



AGENDA STAFF REPORT

Control: 26001002

MEETING DATE: 06/23/2026

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): All Districts

SUBMITTING AGENCY/DEPARTMENT: County Counsel

DEPARTMENT CONTACT PERSON(S): Leon Page, 714-834-3300
Patrick Bruso, 714-834-3300

SUBJECT: 2025 Orange County Fraud Hotline Annual Activity Report

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	No Legal Objection	CONSENT CALENDAR 3 Votes Board Majority

Budgeted: N/A	Current Year Cost: N/A	Annual Cost: N/A
Staffing Impact: No		Sole Source: No
Current Fiscal Year Revenue: N/A	Funding Source: N/A	County Audit in Last 3 years: No
Levine Act Review Completed? N/A		
Prior Board Action: N/A		

RECOMMENDED ACTION(S):

Receive and file 2025 Orange County Fraud Hotline Annual Report.

SUMMARY:

The 2025 Orange County Fraud Hotline Annual Report provides a statistical summary of activity for the period January 1, 2025 through December 31, 2025, and background information on the Fraud Hotline process.

BACKGROUND INFORMATION:

The Orange County Fraud Hotline (Fraud Hotline) was first established September 1, 1994, and, after a short period of inactivity during the County’s bankruptcy, was reinstated May 3, 1996. The OC Internal Audit Department administered the OC Fraud Hotline as part of its ongoing fraud detection and prevention effort until August 20, 2015. On August 4, 2015, the Board of Supervisors (Board) approved delegation of responsibility for operation of the Fraud Hotline to the Office of the County Counsel with assistance provided by the Auditor-Controller. This delegation became effective on August 21, 2015. Under the direction of County Counsel, the Fraud Hotline Managers organize, supervise and conduct the investigations of the numerous and varied complaints made through the Fraud Hotline.

The Fraud Hotline allows County management to discover and provide a remedy for acts of fraud, waste or abuse by County employees and County vendors. A robust confidential Fraud Hotline provides an opportunity for concerned employees and residents to freely disclose fraud, waste or abuse occurring in government operations in confidence without fear of retaliation or disclosure. Fraud is an intentional act that results in the misstatement of financial records or theft of the County’s assets. Waste and/or abuse of County resources would include, for example, the use of a County computer to run an outside business. Violations of County and departmental policies are also reported.

The benefit to the County of the Fraud Hotline is that investigations yield valuable information, not only for the purpose of revealing misconduct, but also for the more valuable long-term purpose of initiating discussion and analysis of needed corrective measures for identified policy and procedural weaknesses. Just as importantly, an investigative finding that a Hotline complaint is without merit or is unsubstantiated serves to remove suspicion and doubt regarding the integrity of an established process or an employee whose conduct is in question.

From January 1, 2025, through December 31, 2025, the Fraud Hotline received a total of 498 allegations/complaints. They are summarized as follows:

- 52 New Cases
- 12 Insufficient Information/Non-Actionable Items
- 434 Cases Referred Out, consisting of:
 - 185 referrals to other appropriate County or non-County agencies, for allegations involving issues other than fraud, waste or abuse by County employees and/or County vendors.
 - 249 telephone or online referrals for allegations not handled by the Fraud Hotline; for example, Welfare Fraud calls are referred directly to the appropriate hotline number by the County’s third-party compliance service provider.

Further, of the 52 new cases and 8 carry-over cases from prior years, 38 Fraud Hotline cases were closed. Of these closed cases, claims in 5 cases were partially substantiated to be fraud, waste, or abuse, claims in 4 cases were substantiated to be fraud, waste, or abuse, and claims in 29 cases were not substantiated. Cases opened during 2025 included, among other complaints, allegations of time abuse; HR policy violations; employee misconduct; hostile work environment; theft of county resources; and conflict of interest. There were multiple allegations in several categories listed above.

Calendar Year:	2022	2023	2024	2025
New Cases Per Year	20	25	26	52
Items Referred Out	319	484	466	434
Insufficient Information/Non-Actionable Items	5	11	6	12
Total Hotline Allegations:	344	520	498	498

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - OC Fraud Hotline Activities 2025 Annual Report