

# Culver City News

VOL. 112 NO. 27

JULY 4, 2019

SINCE 1907

## LETTERS TO THE EDITOR

### Culver City to implement fraud, waste, abuse hotline

On June 12, 2019, the previously-obscure Finance Advisory Committee (Committee) hosted a history-making meeting, which will bring Culver City out of the horse-and-buggy age—Culver City is on the road to establishing a fraud, waste and abuse (FWA) program, including a fraud hotline. One member privately commented that attendance at the meeting by the City Attorney, the City Manager and a City Councilmember was highly unusual.

On April 8, 2019, the City Council appointed City Council members Thomas Small and Alex Fisch to the Ad Hoc Committee to work with City Staff to review the Moss Adams, LLP Internal Audit Reports and Review Staff's Recommendations for improvements to the City's Internal Controls. The Ad Hoc Committee met in May 2019 and, evidently, decided that the issues are so very important that they should be heard in a public forum. (Meetings of Ad Hoc Committees are not open to the public.)

As relevant here, the Committee considered the 6/30/17 [sic] (Draft) Culver City FWA

Program report (Report) prepared by Moss Adams LLP. The Report states, in part, "Providing individuals a means to report suspicious activity is a crucial part of an anti-fraud program. Fraud reporting programs, such as hotlines, are set up to receive tips from both internal and external sources and support anonymity and confidentiality. ... [T]he number one source for the initial detection of fraud is through a tip..."

The Moss Adams LLP representative acknowledged that, while Culver City's small-long-time-in-place workforce has benefits, it presents a FWA risk. (Who is going to drop a dime on their long-time co-worker?) Also, she commented that Culver City lacks adequate policies and procedures. (How can an employee play by the rules when there are no rules?) Onyx Jones, recently appointed Chief Financial Officer, is eager to implement an effective system of internal controls, including a fraud hotline, but recognizes that there will be some resistance to these

See LETTER Page 14

### LETTER

CONTINUED FROM PAGE 7

new-fangled ways. She is a dynamo.

Jane Leonard, Committee Chair, wisely observed that the Report is vaguely aspirational, and should clearly state what the City has done to establish a FWA program.

One person questioned the cost of a FWA program. However, without an effective FWA program, Culver City could be bleeding money and assets, and not know it. Further, bond-rating agencies can inflict severe financial pain when a city fails to establish such a program.

Culver City plans to implement a fraud hotline, and inform/teach employees and the public what to look for and how to report it. We suggest that that includes distributing a flyer on each residential porch in Culver City. It can be done—some senior citizens informed us that they recently did it. If senior citizens can do it, so can students while being taught about ethics, clean government and civic action.

For now, who are the heroes? They are: Thomas Small, Alex Fisch, Jane Leonard and Onyx Jones. Way to go! So, far, so good.

- Paulette and Les Greenberg