

FRAUD HOTLINE REPORT:

Procurement card misuse in the Parks Ranger Program



F R A U D HOTLINE

May 2020

SUMMARY

The Auditor's Office found evidence of waste when investigating a tip about spending in the Park Ranger Program. Ranger staff spent more than \$6,000 on food purchases and \$113 on a hat that was not a part of the ranger uniform. We referred findings and recommendations to the Parks Bureau.

The Parks Bureau initiated an employee investigation and stated that since these transactions took place it has increased oversight, monitoring, and training.

TIP TO THE FRAUD HOTLINE

The Auditor's Office operates a Fraud Hotline to receive tips about suspected fraud, waste, and abuse of position.

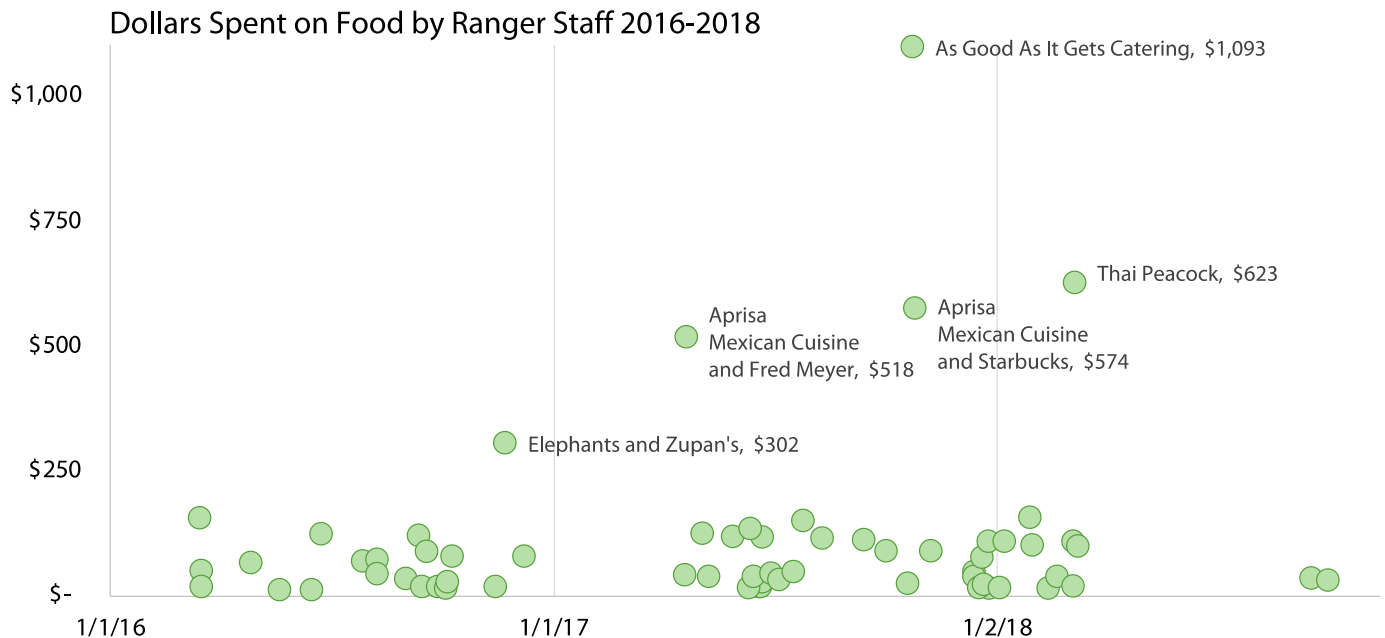
A March 2019 tip alleged that:

- A Parks manager inappropriately billed his salary to a trust fund
- Parks staff used public funds for lunches, an out-of-town retreat, a hat, and to purchase art.

INVESTIGATION FINDINGS

Parks staff violated rules for purchasing food.

From 2016 to 2019 park rangers spent a total of \$6,605 on food using a City procurement card. Administrative rules prohibit using City funds to purchase food for employees unless certain conditions apply. These purchases did not appear to meet those conditions.



We reviewed 10 of 85 food transactions. None included all of the required documentation. One of the purchases included most of the required documentation, but all of the attendees at the meeting were City employees, which is a violation of City rules. The remaining purchases did not have even minimal documentation, such as a corresponding receipt. There was no indication that any of these purchases were for anything other than personal use.

A manager used city funds to purchase a hat that was not part of the ranger uniform.

The park ranger uniform is described in the ranger's labor agreement. It includes two shirts, three pants, and one jacket with additional items if needed for inclement weather.

In December of 2018, a manager used a City procurement card to buy a \$113 hat that was not part of the standard uniform.

The Auditor's Office found that:

- **The manager did not inappropriately bill his salary.**
- **Staff did not violate City rules when attending the retreat.**
- **Staff did not violate rules by purchasing art.**

OUR RECOMMENDATIONS

1. Investigate further.

Investigate the issues identified in this report, including but not limited to whether there were additional procurement card violations.

2. Implement better procurement card oversight, training, and monitoring.

The Bureau should implement a more rigorous review of procurement-card purchases to ensure they comply with City policy. The Bureau should work with the Chief Procurement Officer's staff and accounting personnel to provide training to all procurement-card users related to allowed purchases, proper documentation, and consequences for policy violations. The Bureau accountant who reviews purchases should report quarterly on Bureau food purchases to the Bureau Director.

RESPONSE FROM THE PARKS BUREAU

The Parks Bureau conducted an investigation regarding procurement card misuse by Ranger Program staff. The Bureau said that it improved oversight, began requiring pre-approval for food purchases, and instituted an in-person training for new card holders. However, it said that it would be impractical to do regular refresher trainings and that reporting about food purchase to the Director would not be an efficient compliance tool.

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 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.

