

<b>Procedure Title:</b>	SPOTS Card Abuse or Misuse				
<b>Procedure Number:</b>	DHS-040-019-06	<b>Version:</b>	1.0	<b>Effective Date:</b>	10/01/2010

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Approved By: Director of Finance

Date Approved

## Procedure

Effectively monitoring financial transactions helps to strengthen regulatory compliance and increases the chances of preventing improper activity and detecting error, fraud, waste or abuse.

This procedure emphasizes accountability and responsibility. Its purpose is to provide reasonable assurance that errors and omissions are detected in a timely manner and that financial transactions are accurate, properly recorded and executed in accordance with applicable state laws and regulations and all relevant agency policies and procedures.

## Applicability

Managers should be aware that the greatest risk of misuse, abuse or fraud comes from errors of omission. There are occasional cases of dishonesty, but they are unusual. Any suspected dishonesty case will be handled in accordance with ORS 278, Department of Administrative Services (DAS) Risk Management Division's Employee Dishonesty Policy Manual, DAS Human Resources statewide policies, all relevant agency policies, and applicable collective bargaining agreements for represented employees.

This procedure applies to all employees. Failure to adhere to this procedure may result in disciplinary action, up to and including dismissal, personal liability and possible criminal prosecution.

Willful fraudulent use of a SPOTS card may be cause for immediate dismissal. In addition to disciplinary action taken, the employee shall immediately reimburse the agency for any inappropriate SPOTS card purchase.

The agency reserves the right to refer instances of abuse to the appropriate law enforcement agency. These referrals may include criminal prosecution for theft, abuse of public office, and violations of the Oregon Revised Statutes chapters 244, 293, and 297.

### ***Compliance is not optional.***

Step	Responsible Party	Action
1. Misuse	Cardholder, Manager, SPOTS Card Coordinator,	Cardholder misuse of the SPOTS card includes, but is not limited to: <ul style="list-style-type: none"> <li>Unintentional disregard of the signed SPOTS Purchase Card Application and Agreement, DHS</li> </ul>

	Approving Officer, Human Resources	0134; <ul style="list-style-type: none"> <li>• Unintentional inappropriate use the SPOTS card;</li> <li>• Lack of proper documentation to support SPOTS card transactions;</li> <li>• Failure to use the state price agreement;</li> <li>• Non-compliance with purchasing restrictions stipulated in relevant agency policies;</li> <li>• Failure to properly secure the SPOTS card;</li> <li>• Failure to fulfill the corrective actions required by the cardholder's manager, approving officer or designee;</li> <li>• Other action(s) taken by the cardholder that impair or jeopardize the appropriate use of the SPOTS card or purchase documentation.</li> </ul>
<b>2. Misuse —          Corrective          Actions</b>	Cardholder, Manager, SPOTS Card Coordinator, Approving Officer, Human Resources	<p>A consistent pattern of missing or untimely documentation, or inappropriate use of the SPOTS card is a serious concern. If a second instance of missing or untimely documentation or inappropriate use of the card occurs within six months the manager or approving officer shall initiate appropriate corrective actions that the employee shall be required to complete in a designated time frame. Corrective actions will include but are not limited to requiring the cardholder to:</p> <ul style="list-style-type: none"> <li>• Re-read all relevant agency policies and procedures;</li> <li>• Closely review the signed <i>SPOTS Purchase Card Application and Agreement</i>, DHS 0134;</li> <li>• Attend SPOTS card refresher training in addition to the required biennial training.</li> </ul> <p>The cardholder shall always immediately reimburse the agency for any inappropriate purchase.</p> <p>The SPOTS card will be suspended for 90 days if a third occurrence of misuse occurs within a consecutive 12- month period. The manager, purchasing officer/manager or designee shall ensure that the approving officer and SPOTS card coordinator are notified of the third occurrence.</p> <p>The SPOTS card coordinator will immediately contact the bank and request that the SPOTS card be suspended.</p> <p>A fourth occurrence of misuse, at any time, will constitute abuse and be sufficient justification to permanently cancel the SPOTS card. The manager</p>

		<p>immediately:</p> <ul style="list-style-type: none"> <li>• Require the cardholder to surrender the card for destruction;</li> <li>• Certify to the approving officer and SPOTS card coordinator that the card has been destroyed and contact the bank to cancel the card;</li> <li>• Contact Human Resources to initiate appropriate disciplinary actions.</li> </ul>
<p><b>3. Fraudulent, Abuse, Negligent Use</b></p>	<p>Cardholder, Manager, SPOTS Card Coordinator, Approving Officer, Human Resources</p>	<p>Fraudulent, abusive or negligent use of any SPOTS card is prohibited. Fraudulent, abusive or negligent use of the SPOTS card includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• Using the card for unauthorized purchases of any kind;</li> <li>• Fraudulent use of the card;</li> <li>• Fragmenting (splitting) purchases or exceeding card credit limits;</li> <li>• Use of the card by anyone other than the cardholder;</li> <li>• At any time, a fourth occurrence of cardholder misuse;</li> <li>• Directing or instructing the cardholder to purchase an item or service that is subsequently determined to be in violation of procurement laws or agency policies.</li> <li>• Anyone who directs or instructs the cardholder to purchase an item or service that is in violation of procurement laws or agency policies shall immediately reimburse the agency for the cost of the item(s) purchased, and be subject to disciplinary actions and possible criminal prosecution.</li> </ul>
<p><b>4. Corrective Action</b> — Abuse, Fraudulent, Negligent Use</p>	<p>Cardholder, Manager, SPOTS Card Coordinator, Approving Officer, Human Resources</p>	<p>SPOTS cards will be immediately suspended or canceled for abuse, or fraudulent or negligent use. The agency will pursue criminal prosecution in all instances of fraud.</p> <p>Cardholders are required to immediately contact the bank at 1-800-344-5696, their manager, and the SPOTS Card Coordinator to report a card that has been lost or compromised, or when fraud has occurred:</p> <ul style="list-style-type: none"> <li>• Request the bank to review the validity of the transactions against the account;</li> <li>• Ensure that the bank notes all non-valid</li> </ul>

		<p>transactions so that the cardholder is not liable;</p> <ul style="list-style-type: none"> <li>• Request that the bank suspend or cancel the card.</li> </ul> <p>When a manager detects or suspects abuse, or fraudulent or negligent use of the card by the cardholder or other individual, he/she shall immediately:</p> <ul style="list-style-type: none"> <li>• Require the cardholder to surrender the SPOTS card for destruction;</li> <li>• Request the approving officer and SPOTS card coordinator to contact the bank and have the card canceled or suspended;</li> <li>• Request Human Resources' assistance in pursuing the appropriate corrective or disciplinary action(s).</li> </ul> <p>The SPOTS card coordinator will immediately contact the bank to ensure that it has taken appropriate action to cancel or suspend the card.</p>
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**Policy that applies:**

- [DHS-020-001](#): Public Contracting Authority and Overview for Supplies and Services Contracts
- [DHS-040-002](#): Employee Assigned Property
- [DHS-040-019](#): Small Purchase Order Transaction System (SPOTS) Card
- [DHS-040-010](#): Delegation of Expenditure Decision Authority
- [DHS-040-006](#): Refreshment, Meals, Hospitality
- [DHS-040-013](#): Receipting of Checks and Other Negotiable Instruments
- [DHS-040-018](#): Agency Objects
- [DHS-070-014](#): IT Asset Management Policy

**Procedure(s) that apply:**

- [DHS-040-002-01](#): Employee Assigned Property
- [DHS-040-010-01](#): Exercising Expenditure Decision Authority
- [DHS-040-010-02](#): Inappropriate Actions
- [DHS-040-006-01](#): Refreshment, Meals, Hospitality
- [DHS-040-019-01](#): SPOTS Card Program Authority
- [DHS-040-019-02](#): SPOTS Card Application and Issuance
- [DHS-040-019-03](#): SPOTS Card Security
- [DHS-040-019-04](#): SPOTS Card Purchases
- [DHS-040-019-05](#): SPOTS Card Documentation Reconciliation
- [DHS-040-019-07](#): SPOTS Card Training
- [DHS-040-019-08](#): SPOTS Card Program Review and Audit
- [DHS-070-014-01](#): IT Acquisition Procedure
- [DHS-070-014-02](#): Managing IT Equipment Procedure
- [DHS-070-014-04](#): Request for Exception to 'Asset Management Policy' Procedure

**Form(s) that apply:**

DHS 0050: Employee Assigned Property Tracking Document [WORD](#)

DHS 0075: OIS IT Purchase Request [PDF WORD](#)

DHS 0114: Purchase Requisition [WORD](#)

DHS 0115A: Procurement Card Activity Log - Low Volume [EXCEL](#)

DHS 0134: SPOTS Purchase Card Application and Agreement [PDF WORD](#)

DHS 0286: Signature Authorization for Budgetary Expenditures [PDF WORD](#)

DHS 1496: Wireless Communication Device Order [PDF WORD](#)

### **Contact(s):**

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### **Procedure History:**

- **Version 1.0:**  
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### **Keywords:**

(List keywords here that might be used by someone to search for this policy on the internet)