

## Anti-Fraud Policy

## Section 1.2

### PURPOSE

To provide guidance for the reporting and investigation of fraud.

### POLICY

It is the City's policy to promptly investigate any reported or identified fraudulent activity against the City and take appropriate action(s), including the pursuit of legal remedies available under the law.

This policy is established to ensure employees are aware of the following:

- (1) types of acts considered to be fraudulent;
- (2) procedures for reporting suspected fraudulent acts;
- (3) steps to be taken when fraud, misconduct, or other related dishonest activities are suspected; and
- (4) what can be expected after such an act is reported.

This policy delineates management's responsibility for instituting and maintaining a system of internal controls to prevent and detect fraud, misappropriation of city resources and other irregularities, and/or misconduct. This policy applies to all employees, interns, consultants, contractors, volunteers, vendors, grantees, residents and any other entities conducting business with the City.

Fraud or misconduct (acts or omissions) include but are not limited to:

1. Forgery or the unauthorized use or alteration of documents such as identification cards, badges, checks, promissory notes, time sheets, independent contractor agreements, purchase orders, invoices, receipts, petty cash documents or budgets, etc.
2. Embezzlement, theft or the misappropriation of City assets, including but limited to, money, City-issued credit cards, purchasing cards, securities, supplies, furniture, equipment, etc.)
3. Misappropriation of monetary funds and/or improprieties in the handling or reporting of money or accounting transactions.
4. Authorizing or receiving payment for goods not received or services not performed.
5. Profiteering, seeking or accepting anything of material value from those doing business or soliciting business with the City including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is defined by the *Political Reform Act of 1974 (Government Code §82000 et seq.)*, and the *Fair Political Practices Commission Regulations implementing the Act (2 Cal. Code of Regs. §18100 et seq.)*, and any amendments to the Act or regulations.
6. Claims for reimbursement of expenses that are not job-related or authorized by the current administrative policy.
7. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of City-owned software.
8. Willful misrepresentation or providing false statements/certifications on any documents, reports, forms or claims.
9. Any willful violation of Federal, State or local laws, including but not limited to *Government Code §1090*.
10. Unlawfully disclosing confidential or proprietary information.

### Internal Procedures for Reporting Fraud:

If an employee, or intern, becomes aware of fraudulent acts as outlined in this policy, the employee is required to report such acts immediately to any of the following:

1. Immediate Supervisor
2. Department Director

3. Human Resources Director
4. City Manager

Employees may report fraud or misconduct anonymously by submitting a claim through email at [notifyelmonte@elmonteca.gov](mailto:notifyelmonte@elmonteca.gov) or via telephone at 626.580.2041.

The City shall thoroughly investigate any credible or substantiated acts of fraud, misappropriation of City resources, or other similar conduct.

Supervisors should exercise discretion and judgement in the administration of this policy and procedures and represent the best interests of the City.

### **External Procedures for Reporting Fraud**

If a consultant, contractor, vendor, grantee, resident or any other entity (non-employee) conducting business with the City is aware of fraudulent acts as outlined in this policy, the non-employee should contact submit a complaint via [notifyelmonte@elmonteca.gov](mailto:notifyelmonte@elmonteca.gov) or via telephone at 626.580.2041.

The named individual(s) may be asked to complete a complaint form (written statement), and to testify in court, if necessary. Anonymous complaints will be investigated and filed for record keeping.

The City shall thoroughly investigate all credible acts of fraud, misappropriation of City resources, or other similar conduct.

### **Non-Retaliation**

Under no circumstances shall an employee who reports in good faith any information concerning suspected fraud, misappropriation of City resources, or other similar conduct be subject to retaliation, harassment or discrimination by the City.

### **Investigation**

The City maintains the responsibility to investigate all credible reports and suspected activity involving fraud, misappropriation of City resources, or other similar conduct as outlined in this Policy. An independent investigator may be retained to conduct the investigation. Investigation results will be discussed with the HR/RM Team, unless a conflict of interest precludes such discussion. A determination shall be made by the HR/RM Team for submission to the appropriate law enforcement agency for further investigation, if necessary.

### **Communication and Training:**

The City recognizes that the continued success of its *Anti-Fraud Policy* and the credibility of the process depends largely on effectively communicating this policy to employees and providing fraud awareness training to its employees.

The HR/RM Department is responsible for the coordination and communication of the *Anti-Fraud Policy* to employees. Fraud awareness training conducted by the HR/RM Department shall cover expectations for all employees regarding:

- Employees' duty to communicate fraudulent activity;
- A list of types of fraud, including actual or suspected fraud along with examples;
- How employees are to communicate suspected fraud; and
- Implications for those employees making false or frivolous fraud allegations about another employee.

**OPERATIONAL PROCEDURE**

**Employees**

Complete employee complaint form

**Non-Employees**

Complete complaint form

For additional information see *Compliance Hotline Policy*