



Fraud, Misconduct and Dishonesty Policy

Background

This fraud policy was established in 2006 to facilitate the development of controls which will aid in the detection and prevention of fraud against Grayson County. It is the intent of Grayson County to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy

This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Grayson County (also called the County). Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the County.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to the Chief Deputy at the Sheriff's Office, who will coordinate any investigations with the District Attorney's Office, Auditor's Office, and other affected areas, both internal and external.

Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the County
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of County activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the County
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct, should be resolved by departmental management and Human Resources rather than the Sheriff's Office. If there is any question as to whether an action constitutes fraud, contact the Sheriff's Office for guidance.

Investigation Responsibilities

The Sheriff's Office has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Sheriff's Office will file a criminal case with the appropriate agency. Decisions to prosecute will be made on completion of the criminal investigation.

Confidentiality

The Sheriff's Office treats all information received *confidentially*. Any employee who suspects dishonest or fraudulent activity will notify the Chief Deputy at the Sheriff's Office immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see REPORTING PROCEDURE section below). Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the County from potential civil liability.

Authorization for Investigating Fraud

Members of the Sheriff's Office will have:

- Free and unrestricted access to all County records and **SUSPECTED** premises, whether owned or rented; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will *contact the Chief Deputy at the Sheriff's Office immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Chief Deputy at the Sheriff's Office. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." *Under no circumstances* should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the District Attorney or Sheriff's Office.

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the District Attorney and, if necessary, by outside counsel, before any such action is taken. The Sheriff's Office or District Attorney does not have the authority to terminate an employee outside of their own department. The decision to terminate an employee is made by the employee's management.

Administration

The Commissioner's Court is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed periodically and revised as needed.