



## **CONTROLLER OF DELAWARE COUNTY**

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### **Delco's "fiscal watchdog" announces new hotline to prevent fraud**

*Residents urged to call new hotline to report fraud, waste or abuse; can be anonymous*

One of the most effective ways to save tax dollars is to detect and prevent fraud and abuse of government resources.

Industry experts estimate that fraud, waste and abuse represents about 10 percent of overall government spending. Governments are one of the most commonly victimized industries and all taxpayers suffer because of fraud.

To detect fraud in Delaware County, Controller Joanne Phillips announced a new Fraud Hotline that allows residents or employees to report suspected fraud either anonymously or on-the-record. She was joined in the hotline announcement by Delaware County Council.

"Several counties across the Commonwealth have fraud hotlines, which are proving to be very useful in uncovering fraud and, in many cases, leading to better practices in internal controls," Phillips said Wednesday when announcing the Fraud Hotline. "Regrettably fraud exists, whether we like it or not. Our job as elected leaders, and my job as controller, is to keep it to a minimum."

Government has to remain vigilant by facing the risks and ensuring the appropriate controls are in place to ensure that resources and tax dollars are properly utilized, she said.

"We encourage people who suspect fraud to speak up, and we assure them that they have the right to remain anonymous," Phillips said. "By reporting a tip, people will be doing a public service by reporting misuse of county resources. People can write me a letter, file a complaint online, or call the tip line."

Phillips has spoken to controllers in other counties in addition to state Auditor General Eugene DePasquale and Phillips said fraud hotlines also act as an educational tool and as a deterrent.

Lancaster County's fraud hotline has been in operation since 2016 and Controller Brian Hurter said he received 15 complaints in 2017. Complaints ranged from misuse of employee time to concerns over contracts, and fishing scams where perpetrators represented themselves as county workers.

*(more)*

*(Fraud Hotline continued)*

“The No.1 way that fraud is discovered is through tips, not audits,” Hurter said. “We’ve also found that the tips have given us an opportunity to correct certain situations moving forward.”

The Association of Local Government Auditors lists examples of fraud from vendor kickbacks and skimming of cash payments to falsification of work hours and manipulation of contracts.

“Some of the tips have led to recommendations for actions or a change in internal accounting procedures,” Phillips said. “They also act as a deterrent because people are more aware that they will be held accountable for their actions.”

“This was one of the promises I made when I took office in January, that I would enhance ethics and transparency in conducting county business,” Phillips said. “This hotline give employees and anyone doing business with the county a way to observe county business activity and report suspected wrongdoing involving county resources, from money to property to vehicles.”

People can now access Fraud Hotline information on the county’s website.

Phillips cited examples of what has been reported in other counties: theft of county dollars, personal use of county-owned vehicles or equipment, falsification of expense reimbursements, false reporting of hours worked, worker injury or disability fraud, violations of county purchasing policy, spending beyond what is reasonable on a service, and contract fraud.

According to the Association of Fraud Examiners, governments that maintain a fraud hotline reduce their losses by 17 percent.

All tips will be reviewed and some may result in a cost-saving audit or an investigation, Phillips said. The controller’s Fraud Hotline is to report abuse within Delaware County government. Reports of fraudulent activity not related to county government will be forwarded to the appropriate authorities.

“For example, I was told that someone called a county tip line to report a senior citizen whose caregiver was suspected of stealing from them. That would be reported to the district attorney’s office and their Senior Exploitation Unit,” Phillips said.

“Reporting is easy, safe and secure,” Phillips said. “We want to assure people that they have the right to remain anonymous. However, if they identify themselves, that might assist in our review of the situation.”

**Phillips said there are three ways to report fraud:**

- 1. Call the tip line at (610) 891-8614. Calls are anonymous and untraceable**
- 2. Send a letter to the Controller’s Office, Delaware County Government, 201 W. Front St., Media, Pa. 19063**
- 3. Submit an online tip electronically on the Fraud Abuse Form. Visit [www.co.delaware.pa.us](http://www.co.delaware.pa.us) and go to the Controller’s Department**

“It’s important for people to provide as much information about the suspected fraud as possible,” Phillips said. “Remember, fraud and abuse are crimes we all pay for in our tax bill.”

