

The background consists of a dark blue rectangular area on the right side, which contains the text. To the left of this area is a white background with a complex, abstract graphic made of overlapping, semi-transparent geometric shapes in various shades of blue and green. A thin white vertical line is positioned to the left of the main text.

# Administration Response - Investigation - 8363

## Introduction

→ Elements:

- ◆ Employees and External Parties Collusion
- ◆ Approximately \$1.3 - \$1.6 million involved

→ Status of:

- ◆ Administrative Response
- ◆ Insurance Civil Action
- ◆ EPS Investigation
- ◆ Proof of Loss

## What We Have Done - Financial and Administrative

- Working to complete the final recommendations from the Accounts Payable Audit (January 2019)
- Training expenditure officers throughout the organization (completed, yet ongoing)
- Implementing improved enterprise information systems for processes - Procure to Pay (Ariba) and Enterprise Commons
- Enhancing the analytics and fraud detection in progress to identify patterns
- Corporate-wide distribution on the business process for purchase requisition (non-purchase order payments) that has reduced the activity in this payment stream

## What We Are Doing - Organizational Learning

- More frequent Code of Conduct training
- Recognizing value and courage of those who “speak up”
- Communicate “hotline” available to public and employees to raise fraud or other Code of Conduct violations
- Increasing fraud awareness training
- An opportunity: sharing insights with other organizations

## Litigation & Insurance

- Proof of Loss - September 25 (possible extension)
- Civil Litigation - mid-October Court to continue freezing of assets
- EPS Criminal investigation - ongoing

# Questions



# Back up Materials

## Update - Civil Action

- Insurance company likely to cover approx \$1.3 - \$1.6 million fraud (low deductible - \$25k)
- Insurance company taking lead
- Rely heavily on affidavits of COE employees
- Next Court date - mid-October to extend Order to Freeze Assets



## Update - Criminal Action

- All records obtained through City Auditor investigation provided to EPS
- EPS preparing Affidavits for 2 of our Branch Managers as evidence base
- EPS investigation and decisions are independent from City or insurer process and/or direction

## Update - Insurance Claim

- Draft Proof of Claim based on current records - due Sept 25 (may be extended)
- Insurer suggests waiting to see what else may be discovered
- Insurer review of file estimates loss at \$1.3 Million- \$1.6 Million