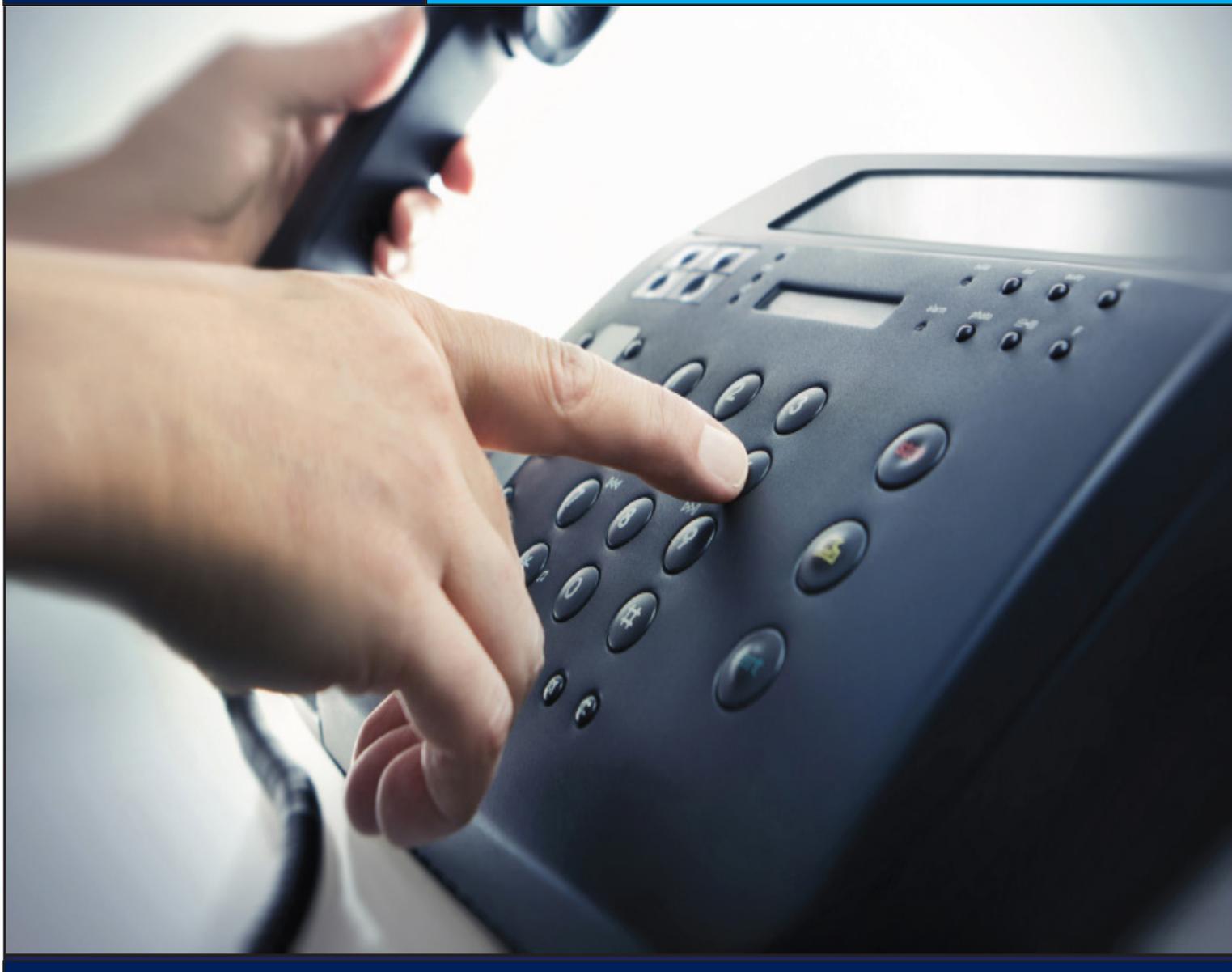


AUDIT REPORT

Fraud Hotline Annual Report 2025



Chris Harding, CPA, CFE, CIA
County Auditor

Office of the Auditor
Salt Lake County

Audit Team

Audra Bylund, CIA, Audit Manager
JC Bailey, Internal Auditor

Audit Management

Chris Harding, CPA, CFE, CIA, County Auditor
Richard Jaussi, MBA, Chief Deputy Auditor
Roswell Rogers, Senior Advisor
Shawna Ahlborn, Audit Division Director

Audit Committee

Marty Van Wagoner, CPA, MBA



Office of the Auditor
Salt Lake County
2001 S State Street, Ste N3-300
Salt Lake City, UT 84190-1100
Phone: (385) 468-7200

www.saltlakecounty.gov/auditor

Salt Lake County Auditor



Chris Harding, CPA, CFE, CIA
County Auditor

2001 S State Street, Ste N3-300, Salt Lake City, UT 84190
Phone: (385) 468-7200 www.saltlakecounty.gov/auditor

AUDITOR'S LETTER

March 16, 2026

I am pleased to present the Salt Lake County Auditor's Office Fraud Hotline Annual Report for 2025, summarizing hotline activity from January 1 to December 31, 2025.

The Fraud Hotline received 35 tips in 2025¹. Of the 35 tips, nineteen were closed as the tip did not involve Salt Lake County Government or County personnel and did not have sufficient information for an investigation or referral. We referred sixteen tips to other entities (eleven to Salt Lake County agencies and five to federal, state or local agencies). No investigations by the Auditor's Office were initiated on any of the hotline tips.

The Fraud Hotline serves as a valuable tool for the Auditor's Office to identify and address potential issues within Salt Lake County government. It allows employees, contractors, and the public to report concerns anonymously and facilitates efficient resource allocation for further investigation.

This report summarizes activity related to the Auditor Hotline during the reporting period. The information presented is based on complaints received and tracked by the Auditor's Office. No audit work was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Looking ahead, the Auditor's Office remains committed to maintaining and promoting the use of the Fraud Hotline as a critical resource for promoting transparency and accountability within Salt Lake County government. We encourage the continued use of the hotline by employees, contractors, and the public to report any suspected wrongdoing.

We appreciate your continued support in maintaining a strong internal control environment and ensuring efficient and effective operations within Salt Lake County.

Sincerely,

A handwritten signature in black ink that reads "Chris Harding".

Chris Harding, CPA, CFE, CIA
Salt Lake County Auditor

¹ If a tip was submitted more than once by the same individual regarding the same underlying issue, it is counted as a single tip. Any additional submissions with new details are treated as updates to the original tip and are not counted separately in the total. As a result, we received 36 submissions, but after consolidating multiple submissions from one individual, the total number of distinct tips is 35.

CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND.....	2
OBJECTIVES AND SCOPE.....	3
METHODOLOGY	4
2025 RESULTS	5
CONCLUSION	5
APPENDIX A	6



Fraud Hotline Annual Report

2025

Objectives

The Salt Lake County Auditor's Fraud Hotline, established under Countywide Policy 1300, aims to provide a dedicated avenue for reporting suspected fraud, waste, and abuse of county resources, as well as instances of improper behavior by county officers or employees.

EXECUTIVE SUMMARY

The Salt Lake County Auditor's Office Fraud Hotline received 35 tips in 2025, serving as an important mechanism for identifying potential fraud, waste, abuse, and other operational concerns within County government. Of these tips, sixteen were referred to appropriate entities due to jurisdictional limitations, and the remaining nineteen were closed as they did not warrant further investigation.

The Fraud Hotline helps promote transparency and accountability by offering employees, contractors, and the public an anonymous way to report concerns. The Auditor's Office remains committed to maintaining and promoting the use of this crucial resource for a stronger and more efficient Salt Lake County government.

COUNTYWIDE POLICY 1300 – COUNTY AUDITOR HOTLINE

Countywide Policy 1300 authorizes and establishes an Auditor Hotline for the purpose of receiving reports of suspected fraud, waste, and abuse of Salt Lake County resources or improper behavior of county officers or employees. The Auditor Hotline provides an avenue for citizens, including County employees and contractors, to report their concerns about potentially improper governmental activities to the Salt Lake County Auditor. The purpose of the Auditor Hotline is to help Salt Lake County government achieve the following objectives:

- Identify opportunities for improvement in operations and compliance
- Foster good governance at all levels of county government
- Empower residents to be actively engaged in ensuring government transparency and accountability.

INTRODUCTION

The annual report on the Auditor’s Fraud Hotline (“Fraud Hotline”) is for activity that was reported from January 1, 2025, through December 31, 2025. The scope of the Fraud Hotline activity applies to acts of wrongdoing (fraud, waste, and abuse) within the Salt Lake County government. Occasionally, tips received on acts of wrongdoing within the Salt Lake County government are outside the scope of the Auditor’s statutory duties and these tips are either referred to the appropriate entities or irrelevant for a referral.

In 2025, the Fraud Hotline received 35 tips².

BACKGROUND

Fraud is defined as “intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right,” or as “an act of deceiving or misrepresenting.” According to the bi-annual report *Occupational Fraud 2024: A Report to the Nations*, published by the Association of Certified Fraud Examiners (ACFE), the typical fraud case lasts 12 months before detection, costing a median loss of \$145,000 per case. Certified Fraud Examiners estimate organizations lose 5% of revenue to fraud each year, and 22% of fraud cases cost the organization more than \$1 million.

Fraud hotlines are a critical tool for fraud detection. In 2024, the ACFE reported that fraud tips were three times as likely to detect fraud than internal audits.

² If a tip was submitted more than once by the same individual regarding the same underlying issue, it is counted as a single tip. Any additional submissions with new details are treated as updates to the original tip and are not counted separately in the total. As a result, we received 36 submissions, but after consolidating multiple submissions from one individual, the total number of distinct tips is 35.

The Audit Services Division works to provide confidence in the integrity and financial reliability of County operations and to instill confidence that the County is operating with efficiency and effectiveness. In support of these goals, Audit Services established an online Fraud Hotline in 2017.

The Auditor's Office Fraud Hotline allows Salt Lake County employees or contractors to report acts of wrongdoing within the Salt Lake County government. Additionally, non-County employees can submit a report to the Fraud Hotline. The goal of the hotline is to identify misuse of taxpayer funds. All concerns submitted are taken seriously.

The hotline includes three key features:

- Available to County employees, contractors, and the public
- Operates 24 hours a day, 7 days a week
- Features the option for confidentiality

The Fraud Hotline can also be used to identify other risks within Salt Lake County. Some tips may not rise to the level of fraud, but they can indicate that there are issues with the internal control environment, efficiency or effectiveness of operations, or other unethical behavior. Every tip received from the Fraud Hotline is given due process.

OBJECTIVES AND SCOPE

The primary objective of the Salt Lake County Auditor's Fraud Hotline, as established under Countywide Policy 1300: County Auditor Hotline, is to provide a dedicated avenue for receiving reports of suspected fraud, waste, and abuse of county resources, as well as instances of improper behavior by county officers or employees. The overarching goals of the Auditor Hotline are as follows:

- To provide Salt Lake County employees, contractors, and the public with a confidential and accessible mechanism to report suspected fraud, waste, and abuse within the Salt Lake County government, as well as potential misconduct of county officers and employees.
- To enhance transparency and accountability within Salt Lake County government by encouraging citizen engagement in identifying and reporting potential issues.
- To assist the Salt Lake County Auditor's Office in achieving its goals of:
 - Identifying opportunities for improvement in county operations and compliance
 - Fostering good governance at all levels of county government

Scope: The annual report covers activity reported from January 1, 2025 through December 31, 2025.

METHODOLOGY

Every tip submitted either to the Auditor's Office website or emailed to Fraud@saltlakecounty.gov is processed using the methodology outlined below:

1. A case number is assigned to each tip so that it can be tracked within the Auditor's Office project tracking software.
2. The tip is reviewed for validity and type (potential fraud, unethical conduct, waste, etc.). Additionally, we determine whether the nature of the tip falls within the duties of the Auditor's Office.
3. Each tip is then Investigated (Option A), Referred (Option B), or Closed (Option C) and processed in accordance with the results of Step 2.

Option A: Investigate the tip if it falls within the duties of the Auditor's Office.

An investigation is similar to an audit. The auditor identifies and analyzes risks, gathers evidence, draws conclusions, develops corrective recommendations, and performs follow-up work as appropriate. Investigations differ from traditional audits in that they are more focused and are aimed at determining if an event occurred and the nature of that event. Audits, by contrast, provide reasonable assurance that controls are designed appropriately and operated effectively. An auditor may also use different techniques to gather and analyze evidence compared to a standard audit.

Option B: Refer the tip to an outside authority.

The Auditor's Office may receive a tip that is outside the scope of the Auditor's duties. In these cases, we will refer the tip to the most appropriate authority for follow-up.

As referenced in Salt Lake County Countywide Policy 1300: County Auditor Hotline, Part 1.0 Auditor Hotline Established, states,

1.4.3 The Auditor shall not investigate reports that are merely based upon disagreements with the lawful management determinations or policy decisions of Salt Lake County government.

1.4.4 The Auditor shall refer reports relating to subjects covered by Salt Lake County Human Resources Policies to the County's Human Resources Department, or to another appropriate entity designated by law or policy.

1.4.5 The Auditor may refer reports that are not appropriately related to this policy or the Auditor's statutory duties to the relevant County office or department having appropriate subject matter jurisdiction or relevant expertise concerning the matter. If a report pertains to an entity outside of Salt Lake County, the Auditor may refer the report to the appropriate entity.

Option C: Close the tip if it is deemed irrelevant.

Some tips do not fall within the Auditor's Office's statutory duties and are irrelevant for a referral. Reasons for discarding tips vary. Some examples include:

- Irrelevant subject matter, such as federal income tax issues, tips not associated with County government, and complaints against citizens or establishments.
- Tips with incomplete information.
- Meaningless tips or bogus tips submitted as a prank.

Closed tips are still documented by the Auditor's Office.

2025 RESULTS

The 35 tips submitted to the Fraud Hotline are detailed in **Appendix A**. Eleven tips were referred within Salt Lake County, and five tips were referred to other federal, state or local entities, such as the U.S. Department of Housing and Urban Development or the Utah Department of Workforce Services.

The remaining nineteen tips were closed as the situation warranted no further investigation.

CONCLUSION

The Fraud Hotline provides a simple, effective, and anonymous way for employees and members of the public to raise concerns about Salt Lake County operations without fear of retaliation. In recent years, the Fraud Hotline has also offered the Auditor's Office an opportunity for community outreach, allowing us to instruct other avenues where a concern might be addressed. By offering earlier detection, Fraud Hotlines have the potential to save taxpayers funds that might otherwise be diverted to personal use or simply wasted.

The Auditor's Fraud Hotline is one tool the Audit Division uses to help management strengthen the County's internal control environment and improve operational effectiveness. It also helps instill confidence that the County is operated efficiently and effectively.

Appendix A: 2025 Fraud Hotline Details

Allegation Reported in Tip	Case Status	Auditor Conclusion
Allegations of conflict of interest and misuse of County time and resources.	Referred	Referred to Salt Lake County Youth Services.
Allegations of scam text message from SLC.gov	Referred	Referred to Salt Lake City Police Department.
Allegations of an inmate not receiving prisoner funds.	Referred	Referred to Salt Lake County Jail.
Allegations of Sheriff impersonation fraud scam	Referred	Referred to the Salt Lake County Sheriff's Office.
Complaint of sales tax increase.	Referred	Referred to County Council.
Allegations of equipment tax fraud.	Referred	Referred to Utah State Tax Commission.
Allegations of Food Stamp Fraud.	Referred	Referred to the Department of Workforce Services.
Complaint concerning release of jail inmate	Referred	Referred to the Salt Lake County Jail.
Allegations of Section 8 housing fraud.	Referred	Referred to U.S. Department of Housing and Urban Development.
Allegations of long term parking of Parks and Recreation vehicle.	Referred	Referred to Salt Lake County Parks and Recreation.
Complaint of property tax assessment methods.	Referred	Referred to the Salt Lake County Assessor's Office.
Complaint of Mental Health Services.	Referred	Referred to Salt Lake County Behavioral Health Services.
Allegations of stolen belongings.	Referred	Referred to J L Sorenson Recreation Center.
Complaint on property tax increase proposal.	Referred	Referred to Mayor's Office
Allegations of nepotism	Referred	Referred to Solid Waste Management Facility
Complaint regarding possible zoning/building code violation	Referred	Referred to Greater Salt Lake Municipal Services District (MSD)

Allegation Reported in Tip	Case Status	Auditor Conclusion
Allegation of misuse of inmate benefits in another County.	Closed	Insufficient information to either investigate or refer.
Allegation of insurance fraud.	Closed	Insufficient information to either investigate or refer.
Challenge validity of marriage license.	Closed	Insufficient information to either investigate or refer.
Allegation of a fraudulent company running sex trafficking ring.	Closed	Insufficient information to either investigate or refer.
Possible city code issue	Closed	Insufficient information to either investigate or refer.
Allegation of vehicle wrap scam	Closed	Insufficient information to either investigate or refer.
Allegation of scam text message	Closed	Insufficient information to either investigate or refer.
Possible Victims Unit Issue	Closed	Insufficient information to either investigate or refer.
Possible Government Assistance Abuse	Closed	Insufficient information to either investigate or refer.
Possible injury at a shelter	Closed	Insufficient information to either investigate or refer.
Issue with opposing court counsel	Closed	Insufficient information to either investigate or refer.
Possible issue with Compensation and Community Service documentation	Closed	Insufficient information to either investigate or refer.
Possible Mortgage Fraud	Closed	Insufficient information to either investigate or refer.
Possible Abuse of Power	Closed	Insufficient information to either investigate or refer.
Possible parking tickets	Closed	Insufficient information to either investigate or refer.
Possible scam number	Closed	Insufficient information to either investigate or refer.
Allegation of intellectual property theft by competing company.	Closed	Insufficient information to either investigate or refer.
Potential misuse of federal funding and sales tax	Closed	Insufficient information to either investigate or refer.
Possible hate crime and other alleged offenses	Closed	Insufficient information to either investigate or refer.