

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

RESOLUTION NO. 13-002

**A RESOLUTION ADOPTING THE USE OF THE CITY OF THE DALLES
FRAUD POLICY AS SET FORTH BY CITY RESOLUTION NO. 13-023,
INCLUDING ANY FUTURE AMENDMENTS TO THOSE POLICIES
ADOPTED BY THE CITY COUNCIL**

WHEREAS, the Columbia Gateway Urban Renewal Agency is committed to the highest standards of moral and ethical behavior; and

WHEREAS, consistency and efficiency is desired in the management and operations of both the City of The Dalles and the Columbia Gateway Urban Renewal Agency; and

WHEREAS, this consistency and efficiency can be obtained by using the same Fraud Policy for the Agency as is used for the City;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1. The Board of Directors hereby adopts the Fraud Policy as set forth by the City's Resolution No. 13-023.

Section 2. Changes to the City's Resolution No. 13-023 will automatically be approved by the Columbia Gateway Urban Renewal Agency, unless the Agency is specifically excluded by an amendment to those policies adopted by the City Council.


Section 3. This Resolution shall be effective upon adoption by the Board.

PASSED AND ADOPTED THIS 8th DAY OF JULY, 2013

Voting Yes: Wood, Spatz, Dick, Lawrence, McGlothlin, Miller
Voting No: None
Absent: None
Abstaining: None

AND APPROVED BY THE CHAIR THIS 8th DAY OF JULY, 2013

SIGNED:



Stephen E. Lawrence, Chair

ATTEST:



Julie Krueger, MMC, City Clerk

RESOLUTION NO. 13-023

**A RESOLUTION ADOPTING A FRAUD POLICY
FOR THE CITY OF THE DALLES**

WHEREAS, the City of The Dalles is committed to the highest standards of moral and ethical behavior; and

WHEREAS, the City wishes to establish responsibilities and procedures for reporting, investigating and resolving suspected acts of fraud, theft, waste, abuse and ethical misconduct;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The City Council hereby adopts the Fraud Policy shown as Exhibit A to this Resolution. This policy supersedes any prior policies adopted by the City Council which concern the same subject matter addressed by the Fraud Policy set forth in Exhibit A.

Section 2. The City Council hereby approves the creation of an Anti-Fraud Committee composed of the City Manager, City Attorney, City Clerk, and a Council Member. If the offices of any of these Committee members are suspected of fraudulent activity, that position will be replaced by an uninvolved Department Manager or Council Member until the issue is resolved.

Section 2. The City Council hereby authorizes the City Manager to develop, approve and change Administrative Policies as needed that reflect procedures and directives that support or clarify the Fraud Policy as approved by the City Council.

Section 3. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 8th DAY OF JULY, 2013

Voting Yes, Councilors: Wood, McGlothlin, Dick, Miller, Spatz

Voting No, Councilors: None

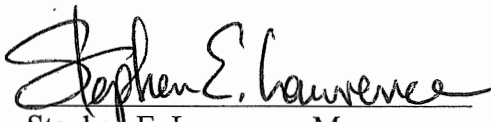
Absent, Councilors: None

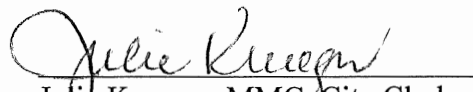
Abstaining, Councilors: None

AND APPROVED BY THE MAYOR THIS 8th DAY OF JULY, 2013

SIGNED:

ATTEST:


Stephen E. Lawrence, Mayor


Julie Krueger, MMC, City Clerk

City of The Dalles

Fraud Policy

Exhibit A to Resolution No. 13-023

Section 1. Purpose

The City of The Dalles (City) is committed to the highest standards of moral and ethical behavior by employees, including management, elected officials, and volunteers, to strengthen the public's trust in the integrity of our municipal government. This policy establishes responsibilities and procedures for reporting, investigating and resolving suspected acts of fraud, theft, waste, abuse and ethical misconduct. It will provide a structure that will encourage the reporting of any suspicions of violations of this policy and will insure that employees are able to discuss their concerns in a secure and confidential environment.

Section 2. Scope

This policy is applicable to all City employees, elected officials, and volunteers who have a relationship with the City.

Section 3. Definitions of Fraud

A. **Fraud:** An intentional illegal use of City assets by any act including, but not limited to, theft, embezzlement or misrepresentation. Fraud is designed to obtain a benefit or advantage or cause some benefit that is due to be denied. Examples include, but are not limited to:

- Forgery or alteration of a check, document, or account belonging to the City;
- Misappropriation¹ of City funds, securities, supplies, or property;
- Unauthorized personal use of City equipment and supplies;
- Personal use of City credit cards or procurement cards (PCard);
- Profiteering as a result of insider knowledge;
- Theft of cash, checks, property, credit cards, or procurement cards;
- Falsifying records such as timecards, expense reports or official documents;
- Willful destruction of City property;
- Employee with access to confidential information who sells this information for personal gain;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the City or City job applicants.

¹ Misappropriation: To illegally use public funds or assets, which have been set aside for a specific purpose, for personal gain.

- B. **Waste**: The expenditure or allocation of resources significantly in excess of need. Examples include, but are not limited to:
- Unauthorized use or misuse of City facilities, equipment or vehicles;
 - Falsifying time worked or leave taken on a timesheet;
 - Retaining ineligible dependents on health care coverage;
 - Unnecessary incurring of costs as a result of inefficient or negligent practices, systems or controls.
- C. **Abuse of Position**: Use of employment or official position with the City to obtain personal gain or benefit from the City to which one is not entitled. Examples of *abuse of position* include, but are not limited to:
- Obtaining a benefit or service from the City which one does not qualify;
 - Providing a benefit or service to someone for which they do not qualify;
 - Unauthorized reductions in fees and fines;
 - Suspending or terminating enforcement action based on a personal relationship;
 - Bid-fixing.
- D. **Ethical Misconduct**: Individuals, who conduct their official duties in a manner which is not impartial, use their position for personal gain, or fail to properly disclose an actual or potential conflict of interest. Examples include, but are not limited to:
- Authorizing contracts in violation of municipal purchasing laws;
 - Failure to disclose an actual or potential conflict of interest;
 - Accepting gifts prohibited by Oregon ethics laws.
- E. **Job Application Fraud**: Individuals, who knowingly provide false information on job applications.

Section 4. Policy

Through all levels of management, the City is responsible for the prevention and detection of fraud, misappropriation of City funds, or any other conduct which is deemed inappropriate pursuant to this or other City policies. It is the City's intent to fully investigate any suspected acts of fraud, theft, abuse, waste or unethical behavior, in an impartial manner regardless of the suspected wrong-doer's length of service, position, title or relationship to the City.

Any violation of this policy that is detected or suspected by City employees, elected officials, volunteers, or others who have a business relationship with the City, must be reported immediately to the City Manager or the Anti-Fraud Committee outlined in the Responsibilities and Procedures

section of this policy. The Anti-Fraud Committee will determine who will investigate the suspected fraudulent activity in accordance with this policy.

Any employee found to have violated this policy will be subject to disciplinary action up to and including dismissal and/or prosecution by the appropriate authorities. Elected officials, volunteers and others having a business relationship with the City may be subject to sanctions or prosecution by the appropriate authorities.

The City intends to pursue every reasonable legal remedy when a violation has occurred and to obtain recovery of any losses from the offender, including when appropriate, notifications of bonding company, court ordered restitution, or other available remedies.

Section 5. Anti-Fraud Committee

The City's Anti-Fraud Committee will be comprised of the City Manager, a Council Member, the City Clerk, and the City Attorney. The Committee will appoint the investigator and oversee and coordinate all actions taken during the course of the investigation. The investigator will have unlimited and unrestricted access to all relevant City files at all times in order to facilitate investigative work as permitted by City policy and state and federal law. All investigations conducted by the Committee are considered part of the audit process and the working papers will be kept confidential in accordance with state statutes and administrative rules regarding public records laws.

Great care must be taken in the investigation of suspected fraudulent activity to avoid mistaken accusations or alerting suspected individuals that an investigation is under way, or making any statement which could provide a basis for a suit for false accusation or other offenses.

In cases where the suspected fraudulent activity involves the offices of any of the members of the Anti-Fraud Committee, the position(s) involved will be replaced on the Committee by another Department Manager or Council Member who is not involved in the suspected fraudulent activity. The reformed Committee will then determine the investigation process and assign an investigator.

The Committee members who have been replaced on the Anti-Fraud Committee due to their offices being investigated may or may not be apprised of the investigation and updated on progress as is deemed appropriate by the Anti-Fraud Committee.

The Anti-Fraud Committee does not pronounce or implement disciplinary action as a result of their investigations (see Section 7. Disciplinary Action).

Section 6. Responsibilities and Procedures

Management and Employees: Managers, supervisors, and administrators at all levels are responsible for maintaining a system of internal controls which prevent, deter, or detect fraud, theft, waste, abuse, and/or unethical or dishonest behavior. Managers, supervisors, and administrators are also expected and required to recognize risks and potential exposures that may be inherent within their areas of responsibility, to be alert to any indication of irregularity or potential violation of this policy, and to know and follow the requirements set forth in this policy.

Each employee is required to report any suspected or detected violation of this policy, fraud, theft, waste, abuse or other unethical or dishonest conduct. An employee may choose to report immediately the suspicion and/or detection to their department manager, who in turn must immediately report the information to the City Manager or the Anti-Fraud Committee. If the employee is not comfortable reporting directly to their department manager, the employee may immediately report their suspicion directly to the City Manager or any member of the Anti-Fraud Committee. Suspected fraudulent activity² and/or violations of this policy involving the City Manager's Office must be reported to the Anti-Fraud Committee immediately.

The employee reporting suspected violations of this policy and/or fraudulent activity may choose to identify themselves or to remain anonymous. The identity of an employee or complainant who reports suspected fraudulent activity will be protected to the fullest extent possible, but the City cannot guarantee confidentiality. It is the City's intent to protect an employee who discloses information of suspected fraudulent activity from retaliatory actions by other individuals in accordance with Oregon Statutes, Section 659A.200-203 (Whistleblower's Act), which prohibits adverse personnel actions against an employee for disclosing this information. Retaliation against an employee or other person who reports a detected or suspected violation of this policy is strictly prohibited. Any employee who retaliates against a person for reporting a detected or suspected violation of this policy will be subject to discipline up to and including termination of employment.

In all cases, the reporting employee must provide enough detail about the activity to aid in the investigation. All employees, which include management employees, will cooperate with the Anti-Fraud Committee and investigators and will not by any means personally investigate the suspected fraud, or contact the suspected individual in an effort to determine facts or demand restitution.

All employees shall cooperate with the investigative processes of the Committee and law enforcement agencies including prosecution of offenders. All participants in a fraud investigation will keep details and results of the investigation confidential. All inquiries from suspected individuals and their legal representatives must be directed to the City Manager, his/her designee, or the City Clerk. Proper response to such an inquiry is, "I am not at liberty to discuss this matter."

Great care must be taken in the investigation of suspected fraudulent activity to avoid mistaken accusations or alerting suspected individuals that an investigation is under way, or making any statement which could provide a basis for a suit for false accusation or other offenses.

The Committee will evaluate the extent of any potential criminal activity. If any potential prosecutable criminal activity exists, the Police Department or other appropriate law enforcement agency will be notified and will conduct the investigation. The Committee will assist with the investigation if law enforcement requests such assistance. In every case, the City will cooperate fully with the investigating and prosecuting authorities. If no potentially prosecutable criminal activity exists, the Anti-Fraud Committee will appoint an appropriate person to conduct the investigation with the assistance of other appropriate City officials.

² Fraudulent activity for the purpose of this policy encompasses fraud, theft, waste, and abuse, unethical and all other dishonest conduct.

If fraudulent activity is detected or reasonably suspected of the City Manager or City Attorney, the City Clerk will apprise the Mayor and Council of the investigation and update them on progress as is deemed appropriate.

The City Manager, his/her designee, or the City Clerk, as appropriate, may notify the Mayor and Council of a reported allegation of fraudulent activity upon the start of the investigation to the extent practical. The Mayor and Council will be apprised of the progress of the investigation as deemed appropriate by the Anti-Fraud Committee. At the conclusion of the investigation, a confidential report will be issued and distributed to the Mayor, City Council, City Manager, and City Attorney. After their review, a copy of the report will be provided to the appropriate department head and the Finance Director, unless either of those positions were the subject of the investigation.

Section 7. Disciplinary Action

If a suspected or detected violation of this policy is substantiated by an investigation, the City Manager will take the appropriate action in conformance with City and departmental personnel policies and procedures, and union contracts if applicable. If the investigation involved the City Manager, City Attorney or Municipal Judge, then the City Council will take the appropriate action in conformance with City and departmental personnel policies and procedures. Violations of the City's Fraud Policy will result in disciplinary actions up to and including immediate dismissal. Examples of violations of this policy, which can lead to disciplinary action up to and including dismissal, include but are not limited to an employee who:

- Commits an act of fraud, theft, abuse, waste or other unethical behavior as defined by this policy;
- Suspects, discovers or has knowledge of fraudulent activity that violates or potentially violates this policy and fails to report the information as required by this policy; or
- Intentionally reports false or misleading information of fraudulent activity; or
- Retaliates against or penalizes any individual for reporting or cooperating in the investigation or prosecution of fraudulent activity.

Section 8. Distribution

All City employees, volunteers and elected officials will be given a copy of this policy. All newly hired employees and appointed volunteers will be provided a copy as part of orientation and required to provide a written acknowledgement upon receipt of the policy which be retained by the City Clerk/General Services Department.

Section 9. Administration

The City Manager is responsible for the administration, revision, interpretation and application of this policy. The policy will be reviewed and revised as needed.

ACKNOWLEDGEMENT OF RECEIPT OF CITY OF THE DALLES FRAUD POLICY

I hereby acknowledge the receipt of a copy of the **City of The Dalles Fraud Policy**. I agree to read and familiarize myself with the contents and I understand I will be responsible for adhering to this Policy. I agree to abide by the City's rules and procedures as outlined in this Policy.

Signature

Date

Printed Name

Relationship to the City
(Employee/Volunteer/Elected)