

Memorandum

To: Board of Finance
Board of Representatives

From: Fred Flynn, Director of Administration

Date: April 26, 2010

Re: **Notification of the Purchase of Emergency Services**

Pursuant to the City of Stamford Purchasing Ordinance Section 23-18.3 Waivers of competitive bid process or proposal process; subsection A.1. Critical Emergency Purchases; please accept this notification of the emergency purchase of forensic auditing services. During the week of April 5th, it was brought to my attention, by the City Controller, Lisa Reynolds and City OPM Director, Peter Privitera, that possible fraudulent activity occurred in the area of employee tuition reimbursement by an employee in the Human Resources Department. Upon further investigation, it appears fraudulent activities have also taken place in employee medical reimbursement accounts and employee purchase of pension benefits. As Director of Administration, it is my responsibility to assess the potential City loss immediately and provide data and documentation to our law enforcement and prosecutorial personnel to support their case. In addition, this immediate action will assist us in determining the scope of the fraud as we prepare our documentation for submission to our insurance providers. This immediate action is necessary; therefore the time frame involved for a formal solicitation of services was not an option.

Cc: Mayor Pavia
Peter Privitera, OPM Director/ Purchasing Agent

