

EL DORADO COUNTY FIRE PROTECTION DISTRICT
STANDARD OPERATING GUIDELINE

ARTICLE 2: ADMINISTRATIVE POLICIES

EFFECTIVE DATE: 03-08-2006

SECTION 29: FRAUD CONTROL

REVISED: 02-20-2020

2.29.1 DEFINITION:

The fraud policy is established to facilitate the development of controls, which will aid in the detection and prevention of fraud against El Dorado County Fire Protection District. It is the intent to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

2.29.2 SCOPE:

This policy applies to any fraud, or suspected fraud, involving Board of Directors, employees, volunteers, or outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Fire District.

2.29.3 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. Staff and Board of Directors will be familiar with the types of improprieties that might occur and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Fire Chief and/or the Chairman of the Board, who coordinates all investigations with Legal Council and other affected areas, both internal and external.

2.29.4 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 Fire District
- 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

2.29.5 ACTIONS CONSTITUTING FRAUD:

- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors vendors or persons providing services/materials to El Dorado County Fire District
- Destruction, removal or inappropriate use of records, furniture, fixtures and equipment; and/or
- Any similar or related inappropriate conduct

2.29.6 INVESTIGATION RESPONSIBILITIES:

The Fire Chief 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 Fire Chief will issue reports to the Board of Directors.

Decisions to persecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel, as will final decisions on disposition of the case.

2.29.7 CONFIDENTIALITY:

The Fire District treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Fire Chief and/or the Chairman of the Board 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 by subsequently found innocent or wrongful conduct and to protect the Fire District.

2.29.8 AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD:

MEMBERS OF THE Investigation Unit will have:

- Free and unrestricted access to all records and premises, AND
- The authority to examine and copy any portion of the contents of files, desks, cabinets, computers, 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 of facilities when it is within the scope of the investigation

2.29.9 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 Fire Chief 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 Legal Counsel. No information concerning the status of an investigation will be given out.

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 required by legal counsel of the Fire District.

2.29.10 ADMINISTRATION

The Fire District is responsible for the administration, revision, interpretation, and application of the policy.