022.

**Chart 6**



Examples of non-actionable reports are service requests, non-City issues, and complaints lacking enough information to investigate. Complainants are referred to Call for Action and Click for Action for service requests and to the appropriate agencies for non-City issues. Fraud Hotline operators attempt to contact the complainant three times for complaints lacking sufficient detail using the contact information left by the complainant. However, complainants often do not provide contact information or cannot be reached after repeated attempts. Chart 7 below shows the number of no action outcomes by complaint type from 2020 through 2022 resulting from insufficient information.

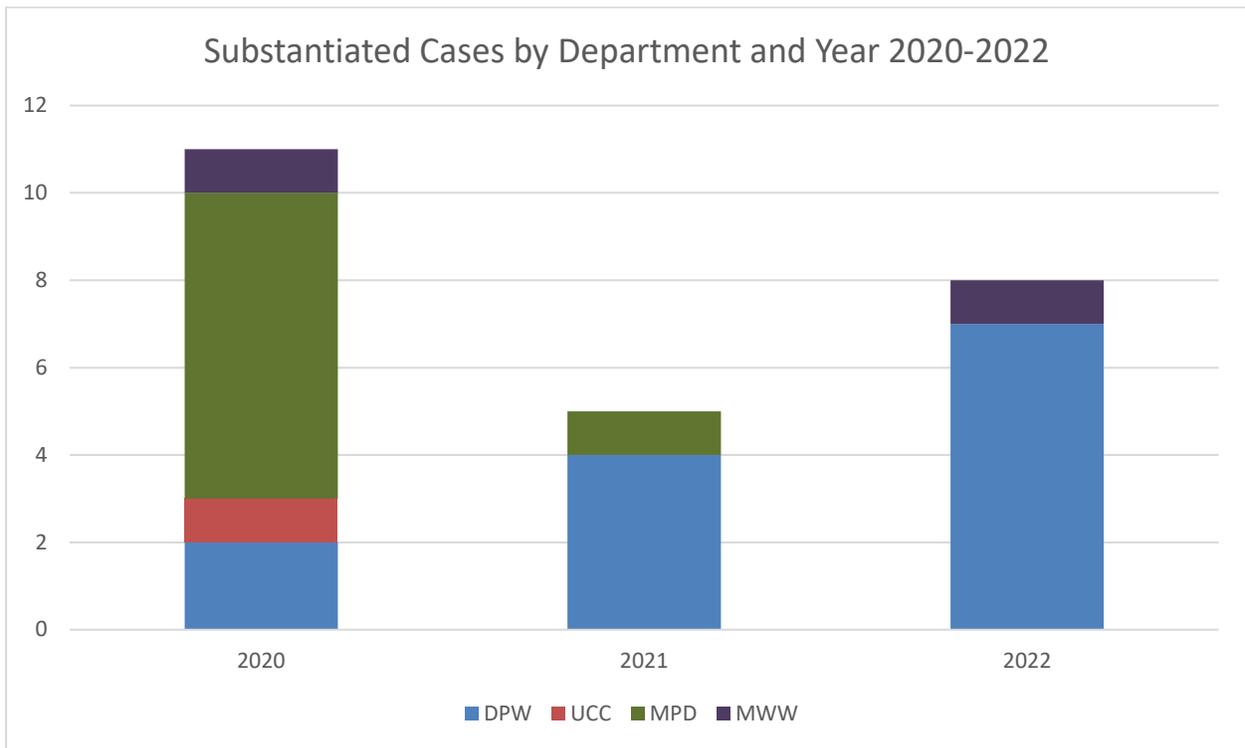
**Chart 7**



Once a report from one of the actionable categories has been investigated and closed, the report is deemed either substantiated or unsubstantiated. Unsubstantiated reports are generally invalid facts or a misunderstanding of the circumstances identified and reported to the Hotline; while substantiated reports are based on confirmed facts.

Chart 8 details the number of substantiated complaints by department and year from 2020 through 2022.

**Chart 8**



The increase in substantiated cases for DPW is a result of the hyper-awareness of the reckless driving epidemic in Milwaukee and the increased awareness of how to contact the Hotline.

Chart 9 shows substantiated complaints by department and year counting each incident as one substantiated complaint when the Fraud Hotline received multiple complaints regarding the same substantiated incident.

**Chart 9**

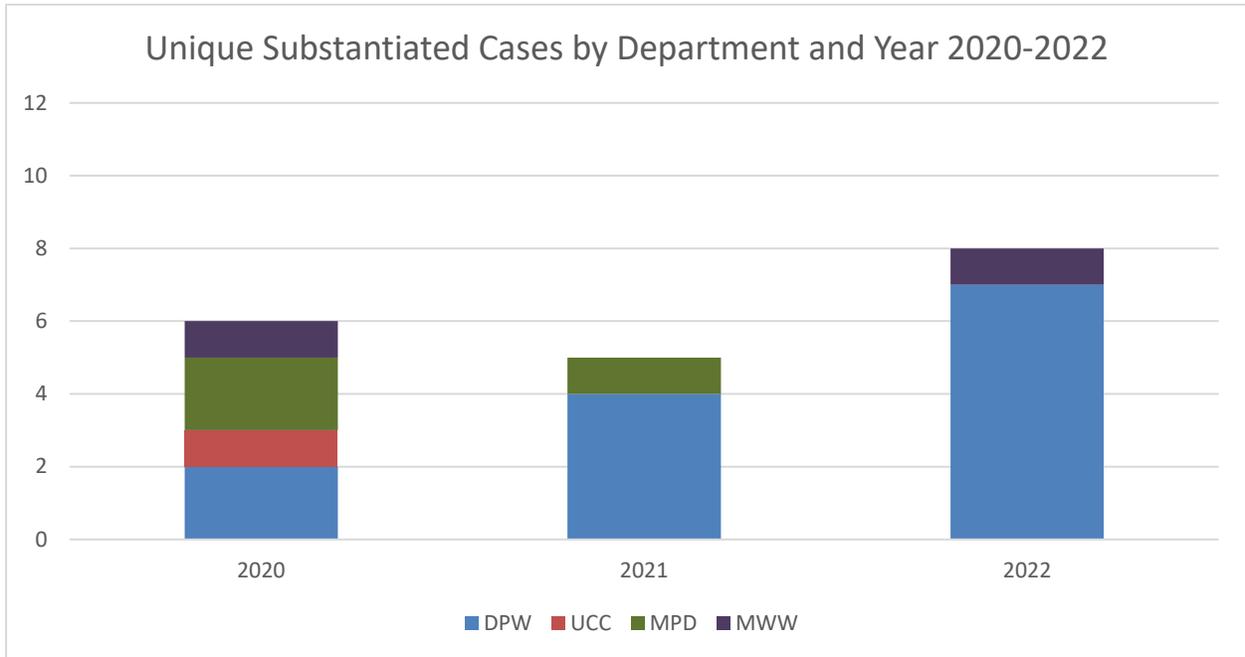
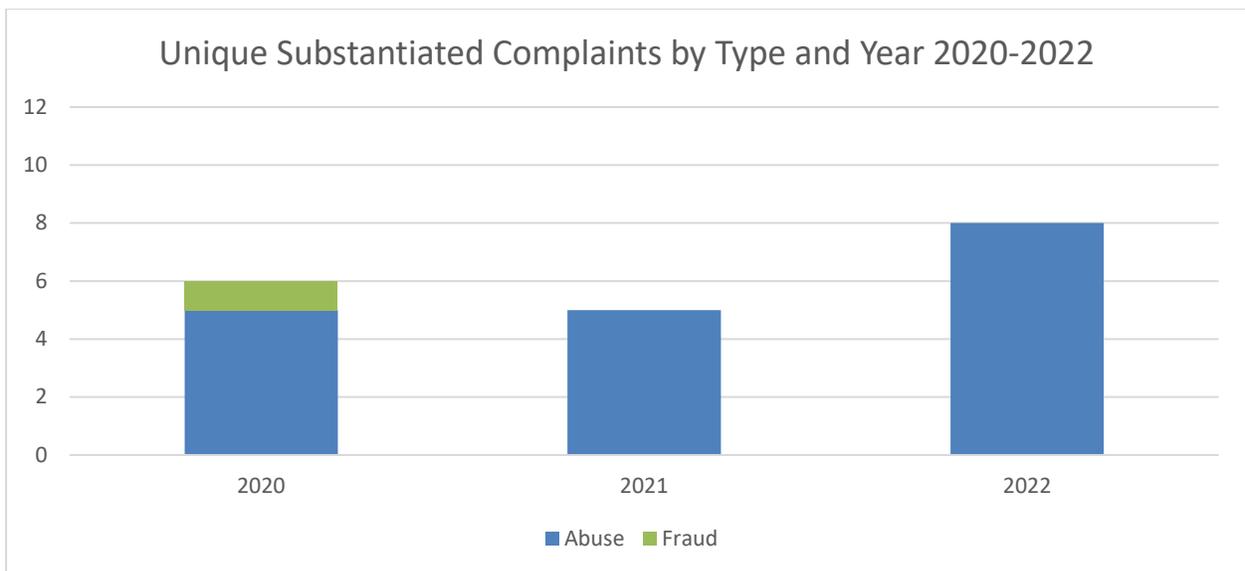


Chart 10 shows unique substantiated complaints by type and year.

**Chart 10**



For those complaints regarding employee behavior, department management or Internal Audit determine the appropriate action to be taken in resolving substantiated reports. For example, management may determine that procedural changes, retraining, counseling, or disciplinary action is appropriate.

As of Fraud Hotline reporting for the year ended December 31, 2022, four cases remain open as active investigations due to case complexity.

### **Accessibility Updates**

In 2022, several updates were made to the Fraud Hotline to increase accessibility to Milwaukee residents. Outlined below is the list of updates incorporated this past year:

- 1) The Hotline's information brochure was translated into Hmong and Spanish.
- 2) A Spanish-speaking operator was hired this year and expanded the Hotline to include a phone line for Spanish-speakers. The webpage provides a Hotline number specifically for Spanish-speakers to talk with the Spanish-speaking operator.
- 3) The web reporting form is fully translatable to whichever language the user set their browser language to be.
- 4) The Hotline has access to LanguageLine, which provides on-demand language interpretation in 40+ languages. This service allows the Hotline to become more widely accessible. LanguageLine can be used for all forms of contact methods.

The Hotline strives to make reporting fraud, waste, and/or abuse of City resources as accessible and easy as possible for all Milwaukeeans.



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January 20, 2023

Honorable Cavalier Johnson, Mayor  
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Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which summarizes the activities of the City's Fraud, Waste, and Abuse Hotline (Hotline) for the year ending December 31, 2022. I have read the report and support the activities detailed within.

The City Comptroller was not involved in any portion of the work conducted in connection with the 2022 Hotline functions. At all times, the Internal Audit Division worked autonomously in order to carry out Hotline activities.

Sincerely,

A handwritten signature in blue ink that reads "Aycha Sawa".

Aycha Sawa, CPA, CIA  
Comptroller