

**CITY OF CHESAPEAKE, VIRGINIA**

**NUMBER: 1.21**

**ADMINISTRATIVE REGULATION**

**EFFECTIVE DATE: 1/28/15**

**SUBJECT: CITY MANAGER'S OFFICE  
FRAUD, WASTE OR ABUSE POLICY**

**SUPERCEDES: 8/29/05**

**I. PURPOSE**

The purpose of this administrative regulation is to provide information and guidance to City employees on the identification and reporting of fraud, waste or abuse which may occur in the workplace.

**II. DEFINITIONS**

For purposes of this policy, the following definitions apply:

**Abuse** means the excessive or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment or misuse of resources owned or operated by the locality; or extravagant or excessive use so as to abuse one's position or authority.

**Fraud** means the intentional deception perpetrated by one or more individuals or organizations, either internal or external to the City, that could result in a tangible or intangible benefit to the individual(s), organization(s) or the City, or could cause detriment to others or the City.

Examples of fraudulent activities include, but are not limited to:

- Acceptance of bribes, kickbacks, or other improper payments from customers, suppliers, or service providers;
- Misappropriation of money or property, and/or falsification of records to conceal this misappropriation;
- Misrepresentation of events, data, or transactions.

**Waste** means the intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources owned or operated by the City to the detriment or potential detriment of the City. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.

**III. POLICY**

The City of Chesapeake prohibits its employees from engaging in fraud, waste or abuse. Employees who engage in such activities will be disciplined as prescribed in Administrative Regulation 2.11, and may also be subject to criminal prosecution.

**IV. TELEPHONE HOTLINE**

The City operates a message center within the Customer Contact Center for confidential complaints of suspected fraud, waste or abuse. Access to this message center is limited to members of the Audit Services staff, who are responsible for regularly monitoring the message center and investigating allegations of fraud, waste or abuse.

**V. PROCEDURES**

When City employees are suspected of engaging in activities that may be considered fraud, waste or abuse, the affected Department Head must notify the City Manager's Office, the Human Resources Department, and the Audit Services Department. The Police Department must be contacted if criminal activity is suspected. If a criminal investigation is commenced, any administrative investigation may be held in abeyance at the request of the Police Department.

Employees are responsible for cooperating fully with any administrative investigation and shall be instructed as to the confidentiality of such investigation. Employees who fail to cooperate or otherwise fail to comply with this policy will be subject to disciplinary action.

After completion of an administrative investigation, the City Manager's Office, Human Resources Department and Audit Services Department shall be notified of the findings. Disciplinary action shall be taken, if warranted.

Copies of records related to administrative investigations conducted for violations of this regulation shall be considered personnel records. Records of such administrative investigations shall be maintained by the department conducting the investigation in accordance with the Library of Virginia's records retention requirements.

Department Heads should be aware of areas that are vulnerable to fraud, waste or abuse and should take steps to minimize exposures in those areas. Any procedures initiated to address control weaknesses discovered during an administrative investigation should be documented in writing and forwarded to the City Manager's Office.

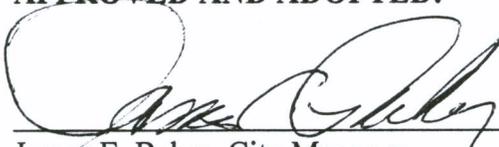
Reviews of matters not considered significant may be resolved by individual departments.

**APPROVED AS TO FORM AND CONTENT:**

  
\_\_\_\_\_  
Dana E. Sanford, Deputy City Attorney

1.26.15  
\_\_\_\_\_  
Date

**APPROVED AND ADOPTED:**

  
\_\_\_\_\_  
James E. Baker, City Manager

1/28/15  
\_\_\_\_\_  
Date