

2.17 ANTI-FRAUD

Policy Introduction

The Austin County Commissioners Court has established an anti-fraud policy to enforce controls and to aid in the prevention and detection of fraud, theft, waste, or abuse against the county. This policy applies to any fraud, theft, waste, or abuse or suspected fraud, theft, waste, or abuse involving an employee, elected official, department head, consultant, vendor, contractor, outside agency, or person doing business with the county or in any other relationship with the county.

Austin County does not tolerate any type of fraud, theft, waste or abuse. The county's policy is to promote consistent, legal, and ethical organizational behavior by:

- assigning responsibility for REPORTING fraud, theft, waste or abuse;
- providing guidelines to conduct investigations of suspected fraudulent behavior;
- may require each employee to attend an annual fraud awareness training.

Failure to comply with this policy subjects an employee to disciplinary action, including immediate termination. Failure to comply by a consultant, vendor, contractor, outside agency, or person doing business with the county or in any other relationship with the county could result in cancellation of the business or other relationship between the entity and the county.

Austin County will pursue prosecution if the results of an investigation indicate the possibility of criminal activity.

For purposes of this policy only, the term *fraud* or *fraudulent* includes theft, waste, and abuse as defined below.

Definitions

Fraud is defined as an intentional deception designed to obtain a benefit or advantage or to cause some benefit that is due to be denied.

Waste is the loss or misuse of county resources that results from deficient practices, system controls, or decisions.

Abuse is the intentional, wrongful, or improper use of resources or misuse of rank, position, or authority that causes the loss or misuse of resources, such as tools, vehicles, computers, copy machines, etc.

Theft is defined as the act of taking something from someone unlawfully.

Responsibility to Report Suspected Fraud

Each employee, elected official and department head is required to report any suspected fraud, theft, waste or abuse or other dishonest conduct to their supervisor or the Austin County Criminal District Attorney.

Elected Officials and Department Heads do not have the authority to determine the merits of a report of suspected fraud. The Austin County Criminal District Attorney makes this determination.

The identity of an employee or complainant who reports suspected fraud will be protected to the full extent allowed by law.

Suspected improprieties and/or misconduct concerning an employee's ethical conduct should be reported to the Austin County Criminal District Attorney. Note that there are many instances of prohibited actions that do not rise to the level of fraud.

Guidelines for Handling a Report of Suspected Fraud, Theft, Waste, or Abuse

The REPORTING individual should receive the following instructions and information:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Allow the appropriate law enforcement agency to conduct the investigation. Do not further investigate the allegations.
- Observe strict confidentiality. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Austin County Criminal District Attorney.
- Retaliation will not be tolerated. The county will not tolerate any form of retaliation against individuals providing information concerning fraud or suspected fraud.
- Every effort will be made to protect the rights and the reputations of everyone involved, including the individual who in good faith alleges perceived misconduct as well as the alleged violator(s).
- The identity of an employee or other individual who reports a suspected act of fraud will be protected as provided by this policy.

Responsibility of Austin County Criminal District Attorney

On receiving a report of suspected fraud, the Austin County Criminal District Attorney, as in any criminal matter, shall refer the matter to the proper investigative agency.

The Elected Officials or Department Heads are responsible for REPORTING confirmed fraud to the retained outside Auditor.

Guidelines for the Investigation of Suspected Fraud

The Austin County Criminal District Attorney is responsible for the prosecution of suspected fraud.

Any inquiries from the suspected individual, his or her attorney/representative, or any other inquirer shall be directed to the Austin County Criminal District Attorney.

Disciplinary Action

Failure to comply with any part of this policy is grounds for disciplinary action, including immediate termination.

An employee who:

- has engaged in any form of fraud, theft, waste, or abuse;
- suspects or discovers fraudulent activity and fails to report his or her suspicions as required by this policy or
- intentionally reports false or misleading information is subject to disciplinary action, including termination.

Fraud Awareness Training

Each employee is required to attend at least one session of Fraud Awareness Training. After attending the training, the employee must sign a form indicating that they have attended the training and understood its content.