

# PORT AUDITOR'S FRAUD PREVENTION ETHICS HOTLINE STATUS REPORT FOR FISCAL YEAR-TO-DATE ENDING MARCH 1, 2024



## OFFICE OF THE PORT AUDITOR

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**PORT of  
SAN DIEGO**  
Waterfront of Opportunity

**OFFICE OF THE PORT AUDITOR***Fraud Prevention Ethics Hotline Status Report  
for Fiscal Year-to-Date ending March 1, 2024***About the Fraud Prevention Ethics Hotline**

The Office of the Port Auditor (OPA) administers the Port's Fraud Prevention Ethics Hotline (Fraud Hotline) program. The primary objective of the Fraud Hotline is to provide a means for a Port employee, contractors, and stakeholders to confidentially report any activity or conduct—related to or involving Port personnel, resources, or operations—for which they suspect instances of fraud, waste, or abuse. The Fraud Hotline is operated pursuant to California Government Code §53087.6. The Statute defines fraud, waste, or abuse as "any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct."

The Statute also requires that investigations conducted pursuant to its authority be confidential except to issue any report of an investigation that has been substantiated or to release any findings resulting from a completed investigation deemed necessary to serve the interests of the public. In any event, the identity of the individual or individuals reporting the improper government activity and the subject employee or employees shall be kept confidential.

An independent third-party provider accepts Fraud Hotline reports from Port employees and the public at (888) 203-8330 or online at <https://www.portofsandiego.org/about-port-san-diego/port-administration/fraud-prevention-ethics-hotline>.

Whistleblowers can choose to remain anonymous, and all information provided via the Fraud Hotline will remain anonymous to the fullest extent provided by law and will be consistent with the Public Records Act.

March 14, 2024

Chair Michael Zucchet  
Members of the Audit Oversight Committee

### Port Auditor's Fraud Prevention Ethics Hotline Status Report For Fiscal Year-to-Date Ending March 1, 2024

We received five Fraud Hotline reports during the third period of FY 2024 (December 2, 2023 – March 1, 2024). Of these reports, all were assigned to be investigated by the Office of the Port Auditor (OPA).

**Table 1** summarizes the types of reports received during FY 2024.

*Table 1 – Summary of Types of Reports by Periods*

Types of Report	Reports Received in FY 2024		
	December 2, 2023 to March 1, 2024	September 9, 2023 to December 1, 2023	July 1, 2023 to September 8, 2023
Violence/Threat		1	1
Policy Violation	1	1	
Fraud/Waste/Abuse	4		1

## Status of Hotline Reports

**9** reports were filed with the Fraud Hotline between July 1, 2023 and March 1, 2024

**5** reports filed between December 2, 2023 and March 1, 2024

**0** reports referred to other Departments or Agencies, not in OPA's purview

**9** active reports in OPA inventory for Fiscal Year 2024

**1** reports remain open and unresolved

**8** reports closed in FY 2024

## Port Auditor Investigations Summary

**Table 2** overviews the nine Fraud Hotline investigations conducted in FY 2024. The table includes the case number, incident type, report receipt date, case status or outcome, resolution date, and a brief report summary. If a report pertains to a Port department, the department is involved in the investigation.

*Table 2 – Summary of All Fraud Hotline Reports*

No.	Case Number	Incident Type	Date Received	Case Status / Outcome	Resolution Date
1	104	Violence/Threat	07/17/2023	Unsubstantiated	09/08/2023
	A citizen expressed concerns about security and personnel issues at San Diego International Airport. However, after a thorough investigation, the claims were found to be non-credible, and the report has been closed.				
2	105	Fraud/Waste/Abuse	08/20/2023	Closed	11/01/2023
	A citizen expressed concerns about Port staff and all marinas in San Diego harassing their tenants. The citizen also expressed concerns about Port staff falsifying records, embezzling public funds, and creating a monopoly. The OPA requested additional information from the citizen. The citizen has not provided any further information other than indicating there may be a legal claim. The case has been closed as the reporting party is unresponsive.				
3	106	Policy Violation	11/13/2023	Closed	11/21/2023
	A citizen reported that management from a restaurant on Tidelands denied access to the public space located within their space. The OPA and Real Estate staff investigated the claim, conducted a site visit, discussed their findings with restaurant ownership, and developed a plan to address future issues.				
4	107	Violence/Threat	11/13/2023	<b>Open</b>	
	An employee expressed concerns about another employee's repeated pattern of hostile behavior. The OPA, People Services, Office of the General Counsel (OGC), and a third-party investigator are investigating the matter. The ongoing investigation is near completion.				
5	108	Fraud/Waste/Abuse	12/03/2023	Closed	01/03/2024
	On November 16, 2023, an opportunity drawing was held to determine who would receive the 35 vendor spaces. The caller believed it was not a fair and random drawing. The OPA reviewed the concern and found no significant bias in the drawing. Additionally, OPA issued several recommendations to improve future drawings.				
6	109	Policy Violation	12/13/2023	Closed	01/10/2024
	A citizen reported that a sailing tenant is possibly operating an unlicensed charter business at Safe Harbor Sunroad Marina. The OPA and Real Estate investigated the sailing tenant and confirmed that the marina took the necessary actions to follow the requirements outlined in Port Code 4.37 and did not observe any violations.				
7	110	Fraud/Waste/Abuse	01/02/2024	Closed	02/09/2024
	A citizen reported a concern regarding the opportunity drawing for vendor spaces and that there was no oversight during the drawing, which was unfair. Based on the review, OPA did not find the drawing to be biased or improper but proposed recommendations to improve the clarity and oversight of future drawings.				
8	111	Fraud/Waste/Abuse	01/28/2024	Closed	03/08/2024
	A citizen expressed concerns about an interaction with HPD officers. The OPA discussed this with OGC and HPD leadership, and per HPD policy, HPD will investigate the interaction to determine if any violations occurred.				
9	112	Fraud/Waste/Abuse	01/31/2024	Closed	03/06/2024
	An employee had concerns with an ERP assessment the Port is conducting. The OPA reviewed the concern and determined the assessment would include a 3 <sup>rd</sup> party consultant and extensive management oversight. Additionally, the OPA will continue to monitor the assessment process until completion.				

### Conclusion

The OPA is fully committed to investigating and resolving all claims of fraud, waste, and abuse related to Port operations. The OPA has expended significant time and resources, dedicating approximately 200 hours to administering and managing the Fraud Hotline and investigating all reports received. Our commitment to ensuring the integrity and transparency of Port operations is a top priority, and we remain vigilant in our efforts to prevent and detect any instances of fraud, waste, or abuse.

The Fraud Hotline list is not exhaustive; the listings may not include information on certain confidential matters, such as those in relation to personnel investigations, public safety matters, or litigation. This report can be viewed at <https://www.portofsandiego.org/people/other-public-meetings/audit-oversight-committee>.

Please call me at (619) 686-6583 or email me at [myeilding@portofsandiego.org](mailto:myeilding@portofsandiego.org) if you have any questions.



Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Yeilding".

Mark Yeilding  
Port Auditor