

Policy Title: Fraud and Theft**Policy Number: 01-03-01**

Section:	Human Resources	Subsection:	Employee Conduct
Effective Date:	February 27, 1989	Last Review Date:	April 2007
Approved by: Council	Owner Division/Contact: Human Resources, Corporate Services		

Policy Statement

Each employee who has care or custody of City property must ensure that it is properly secured and that controls in place are used and not being circumvented.

Definitions**City Property**

City property includes cash, cheques, valuable documents, inventories, supplies and equipment. The City is not responsible for the safeguarding of employees' personal property.

Fraud/Theft

The Criminal Code of Canada defines fraud and theft as follows:

A person commits fraud when he or she “by deceit, falsehood or other fraudulent means, defrauds the public or any person, whether ascertained or not, of any property, money or valuable security.” A person commits theft when he or she “fraudulently and without color of right takes ... or converts to [their] use or the use of another person, anything with intent to deprive, temporarily or absolutely, the owner of it or a person who has a special property or interest in it.”

Other specific related criminal offences which can impact on the employment relationship include:

- Theft from mail
- Falsifying employment records
- Having possession of property knowing that it was obtained by the commission of a criminal offence in Canada

Penalty

Any employee found to have committed fraud or theft in relation to City property will be subject to dismissal or such other appropriate penalty as determined by the City Manager.

Employees under investigation may also be suspended with or without pay, pending completion of an investigation, depending on the circumstances of the case and the best interests of the City.

Police charges in compliance with the Criminal Code of Canada may also apply. Committing any of the above offences may lead to imprisonment of:

- Up to ten years for offences involving sums in excess of \$1,000
- Up to two years for offences involving sums not in excess of \$1,000

Charges may also be brought against any person found to have “attempted” such offences, even if the attempt was not successful.

Prevention of fraud and theft

Department heads must:

- Ensure that adequate safekeeping arrangements are in place for all City property in department's control or use
- Ensure that any employee in charge of handling any City property is fully aware of and in compliance with safekeeping arrangements
- Report any inadequacies or problems in complying with existing safekeeping arrangements immediately to the Commissioner of Corporate Services & Chief Financial Officer (CFO), and
- Report any allegations of fraud or theft immediately to the Commissioner of Corporate Services & CFO, the Director, Human Resources, the City Manager and the Director, Internal Audit

All employees must:

- Use City property only to the extent necessary to carry out assigned duties
- Report any inadequacies in, or problems in complying with, existing safekeeping arrangements to the department head
- Ensure that City property in the employee's control is not taken or converted for personal gain
- Report any instances or suspicions of fraud or theft to the department head immediately, and
- Assume full responsibility for the employee's personal property brought onto City property

Handling Reports of Fraud and Theft

Upon receipt of a report of possible fraud or theft, the City Manager must oversee investigations to determine if fraud or theft has been or is likely to be committed.

Employee Interview

If an employee interview is required, the Director, Human Resources or designate and the relevant department head or designate must both be present. The Director, Human Resources or designate, must caution the employee as follows:

“You have been asked to attend for an interview because it is alleged that you_____. This matter may result in criminal charges being laid against you. You are not obliged to say anything unless you wish to do so, but whatever you do say may be used in evidence. You have the right to retain and instruct a lawyer without delay. Do you understand this caution?”

“Do you wish to proceed with this interview or do you wish an adjournment to retain and instruct a lawyer?”

If the employee requests an adjournment, it must be granted. An early date will be set for another meeting. If the employee agrees to the interview, the Director, Human Resources or designate must ensure that accurate notes are made of the interview and that a signed statement of the employee's version of the events in question is obtained, if possible.

Action Taken

The City Manager is authorized to take the following actions, if it appears that fraud or theft has been committed or planned:

- Police must be notified if the amount involved exceeds \$1,000
- Police may be notified if the amount involved does not exceed \$1,000
- Employee under investigation may be suspended with or without pay
- Employee found to have committed or planned fraud or theft may be dismissed or otherwise penalized

The Commissioner of Corporate Services & CFO must notify the City's insurer to protect the City's interests.

Revision History

Reference	Description
AF-100-89 – 1989 02 27 - Revised- 1997 06 26	Housekeeping
September 25, 2013	Housekeeping - Title change for Commissioner of Corporate Services