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CITY OF OAKLAND USE OF CREDIT CARDS

INTRODUCTION

The city of Oakland has a “Purchasing Card Program” and provides city-backed credit cards to authorized employees of the city (including the mayor, members of the city council, and other elected officials) for limited work-related purchases. In 2005 the Oakland city auditor prepared an interim report expressing concern about the use of the credit cards and the potential for abuse and liability for the city, and recommended that the program be suspended for a period of time until certain controls could be implemented. The Finance and Management Agency (FMA) for the city of Oakland prepared a response to the interim report stating that while there had been some missing documentation, overall the program had been successful in facilitating certain city purchases, saving processing costs and improving purchase tracking and analysis. The city manager approved the response and forwarded it to the city council. The program therefore continued.

The grand jury reviewed activity in the credit card program. The city of Oakland provided the grand jury with credit card usage reports for the fiscal year July 1, 2006 to June 30, 2007, for all of the elected officials for the city of Oakland (mayor, city council, city attorney and city auditor) as well as for the top 25 users of the city-issued credit cards. The grand jury obtained back-up documentation for specific charges shown in these reports as well as copies of the city’s policies on usage.

CREDIT CARD PROGRAM POLICY

The credit cards issued under the program are to be used only for authorized city purchases. Each cardholder enters into a contract with the city setting forth the

cardholder's responsibilities and is required to attend training on the use of the credit card. Each supervisor of a cardholder is also required to attend training. Cardholders are required to verify monthly statements for accuracy and submit detailed receipts and all supporting paperwork (invoices, bids, travel authorizations, etc.) to their supervisor. The supervisor is then required to approve these statements for accuracy to ensure that each charge falls within city policy (e.g., required documentation is included, that charges are permissible). These statements are then submitted to the city's reconciliation administrator (an accounting employee of the FMA). The FMA employee is required by city policy to monitor the purchasing card usage, verify that all necessary documentation is attached, confirm the account coding and report any problems or discrepancies to the appropriate department or agency. It must be noted that Oakland's elected officials and the city administrator approve their own monthly statements, submitting their statements directly to FMA.

If the cardholder has either used the card for a personal expenditure or has combined allowable charges and unallowable charges on one credit card charge, the cardholder is required to reimburse the city for the amount of the personal charges when submitting the monthly statement.

The purchasing card policy provides that the following constitutes authorized expenditures:

- Travel on city business consistent with the city's travel policy
- Purchases over the internet or by telephone
- Specialty items or items needed immediately
- Emergency purchases as defined in the city's purchasing ordinance
- Fuel for rental vehicles or for city-owned vehicles when fleet refueling is not available

The travel policy permits reimbursement for the actual and necessary expenses for transportation, parking, tolls, and other reasonable incidental costs, and within maximum rates established by the city council for lodging, meals and private auto use. (“Actual and necessary expense” does not include alcoholic beverages.) Travel must be pre-approved, and an authorization form is needed for all travel of one workday or more. Transportation is to be by the most reasonable means available, and the policy specifies that whenever possible the Oakland International Airport is to be used for air travel. Actual meal expenses, within the maximum current allowable rates, may be reimbursed routinely for out-of-city travel; but for any full day out-of-city travel, the costs of meals may be reimbursed at the current daily rate without regard to how much is spent on the individual meals, and without receipts. The per diem rates are: breakfast, \$11.00; lunch, \$16.00; dinner, \$29.00. Receipts are required in most cases; but if a receipt has been lost, the cardholder must provide a statement “declaring that a good faith effort was made to produce the receipt in accordance with the [city travel policy].”

The city also utilizes its Petty Cash Reimbursement policy to establish what constitutes permissible work-related expenditures. The petty cash policy sets forth a list of “allowable reimbursements” and a list of “disallowed reimbursements.” The list of allowable reimbursements includes:

- Minor computer software and hardware
- Coffee and other light refreshments for staff and interoffice meetings, with specific authorization by the city administrator or a department/agency head
- Meals as approved by the city administrator or the director of FMA as part of a program for special training sessions, workshops, employee recognition ceremonies, and any other events pertaining to employee appreciation/participation (e.g., Combined Charities)

- Food purchases while conducting official city business (e.g., a working lunch)
- Hospitality or ceremonial gifts (e.g., a souvenir for a visiting mayor)

Disallowed reimbursements include:

- Goods readily available from department or agency or city-wide inventory
- Individual meals (i.e., meal breaks)
- Donations, raffle tickets, entertainment tickets, holiday decorations, employee parties, or other events whether sponsored by employees or not, regardless of the person(s) benefiting

In summary, the grand jury found that the city's permissible expenses are listed in three separate city policies: the purchasing card policy, the travel on city business policy, and the petty cash reimbursement policy.

INVESTIGATION

The grand jury found several problems with the city of Oakland's purchasing card program:

Failure to Comply with City Policies

The grand jury found that there was a failure to comply with city policies on multiple occasions.

- 1) Required receipts were missing. Policy requires that this not occur very often, but if it does, a statement with an explanation from the employee must be submitted. These statements were usually missing, and certain city employees were missing receipts on a regular basis.
- 2) Charges on the credit cards in violation of city policy (such as movie charges in hotel rooms or food costs in excess of per diem limits) were not

identified by either the supervisor or the FMA employee who reviewed the monthly statements.

- 3) Policy provides that most travel must be approved in advance. In most cases, this documentation was not attached to the monthly statements.

Ambiguous City Policies

Many city policies in connection with the program were weak, ineffectual, ambiguous or hard to locate.

- 1) Policies with respect to permissible credit card expenditures are not in one central policy, but in three separate city policies. For example, to determine whether some expenditures are permissible, one needs to review the petty cash reimbursement policy, even though one is not using petty cash.
- 2) Although certain staff meals are reimbursable, there are no guidelines as to when this is permissible nor are there any rules governing the cost of the meals.
- 3) There is no requirement to identify the purpose of any staff meal or who attended.
- 4) Travel guidelines (use cheaper airlines and travel from Oakland International if possible) are the only guidelines. In at least one instance, a round trip flight from the Bay Area to Los Angeles International was flown from San Francisco International on United Airlines, at a cost of over \$700.
- 5) There are no guidelines on business meals – no dollar limits and no requirement that the persons attending the meal with the credit card user be identified.
- 6) There is no clear policy regarding consequences of abuse by credit card holders.

Absence of Policy

The city of Oakland is lacking in policies in many cases.

- 1) There is no policy describing when gifts are permissible expenditures other than the example “a souvenir for a visiting mayor.”
- 2) There is no policy on electronics, such as computers and printers, purchased with the credit cards.
- 3) There is no policy on furniture purchases.
- 4) Recognition meals and gifts are frequently purchased. There is no written policy as to when this is acceptable, dollar limits, or a definition of what a recognition meal is.
- 5) There is no policy on elected officials and the city administrator obtaining approval for their expenses. Elected officials and the city administrator approve their own monthly credit card statements.
- 6) There is no policy on when it is appropriate to send flowers at city expense.
- 7) There is no policy on the purchase of holiday cards. For example, one city department head spent over \$1,900 on a one-time holiday card purchase.
- 8) There is no policy regarding consequences for those approving charges in violation of city policy.

CONCLUSION

The grand jury understands that there are benefits to the city of Oakland in utilizing credit cards to facilitate certain types of purchases. However, this is also an area that can be easily abused and needs to be watched closely. It can be noted that during the fiscal year examined by the grand jury, most members of

the city council, who can approve their own expenses, seldom used their purchase cards.

The grand jury discovered that the city's policies were insufficient and that in some cases there was no effective oversight of credit card charges. In addition, the grand jury determined, based on the shoddy and incomplete documentation submitted and accepted as the sole written support for credit card charges, it would be likely that a supervisor or the FMA employee who reviewed the monthly statements would not be able to determine whether the cardholder was abusing the credit card. Thus, opportunities for abuse abound and may not be easily detected.

The grand jury found that a number of the cardholders used their credit cards for "business lunches," many of those at upscale restaurants including Max's, Verbena, Scott's and Bay Wolf. In most instances the documentation for those lunches failed to identify the purpose of the lunch or the names of those in attendance. One elected official had over 50 business meals at city expense during one fiscal year with total charges of over \$3,000, dining mostly at the restaurants listed above. Most of the receipts lack itemization and purpose of meeting. One charge for \$150 at Max's showed \$26.89 for a tip as the only detail.

There were also numerous charges for staff meals (working meals) by many of the cardholders. Again, many of those meals were at upscale restaurants. Recognition lunches were also charged by many departments, with many of those events being held at or catered by nicer establishments and sometimes for significant amounts of money. The grand jury concluded that many of these expenditures were excessive, particularly given the absence of policies for these types of expenditures. Some cardholders even listed the meals as "holiday" events, in clear violation of city policy.

Many charges seemed inappropriate based on the documentation submitted, particularly given that city tax dollars were being expended (for example, logo

shirts for a cost to the city of \$1,745 being purchased for one department; flower purchases by numerous cardholders for various reasons; gift cards from a variety of stores; and Palm Pilot and cell phone accessories). The grand jury was left with the impression that some of the cardholders were not exercising good judgment in their choice of expenditures.

While it appeared that cardholders frequently attended conferences out of town at city expense, in most cases, the grand jury was not provided with the supporting documentation, including the justification for the travel. As noted above, the travel policies did not seem strict enough to preclude conference attendees from flying on more expensive airlines. The grand jury also was not able to determine whether the hotel charges were excessive based on the documentation provided. Personal charges did not appear to be caught in the review process. Hotel bills for one elected official were, for the most part, also lacking in detail. One trip that was detailed included \$10 for laundry. In total this official's credit card charges for the year showed over \$7,000 in travel expenses. Another cardholder, who is one of the highest paid departmental directors, had even higher travel expenses at over \$7,700. This cardholder had many charges labeled "hospitality" items. Most were for staff meetings and one, while traveling at a conference, totaled \$508.43 with no details given.

The grand jury recommends that future grand juries expand this investigation to include review of the city's travel and conference policies and related expenditures. It is the grand jury's belief that the city of Oakland is particularly generous in allowing employees to attend conferences, based on the number and amount of charges for conferences attended.

A small sampling of credit card expenses by city elected officials and employees for the 2006-2007 fiscal year follows.

FOOD/DINING EXPENSES

\$369.91	B Restaurant. Twice yearly staff luncheon.
\$43.66	Scott's restaurant. Lunch with department head (two city employees).
\$243.51	LJ Quinn's restaurant. Executive staff luncheon.
\$303.06	Max's restaurant. Lunch with city payroll staff. Entrees include steak and salmon.
\$90.52	Scott's restaurant. Lunch for two department heads. Lunch included seafood & shrimp.
\$1,253.08	Various stores. Refreshments for National Public Works week. Purchases include food, BBQ, London broil, BBQ supplies.
\$542.93	Smart & Final store. Food for Oakland's tree service department picnic. Purchases include piña coladas, tiramisu, BBQ supplies, wine coolers, serving utensils, chicken, cherries, other fruit, and beef brisket. The beef brisket cost \$71.70.
\$79.50	One lunch ticket for OAACC luncheon meeting for one employee.
\$124.05	Palomino's restaurant, San Francisco. "Business meeting." No receipt or other details provided.
\$322.00	Kuleto's restaurant, San Francisco. Reason for lunch: "meeting with OPD personnel after appearance in Federal Court to discuss next steps regarding court orders." Items ordered included calamari, salmon steak, tiramisu and crème brule.
\$92.41	Italian Colors restaurant. Reason for lunch: "Business lunch with attorney."
\$135.90	Soluna Café. Reason for lunch: "Business lunch with attorney."
\$45.75	La Farine Bakery. Food for holiday meeting. (cookies and cupcakes).
\$26.02	Saigon Restaurant. Working lunch. No notation of who or reason for lunch.
\$59.81	La Cucina restaurant. Reason listed: "pre lunch."
\$2,296.00	Lake Merritt restaurant. Staff holiday luncheon for city attorney's office.
\$187.59	Pizza for staff meeting.
\$76.47	Trader Joe's grocery store. Food for staff meeting.
\$68.27	Francesco's restaurant. Lunch for two city employees.
\$70.90	Central Park restaurant. Lunch for two city employees.
\$26.00	Marriott Hotel. Breakfast meeting.
\$30.85	Esquire Grill restaurant. Evening meeting.

FOOD/DINING EXPENSES, continued

\$53.00 \$100.00 \$70.00 \$75.00	Verbena restaurant. Multiple lunches. No indication of number of guests or reasons for lunches.
\$66.00 \$50.04 \$150.00	Max's restaurant. Multiple lunches. No indication of number of guests or reasons for lunches.
\$6.52	Coffee for one, at the airport.
\$75.03	Lunch meeting "to prepare for training." Included \$10.00 tip.
\$37.67 \$13.00	Lunch expenses "to take employee who conducted staff training to lunch."
\$16.40	Starbucks. Receipts lists items purchased as: 1 tall cider, 1 morning bun, and 1 travel mug (costing \$12.00) Reason for purchase: "Meeting."
\$75.61	Marriott restaurant. Lunch. No receipt. Reason listed: "Staff debriefing."
\$28.81	Beach Chalet Restaurant & Brewery, San Francisco. Lunch. "Board meeting."
\$43.33	Verbena restaurant. Lunch with two city employees. Included a 30% tip.
\$338.48	Lake Merritt Pizza. Hospitality for volunteers.
\$65.55	Bay Wolf restaurant. "Lunch with mayor's staff."
\$81.26	Piedmont Grocery. Hospitality. No receipt.
\$228.00	Lucky & Lucky Restaurant. "PR Committee dinner." No receipt.
\$83.11	Verbena restaurant. "Lunch for new budget director."
\$223.75	Nellie's Soul Food restaurant. "Hospitality."
\$2,796.00	Catered Holiday Lunch. Included crab cakes and chicken breasts.
\$31.00	Smart & Final store. Wine purchase.
\$23.54	Trader Joe's grocery store. Reported as "snacks for council hearing." Items purchased were: one chicken enchilada, grapefruit, nuts and cookies.
\$100.00	Max's restaurant. Staff training luncheon.
\$252.38	Jack's Bistro. Lunch meeting.
\$30.72	Max's restaurant. "Managers Lunch Meeting." Receipt showed two people, nachos with chicken, soda and seafood penne.
\$434.00	Thanh Phat restaurant. Food for "Intimate Evening Event." (no details).
\$153.49	Max's restaurant. Reported as "Refreshments for volunteers." Receipt shows: sirloin steak, corn beef Reuben, fettuccini with meatballs.

FOOD/DINING EXPENSES, continued

\$468.00 \$117.03	Genova Deli & Safeway. "All Hands" meeting expenses. (Two receipts).
\$400.00	Chen's restaurant. "Holiday Gala."
\$226.48	Joann's Soul Food Café. Staff Appreciation dinner.
\$620.96	Max's restaurant. Staff appreciation lunch (combined with holiday party).
\$291.93	Jack's Bistro. Holiday staff retreat. Items ordered included prawns, crème brule, salmon.
\$277.58	Max's restaurant. Staff lunch meeting. Items ordered included Caesar salad with shrimp.
\$384.62	Max's restaurant. Recognition meal for parking meter collection staff. Items included salmon, calamari, and sirloin steak, prawns (14 people Avg. \$27.47 per person).
\$2,165.00 \$541.25	Ribs on the Run restaurant. "All staff meeting/employee recognition event." (Two receipts).

EMPLOYEE RECOGNITION/INCENTIVES/HOSPITALITY EXPENSES

\$71.33**	Dollar Tree store. Miscellaneous supplies for holiday party for staff (candy, bonbons, loot bags, candles, photo frames, Christmas mug and paper, shirt boxes).
\$116.23**	Long's Drugs. Decorations for Employee of the year award ceremony (poinsettias and trees).
\$91.69**	Michael's Arts & Crafts store. Decorations for employee of the year ceremony (poinsettias, Christmas wrap, glitter, lights, garland).
	<i>** All three of the above purchases were made by the same employee in the same month.</i>
\$50.00	Trader Joe's grocery store. Employee of the year incentives. (Two gift cards @ \$25 each).
\$75.00	Bay Wolf restaurant. Employee of the year incentive. (One gift certificate @ \$75).
\$50.00	Regal Jack London Cinemas. Combined charities incentives. (Two gift cards @ \$25).
\$382.89	Safeway grocery store. Hospitality gift cards for employees of the year. Items purchased included 4 visa gift cards @ \$50; 3 AMEX gift cards @ \$25; and a purchase for "People's Best and Worst Dressed" magazine.
\$39.60	See's Candy. Candy for employee of the year.
\$54.38	Flowers for Employee of the year.
\$89.50	Starbucks. Reason for expense: "Conference to provide gifts."
\$750.00	Safeway grocery store. No receipt. "Revenue Department gift cards."
\$48.82	Barnes & Noble bookstore. Reported as "Revenue Department gift cards" but receipt shows two books (<i>Social Intelligence</i> @ \$24.95 and <i>Mind Set</i> @ \$19.96).
\$600.00	Lady's Catering. Oakland police staff event, "Executive Breakfast."

RETAIL EXPENSES (including electronics)

\$112.34	PalmOne store. Palm Pilot cradle kit.
\$91.35	Flowers for volunteer.
\$783.99	IKEA. Sofa for office meeting space.
\$1,999.00	365 day subscription to "shutterstock.com" (for royalty-free photographs).
\$99.99 \$82.65 \$100.00 \$154.99	Flowers for a city employee's family member (Four separate purchases for four different employee's family members).
\$98.72	Greeting cards.
\$60.00	Get well flowers.
\$29.50	Harry & Sons store. Reported as "Organic Green Tea and Kitchen Supplies." Receipt showed only 4 packs of organic green tea.
\$800.00	Chris Club, Vallejo. Juneteenth Celebration.
\$70.18	Sprint store. Cell phone charger and pouch.
\$73.58	Cingular store, San Ramon store. Case, headset.
\$89.32	Amazon.com. Bluetooth headset.
\$130.49 \$173.98 \$228.28	Circuit City. Three separate purchases for "digital recorder."
\$76.11	Heater for council office.
\$399.00	Video camera (City Attorney's Office).
\$64.79	Wireless Ground. Reported as "computer supplies." Receipt shows "3 Verizon wireless car chargers."
\$39.95	TechSmith Corp. Headphones.
\$52.85	Flash Memory store. Flash drives for cell phones.
\$68.04	Wireless Ground. Reported as "Wireless Cell Supplies" Receipt says "travel charger, 3 pack stylus pen, Monaco flip leather case @ \$29.95."
\$87.85	Treo Central store. Supplies for an elected official's TREO. (Items purchased were black case @ \$49.95 and screen protector @ \$15.95.)
\$339.00	Holiday Greeting Cards.
\$1,072.20	IKEA. Furniture for recreation centers.
\$103.68	Flowers for consulting firm.
\$1,972.00	Christmas Cards.
\$899.70	Amazon.com. 30 Kingston traveler 1GB flash drives (\$29.99 each).
\$77.94	Pottery Barn store, Walnut Creek. 4 mugs/creamer set for hospitality of the Oakland library.
\$1,457.00	Toshiba laptop. Costs included 2 day air shipping.
\$1,592.00	Toshiba laptop. (Same credit card as above, different day.)
\$1,087.00	Home Theatre projector.
\$1,185.00	USB drives.
\$573.00	26-inch LCD flatscreen TV.

RETAIL EXPENSES (including electronics), continued

\$76.08 \$108.74 \$163.11	Office Depot. Office supplies. Three separate purchases. No receipt for any purchase.
\$220.00 \$80.00	Efax.com. Paid computer fax service. \$80.00 in service fees, \$10 each.
\$1,987.49	Best Buy. Home theatre projector.
\$76.09	IKEA. Office lighting (3 lights).
\$1,592.38	Toshiba. Toshiba Satellite Pro laptop.
\$1,185.27	Best Buy. USB drives for ITD (26 @ \$45 per drive).
\$172.40	The Great Frame Up store. Reported as "supplies." Receipt says, "One picture frame with matting."
\$184.80	Best Buy. Reported as "computer supplies." Receipt says: "Mini travel drives and flash drives."
\$237.29	Fry's Electronics store. Computer supplies. No description.
\$45.98	Palm Store. City cell phone accessory. No receipt.
\$137.10	One leather cell phone case.

TRAVEL/CONFERENCES EXPENSES

\$1,034.00	Seattle hotel. Included \$101 room service charges. No notation as to how many days.
\$940.00	Conference registration, Las Vegas, one employee.
\$1,427.12	Four nights at a Las Vegas hotel, one room, two people (room charges: \$1169.96; Room service: \$337.15).
\$995.00 \$995.00 \$895.00	Conference registration, Las Vegas, three employees, same city department.
\$1,333.76	Mirage Hotel, Las Vegas. Three nights, two guests, one room. (\$1054.03 room charges; \$38.00 mini bar charges; \$210.10 room service food; \$26.00 tips). No receipts or reimbursements provided to the city.
\$1,012.48	Shingle Creek Resort & Golf Club, Orlando, Florida. One guest, four nights.
\$855.41	Fountainbleu Resort, Miami, conference.
\$29.97	Gas for Miami rental car.
\$802.92	W Hotel, New York City, conference.
\$2,387.88	Las Vegas, hotel and airfare, conference (total includes \$109.08 in hotel telephone charges and \$51.98 in other charges, unlisted).
\$541.40	Rental car at a training seminar in Alabama.
\$807.69	Rental van at a conference in Boston.
\$242.26	Dinner while at the Boston conference (no details).
\$156.90	Dinner while at Boston conference (no details).
\$562.89	Rental car while at a Seattle conference.

TRAVEL/CONFERENCES EXPENSES, continued

\$1,118.26	Conference, Seattle.
\$926.00	Hotel bill included \$150.00 in room service charges.
\$1,393.83	Hotel bill included \$113 parking for a rental car.
\$508.43	Hospitality meal at a conference. No explanation or receipts.

MISCELLANEOUS EXPENSES

\$45.49	De Young Museum, San Francisco. Three calendars.
\$344.50	Park rental fee, East Bay Regional Park for summer community picnic.
\$65.20	Condolence flowers "for a constituent."
\$64.49	Walgreen's. Cleaning supplies for office (no detailed receipt).
\$45.58	Barnes & Noble bookstore. Books for staff (no details or receipt).
\$8,303.95	Randolph Rose Collection. Sculptures/artwork for various recreation centers. Receipt shows a balance due of \$5,803.95, paid \$2,500.00 for four sculptures from a New York artist.
\$195.64	Track Meet Expenses. Sports Authority, supplies.
\$218.37	Round Table Pizza, food for track meet.
\$428.61	Albertsons grocery store, lunch for staff volunteers at track meet.
\$48.94	JMiller, flowers for track meet commissioner.
\$45.00	Parking at Oakland airport while city employees attend
\$95.00	conferences.
\$30.41	Home Depot, holiday decorations.
\$46.76	Flowers for new city department director.
\$392.00	Janitorial supplies. No receipt.
\$157.70	Ten copies of the book "Freakonomics," a book about the hidden cost of things.
\$1,189.33	Home Depot, Joann Fabrics, and Markus Hardware: "Exhibit Supplies" for library. No details or receipts of items purchased.
\$220.00	Piedmont Party Rentals, rental of two canopy tents.
\$320.00	Facilities rental, off site meeting.
\$2,652.32	Office furniture for reception area.
\$338.90	Holiday cards (150 cards).
\$200.00	Waterfront Plaza Hotel, conference room rentals (two rooms on
\$242.35	separate days).
\$71.33	Flowers for newly hired city department director, from another city director, with a card that read: "You Go Girl!"
\$376.29	World Market store. "Fake trees for cultural arts event."
\$268.61	
\$268.61	
\$573.24	Costco, TV for main office, Park & Recreation. (26 inch LCD HDTV).
\$1,745.05	Promotion shirts with city logo for Department of Information Technology staff. No details of how many or cost. Partial order shows 4 shirts @ \$12.50 each.

The grand jury was appalled by the city of Oakland's use of taxpayer funds for the questionable expenditures uncovered during this investigation. The current credit card program invites abuse due to its weak construction, bad policies and poor supervision. The grand jury strongly encourages further scrutiny of the city of Oakland's credit card usage and policies.

RECOMMENDATIONS

Recommendation 08-01:

The city of Oakland prohibit the use of city funds (by credit card charges or reimbursement) for working lunches, holiday parties and decorations, and for the purchase of holiday greeting cards.

Recommendation 08-02:

The city of Oakland restrict the use of credit cards for the purchase of electronics or furniture to situations where inventory control measures are in place, ensuring that items purchased are identified and tracked.

Recommendation 08-03:

The city of Oakland create a single document stating all policies on credit card usage.

Recommendation 08-04:

The city of Oakland revise its description of permissible work-related expenditures and authorized expenditures for credit cards, providing specific guidance to credit card users as to the categories of permissible usage; required approvals; and the dollar limits applicable to any such category, including the categories of hospitality for ceremonial gifts, employee recognition ceremonies, events pertaining to employee appreciation, and the purchase of flowers.

Recommendation 08-05:

The city of Oakland require that credit card users provide on their monthly statements specific, complete descriptions of the business purpose of the charge and detailed documentation to support credit card charges setting forth each item purchased, including detailed food and restaurant receipts listing items ordered.

Recommendation 08-06:

The city of Oakland require that the documentation for any business meal charged on a city credit card provide information as to who attended the meal and the specific business reason for the meal.

Recommendation 08-07:

The city of Oakland require a detailed statement of charges from cardholders who lose their receipts, listing each individual item purchased, including written validation of the cardholders “good faith” attempt to produce the receipt.

Recommendation 08-08:

The city of Oakland create a policy that provides that any cardholder who repeatedly violates the credit card policy forfeit the credit card.

Recommendation 08-09:

The city of Oakland impose sanctions on employees who review and approve credit card charges in violation of policy.

Recommendation 08-10:

The city of Oakland provide annual training for all credit card holders on all existing and new policies.

Recommendation 08-11:

The city of Oakland provide annual training for all employees who review or approve credit card expenses on all existing and new policies.

Recommendation 08-12:

The city of Oakland require that the city auditor review and approve the monthly credit card usage statements (with supporting documentation) of elected officials and the city administrator.

Recommendation 08-13:

The city of Oakland require the city auditor or an outside auditor annually audit the city's credit card usage.

RESPONSES REQUIRED

Oakland City Administrator

Recommendations 08-01 through 08-13

Mayor, City of Oakland

Recommendations 08-01 through 08-13

Oakland City Council

Recommendations 08-01 through 08-13

SALARY AND BENEFITS OF BOARDS AND COMMISSIONS
IN ALAMEDA COUNTY

The grand jury examined remuneration paid to members of boards and commissions in Alameda County. The grand jury found a wide range of compensation policies. Some boards and commissions do not pay any stipends or offer any benefits, some offer modest stipends, and a few offer lifetime benefits and somewhat higher remuneration.

There are five boards that offer lifetime benefits: Bay Area Rapid Transit (BART), Hayward Park & Recreation, Dublin San Ramon Services District, Union City Sanitary District, and Ohlone College. Not all members of these boards are eligible for these benefits. Length of service was a determining factor. Generally, the benefits included group health, dental, vision and life insurance policies at employee cost.

School boards generally offer health, vision and dental benefits as well as a stipend for meetings. These stipends range from a low of \$240 per month to a high of \$1,500 per month, depending on district size. Some districts pay their board members no stipend at all.

Other boards also provide health, vision and dental benefits. The Berkeley Rent Board also provides a partially subsidized monthly membership to the YMCA (75% of the monthly fee).

Although the grand jury has no formal recommendation, it is hoped this inquiry will encourage a review of these boards and commissions to determine if the level of remuneration provided to its members is in the best interest of the taxpayers and commensurate with the services provided.

RESPONSES REQUIRED: *None*