

Robinson, Pauline

From: News_Release_from_SPU
Sent: Friday, December 02, 2011 9:47 AM
Subject: NEWS: Three workers fired in continuing utility billing investigation
Attachments: Microsoft Word - News Release_120211.pdf

NEWS RELEASE

Dec. 2, 2011

For Immediate Release:

Contact: Andy Ryan, (206) 684-7688
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Three workers fired in continuing utility billing investigation

Losses to City at this point estimated at about \$440

SEATTLE — Three Seattle Public Utilities (SPU) employees were dismissed today and a fourth suspended after an ongoing investigation found the workers had made inappropriate use of the department's billing system, in violation of the City's Ethics Code.

The investigation, which began in November 2010, is being conducted with the assistance of City of Seattle auditors. At the department's request, the Seattle Ethics and Elections Commission began an independent inquiry this September. The Commission has announced that, next week, it will take up the cases of five SPU employees who allegedly violated the City's Ethics Code.

Last April, SPU announced it had fired two employees after the department found they had accessed and credited their own utility accounts. Since then, SPU has been systematically sifting through 10 years of department billing data, looking for irregularities and ways to improve the system. The investigation is expected to take several more months to complete.

Among the improper transactions in which the dismissed employees were found to have engaged were: manipulating payment arrangements to avoid credit action; waiving late fees or other fees; and readjusting payment periods.

At this point, net revenue losses to the utility are estimated at about \$440.

SPU Director Ray Hoffman said that although the dollar amount involved is relatively small, the greater issue is the responsibility of public employees to work ethically and not use their positions to benefit themselves or family and friends.

"SPU takes the public's trust seriously and expects our employees to follow the city's Ethics Code. We are committed to a full review of department procedures and have taken strong steps to prevent misconduct," Hoffman said.

City of Seattle Personnel Rule 1.3 outlines the process for disciplinary action regarding city employees, and requires a "fair and objective investigation" that produces evidence of the employee's violation of the Ethics Code, or department policy or procedure.

SPU began its billing records investigation late last year after routine bookkeeping revealed an accounting discrepancy. Since then, the department has taken a number of steps to improve billing process monitoring and augment employee training:

- Enhanced internal controls and monitoring of billing transactions.
- Established a risk and quality assurance division to ensure follow-through on all audit recommendations and provide oversight of the department's internal operations.
- Implemented weekly and monthly review of all account adjustments and documenting those adjustments.
- Required employees who have access to the billing system to sign a confidentiality agreement that includes an ethics statement.
- Reminded employees of their existing obligations under the Code of Ethics, which prohibit them from making adjustments on their own utility accounts or those of friends or family members.
- Reduced the list of staff who have access to the customer billing system.
- Initiated research on best practices in other agencies and companies to identify additional ways to improve internal controls.
- Continued to work collaboratively with the City Auditor to identify process gaps and improve quality control and assurance.

Learn more about Seattle Public Utilities, at: <http://www.seattle.gov/util>.

Follow SPU on Twitter: www.twitter.com/SeattleSPU.

In addition to providing a reliable water supply to more than 1.3 million customers in the Seattle metropolitan area, SPU provides essential sewer, drainage, solid waste and engineering services that safeguard public health, maintain the City's infrastructure and protect, conserve and enhance the region's environmental resources.

—SPU—

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