

FILLMORE CITY ANTI-FRAUD POLICY

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ARTICLE I. PURPOSE

This policy addresses the responsibility of employees for detecting and reporting fraud or suspected fraud.

ARTICLE II. POLICY

It is the policy of Fillmore City to identify and promptly investigate any possibility of fraudulent or related dishonest activities against Fillmore City and, when merited, to pursue legal remedies available under the law.

Fillmore City will take appropriate disciplinary and legal actions against employees to include the possibility of termination of employment, restitution, and criminal prosecution.

This policy will clarify acts that are considered to be fraudulent, and describe the steps to be taken when fraud or other related dishonest activities are suspected.

ARTICLE III. DEFINITIONS

A. Fraud: Dishonest or fraudulent activities include, but are not limited to, the following:

- (1) Forgery or alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.)
- (2) Misrepresentation of information on documents.
- (3) Misappropriations of funds, securities, supplies, or any other assets.
- (4) Theft, disappearance, or destruction of any asset.
- (5) Improprieties in the handling or reporting of money transactions.
- (6) Authorizing or receiving payments for goods not received or services not performed.
- (7) Authorizing or receiving payment for hours not worked.

- (8) Any apparent violation of federal, state, or local laws related to dishonest activities or fraud.
- (9) Any similar or related activity.

B. Employee: In this context, the word employee refers to any employee or official either full or part time who receives compensation. The term also includes any volunteer who provides services to Fillmore City.

C. Management: In this context, the word management is plural and refers to any administrator, supervisor, manager, or other individual who is responsible for management of city resources, property, projects, or personnel.

ARTICLE IV. MANAGEMENT RESPONSIBILITY

A. Management is responsible for detecting fraudulent or related dishonest activities in their areas of responsibility. Managers should be familiar with the types of improprieties that might occur and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in their area. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.

B. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor and the city recorder. The city recorder will consult with the supervisor and report to the mayor. The mayor and city recorder may initiate an internal audit and investigation, conduct interviews or interrogations. All findings will be documented. The mayor will involve the city attorney and law enforcement if circumstances merit legal action and prosecution of offenders. All desks, computers, and personal storage areas are open to inspection when there is reasonable suspicion of a dishonest or fraudulent activity which makes such inspection appropriate. During an investigation there is no assumption of privacy. Every effort should be made to effect recovery of Fillmore City losses.

C. Great care must be taken in the dealing with suspected dishonest or fraudulent activities to avoid incorrect accusations, alerting suspected individuals that an investigation is underway, and treating employees unfairly.

D. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.