### Financial Misconduct

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Number: 17.02.040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud, Waste, Misconduct, Ethics</td>
<td>17.02.040</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsible Officer:</th>
<th>Effective Date: 4/09/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO, Administrative Service Department, City Treasurer</td>
<td>4/09/2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Owner:</th>
<th>Last Updated:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO, Administrative Services Department, City Treasurer</td>
<td>Kurt O. Wilson</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policy Contact:</th>
<th>Approved:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO, Administrative Services Department, City Treasurer</td>
<td>Kurt O. Wilson</td>
</tr>
</tbody>
</table>

**Policy**

1) The City of Stockton prohibits financial misconduct by the City Council, its Committees, its employees, its contractors, its volunteers and others responsible for carrying out the City’s activities.

2) Financial misconduct includes, but is not limited to, the following:

   a) Actions that violate the City’s Code of Ethics, and any underlying policies, or any of City’s accounting and financial policies;
   
   b) Abuse of power, such as using one’s position to coerce, threaten, intimidate, or improperly influence an individual or individuals to provide personal, financial or political benefit to oneself or immediate family, or someone they have business or financial ties to, or for any other purpose, or using one’s official title in City government to conduct personal business;
   
   c) Unauthorized participation or involvement in administration and operations, including, but not limited to, business, program, law enforcement, employment, and personnel decisions;
   
   d) Unauthorized participation or involvement in any City-funded, grant-funded, or City-managed operations, including, but not limited to, business, employment, and personnel decisions;
   
   e) Misappropriation, misuse, loss or waste of City funds or property;
   
   f) Impropriety in the handling or reporting of money in financial transactions;
   
   g) Unauthorized disclosure, concealing, removing, mutilating, or destroying City records, or copying City records for improper purposes;
   
   h) Falsification of City records or other documents;
   
   i) Committing perjury, fraud or forgery;
   
   j) Violating the City’s municipal code, local ordinances, resolutions, rules, regulations or policies;
   
   k) Any other acts prohibited by federal, or state law; and
   
   l) Failure to report known instance of misconduct in accordance with the reporting responsibilities described herein (including tolerance by supervisory employees of misconduct of subordinates).
RESPONSIBILITIES

Director of Administrative Services/ CFO
- Investigate reported instances of financial misconduct, fraud, waste, or abuse

Internal Auditor
- Conduct periodic risk assessments of City departments and programs
- Conduct regular internal control reviews of City programs

Department Heads and Managers
- Participate in investigations of reported instances of financial misconduct, fraud, waste, or abuse

Human Resources Department
- Participate in investigations of reported instances of financial misconduct, fraud, waste, or abuse

City Employees
- Report instances of known or suspected financial misconduct, fraud, waste, or abuse through the City’s fraud hotline or to a manager or department head

RELATED POLICIES

12.02.010 Code of Conduct for City Employees
12.02.050 Use of City Property and Resources
12.03.010 Complaints Of Alleged Misconduct City Employee Or Officer
12.03.020 Non-Retaliation and Whistleblower Protection

RELATED CITY PROCEDURES

The City Auditor’s Office monitors an Ethics Hotline, which is available to all City employees. This hotline is intended for reporting instances of fraud, waste, and abuse.

Non-fraud related reports may be referred to the responsible department for handling. Reports related to harassment, discrimination, or grievance labor issues should be forwarded to the Human Resources Department.

The Ethics Hotline phone number is 1-888-269-8704 or a report can be filed on the EthicsPoint website (select the "MAKE A REPORT" link at the top of the page):

The City Auditor can also be contacted directly via: City.Auditor@stocktonca.gov

RELATED FORMS, DOCUMENTS, OR LINKS

See above.

FREQUENTLY ASKED QUESTIONS

N/A

UPDATE HISTORY

N/A