

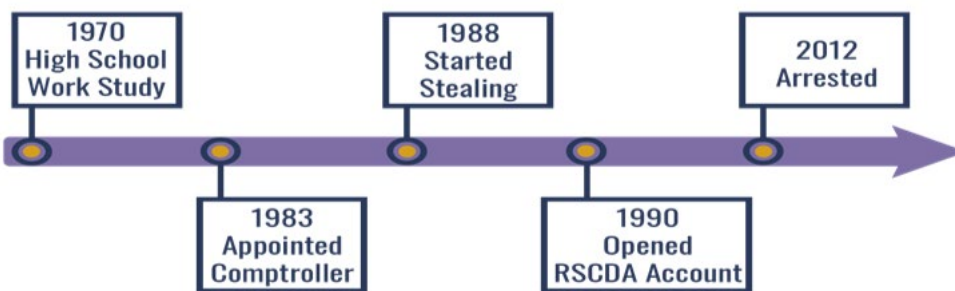
WHEN ALL ELSE FAILS, LEAD: Dixon's Rise Following the \$54 Million Crundwell Embezzlement

Presented at the 2019 Illinois LEAP Conference in St. Charles, Illinois

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(Ret.) CHIEF OF POLICE – Dixon Police Department

Dixon Finance Department (April 2012)

Who is Rita Crundwell???



\$54 Million Theft

FBI Raids City Hall

Leadership in Times of Crisis: Restoring Trust & Confidence

Community Reaction

City Team Reaction

City Council Reaction

Leading in Crisis (Community)

- Establish Command
 - Select the "Face"
 - Speak with "One Voice"
 - Clearly define leadership team
- Establish Communication Plan and Strategy
 - Communicate with emotion to connect to community and team
 - Transparency with facts
 - Ensure full investigation / accountability

- Outline plan to move forward, even if preliminary
- Continuous proactive communication
- Provide a Platform for People's Concerns to be Heard

Creating the Path Forward

- Demonstrate Visible Signs of Change
 - City Council Meetings
 - Agenda Format
 - Physical location / involvement of paid Leadership staff at Council Meetings
 - Supplemental agenda
 - Update on progress from last Council meeting
 - Staff leadership updates
 - Assignment of New Leadership Team
 - Proactive Public Relations Messages
- Communicate High Level Plan
 - Commitment to full transparency
 - Fully cooperate with FBI investigation
 - Research every possibility to recover stolen money
 - Professionalize every aspect of City government

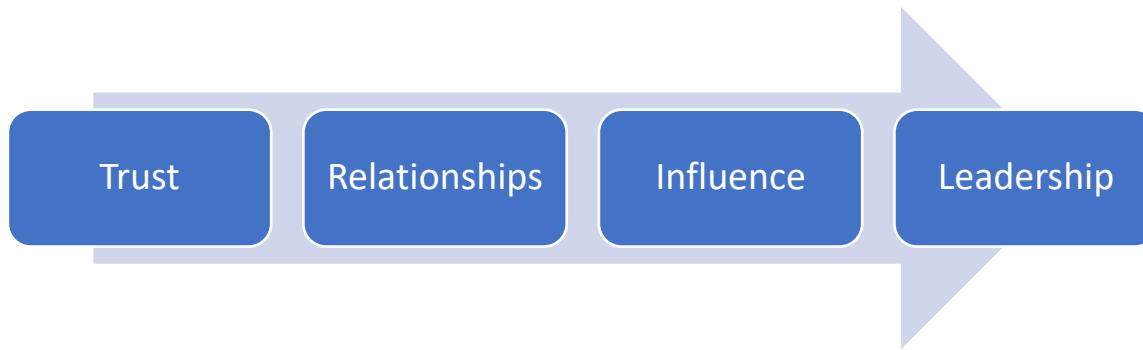
Immediate Actions

- Hire Consultant to Fully Examine Finance Department
- Hire Security Firm to Conduct Full Analysis of IT System / Security
- Establish Citizen Task Force to Study Form of Government
- Hire Human Resources Consultant
- Examine need for City Administrator
- Develop Transparency / Public Relations Initiative
 - Mayor report at Council Meetings
 - Proactive progress stories with media
 - Website update / sharing of information
- Create Plan to Restore Trust and Confidence of City Team

Creating "ownership"

Laws of Leadership

Leadership = Influence

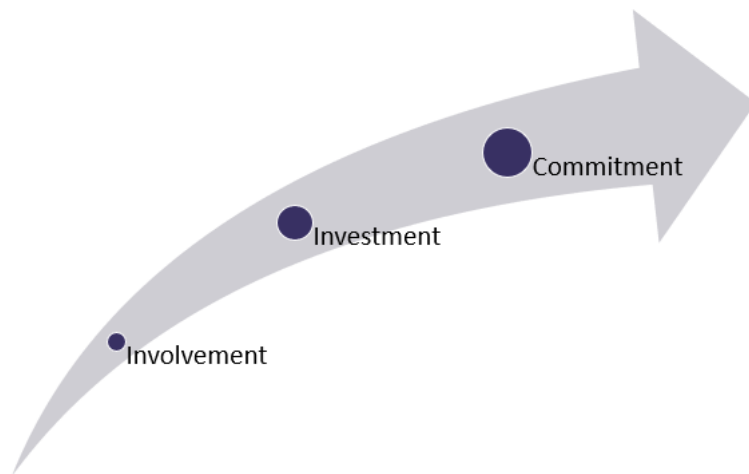


- Leadership is about service, not power and control.
- Emotions are contagious.
- Your team members are your gold.
- Seek first to understand, then be understood.
- People don't care how much you know until they know how much you care.
- Connect team members "purpose" to the "mission" and "purpose" of the organization.
- Proactive communication is essential to success.
- People respect what is hard.

Leadership Mindset

- The team is always first.
- The power of "We".
- Success is because of your team, failures are owned by the leader.
- Solutions not problems approach.
- Courage over comfort.
- The more difficult the situation, the farther you have to lean in.
- Challenge = Opportunity.
- The obstacle is the way.
- Never "Why me?", Always "Try me!"

Creating “Ownership”, Empowering “Champions”



Commitment to Excellence

1. Create new leadership team
2. Create positive, results-oriented culture
3. High levels of employee engagement
4. High level results



8 Characteristics of Great Teams

1. Sense of purpose
2. Open communication
3. Trust and mutual respect
4. Shared leadership
5. Culture of change
6. Building on differences
7. Flexibility and adaptability
8. Continuous learning

Employee Engagement

The extent to which team members feel connected to their job, are committed to the goals and values of the organization, and are willing to give passionate, discretionary effort.

Factors Impacting "Employee Engagement"

Leadership

- Clear mission & vision
- Clear expectations
- Training and resources
- Opportunity to improve skills
- Opportunity to do best every day
- Challenging assignments
- Well informed

- Recognition
- Meaningful feedback
- Preparation for career advancement

Front Line Supervisor

- Consistency
- Cares about team members
- Responds effectively to conflict
- Useful feedback on performance
- Provides tools for success
- Good management skills
- Support & encouragement
- Respect team member & values
- Policies applied fairly
- Work distributed equitably

What “Employee Engagement” Looks Like...

- Positive attitudes & behaviors
- Feeling of pride & loyalty
- Advocate for organization
- Willing to go extra mile
- Willing to be innovative & take risks
- A deep sense of commitment to the organization
- Ownership

Organizational Impact

- Strong and authentic values
- High levels of trust and respect
- High levels of customer service
- High levels of teamwork and cooperation
- Innovative & progressive
- High levels of performance

City Team Leadership Strategies

Leading in Crisis (City Team)

- Clear Leadership
- Restore Trust and Confidence
- Re-create Feeling of Safety and Security
- Open / Honest Communication (Share Facts as Known)
- Connect with Emotion, but Provide Confidence and Hope
 - Do not sugar coat how bad it is
 - Show you are human

- Outline course for moving ahead with positivity and optimism
- Share the Plan
- Understanding Impact “Boot on the Ground”

City Team Leadership Strategies

- Create a Feeling of “One” Team
 - Connect through common emotion
 - We are all in this together
 - We have your back
- Create a Specific Mental Focus
 - Stay positive, hold head high
 - Create forward-looking mindset of hope and optimism
 - The “Team” is essential to beat this
 - Set expectation that recovery will take time
- Communicate, Communicate, Communicate
- Involve Department Leaders / Team Members in Rebuilding Plan
- Empowering Action / Trust Results / Develop New Skills

Deceit and Deception

The Discovery

Professionalizing Every Aspect of City Government

- Create new finance department
- Transparency project
- Governmental task force
- Public relations initiative
- Recover stolen \$\$\$
- Creation of city administrator
- HR overhaul
- Strategic plan
- City projects

Dixon Recovers \$40 Million in Out-of-Court Settlement

Should this have been detected??

Accounting Firm (Audit)

- ID Fraud / Misconduct
- Verify Capital Assets / Projects
- Examine Bills
- Confirm Projects w/ Staff
- Confirm Projects w/ Vendors
- Examine Council Minutes

- On-site Examination
- ID Red Flag Items

Bank

- Require Proper Documentation (Business / Gov't Accounts)
- Improper Negotiation of Checks to "Treasurer"
- Other Industry Standard Safe Guards
 - Monitor same day deposits and withdrawals
 - Monitor expenses not in-line with business purpose

FBI Asset Recovery

Aftershocks

- City Manager Form of Government
- New City Council Elected
- Council Hires New City Manager
- Dixon Stalls
- New Leadership Team Created

Dixon's Rise

Major Projects

- \$4.6 Million Downtown Streetscape Renovation
- \$4 Million River Street / Bike Path Infrastructure Project
- Creation of New City Leadership Team
- Creation of "City Hall Team"
- \$1 Million Savings in Insurance
- 3 Year, \$7 Million Street Improvement Project
- Multi-Year \$3 Million Water Infrastructure Project
- 5 Year Rolling Capital Plan
- Library Revitalization
- City Hall Remodel
- Downtown Business Revitalization
- Viaduct Point Riverfront Project
- USEPA / ILEPA Brownsfield
- ITEP Grant
- "Dement Town" Business District Revitalization
- I-88 Economic Development Project
- #DixonStrong Leadership Team
- Water Wonderland
- Water Meter Project

Kathe Swanson Honored....

Association of Certified Fraud Examiners (ACFE) Sentinel Award

Contact Information

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