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San Diego Unified Port District  
Document No. 56816  
Filed SEP 03 2010  
Office of the District Clerk

# BPC Policy No. 630

**SUBJECT:** FRAUD PREVENTION POLICY

- PURPOSE:**
- (1) To affirm the San Diego Unified Port District's (District) commitment to safeguard the organization and its assets from fraud and other similar improprieties.
  - (2) To provide a process for receipt, treatment and retention of fraud complaints.

**POLICY STATEMENT:**

**I. POLICY**

The District is committed to protecting the organization, its operations, its employees and its assets against fraud and other similar improprieties. A constructive culture requires integrity in the administration of the District's resources to ensure public trust. *Fraud and any other similar improprieties are contrary to a constructive culture and will not be tolerated under any circumstances.*

Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to gain financial or other benefits. Fraud and other similar improprieties include, but are not limited to:

1. Forgery or alteration of checks, drafts, promissory notes and securities.
2. Any misappropriation of funds, securities, supplies or any other asset.
3. Any irregularity in the handling or reporting of money transactions.
4. Misappropriation of furniture, fixtures and equipment.
5. Unauthorized use or misuse of District property, equipment, materials or records.
6. Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of District-owned software.
7. Any claim for reimbursement of expenses that are not made for the exclusive benefit of the District.

This Policy applies to Officers and Employees of the District.

## **II. CONFIDENTIALITY**

The District recognizes that confidentiality is important to all parties involved in an investigation. Confidentiality will be maintained to the fullest extent provided by law and will be consistent with the Public Records Act.

## **III. RETALIATION PROHIBITED**

The District will not tolerate retaliation against any Employee or other person for initiating, pursuing, or assisting with a complaint of alleged fraud or other similar improprieties to the District or to any government agency. For example, it is improper either to imply to withhold, or actually withhold, support for an appointment, promotion, or change of assignment, or to suggest a poor performance report will be prepared or probation will be failed, as an act of retaliation.

The District also forbids retaliation against any Employee or other person for participating in any investigation of a complaint of fraud or similar improprieties. Any individual who engages in retaliation against any District Employee in violation of this Policy may be subject to disciplinary action up to and including termination.

## **IV. REPORTING PROCEDURES**

- A. Any citizen who has knowledge of an occurrence of fraudulent activity by District Commissioners, Officers, Employees, Vendors, Customers and Others may report suspected misconduct directly to Customer Relations Management (619) 686-6200. In addition, suspected misconduct may be reported to the Port's Fraud Prevention Ethics Hotline at (888) 203-8330, on the Port's website at [www.portofsandiego.org](http://www.portofsandiego.org), or to [www.ethicspoint.com](http://www.ethicspoint.com) and click on "File a Report."
- B. Any District Employee who has knowledge of an occurrence of fraud, or has reason to suspect that a similar impropriety has occurred, may immediately report the circumstances using the standard chain of command, beginning with the immediate supervisor. However, if an Employee does not feel comfortable under the circumstances reporting possible fraudulent conduct through the chain of command, then he/she may report suspected misconduct directly to any of the following:

- Fraud Prevention Hotline
- Direct Line to the CEO/President via the Intranet

- Director, Audit, Risk Management and Safety (ARMS)
- Director, Human Resources
- Ethics Officer

C. Any District Supervisor or Manager who knows of, directly or indirectly, or receives a report of any act of fraud or similar impropriety has a duty to immediately report it, via an established chain of command. However, if the Supervisor or Manager does not feel comfortable under the circumstances to report possible fraudulent conduct through the chain of command, then he/she shall report suspected misconduct directly to any of the following:

- Fraud Prevention Hotline
- Direct Line to the CEO/President via the Intranet
- Director, Audit, Risk Management and Safety (ARMS)
- Director, Human Resources
- Ethics Officer

D. The District shall conduct an investigation into any and all complaints of fraudulent activity. Where circumstances require, the District may retain an outside investigator to conduct the inquiry. Based on the investigation, the District or independent investigator will determine whether the reported misconduct occurred, and whether it violates this Policy. The District or independent investigator will conduct a prompt and thorough investigation; strictly adhere to the confidentiality terms of this Policy; remind the complainant, accused and all interviewees of the confidentiality clause within this Policy and that retaliation will not be tolerated; maintain a written record of the investigation; and provide the complainant with a summary of findings at the conclusion of the investigation.

E. The Policy, and any related procedures, shall be distributed to all Employees. Additional copies will also be available from the District's Intranet (<http://internal.portofsandiego.org>). The Policy will also be prominently posted at work sites throughout the District.

This Policy is a public document and shall be available upon request.

## V. DISCIPLINARY ACTIONS

Any Officer or Employee found to be responsible for fraud or similar improprieties in violation of this Policy shall be subject to appropriate disciplinary action, up to and including termination. In addition, Employees or Officers who knowingly make false allegations will be subject to discipline, up to and including

termination. The severity of the disciplinary action will be based upon the circumstances of the infraction. The District will assess any remedial measures necessary to address and correct the circumstance and prevent reoccurrence in the future. Remedial measures may include, but are not limited to, disciplinary action, reorganization of personnel, training and education, counseling and/or other employee assistance.

Any Commissioner misconduct shall be governed pursuant to rules and regulations of their respective jurisdictions as well as relevant provisions of state and federal laws including but not limited to the Political Reform Act, Government Code Section 1090, the Brown Act, and common law.

## **VI. TRAINING**

As a preventive and proactive step, all Officers and Employees of the District shall receive training on this Policy in connection with other ethics training provided at the District.

RESOLUTION NUMBER AND DATE: 2010-124, dated August 3, 2010 (Supersedes BPC Policy No. 630, Resolution 2008-117, dated July 1, 2008; Resolution 2006-113, dated July 11, 2006)

(1)

REFERENCE  
COPY  
56816

Re Amendment of BPC Policy 630, ]  
] ]  
Fraud Prevention Policy ..... ]  
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RESOLUTION 2010-124

BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified  
Port District, as follows:

That Board of Port Commissioners Policy No. 630, Fraud Prevention Policy, as  
amended, a copy of which is on file in the office of the District Clerk, is hereby adopted.

ADOPTED this 3rd day of August, 2010.

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8/3/10