

Policy for Fraudulent Or Unethical Behavior

City of Bell
POLICY FOR FRAUDULENT OR UNETHICAL BEHAVIOR

PURPOSE

The City of Bell is committed to the highest standards of moral and ethical behavior by its employees, including management, elected officials, volunteers, vendors and contractors, so as to strengthen the public's trust in the integrity of our municipal government. This policy establishes responsibilities and procedures for reporting, investigating and resolving suspected acts of fraud, waste, abuse and ethical misconduct. It provides a structure that will encourage the reporting of any suspicions of violations of this Policy and will ensure that employees are able to discuss their concerns in a secure and confidential environment.

SCOPE

This Policy is applicable to all City of Bell employees, elected officials, and volunteers, as well as outside consultants, contractors and vendors who have a business relationship with the City.

POLICY

It is the City of Bell's policy to fully investigate any suspected acts of fraud, theft, abuse, waste or unethical behavior in an impartial manner, regardless of the suspected wrongdoer's position, tenure in service or relationship to the City.

Any violation of this Policy that is detected or suspected by City of Bell employees, elected officials, volunteers as well as outside consultants, contractors and vendors, who have a business relationship with the City, must be reported immediately to the City Manager or the Anti-Fraud Committee as outlined in the Responsibilities and Procedures section of this policy. The Anti-Fraud Committee will determine who will investigate the suspected fraudulent activity in accordance with this Policy.

Any employee found to have violated this Policy will be subject to disciplinary action up to and including dismissal and/or prosecution by the appropriate authorities. Elected officials, volunteers and others having a business relationship with the City may be subject to sanctions or prosecution by the appropriate authorities.

The City intends to pursue every reasonable legal remedy when a violation has occurred and to obtain recovery of City any losses from the offender, including when appropriate, notifications of bonding company, court ordered restitution, or to other available remedies.

Article 1.0

Definitions of Fraud

Fraud: An intentional illegal use of City assets by any act including, but not limited to, theft, embezzlement or misrepresentation. Fraud is designed to obtain a benefit or advantage or cause some benefit that is due to be denied. Examples include, but are not limited to:

- Forgery or alteration of a check, document, or account belonging to the City
- Misappropriation of city funds, securities, supplies, or property
- Unauthorized personal use of city equipment and supplies
- Personal use of credit cards
- Profiteering as a result of insider knowledge
- Theft of cash, checks, property or credit cards
- Falsifying records such as timecards, expense reports or official documents
- Willful destruction of City property
- Employee with access to confidential information who sells this information for personal gain or discloses information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the City of City job applicants.

Waste: The expenditure or allocation of resources significantly in excess of need. Examples include, but are not limited to:

- Unauthorized use or misuse of city facilities, equipment or vehicles
- Falsifying time worked or leave taken or on a timesheet
- Retaining ineligible dependents on health care coverage
- Unnecessary incurring of costs as a result of inefficient or negligent practices, systems or controls.

Abuse of Position:

- Obtaining a benefit or service from the city which one does not qualify

- Providing a benefit or service to someone for which they do not qualify
- Unauthorized reductions in fees and fines
- Suspending or terminating enforcement action based on a personal relationship
- Bid-fixing

Ethical Misconduct: Individuals, who conduct their official duties in a manner which is not impartial, use their position for personal gain, or fail to properly disclose an actual or potential conflict of interest. See the City's standard of Conduct and Code of Ethics for details. Examples include, but are not limited to:

- Authorize contracts in violation of municipal purchasing laws
- Failure to disclose an actual or potential conflict of interest
- Accepting gifts prohibited by ethics of interest

Job Application Fraud: Individuals, who knowingly provide false information on job applications.

Procedures

Each employee is required to report any suspected or detected violation of this Policy regarding fraud, theft, waste, abuse or other unethical or dishonest conduct. An employee may choose to report immediately the suspicion and/or detection to their department manager, who in turn must immediately report the information to the City Manager or the Anti-Fraud Committee. If the employee is not comfortable reporting directly to their department manager, the employee may immediately report their suspicion directly to the City Manager, Anti-Fraud Committee or Human Resources Analyst. Suspected fraudulent activity and/or violations of this Policy involving the City Manager's Office must be reported to the Anti-Fraud Committee immediately.

The employee reporting suspected violations of this policy and/or fraudulent activity may choose to identify themselves or to remain anonymous. The identity of an employee or complainant who reports suspected fraudulent activity will be protected to the fullest extent possible, but the City cannot guarantee confidentiality. It is the City's intent to protect an employee who discloses information of suspected fraudulent activity from retaliatory actions by other individuals. Retaliation against an employee or other person who reports a detected or suspected violation of this Policy is strictly prohibited. Any employee who retaliates against a person for reporting a detected or suspected violation of this Policy will be subject to discipline up to and including termination of employment.

In all cases, the reporting employee must provide enough detail about the activity to aid in the investigation. All employees, including management employees, will cooperate with the Anti-Fraud Committee and investigators and will not by any means personally

investigate the suspected fraud, or contact the suspected individual in an effort to determine facts or demand restitution.

Article 2.0

Anti-Fraud Committee/Human Resources

The City's Anti-Fraud Committee will be comprised of the City Manager, Human Resources Analyst and Chief of Police. The Committee will appoint the investigator and oversee and coordinate all actions taken during the course of the investigation. The investigator will have unlimited and unattended access to all relevant City files at all times in order to facilitate investigative work as permitted by City policy and state and federal law.

Great care must be taken in the investigation of suspected fraudulent activity to avoid mistaken accusation or alerting suspected individuals that an investigation is under way or making any statement which could provide a basis for a suit for false accusation or other offenses.

The Committee will evaluate the extent of any potential criminal activity, including consulting the City Attorney's Office if needed. If any potential prosecutable criminal activity exists, the Police Department or other appropriate law enforcement agency will be notified and conduct the investigation. The Committee will assist with the investigation if law enforcement requests such assistance. In every case, the City will cooperate fully with the investigating and prosecuting authorities. If no potentially prosecutable criminal activity exists, the City Manager will conduct the investigation with the assistance of other appropriate City officials.

If fraudulent activity is detected or reasonably suspected of the City Attorney or City Manager, the City Manager will apprise the Mayor and Council of the investigation and update them on progress as is deemed appropriate.

In cases where the suspected fraudulent activity involves the offices of the City Manager or City Attorney, the Committee will determine the investigation process and assign an investigator. The City Manager or City Attorney will be apprised of the investigation and updated on progress as is deemed appropriate by the investigator.

The City Manager may notify the Mayor and Council of a reported allegation of fraudulent activity upon the start of the investigation to the extent practical. The Mayor and Council will be apprised of the progress of the investigation as deemed appropriate by the City Manager. At the conclusion of the investigation, a confidential report will be issued and distributed to the Mayor, City Council, City Manager and City Attorney. After

their review, a copy of the report will be provided to the appropriate department head and the Human Resources Analyst:

Article 3.0

Disciplinary Action

If a suspected or detected violation of this policy is substantiated by an investigation, the City will take the appropriate action in conformance with City personnel policies and procedures, and union contracts, if applicable.

Violations of the City's Fraud Policy will result in disciplinary actions up to and including immediate dismissal. Examples of violations of this policy which can lead to disciplinary action up to and including dismissal include but are not limited to an employee who:

- Commits an act of fraud, theft, abuse, waste or other unethical behavior as defined by this policy.
- Suspects, discovers or has knowledge of fraudulent activity that violates or potentially violates this policy and fails to report the information as required by this policy; or
- Retaliates against or penalizes any individual for reporting or cooperating in the investigation or prosecution of fraudulent activity.

Article 4.0

Distribution

All City employees, volunteers and elected officials will be given a copy of this Policy. All newly hired employees and appointed volunteers will be provided a copy as part of orientation and required to provide a written acknowledgement upon receipt of the Policy that will be retained by the Human Resources Analyst.

ACKNOWLEDGEMENT OF RECEIPT OF CITY OF BELL FRAUD POLICY

I hereby acknowledge the receipt of a copy of the City of Bell Fraud Policy. I agree to read and familiarize myself with the contents and I understand I will be responsible for adhering to this Policy. I agree to abide by the City of Bell rules and procedures as outlined in this Policy.

Signature

Date

Printed Name

Relationship to the City
(Employee/Volunteer/Elected)