Presentation to the Audit Committee
February 15, 2013

2012 Annual Report On Fraud
Including the Operations of the
Fraud and Waste Hotline

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Carmelina Di Mondo, LLB, CFE, CGAP – Director
Hotline Benefits

- Deterrence
- Reduced Losses
- Protect City Assets
- Improved Policies
- Enhance Internal Controls
- Operational Efficiencies
Hotline Effectiveness

Data Collection and Analysis

Statistics identify trends
- Conflict
- Sick Leave and LTD abuse

Hotline Effectiveness
Recommendation

City Manager conduct a comprehensive review of the Fraud Prevention Policy

Incorporate the provisions of the Whistle Blower Protection By-law

Protocol for the reporting of fraud

Extend Policy to the City’s Agencies and Corporations and Accountability Officers.
Complaints Received 2002-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
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<tr>
<td>2003</td>
<td>238</td>
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<tr>
<td>2004</td>
<td>347</td>
</tr>
<tr>
<td>2005</td>
<td>577</td>
</tr>
<tr>
<td>2006</td>
<td>503</td>
</tr>
<tr>
<td>2007</td>
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<td>619</td>
</tr>
<tr>
<td>2009</td>
<td>677</td>
</tr>
<tr>
<td>2010</td>
<td>573</td>
</tr>
<tr>
<td>2011</td>
<td>822</td>
</tr>
<tr>
<td>2012</td>
<td>774</td>
</tr>
</tbody>
</table>
Total Complaints

2012 - 774 total complaints representing 1500 allegations

2011 - 822 total complaints representing 1700 allegations

2010 - 573 total complaints representing 900 allegations

2009 - 677 total complaints representing 1000 allegations
Substantiated Complaints 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of complaints previously reported in annual report</th>
<th>No. of additional complaints substantiated/substantiated in part as of December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
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<td>42</td>
</tr>
<tr>
<td>2009</td>
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<td>69</td>
</tr>
<tr>
<td>2012</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>
2012 Actual Loss and Recovery

- Actual Loss: $506,640
- Total Recovery: $256,744
Previous Years (2007-2011)
Actual Losses & Recoveries

- Actual Loss: $2,220,807
- Total Recovery: $1,365,223
Recurring Losses

- 2012: $75,000
- 2013: $150,000
- 2014: $225,000
- 2015: $300,000
- 2016: $375,000
Discipline or Other Action

- Terminations - 16
- Suspension - 2
- Other Discipline - 7
- Other Appropriate Action - 25
Questions