

# **Fraud Policy**

(Effective December 13, 2012)

## **1. PURPOSE**

The County of Augusta recognizes the importance of protecting the organization, taxpayers, employees and assets against financial risks, operational breaches and unethical activities. A fraud policy formalizes the expectations of personal honesty and integrity required of County officials and employees. This policy prohibits fraud or misuse of the County's assets and sets forth specific guidelines and responsibilities, including appropriate actions, that must be followed for the investigation of fraud and other similar irregularities.

The goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

## **2. PROHIBITED ACTS**

Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to the advantage or disadvantage of a person or entity. Examples of fraud include, but are not limited to:

1. Embezzlement, bribery or conspiracy.
2. Misappropriation, misapplication, destruction, removal, or concealment of County property.
3. Alteration or falsification of documents.
4. Theft of any asset (money, tangible property, etc.).
5. Authorizing or receiving compensation for goods not received or services not performed.
6. Authorizing or receiving compensation for hours not worked.
7. Misrepresentation of fact.
8. Failure to account for monies collected.
9. Knowingly providing false information on a job application.

## **3. PREVENTION**

Each department will maintain an internal control environment to protect the department and the County from loss or other damages as a result of a fraudulent act.

All new full time, temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and duration of employment. The County may also verify all applicants' employment history, education and personal references prior to making an offer of employment. New employees will receive this policy as part of their orientation.

## **4. REPORTING OF FRAUD**

Allegations and concerns about fraudulent or corrupt activity may come from various sources including employees, vendors, members of the public, results of internal or external audit reviews, or from other interested parties.

All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor or any other party with any associations with the County. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately.

The County of Augusta has adopted a zero tolerance policy regarding fraud. Any evidence supporting fraud, theft or embezzlement of County assets and equipment may be subject to the following actions including but not limited to: suspension, termination, restitution, and criminal charges. Any County employee who is aware of fraud being committed against the County by anyone shall report such activity to at least two of the following departments or individuals: the Sheriff's Department, Commonwealth's Attorney and/or County Administrator.

All reports will be taken seriously and will be investigated by internal staff and/or legal counsel as appointed by the Board of Supervisors or County Administrator. The County will cooperate with the appropriate law enforcement agency if deemed necessary. The Auditor of Public Accounts shall be notified of fraudulent reports in accordance with Code of Virginia, Section 30-138. The County's financial auditors should also be notified. Fraudulent activities that result in disciplinary action will be reported to the Board of Supervisors.

## **5. FALSE ALLEGATIONS**

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

## **6. CORRECTIVE ACTIONS AND DISCIPLINE**

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. These remedial actions may include, but are not limited to:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.
5. Offenders at all levels of the employment will be treated equally regardless of their position or years of service with the County.
6. Determinations will be made based on a finding of facts in each case, actual or potential damage to the County, cooperation by the offender and legal requirements.
7. The County of Augusta may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from fraudulent conduct.

## **7. CONFIDENTIALITY**

All investigations will be conducted in confidence insofar as reasonably possible. The names or names of those communicating information about a fraudulent act or the name or names of those suspected of a fraudulent act will only be revealed when required by law in conjunction with the investigation or legal action.