

Whistleblower Hotlines Help Fight Fraud

One of the most effective tools for preventing and detecting fraud is right at your fingertips: a dedicated phone and email hotline for your employees to report suspected fraud.

According to the Association of Certified Fraud Examiners (ACFE), most fraud is uncovered by tips from whistleblowers.¹ The ACFE found that almost half of fraud tips come from within an organization, with roughly a third coming from outside sources. Organizations with fraud hotlines were nearly twice as likely to detect fraud than those without.

It is important to provide whistleblowers or tipsters with multiple avenues to report suspected fraud. This means that you should establish confidential and anonymous ways for employees and the public to report their concerns without fear of retaliation.



Provide mechanisms within your jurisdiction specifically for fraud reporting, such as dedicated phone and email lines.



Designate personnel to receive tips or concerns.

Another way for employees and members of the public to report suspected fraud, waste, or abuse of public assets is through the OIG's confidential fraud hotline. Complaints and tips can be made directly to the OIG by [phone](#), [email](#), or [online form](#). Research suggests that whistleblowers are more likely to contact a hotline that is independent of their organization.²



Post the [OIG's Fraud Fighter poster](#) in prominent places in your workplace for both employees and members of the public.

Whether your employees report the fraud internally or externally, it is crucial to educate your personnel on whistleblower protections to ensure that they know their rights and that those in a position to retaliate are forewarned.

¹ Association of Certified Fraud Examiners, *Occupational Fraud 2024: A Report to the Nations*, at 23.

² Association of Certified Fraud Examiners and The Institute of Internal Auditors, *Building a Best-in-Class Whistleblower Hotline Program*, at 19.



Incorporate whistleblower protections into your fraud awareness and ethics training. The OIG has a [video on whistleblower protections](#) that you can download and use.



Post the legally required notice informing employees of their whistleblower protections under the law and the names of the supervisors designated to receive complaints or concerns about fraud or illegal activity. See M.G.L. c. 149 § 185(g).

Work to foster an ethical culture. Trust is essential.³ Potential whistleblowers need to know that your public entity's leadership will take their concerns seriously, protect their anonymity, and take appropriate action on their tip.



Train your personnel who receive and respond to complaints and tips on their responsibilities.



Set the tone from the top to cooperate with internal and external investigations and audits. Do not tolerate interference in investigations or attempts to shut them down.



Create a workplace where no one is above the law or rules. Apply policies consistently, discourage favoritism, and be mindful of conduct or relationships that create the appearance that certain people get special treatment.

For more information on fraud prevention and detection strategies, as well as information on how to report suspected instances of fraud, waste, or abuse, visit the [OIG's website](#). Also consider enrolling in the [OIG Academy's course](#) on fraud awareness, prevention, and reporting.

³ *Id.* at 5.

*The OIG periodically issues **OIG In Your Inbox: Insights, Advisories and Alerts** as a way to succinctly share timely topics with key stakeholders, most notably the leaders within the Commonwealth's 351 local communities. The OIG hopes that **OIG In Your Inbox: Insights, Advisories and Alerts** will prompt dialogue and needed action on matters important to public entities.*

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