

**CITY OF DELTONA
FRAUD POLICY**

EFFECTIVE DATE	POLICY NUMBER	PAGE NUMBER	SUPERSEDES POLICY
4/16/07	CW07-01	1 of 3	Dated: N/A
Subject: Fraud Policy		Approved by: _____/s/ <i>Steven T. Thompson</i> City Manager _____ 03/29/07 Date	

Introduction

City of Deltona (the City) recognizes the importance of protecting the organization, its operations, its employees and its assets against financial risks, operational breaches and unethical activities. It is the intent of the City to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Therefore, it is incumbent upon City of Deltona's Commissioners, Mayor, City Manager, and management to institute and clearly communicate the fraud prevention policy to both internal and external customers, contractors, agencies, consultants, vendors and/or any other parties with a business relationship with the City.

The City recognizes a zero tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated.

This policy covers all the City's employees and officers. Additionally, this policy covers all the City's vendors, customers and partners to the extent that any the City's resources are involved or impacted.

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. Some examples of fraud include but not limited to:

- Falsification of expenses and invoices
- Theft of cash or fixed assets
- Alteration or falsification of records
- Failure to account for monies collected
- Knowingly providing false information on job applications and requests for funding

Corruption is defined as the offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include but not limited to:

- Bribery
- Conspiracy
- Extortion

Each department's manager/supervisor will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alerted for any indication of irregularities.

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Reporting of Fraud or Corruption

Allegations and concerns about fraudulent or corrupt activity may come from various sources including but not limited to:

- Employees
- Vendors
- Members of the public
- Results of internal or external audit reviews
- Any other interested parties

The public, employees and officers have a duty to report concerns they may have or any information provided to them about possible fraudulent or corrupt activity of any officer, employee, vendor or any other party with any association with the City. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately. This information may be reported anonymously and all messages will be forwarded to the City Manager.

Concerns should be reported to any of the following:

- Internal Control technician at (386) 878-8559
- City Manager
- The employee's immediate supervisor
- Any Director
- Any Commissioner
- Mayor

All reported concerns of possible fraudulent or corrupt actions will be forwarded to City Manager. These reports will be taken seriously and the City Manager will designate appropriate personnel to do the investigation. If deemed necessary, the City Manager will notify and fully cooperate with the appropriate law enforcement agency. All findings of fraudulent or corrupt activities that result in disciplinary action will be reported to the Human Resources.

Retaliation and retribution will not be tolerated against any employee or officer who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee will be subject to disciplinary action.

No attempt should be made by anyone other than those authorized, to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

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 City from potential civil liability.

Those authorized in the investigation will have unrestricted access to all City records and premises, whether owned or rented.

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Deterring Fraud and Corruption

City of Deltona has established internal controls, policies and procedures in an effort to deter, prevent and detect fraud and corruption.

All new employees, plus temporary and contract employees, are subject to background investigations including a criminal background check. The City will also verify all applicants' employment history, education and personal references prior to making an offer of employment.

DemandStar maintains vendor listing for the City. All vendors, contractors and suppliers must be active, in good standing and authorized to transact business in the City. The City then checks for business licenses, insurance, etc.

All contractual agreements with the City will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption. Bid packages have a statement requiring non-collusion.

New employees will receive a copy of the fraud policy as part of orientation at the commencement of employment.

Corrective Action

Offenders at all levels of the Organization will be treated equally regardless of their position, years of service, or relationship with the City. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Organization, cooperation by the offender and legal requirements.

Depending upon the seriousness of the offense and the facts of each individual case, action against an employee can range from written reprimand, up to and including termination, and/or legal action – either civil or criminal. In all cases involving monetary losses to the City, the City will pursue recovery of losses.

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 Legal Department and, if necessary, by outside counsel, before any such action is taken. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be reviewed by the City Manager.

The City Manager is responsible for the administration, revision, interpretation, and application of this policy.