
SUBJECT: FRAUD PREVENTION AND INVESTIGATION

ADOPTED DATE: AUGUST 6, 2012

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Fraud Prevention and Investigation

This County-wide fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Cass County.

Cass County is committed to the highest standards of moral and ethical behavior by its employees, appointed, and elected officials. The purpose of this policy is to prohibit dishonest and/or fraudulent activity and to establish procedures for reporting fraudulent activities. Fraud is herein defined as the use of dishonesty, deception, or false representation in order to gain a material advantage or to injure the interest of others.

This policy applies to any fraud, or suspected fraud, involving employees, elected and appointed officials, as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the County. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the County.

All employees and elected officials of Cass County are responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to the County Administrator, who coordinates all investigations with the law enforcement, legal counsel and other affected areas, both internal and external. If suspected fraudulent activity involves the County Administrator, the report must be brought to the attention of the County Auditor. The Auditor and/or Chair of the Commission Board shall coordinate the investigation until the matter is resolved.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the County
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the County (exception: gifts less than \$50 in value)
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any similar or related inappropriate conduct

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OTHER INAPPROPRIATE CONDUCT

Any other suspected improprieties concerning an employee's or official's moral, ethical, or behavioral conduct, should be brought to the attention of the County Administrator. If there is any question as to whether an action constitutes fraud, contact your supervisor or the County Administrator for guidance.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will *contact the County Administrator immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the County Administrator or Cass County State's Attorney. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

CONFIDENTIALITY

The County Administrator shall treat all information received *confidentially* to the extent possible within the constraints of the law. Any employee who suspects dishonest or fraudulent activity will notify the County Administrator immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (refer to **REPORTING PROCEDURES** section above). Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the County from potential civil liability.

INVESTIGATION RESPONSIBILITIES

The Cass County Administrator, with the assistance of the Cass County Sheriff and the Cass County State's Attorney as appropriate, has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred the Administrator will issue reports to the appropriate Department Head and, if appropriate, to the Cass County Board of Commissioners. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the County Commission.

HISTORICAL REFERENCE DATE: AUGUST 6, 2012