
151.3 SUBJECT: SUSPECTED MISAPPROPRIATION AND OTHER SIMILAR IRREGULARITIES

:1 OBJECTIVE:

Communicate City policy regarding reporting and investigating suspected fraud, misappropriation of City assets and other irregularities. The City desires to create an environment in which employees and/or citizens are encouraged and are comfortable to report any suspicions of fraud. This policy provides management with specific guidelines and responsibilities regarding appropriate actions in conducting investigations of alleged fraud and similar improprieties. This policy is in addition to the City's Ethics Manual and Policies & Procedures Section 800.5.

:2 AUTHORITY:

This procedure adopted by City Council July 22, 1996, Item 3 EE, amended November 26, 2001; amended December 2, 2002, Item A18; amended August 9, 2004, Item A4; amended July 9, 2007, Item A2; amended January 28, 2013, Item A-3.

:3 DIRECTION:

The Audit Services and Management Support Director, as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

:4 FUNCTIONS:

A. Definitions

The terms fraud, misappropriation and other irregularities include, but are not limited to:

1. Forgery or alteration of checks, drafts, promissory notes and securities;
2. Any misappropriation of funds, securities, supplies or any other asset;
3. Any irregularity in the handling or reporting of money transactions;
4. Disappearance of furniture, fixtures, supplies and equipment;
5. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the City in violation of the City's Ethics Manual;
6. Any computer-related activity involving the creation, alteration, destruction, forgery or manipulation of data for fraudulent purposes or any misappropriation of City-owned software; and
7. Any similar or related irregularity.

Included in the above definition is any irregularity involving tax collectors, vendors, contractors, consultants, City personnel, agencies (or employees thereof), agents, servicing agents, or unknown parties.

B. Applicability

This procedure applies to all employees of the City of Orlando, provided that if the procedure is in conflict with any collective bargaining agreement or State Statute, the agreement or Statute will prevail.

It is intended that all managers be aware of this procedure, since good business practice dictates that every suspected fraud, misappropriation or other irregularity be promptly identified and investigated.

C. General Policy and Responsibilities

1. It is the City's intent to fully investigate any suspected acts of fraud, misappropriation or other irregularity. The investigation will be conducted regardless of the suspected wrongdoer's length of service, position, title or relationship with the City. All investigations conducted by Audit Services and Management Support are considered part of the audit process and the working papers will be kept confidential in accordance with State Statutes regarding public records.
2. Each Department Director, Division Manager, and Office Head is responsible for instituting and maintaining a system of internal controls to provide reasonable assurance of the prevention and detection of fraud, misappropriations and other irregularities. They should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication that any fraud, misappropriation or irregularity is or was in existence.
3. When a fraud, misappropriation or other irregularity is detected or reasonably suspected, the Office of Audit Services and Management Support, the City Attorney's Office and the Chief Administrative Officer should be contacted immediately. The City Attorney's Office will investigate and determine the extent of any potential criminal activity. If any potential prosecutable criminal activity exists, the Orlando Police Department or other appropriate law enforcement agency will conduct the investigation. In every case the City will cooperate fully with the investigation and prosecuting authorities. If no potentially prosecutable criminal activity exists, either the Office of Audit Services and Management Support, the City Attorney's Office or appropriate City officials in the chain of command will conduct the review.
4. The Audit Services and Management Support Director or the City Attorney's Office will notify the Mayor's Office of each significant allegation of fraudulent conduct upon the start of the investigation to the extent practical. Throughout the investigation appropriate officials should be informed of pertinent investigative findings.
5. When an investigation results in a report, the report will be forwarded to the appropriate City officials.
6. The City intends to pursue every reasonable effort to obtain recovery of City losses from the offender, including when appropriate notification of Personnel Management, notification of the bonding company, court ordered restitution or other available remedies.

D. Procedures

1. City employees, including elected and appointed officials, have a duty to prevent any improper governmental actions. Employees should not hesitate to report suspected wrongdoing if they believe an employee, including an elected or appointed official, is acting improperly. Anyone who believes that a violation of the law or City Policy has occurred, should immediately contact (anonymously, if desired) the City Attorney's Office.
2. A City employee or member of the public who suspects dishonest or fraudulent activity can alternatively notify the Office of Audit Services and Management Support through the Fraud Hotline (407-246-2678). Callers may remain anonymous. All information received will be treated in a confidential manner, including the name of the reporting person, to the extent permitted by law.
3. It is the City's intent to protect any employee or person who discloses information of suspected violation of this policy or the Ethics Manual from retaliatory actions by other individuals, employees, managers, agencies or independent contractors in accordance with Florida Statutes, Section 112.3187 (Whistle-blower's Act) which prohibits adverse personnel actions against an employee for disclosing this information. No employee, including elected or appointed officials, should use or attempt to use their authority for the purpose of intimidating, threatening, coercing, commanding or influencing any person with the intent of interfering with that person's duty to disclose improper activity.
4. Employees will cooperate with the investigative process and with law enforcement agencies in the detection, investigation and reporting of conduct covered by this policy, including prosecution of offenders.
5. Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way, or making any statements which could provide a basis for a suit for false accusation or other offenses.
6. Information obtained as a result of an investigation is subject to the laws regarding public records and confidentiality.

:5 FORMS:

None.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

Procedure adopted by City Council October 21, 1991, Item 2/G; amended April 19, 1993, Item 8 VV, amended November 26, 2001, amended December 2, 2002, Item A18; amended August 9, 2004, Item A4; amended July 9, 2007, Item A2; amended January 28, 2013, Item A-3.

:8 EFFECTIVE DATE:

This procedure effective January 28, 2013.