

# Memorandum



CITY OF DALLAS  
(Report No. I14-006)

**DATE:** June 12, 2014

**TO:** Honorable Mayor Michael S. Rawlings  
Honorable Jerry R. Allen, Chairman, City Council Budget, Finance & Audit Committee  
Warren M.S. Ernst, City Attorney

**SUBJECT:** Investigative Report: Office of Financial Services – City Controller’s Office  
Unauthorized Use of the Payroll Service Account

Council Resolution 90-4027 requires the Office of the City Auditor (Office) to report to the Mayor, the Chair of the City Council Budget, Finance & Audit Committee, and the City Attorney any apparent violations of law, apparent instances of misfeasance, or nonfeasance by City of Dallas (City) employees. This report summarizes the results of an investigation of allegations reported by management of the Department of Human Resources involving the City Controller’s Office (CCO) Payroll Manager for unauthorized use of the payroll service account to make a change to his personal payroll deductions.

After receiving the initial information, the Office did a preliminary investigation and reviewed the matter with the Dallas Police Department – Public Integrity Unit (DPD-PIU). Based on the preliminary information, DPD-PIU determined there was insufficient evidence to support a criminal investigation.

The evidence revealed that the Payroll Manager used the payroll service account and the associated password to access his own payroll records and stop his payroll deduction for the premium associated with supplemental life insurance he elected to purchase. This type of use is prohibited by the City’s *Information Security Standard* policy.

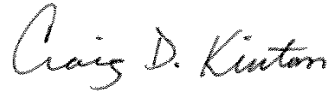
The evidence obtained supports the finding that the Payroll Manager’s action violated City Personnel Rules, specifically: (1) dishonesty; (2) misconduct; (3) disregard of public trust; and, (4) violation of an Administrative Directive of the City or a departmental rule or procedure, specifically the City’s *Information Security Standard*.

The Payroll Manager was placed on administrative leave from February 11, 2014 through March 21, 2014. On March 12, 2014, he submitted his letter of intent to retire, and his time was charged to vacation leave from March 24, 2014, to April 1, 2014. The retirement was effective April 2, 2014.

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If you have any questions or would like to be briefed regarding this matter, please contact me at 214-670-3222 or Amy Messer, Assistant City Auditor, at 214-670-5347.

Sincerely,

A handwritten signature in black ink that reads "Craig D. Kinton". The signature is written in a cursive, flowing style.

Craig D. Kinton  
City Auditor

C: Honorable Members of the City Council  
A.C. Gonzalez, City Manager  
Jeanne Chipperfield, Chief Financial Officer