

## FRAUD HOTLINE REPORT:

Golf director's working retirement  
wasted money

February 2020



### SUMMARY

The Auditor's Office found waste and mismanagement while investigating the working retirement of the former director of Portland's municipal golf courses.

Portland Parks & Recreation agreed to improve management practices in some areas in response to the Auditor's Office findings, but did not agree to implement all recommendations.

### TIP TO THE FRAUD HOTLINE

September 2019

The Auditor's Office received a Fraud Hotline tip in September 2019 that alleged the employment of the former golf director as a working retiree constituted waste, fraud or abuse of City resources.

### INVESTIGATION FINDINGS

#### The former director worked nearly double the hours permitted by a written agreement.

The agreement said the retiree would work one day a week preparing a contract solicitation and a management transition plan for the new Golf director. Additional work occurred that caused extra payments totaling \$25,835.

\$26,864	approved pay
<b>+ \$25,835</b>	<b>extra pay from additional hours worked</b>
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<b>\$52,702</b>	<b>paid to retiree</b>

#### The working retirement was not properly managed, which caused a waste of City funds.

The working retirement lacked justification, and there was no management transition plan. A new director was appointed six weeks into the former director's working retirement, but the retiree kept working for another year. It is unclear what support the new director needed since he had been the assistant director for nearly two years.

Work on the contract solicitation was delayed, leading the retiree to work on unauthorized projects. When work on the solicitation did occur, the retiree failed to seek input from Parks' procurement expert and work quality suffered.

The working retirement was supposed to end in December 2018, but the position was extended without justification. The position expired in July 2019, but the retiree kept working. Parks payroll officials indicated position end and expiration dates are meaningless. Additionally, the retiree was appointed to a double-fill position — occupied by the former and new Golf directors — without documentation or justification.

#### The retiree's work hours were not approved by a manager in violation of City rules.

The retiree did not have a supervisor and had sole discretion over what to record as hours worked. The retiree's timesheets were not approved by a manager despite a requirement that managers approve time entry documents.

#### Other rules were violated.

The retiree teleworked in violation of City rules and likely violated City rules regarding use of information technology by using a government email account to send more than 100 emails unrelated to Parks business to Craigslist vendors.

## OUR RECOMMENDATIONS

- 1. The Parks director should revoke her delegation of the authority to appoint working retirees.**  
Parks should, at a minimum, document the reemployment of retirees in personnel files with the appropriate forms and submissions to Human Resources as well as a formal offer letter.
- 2. Parks should ensure compliance with City rules pertaining to double-fill positions.**  
The bureau should require director approval for appointment to a double-fill position.
- 3. Parks should require working retirees to have an assigned supervisor and document working retirees in the bureau organizational chart.**
- 4. Parks should require that employee timesheets are affirmatively approved in writing by the appropriate supervisors.**
- 5. Parks should review its payroll and appointment procedures for compliance with City rules.**  
Parks should ensure it has documented its specific time review and approval policies as required by rule.
- 6. Parks should provide training to bureau supervisors on the rules and procedures regarding limited term, temporary and double-fill appointments as well as on working retirements.**  
Parks should also train supervisors and line staff on rules regarding teleworking and use of City information technology systems.

## RESPONSE FROM THE BUREAU

Parks' management committed to abiding by City rules. The Bureau agreed to evaluate its timesheet processes for areas of improvement, review payroll and position appointment procedures for conformity to City rules, and implement auditors' recommended training.

The bureau did not agree to require director approval for appointments to working retirements or double-fill positions. It also did not agree to document working retirements with formal offer letters or to add working retirees to organizational charts.

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## ABOUT PORTLAND'S FRAUD HOTLINE

The Auditor's Office administers the Fraud Hotline to enable the public and City employees to confidentially report suspected fraud, waste and abuse of position by or against the City. The Hotline also serves to identify and prevent losses of City funds and act as a deterrent to fraud, waste and abuse of position. Hotline tips can be submitted online at [www.PortlandFraudHotline.com](http://www.PortlandFraudHotline.com) or by phone by calling 866-342-4148.

When the Auditor's Office finds waste, inefficiency or abuse of position via the Hotline, it is required by law to notify the Portland City Council of the findings. This report, which is delivered to the City's mayor and commissioners, serves as that notice. It is also released publicly to inform about substantiated Hotline tips.

