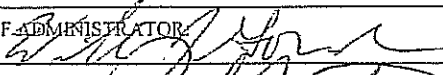





TEHAMA COUNTY
ADMINISTRATIVE POLICIES AND PROCEDURES

TITLE: FRAUD AND DEBARMENT POLICY	POLICY/PROCEDURE #204
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APPROVED BY:	CHIEF ADMINISTRATOR: 	DATE: 2/28/12
	BOS CHAIRPERSON: 	DATE: FEB 28 2012
RESOLUTION #	ORDINANCE #	EFFECTIVE DATE: 3/1/12
SECTION: 2	LABEL: Administration	REVISION:
RESOURCE: Julie Sisneros		
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Description:

This document establishes Tehama County's Fraud and Debarment policy.

Purpose:

In the spirit of sound and principled governance, the Tehama County Board of Supervisors believes that the ethical conduct of those in public service is of utmost importance. All Tehama County employees, administrators, elected officials, and individuals engaged in business with the County are expected to adhere to high ethical standards; therefore, fraudulent behavior by any of these parties will not be tolerated. This policy is set forth by the Board in order to delineate the controls that are intended to aid in the detection, reporting, and prevention of fraud in Tehama County government, and to ensure that only those who adhere to these high standards may do business with Tehama County.

Applicability:

This policy applies to any fraud, or suspected fraud, involving employees, administrators or elected officials, as well as volunteers, consultants, vendors, contractors, outside agencies, or any other parties having a business relationship with Tehama County. This policy does not supersede any County-wide or departmental policy applicable to specific types of fraud or otherwise addressing reporting or confidentiality obligations. All applicable policies must be followed.

Definition(s):

Fraud is defined in this policy as a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit.

A. Policy:

All employees, administrators, and elected officials share in the responsibility for the detection, reporting, and prevention of fraud in the County; these same parties also share the responsibility for setting a tone of intolerance for fraudulent acts by complying with all laws, rules, regulations, and policies. Likewise, employees, administrators, and elected officials should be aware of the types of fraud that could occur within their area of responsibility and should be alert for any indication of fraud. Any party who has a reasonable basis for believing a fraudulent act has occurred or is occurring has a responsibility to notify the appropriate authority.

B. Actions Constituting Fraud:

As used in this policy, the term "fraud" includes, but is not limited to, the following:

- i. Any fraudulent act, or any dishonest act where it is intended or reasonably foreseeable that such act may result in material gain to the employee or a third party;
- ii. Forgery or alteration of any document, warrant, or check;
- iii. Misappropriation or misuse of funds, securities, supplies, county procurement cards, or other assets;
- iv. Impropriety in the handling or reporting of money or financial transactions;
- v. Authorizing or receiving payment for goods not received or services not performed;
- vi. Disclosing confidential information to unauthorized parties where it is intended or reasonably foreseeable that such disclosure may result in material gain to the employee or a third party;
- vii. Accepting or seeking anything of material value from vendors, contractors, or other persons providing services or materials to the County where communication is made that a payment or donation is required in order to do business with the County;
- viii. Unauthorized destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment where it is intended or reasonably foreseeable that such disclosure may result in material gain to the employee or a third party;
- ix. Authorizing or knowingly receiving compensation for hours not worked exclusive of payroll errors not known or discovered by the recipient employee;
- x. Any similar or related inappropriate conduct.

C. Other Inappropriate Conduct:

Suspected improprieties concerning an employee's conduct, other than fraud as defined in this policy, that are properly subject to the County's oversight should be resolved by departmental management and Personnel, rather than the Auditor-Controller. If there is a question as to whether an action constitutes fraud, contact the Auditor-Controller for guidance.

D. Fraud Reporting Procedures:

- i. Any Tehama County employee, administrator, or elected official who has a reasonable basis for suspecting that a fraudulent act has occurred or is occurring shall notify the Auditor-Controller, unless the suspected fraud involves a member of the Auditor-Controller's office, in which case the Chief Administrator shall be notified. Such notifications may be made anonymously.
- ii. Great care must be taken in the investigation of suspected fraudulent activity so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.
- iii. Persons reporting suspected fraudulent activity should be informed of the following:
 - a. Do not contact the suspected individual in an effort to determine facts, demand restitution, impose a penalty, or to threaten, coerce, or discipline the individual.

- b. Do not discuss any aspect of suspected fraudulent activity with anyone unless specifically asked to do so by the designated fraud investigator.
- c. The proper response to an inquiry concerning an incident of suspected fraud from an individual other than the designated fraud investigator is 'I am not at liberty to discuss the matter.'
- iv. While finding and preventing fraud is of foremost importance, employees, administrators, elected officials, and any party that has a business relationship with the County must also be protected from baseless or malicious accusations. Therefore, it shall also be a violation of this policy for any individual to make a false allegation of fraudulent activity against another with knowledge that it was false or with reckless disregard of whether it was false or not. Any party found to have made such an allegation will be subject to disciplinary action.

E. Fraud Investigation Procedures:

The Auditor-Controller has primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy, except for suspected fraud involving members of the Auditor-Controller's office, provided that the Auditor-Controller shall coordinate the direction of any investigations with County Counsel to ensure that all appropriate privileges are maintained. The Auditor-Controller may contact other individuals, such as the Chief Administrator, the Personnel Director, etc., as deemed appropriate to establish a team to investigate suspected fraudulent activity.

For incidents of suspected fraud involving members of the Auditor-Controller's Office, the Chief Administrator shall assume primary responsibility for any investigation.

Members of the investigation team will have free and unrestricted access to all County records and premises and will also have the authority to examine, copy, and/or remove all or any portion of the contents of County-owned computers, files, desks, cabinets, or other facilities, except where prohibited by law. Unless otherwise prohibited by law, members of the investigation team may exercise the foregoing authority without obtaining the consent of any individual who may use or have custody of any such County property when it is within the scope of their investigation.

After completing the investigation, members of the investigation team will detail their findings in a report and will deliver this report to the Chief Administrator and County Counsel.

The internal fraud investigation provided for under this Policy shall be separate from any law enforcement investigation related to the same allegations. Nothing in this policy shall be construed to prevent any County employee or contractor from cooperating with any law enforcement investigation.

Decisions to refer the internal investigation results to the appropriate law enforcement agency will be made in conjunction with the Chief Administrator and County Counsel.

F. Confidentiality:

All participants in a fraud investigation shall keep the details of the investigation confidential. Investigations are conducted under the joint direction of County Counsel, and are subject to the attorney-client and work product privileges. Investigation results will not be discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the County from potential civil liability. Nothing in this Policy shall be construed to prevent any

County employee or contractor from complying with any mandatory reporting law, cooperating with any official investigation conducted by a government agency, or otherwise exercising any "whistleblowing" rights provided under applicable law.

G. Fraud Sanctions:

- i. *Employees and Administrators*
 - a. Employees and administrators suspected of fraud may be placed on administrative leave during the course of any investigation in accordance with policies set by Personnel. If any individual is found to have committed a fraudulent act as defined by this policy, the individual will be subject to disciplinary action up to and including termination.
 - b. Employees and administrators found to have knowingly failed to report suspected fraudulent activity will be subject to disciplinary action up to and including termination.
 - c. The decision whether to impose disciplinary action will be made by the department head, who may consult County Counsel, the Personnel Director, or other parties deemed appropriate. If the department head is found to have committed a fraudulent act, the decision whether to impose disciplinary action will be made by the Board of Supervisors. The same parties shall also decide the specific form any such disciplinary action takes.
- ii. *Consultants, Vendors, Contractors, Outside Agencies, or any other Party having a Business Relationship with Tehama County*
 - a. Parties having a business relationship with the County that are found to have participated in fraudulent activity as defined by this policy will be subject to having the relationship reviewed; consequences could include modification or termination of the relationship. If such action is warranted, County Counsel and other appropriate offices will be consulted prior to any action being taken. Civil action may be taken against such parties, or the matter may be reported to the criminal investigating and prosecuting authorities, as appropriate.

H. Debarment Policy:

In order to promote integrity in the procurement of goods and services and to protect the public interest, it shall be the policy of the Tehama County Board of Supervisors to prohibit any party or entity listed in the Excluded Parties List System (EPLS) from participating in any contract, agreement, or other business relationship with Tehama County. The EPLS is maintained by the General Services Agency of the United States Government. Further, any party or entity debarred by the California Division of Labor Standards Enforcement or the California Division of Apprenticeship Standards is similarly prohibited from participating in any contract, agreement, or other business relationship with Tehama County.

Bargaining Unit Employees:

If a conflict exists between this policy and the express provisions of a Memorandum of Understanding (MOU) between the County and a recognized employee organization, the language in the MOU prevails with regard to employees in the bargaining unit represented by that employee organization.

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ACKNOWLEDGMENT OF RECEIPT, REVIEW AND UNDERSTANDING OF POLICY:

I, _____ [PRINT NAME], understand and acknowledge that I have reviewed a copy of the Tehama County Fraud and Debarment Policy. I further understand that any violation thereof may result in disciplinary action up to and including termination.

DATE: _____

EMPLOYEE: _____

COUNTY DEPT.: _____

SIGNATURE: _____

To be completed and returned to the Personnel Office.

