



Office of the District of Columbia Auditor

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Office of the District of Columbia Auditor Releases a Review of the Fraud Prevention Fund

Today, the Office of the District of Columbia Auditor (ODCA) released a review of the Fraud Prevention Fund. Telemarketing fraud is a multi-billion dollar business in the United States. Every year, due to fraudulent telephone solicitors, consumers lose from a few dollars to their whole life savings.

This review of the Fraud Prevention Fund (Fund) was conducted pursuant to the “Telephone Fraud Amendment Act of 2000” (the Act). The Act requires ODCA to perform an annual audit of the Fraud Prevention Fund.

According to the Act, telephone solicitors who engaged in solicitation fraud were subject to imprisonment and/or civil/criminal penalties, including fines, and these fines were to be deposited into the Fund. The Fund was to be used to educate the public regarding fraud prevention, support the work of the Task Force to Combat Fraud, and enforce the Act. Despite the importance of protecting residents from telemarketing fraud, the Office of the Mayor has not established the Fraud Prevention Fund or designated an agency to administer the work of the Task Force to Combat Fraud.

In 2002, the Auditor issued a report recommending that the Office of the Mayor establish the Fraud Prevention Fund. The Auditor also recommended that the Office of the Mayor designate an agency to administer the work of the Task Force to Combat Fraud. Today, we reiterate the same recommendations that were issued in 2002. The Fraud Prevention Fund, the Task Force to Combat Fraud, and the designation of an agency to administer the Task Force to Combat Fraud must be established immediately.

“I am hopefully that the Office of the Mayor will implement our recommendations and comply with the Act by establishing the Fraud Prevention Fund and forming a Task Force to Combat Fraud. To continue to ignore the requirements of the Telephone Fraud Amendment Act and our repeated recommendations, needlessly exposes District residents to possible telemarketing fraud,” said Yolanda Branche, District of Columbia Auditor.

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