



# Rising Above Your Digital Insecurities

Audit Services' 2017 Fraud and Internal Controls Seminar  
Clark County Auditor's Office

# Agenda

- 8:30 Opening remarks by Auditor Greg Kimsey
- 8:35 U.S. Secret Service
- 9:20 IT Department Update
- 9:35 Treasurer's Office Update
- 9:50 Break
- 10:00 Fraud: Government Related Cases
- 10:30 Internal Control Trends, Issues and Recommendations
- 11:00 Ethics and Ethical Dilemmas
- 11:30 Closing remarks by Mark Gassaway



# 2017 Fraud: Government Related Cases

Arnold Perez

Clark County Auditor's Office

November 16, 2017



# Forged Documents



# Vs

# Internal Controls



## General Power of Attorney

Know all Men whom it may concern:

The I/We the undersigned

BASIL CLARKE

do hereby

in transacting my/our business in THE REPUBLIC OF SOUTH AFRICA IN ANYWHERE IN THE WORLD, with full power of attorney and for my/our account and benefit to ask, demand, sue for, receive, collect, take, defend, execute, sign, execute and submit to arbitration all accounts, debts, claims, demands, disputes and suits, to compromise and submit to arbitration all accounts, debts, claims, demands, disputes and suits, to sue and defend for the purpose of arbitration to make the necessary appointments and sign and execute the necessary acts and instruments in that behalf, AND to let, either on lease or otherwise, and also to improve, alter, or otherwise deal with any stands, houses or other property belonging to me/us or with which I/we are/are entitled to deal, AND to collect and receive rents, and, if necessary, cancel any lease or other tenancy and take all legal proceedings for ejectment or otherwise in connection with such lease or other tenancy, or the cancellation thereof.

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# Broward County Tax Office

- Exploited Process:
  - Surplus Tax Deed Distribution
    - Delinquent tax properties are sold at auction. The monies collected are applied to the taxes owed and the surpluses belong to the former property owner.
- How it was Committed:
  - On the inside:
    - County employee had handled surplus property tax deed distributions. He would review delinquent property auctions and track whether the surplus funds sat uncollected for months or more. He would take note of those accounts and pass the information along.
  - On the outside:
    - 5 co-conspirers created companies with forged powers of attorneys listing them as the previous property owners' representatives. They would then request the funds.

# Tax Office Employee's Forged Documents

- The Losses Occurred:
  - 28 one time property owners out of **\$1.6 million**
- Charges:
  - Organized Scheme to Defraud
  - Money Laundering
  - Grand Theft
  - Fraudulent use of Personal Identification Information
  - Uttering (passing off) Forged Instruments
  - **\*\*Additional Charges for Government Employee:**
    - Official Misconduct
- How was it discovered?
  - County received complaints from people filing claims who were told that their money had been already paid out to others.

# What happened to the controls?

- Surplus Tax Deed Distribution
  - Faked Power of Attorney
    - Former Property Owner's signature
    - Companies
    - Notary signature
- What would you have tested to find this?



# Photo Check Cashing

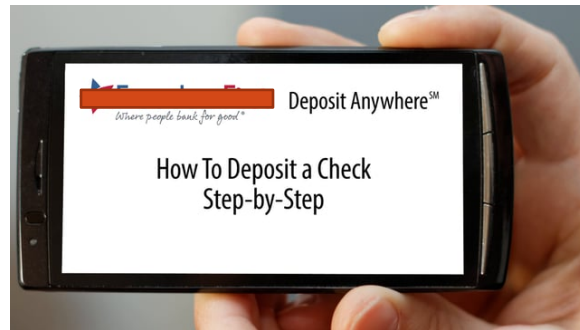


Accounting

Vs



Internal  
Controls





# City of Coral Gables Finance Dept.

- Exploited Process:
  - Process Billings and Collections
- How it was Committed:
  - City employee had access to check payments for solid waste fees, false alarm fees and business tax receipts.
  - As an accounting clerk she had the ability to make adjustments or write off accounts.
  - She opened a bank account under a differing name and utilized a photo checking cashing app.

# Accounting Clerk's Photo Check Cashing

- The Losses Occurred:
  - The City employee cashed over 250 checks totaling **\$85,254** over the course of several years.
- Charges:
  - She was charged with second-degree grand theft
  - Organized Fraud
  - False Entry
- How was it discovered?
  - City's bank alerted them that a check it deposited had already been deposited in another bank.

# What happened to the controls?

- Process Billings and Collections
  - Adjustments
  - Write offs
  - Check receipting
    - Did not indicate whether
      - Mailed checks or
      - Walk ins
- What would you have tested to find this?



# Scraping Copper



Vs



# Internal Controls



# City of Phoenix Water Dept.

- Exploited Process:
  - Materials Order
- How it was Committed:
  - Water department employee would create a fraudulent materials order for copper.
  - He would then pick up the material in his work vehicle and sold it to a local scrap yard.

# Water Dept. Employee's Scraping Copper

- The Losses Occurred:
  - The initial discovery was for 3 pallets of copper that he sold for **\$26,000**.
  - Further investigation discovered that he had done this in 27 other instances over the years. The total value of the copper he is accused of stealing is **\$497,000**.
- Charges:
  - 27 counts of Theft
  - 27 counts of Forgery
  - 1 count of Fraud Schemes
- How was it discovered?
  - City employee alerted the water department that something suspicious was going on when after the person in question reportedly picked up 3 pallets of copper when he only had paperwork for two pallets.

# What happened to the controls?

- Materials Order
  - *Fake Work Orders*
  - Use of County vehicle
  - *Use of County time*
- What would you have tested to find this?



# PayPal Self Payment



**Parks<sup>and</sup>  
Recreation**

**Vs**

**PayPal**



**Internal  
Controls**



# City of Gainesville Parks & Rec Dept.

- Exploited Process:
  - Purchase Card
- How it was Committed:
  - She accessed her supervisor's unsecure credit card. Within 6 months of hire she was issued her own card. She also asked to borrow co-workers' credit cards to process work related transactions but during her possession of the card she would also utilize them for personal gain.
  - She set up a PayPal account under her name and would create fictitious transaction descriptions that resembled work related purchases. Payments would be made to the PayPal account that was linked to her personal checking account.

# Parks Staff's PayPal Self Payment

- The Losses Occurred:
  - PayPal account- **\$41,089.73**
  - Her Supervisor's credit card- 21 transactions **\$21,848.21**
  - Her Co-workers' credit cards- 41 transactions **\$32,134.28**
  - Her credit card- 136 transactions **\$61,475.03**
- Charges:
  - Larceny
  - Scheme to Defraud
- How was it discovered?
  - A budget deficit was identified and followed up inquiries by the Finance department. Its review found concerns over amounts spent for retirements and farewell celebrations, staff meeting meals, congratulations and sympathy gifts and safety incentive gift cards which exceeded guidelines.

# What happened to the controls?

- Purchase Card
  - Access & unauthorized use of supervisor's card
  - Access & unauthorized use of co-worker's card
  - Personal use government issued card
  - Background check found previous arrest
  - Granted access to credit card reporting system
    - Ability to change object code allocations for expenses
  - Pre-printed, pre signed labels to used rather than having cardholder review and sign off
  - Signature Authority Delegation allowed among division managers
  - Cards issued not based on need but as status reward for employees
  - Not one of the unauthorized transactions questioned
- What would you have tested to find this?



# Fake Accident Report



Vs

# Internal Controls



Injury Incident Report Form	
<i>To be completed by staff within 12 hours of incident/accident</i>	
Incident Date: _____	Incident Time: _____
Injured Person Name: _____	
Address: _____	
Phone Numbers: _____	
Male/Female: _____	Date of Birth: _____
Details of Incident: _____	
Who was injured person? _____	
Injury Type: _____	
Does Injury require H- _____	
Hospital Name: _____	
Address: _____	
Hospital: _____	
Injury: _____	
<b>Import.</b> _____	
Prepared By: _____ Date: _____	
<small>Incident Report Template</small>	

**FAKE**

# County of Pulaski Public Works Dept.

- Exploited Process:
  - Insurance Claims
- How it was Committed:
  - County employee was responsible for processing of insurance claims for county vehicle repair.
  - She began creating false accident claims utilizing family member's names, alleging accidents between them and county vehicles.
  - The reports would be submitted to their risk administrator.
  - The insurance company would send a check to her office and she would deposit them to her personal checking account.

# Fleets Rec. Clerk's Fake Accident Report

- The Losses Occurred:
  - Over the span of 8 years she submitted false claims that the insurance company paid out **\$248,529.62**
- Charges:
  - 100 individual charges
  - 80 counts of computer fraud
  - 73 counts of theft of property
- How was it discovered?
  - Her bank recognized the potential fraud and contacted the County's insurance provider to alert them of the activity.

# What happened to the controls?

- Insurance Claims
  - False accident reports
  - Use of family names
- Submittal to insurance company
- Received checks at the department
- Responsible for:
  - Maintenance of vehicle records
  - Processing of insurance claims for County vehicle repair
  - Licensing of County vehicles
  - Departmental billing for vehicle repair
  - Fuel and maintenance
- What would you have tested to find this?



# Fake Credit Card Applications



**Vs**



**Internal  
Controls**





# Federal Drug Enforcement Agency

- Exploited Process:
  - Issuance of Credit Cards
- How it was Committed:
  - Employee was responsible for the approval and issuance of government credit cards for DEA employees.
  - The employee submitted fake credit card applications to the department's bank for fictitious DEA employees.

# DEA Employee's Fake C.C. Applications

- The Losses Occurred:
  - She submitted dozens of fake credit card applications and received 32 credit cards withdrawing \$113,000 from ATMs.
- Charges:
  - Wire Fraud
- How was it discovered?

# What happened to the controls?

- Issuance of Credit Cards
  - Fraudulently issued government credit cards
    - Fake applications
    - Fictitious employees
  - As program manager responsible for:
    - Approval and
    - Issuance of government credit cards
- What would you have tested to find this?



# Segregation of Duties

- Segregation of duties is a key internal control intended to minimize the occurrence of errors or fraud by ensuring that no employee has the ability to both perpetrate and conceal errors or fraud in the normal course of their duties. Some examples of incompatible duties are:
  - **Authorizing** a transaction, receiving and maintaining **custody** of the asset that resulted from the transaction
  - **Receiving** funds (checks or cash) and approving **write-off** of receivables
  - **Reconciling** bank statements/accounts and **booking** entries to general ledger
  - **Depositing** cash and **reconciling** bank statements
  - **Approving** time cards and having **custody** of pay checks
- When duties cannot be sufficiently segregated due to the small size of a unit, it is important that mitigating controls, such as a detailed supervisory review of the activities, be put in place to reduce risks.

(University of Pennsylvania -- Internal Audit)



# Thank You!

Arnold Perez, MPA, CFE, CGAP

Performance Auditor

Clark County Auditor's Office

Arnold.Perez@clark.wa.gov



November 16, 2017  
Internal Controls & Fraud Seminar

KATHY LEE - OFFICE MANAGER  
TAX SERVICE SUPERVISOR

—



A photograph of a modern, multi-story brick and glass building, identified as the Clark County Public Library. The building features a prominent glass facade on the right side and a brick facade on the left. The sky is a clear, light blue. In the foreground, there are some trees and a paved area.

—

# Overview


- Current Banking Climate
- Don't Be Afraid of Change
- Collaborate
- Conduct Consistent Risk Assessment

—

## CURRENT BANKING CLIMATE

# The banking industry is transforming

### Industry transformations by decades



1980s

Everything is paper-based and branches were the norm with face-to-face customer service as a focus.



A vertical timeline with a black line and two black circular markers. To the left of the line are two black rectangular boxes containing the text '1990s' and '2000s'. To the right of the line are two paragraphs of text corresponding to each marker.

1990s

Electronic correspondence is invented! The option to begin doing things online has begun, albeit it is primitive

2000s

Online banking is going mainstream, although many still prefer to go to the teller to deal with their banking in person

TREASURER CLARKE CO.

2010s

Arrival of non-teller banks and digital-only financial solutions which has changed Treasury forever

—  
**NOT AFRAID OF CHANGE**

# How Are We Adapting?

## **POINT OF SALE**

Moved to Teller for better customer service, ease of use, and stronger internal controls.

## **ICL & REMOTE DEPOSIT**

Consolidated cash deposits and ICL electronic deposits.

## **REMITTANCE CENTER CHANGES**

More efficient and cost effective method to process paper payments.



COLLABORATE

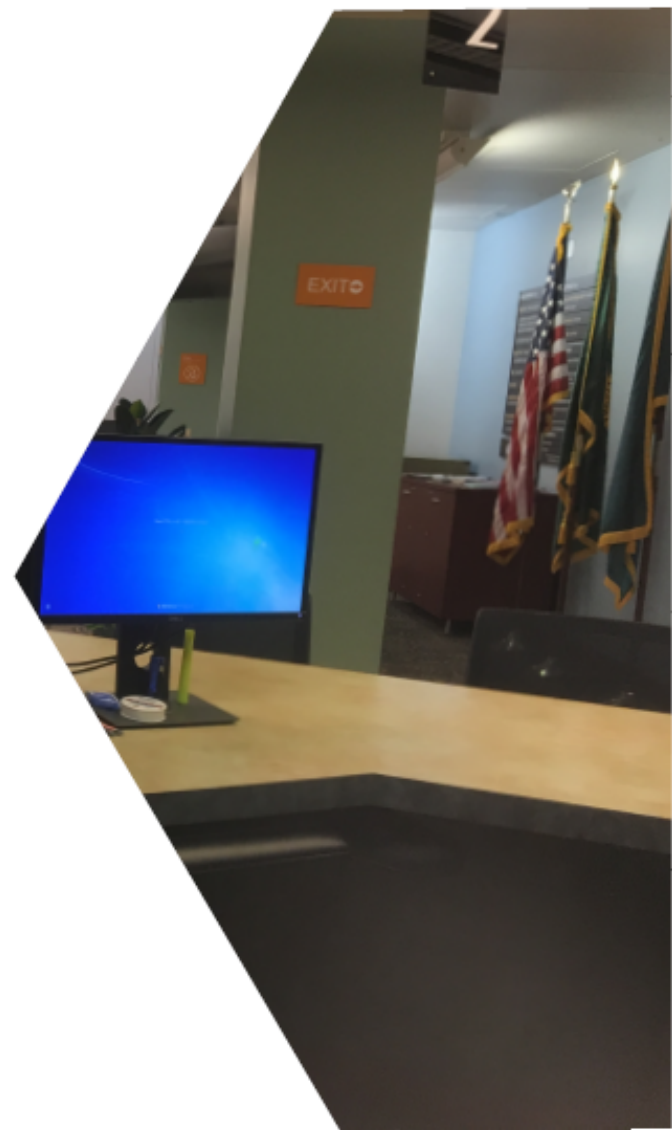
# Teller Point of Sale

## CUSTOMER SERVICE

- Customer payments are processed faster
- Single point of purchase
- Less data entry errors
- Host systems are queried and updated in real-time
- Quick and effective solutions from Can/Am

## EASE OF USE

- Treasurer, Assessor, and Auditor's Office collaboration
- Transparency (everything in one spot)
- Intuitive and modern user interface
- Standardization
- Clear, understandable and comprehensive documentation
- Strengths in the batch balance

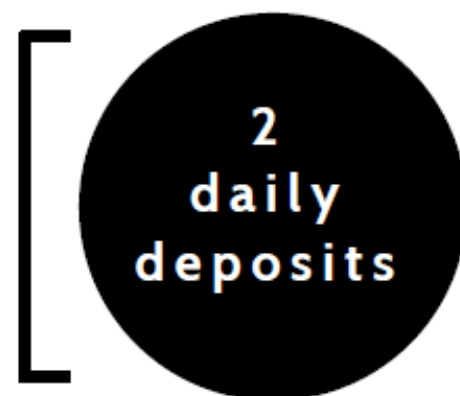


# ICL & Remote Deposit



Timely, costly, and room  
for risk and error.

NOW



Efficient, accuracy, risk  
containment.

# Remittance Center

## TIME FOR CHANGE

- Listen to the data (declining volume)
- High risk

## NEW SOLUTION

- PCI compliant
- Process improvements

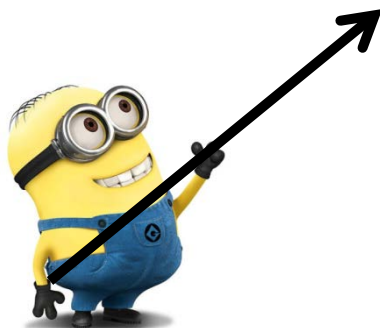
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**Questions?**





# Analysis of 2017 Internal Control Reviews

## Trends, Issues and Recommendations

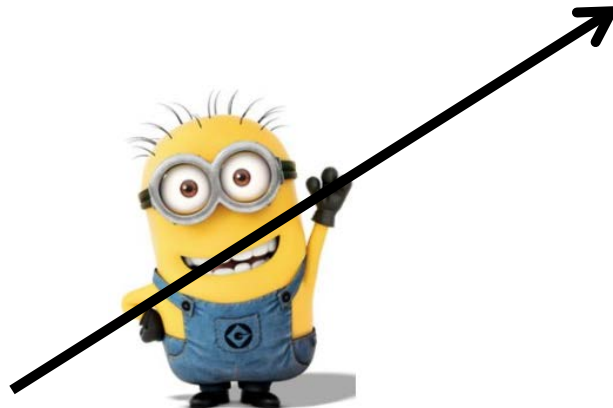


Tom Nosack, Senior Management Analyst  
Clark County Auditor's Office  
November 16, 2017



# Authority (State Law)

- State law [RCW 36.22.010\(4\)](#) requires a “complete exhibit of the prior-year finances of the county including, but not limited to, a statement of financial condition and financial operation in accordance with standards developed by the state auditor”



# Authority (CCC Section 2.14)

- “The auditor is authorized to examine any office, department, political subdivision or organization which receives appropriations from the board of county commissioners.”
- “The auditor is authorized to **perform analytical reviews** of internal controls and accounting records”
- “The auditor is authorized to **conduct performance audits**, an objective and systematic assessment of program quality and the results achieved.”

# Responsibilities (County Code 2.14.030)

- a) Appraise the adequacy and completeness of internal controls
- b) Confirm compliance with the will of the board of county commissioners, state laws and the State Constitution.
- c) Discuss findings and recommendations during the process with management of the agency under review.
- d) Conduct an exit interview with the management during which a preliminary draft of the audit report is presented and discussed.
- e) Submit an official audit report on each examination to the board of county commissioners and to the management of the agency under review.



# Internal Control Reviews (ICR)

- The ICR is not an audit, but internal controls are often part of an audit.
- An ICR is a limited review of your group's cash and general security operations.
- It may be as simple as a petty cash count, or as complex as a review of security procedures.



# What to expect

- Auditors arrive and self-identify
- Verify what is on hand
- Reconcile the account
- Observe receipting and cash handling
- Discuss internal controls with you
- Verbal summary, written report in 2-3 days
- Prioritized on a 3 year cycle



# Who did we visit recently?

**2016**



- 20 visits to:
  - Auditor
  - Clerk
  - Community Services
  - Environmental Services
  - District Court
  - Gen Services
  - Public Health
  - Public Works
  - Prosecuting Attorney
  - RTC
  - Superior Court
  - Sheriff
  - Treasurer

# Who did we visit recently?

## 2017

- 22 visits to:
  - Auditor
  - Community Development
  - Community Services
  - Clerk
  - District Court
  - Gen Services
  - Public Health
  - Public Works
  - Prosecuting Attorney
  - Superior Court
  - Sheriff's Office
  - Treasurer

## 2016



- 20 visits to:
  - Auditor
  - Clerk
  - Community Services
  - Environmental Services
  - District Court
  - Gen Services
  - Public Health
  - Public Works
  - Prosecuting Attorney
  - RTC
  - Superior Court
  - Sheriff's Office
  - Treasurer

# Who did exceptionally well?

**2017**

- 22 visits to:

- Auditor
- Community Development
- Community Services
- **Clerk**
- District Court
- Gen Services
- Public Health
- **Public Works**
- Prosecuting Attorney
- Superior Court
- Sheriff
- Treasurer



- Clerk Collections Unit Change Fund

- PW Parks Division Change Fund

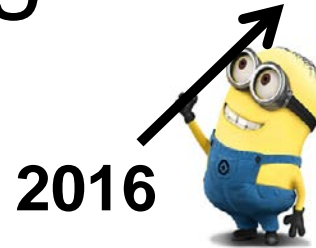
- PW Roads Petty Cash Fund



# 2017 Overall

- 22 organizations controlled or passed through over \$3.2m dollars in cash or cash equivalents in 2017
- 48 recommendations
  - Reduce cash funds on hand by \$1,850
  - Close four funds (two closed so far)
  - Replace petty cash with P-card where appropriate and practical
  - Watch increased use of cash cards, vouchers for rewards
  - Two new cash accounts opened in 2017

# Recurring issues



**2016**

- Limited management reviews
- Designated custodians
- Written procedures

# Compared to last year

## **2017**

- Limited management reviews
- Designated custodians
- Written procedures

## **2016**

- Limited management reviews
- Designated custodians
- Written procedures

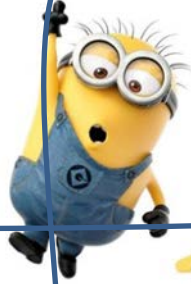
# Compared to last year

## 2017

- Limited management reviews
- Designated custodians
- Written procedures
- Cash equivalent handling
- **Security of valuables**
  - Secure them separately
  - No other loose cash
  - Limited items in safe or locked location
  - Log of safe contents

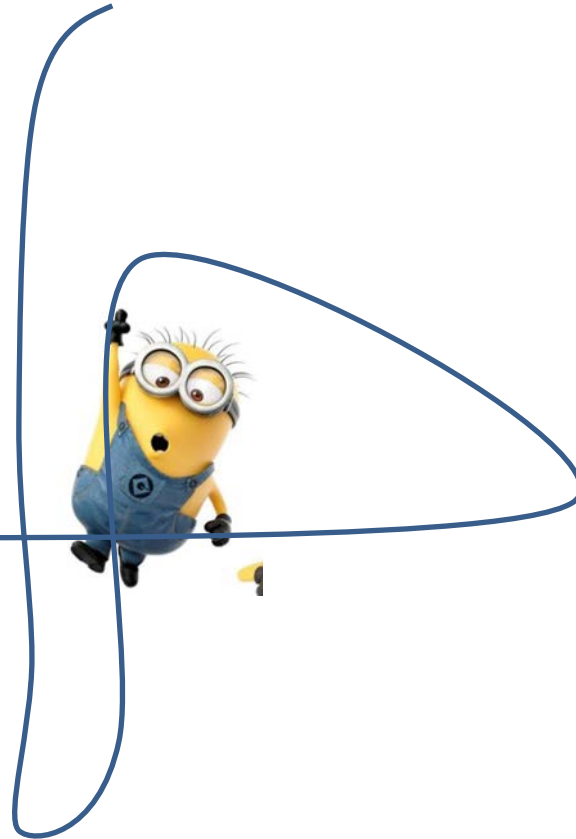
## 2016

- Limited management reviews
- Designated custodians
- Written procedures



# 2017

- Security of valuables
  - Secure them separately
  - No other loose cash
  - Limited items in safe or locked location
  - Log of safe contents



# Unusual things we found this year:

- Keys (30 to 50)
- Driver Licenses (2)
- Passports (2)
- Wallets (1)
- Checks – warrants and personal
- Cash cards and gift cards, old and new
- One fund was short \$48
- Most problematic item found in 2017..



# Found in Safe: What do you do?



# What do you do now?





OMG - What do you do now?



# Lost & Found



- What to do if you lose or have County property stolen from you?
- What do you do if you find something on County property?
- What do you do if you find something off County property?

# Reporting stolen / lost items

## Item was removed or taken, possibly by an employee:

- Conduct a reasonable search for the item
- Report the loss to management
- Advertise that item has been lost to others
- Report theft to law enforcement, get report #
- Report loss to Auditor's office



## You lost, left, or accidentally abandoned the item:

- Conduct a reasonable search for the item
- Report the loss to management
- Advertise that item has been lost to others
- Report lost property to CCSO on line, report #
- Report loss to Auditor's office

# Reporting found items

## Item is found on county property

- Make reasonable effort to identify owner
- Report / turn in to Purchasing or courthouse
- They will hold it the required time, transfer to CCSO for disposition
- RCW 63.21.010 for how to make a claim after the wait period.

## Item is found on non-county or private property

- Make reasonable effort to identify owner
- Report / turn in to law enforcement
- They will hold for the required time, then dispose of it
- RCW 63.21.010 for how to make a claim after the wait period.



# Where to find more information?

- Auditor Internet Site (For Public)
  - Audit Reports back to 1990's
  - Peer Review Results
  - ICR Annual Summary
  - Presentations
- Audit Services Intranet (For Employees)
  - All Internet Site Information Plus:
  - ICR Individual Reports
  - Recommended Procedures, Checklists, Forms

# Audit Services home

The screenshot shows the Clark County Auditor's Office website. The browser address bar displays "Secure | https://clarknet.clark.wa.gov/auditor". The website header includes the Clark County logo and the text "CLARK COUNTY Auditor Clark County Auditor's Office". A navigation bar contains links for "ACCOUNTS PAYABLES", "ACCOUNTS RECEIVABLE", "AUDIT SERVICES", "FIXED ASSETS", "GENERAL LEDGER", and "PAYROLL". Below this, a row of six service icons is shown: Accounts Payable, Accounts Receivable, Fixed Assets, General Ledger, Payroll, and Audit Services. The "Audit Services" icon, which features a magnifying glass, is circled in red. A red arrow points from a Minion character at the bottom of the page to this icon. To the right of the icons is a "CONTACT INFORMATION" section for Mark Gassaway, Finance Director, with his address and contact details. A "Quick Links" section is located on the left side of the page, listing various financial reports and forms. The footer includes a link to the "Auditor's Office Organization Chart".

Secure | https://clarknet.clark.wa.gov/auditor

CLARK COUNTY Auditor  
Clark County Auditor's Office

ClarkNet Home

Search Search

ACCOUNTS PAYABLES ACCOUNTS RECEIVABLE **AUDIT SERVICES** FIXED ASSETS GENERAL LEDGER PAYROLL

Home » Departments » Auditor

ACCOUNTS PAYABLE ACCOUNTS RECEIVABLE FIXED ASSETS GENERAL LEDGER PAYROLL **AUDIT SERVICES**

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**Financial Services Serves Internal Customers of Clark County.**

**Quick Links:**

- 2014 Financial Trends Presentation
- 2015 Second Quarter Financial Report
- GL Forms  
2015 GL Year End Training
- Financial Reporting System

**CONTACT INFORMATION**

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**Finance Director**  
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PO Box 5000  
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Main phone: (360) 397-2310  
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**Hours:**  
Mon - Fri: 8:00 5:0 pm  
E-mail:  
mark.gassaway@clark.wa.gov  
[Edit Contact Details](#)  
[View Full Contact Details](#)

**AUDITOR QUICK LINKS**

Auditor's Office Organization Chart

# More audit stuff

ACCOUNTS PAYABLES ACCOUNTS RECEIVABLE AUDIT SERVICES FIXED ASSETS GENERAL LEDGER PAYROLL  Search

Home » Departments » Auditor » Audit Services - Home

**CONTACT US** **INTERNAL CONTROL REPORTS** **AUDIT REPORTS** **FORMS & CHECKLISTS** **ETHICS TRAINING** **REPORTING LOSSES**

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**CONTACT INFORMATION**  
Audit Services Manager,  
Larry Stafford x4795  
Senior Management Analyst,  
Tom Nosack x4689  
Senior Management Analyst,  
Arnold Perez x4707  
[Edit Contact Details](#)  
[View Full Contact Details](#)

## Audit Services

We are an internal service, authorized under [Clark County Code, Chapter 2.14](#) to provide County managers independent, objective audits, reviews and consulting activities designed to assist management in their stewardship over County assets and operations.

**Our goal** is to help management improve the efficiency and effectiveness of all county operations while reducing risk to an appropriate level.

## Self-Service

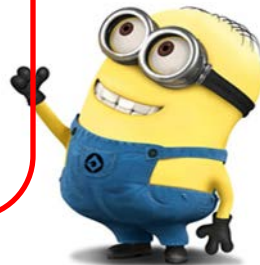
[Copies of all Audits](#)

[Individual Internal Control Review Reports](#)

[Reporting Losses and Theft](#)

[Guidelines, Forms & Samples](#)

[Cash Accounts - Over / Short Procedures](#)



# ICRs from past four years!

## What is an Internal Control Review (ICR)?

The ICR is not an audit. It is a review, usually conducted by a team of two auditors to take a focused look at some aspect of your organization's operations. It may be as simple as a cash count of petty cash or a register or as complex as following balancing transactions, inventories of high risk assets or supplies and review of security procedures.

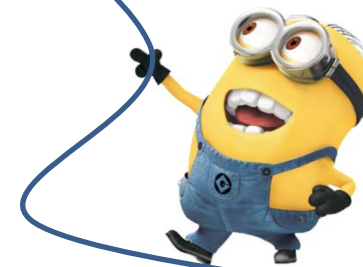
The focus is to ensure cash and assets of the county's are properly secured, controlled and used consistent with their intended use and the needs of the County. of your internal controls related to the handling and storage of cash, cash equivalents or high risk assets or supplies. The review is documented with a report that is produced in four to six days. Decisions about which ICRs to conduct are made based on a risk assessment.

Senior Management Analyst,  
Tom Nosack x4689

Senior Management Analyst,  
Arnold Perez x4707

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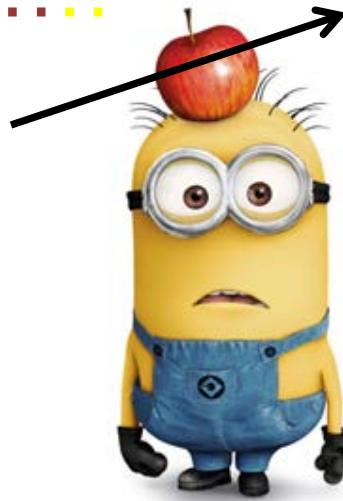
Document Title	Department	Updated Date
595 - ICR GS Non-fair Receipting at Fairgrounds	General Services	Tue 10/24/17
594 - ICR Sheriff Inmate Trust Fund	Sheriff Office	Thu 9/21/17
593 - ICR Gen Svcs County Fair Receipting	General Services	Thu 8/24/17
592 - ICR PA Children's Justice Center	Prosecuting Attorney's Office	Thu 7/27/17
591 - ICR PH Vital Records Change Fund	Public Health	Fri 7/7/17
590 - ICR PH Environmental Change Fund	Public Health	Fri 7/7/17
589 - ICR Sheriff's MCU Petty Cash Fund	Sheriff's Office	Sun 7/23/17
588 - ICR DC Permit Center Change Fund	Community Development	Thu 6/15/17
587 - ICR PW Roads Fund Admin Petty Cash	Public Works	Tue 5/16/17
586 - ICR SC Juvenile Detention Intake	Superior Court	Thu 5/4/17
585 - ICR DC Clerk Collections Unit Change Fund	District Court	Thu 4/20/17
584 - ICR PW Elect Licensing Change Fund		Thu 5/11/17





# Summary

- We are here to help you with planning, deploying, and testing internal controls
- Three year cycle ...
- We visit more often if...
- Please check.....





Thanks from all of us!





# Ethics and Ethical Dilemmas

Larry Stafford, Audit Services Manager

Clark County Auditor's Office



# Outline

Ethical requirements

Ethical dilemmas

Tools for decision making

Case discussion

# Ethical Requirements

- Federal Law 5CFR 2635.204
  - Guidance for state and local governments
  - Only unsolicited gifts under \$20, no more than \$50 from one organization in a calendar year
- Washington State RCW 42.23, 42.52
  - Focus on state employees and officials
  - Details acceptable and unacceptable behavior
- Clark County HR Policy Manual Section 13

# County Ethics Policy and RCW

Section 13.1 states that the County's policy:

“... is intended to **amplify, clarify and expand** upon the provisions of RCW 42.23 regarding ethical standards for county officials and employees in the state of Washington.”



Legal and  
ethical  
are not  
the same  
thing!



"I took a course in ethics, but everything was contradicted by the course I took in *accounting*."



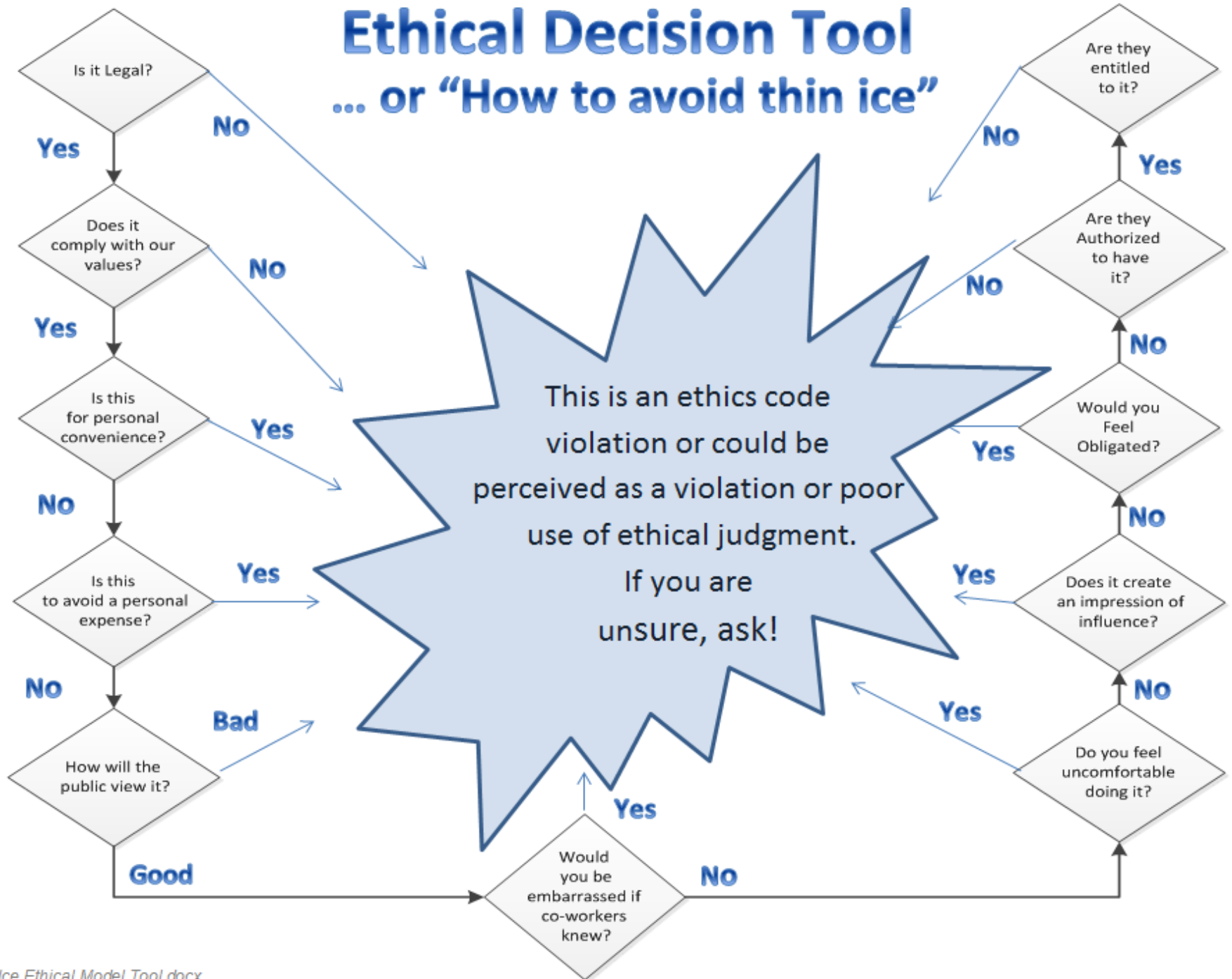
# County Code of Ethics

Guidance for ethical behavior:

- Seek no Favor
- Integrity
- Honesty
- Merit Principle
- Professional Standards
- Disclosure

# Ethical Decision Tool

## ... or "How to avoid thin ice"



# **1. Gifts: Who can you accept gifts from?**

- 1. Customers or Clients**
- 2. Co-workers**
- 3. Family**
- 4. Nobody**
- 5. Anyone, if away from the workplace**

## 2. Door Prizes

Your department sent you to a conference. As part of your registration you receive a ticket for a door prize drawing. You win an iPad. Can you keep the prize?

- 1. Yes, it was a random drawing.**
- 2. No, it was a work conference**
- 3. No, the prize exceeds the de minimus standard**
- 4. Yes, because I attended the conference on the weekend.**
- 5. Maybe- check with manager**

# Ethical Dilemma

A difficult choice between courses of action, none of which resolve the situation in an ethical manner



# Dealing with Ethical Dilemmas

1. Recognize ethical issues exist
2. Get the facts
3. Evaluate Alternative Actions
4. Make a decision and test it
5. Act and reflect on the outcome

# Considering Alternatives for Ethical Dilemmas

- ② Utilitarian Approach
- ② Rights Approach
- ② Fairness / Justice Approach
- ② Common Good Approach
- ② Virtue Approach

# Ethical Dilemma

## Manager's Decision

- A member of your staff mentions they are in the process of buying of a new home and paying for their daughter's braces next week, exciting but expensive!
- Later that day, you are informed that budget cuts will require layoffs including the staff member
- You're asked to not discuss the layoffs with anyone for a couple of weeks to prevent rumors
- What do you do?



# Summary

- Public sector employees are held to a higher standard
- Clark County HR Policy Manual Section 13 provides guidance for behavior
- Thin Ice tool for basic ethical decisions
- Ethical dilemmas require more information and discussion
- Questions? Ask Audit Services, HR or the Prosecuting Attorney's Office

**Thank you!**

# Ethical Dilemma

Transportation Authority public meeting

- Board Member answering public question
- Data provided is accurate, but the implications are mischaracterized
- You are a Program Manager responsible for the area being discussed
- Not sure if mischaracterization is a mistake or intentional
- What do you do?