

ANTRIM COUNTY FRAUD AND FINANCIAL CONDUCT POLICY

SECTION I - BACKGROUND

The County Fraud Policy is established to facilitate the development of controls, which will aid in the detection and prevention of fraud and improper financial conduct. It is the intent of Antrim County ("County") to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

SECTION II - SCOPE OF POLICY

This Policy is directed towards any fraud, theft, or suspected fraud/ theft, and any improper financial conduct involving employees and persons having business with the County, including, but not limited to, visitors of the County facilities, consultants, vendors, contractors, outside agencies doing business with the County or its departments, and/or any other parties with a business relationship with Antrim 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.

SECTION III - POLICY

Elected Officials, Department Heads and supervisors are responsible for the detection and prevention of fraud, theft, misappropriations, and other inappropriate financial conduct. Each Elected Official, Department Head and supervisor shall be familiar with the types of financial improprieties that might occur within his or her department or area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the County Administrator. The County Administrator will coordinate all investigations with legal counsel

and, if deemed appropriate, the Prosecuting Attorney. If upon initial investigation there is a suspicion of criminal fraudulent activity, it must be reported immediately to the Prosecuting Attorney, who shall determine the appropriate action, including contacting law enforcement agencies for a criminal investigation.

SECTION IV - ACTIONS CONSTITUTING FRAUD AND IMPROPER FINANCIAL CONDUCT

Acts of fraud shall include any diversion, misapplication, misappropriation, misuse, or theft of funds and other fiscal misconduct or wrongdoings set forth below, but is not limited to:

- A. Any dishonest or fraudulent act.
- B. Forgery or alteration of any document owned or in the possession of the County or concerning any account belonging to or in the name of the County.
- C. Forgery or alteration of a check, bank draft, bank statements, records or any other financial document in the possession of or belonging to the County.
- D. Misappropriation of funds, securities, supplies or other assets of the County.
- E. Impropriety in the handling or reporting of money or financial transactions.
- F. Profiting, financial gain or any other advantage stemming from the knowledge of any type of nonpublic information, and/or from information that rises out of or is gained by employment with the County.
- G. Disclosing confidential, proprietary or personal information to outside parties, unless permitted by law.
- H. Disclosure of social security numbers, unless permitted by law.
- I. Disclosing securities activities engaged in or contemplated by the County to other persons, unless permitted by law.

- J. Accepting or seeking anything of material value from contractors, vendors, suppliers, or persons seeking to provide services and materials to the County.
- K. Destruction, removal or inappropriate use of records, furniture, fixtures and equipment or any other County property.
- L. Any violation of state law or federal law which imposes a standard, duty or standard of conduct concerning any financial matter, or other matters related to and arising out of employment by the County.
- M. Any violation of state law or federal law committed in the performance of employee's duties that relates to theft, deceit or fraud in the broadest meaning of those terms.
- N. Any similar or related inappropriate conduct.

The above list is not intended to be all inclusive of improper conduct.

SECTION V - OTHER INAPPROPRIATE CONDUCT

Inappropriate and noncriminal conduct listed below may be resolved by the Department Head and the County Administrator, and if necessary, in accordance with any collective bargaining agreement:

- A. Any non-criminal failure to follow state law in the handling and accounting of any County money or money being provided to the County.
- B. Any non-criminal failure to follow established County and/or a departmental policy in the handling, accounting, or receipting of any money or property.
- C. Any non-criminal failure to properly dispose of County property, or property that is in the possession of the County, in accordance with State law and/or County or departmental policy.

Such other inappropriate conduct beyond what is set-forth in this policy shall be resolved by the Department Head, supervisor, and the County Administrator, and if necessary, in accordance with any collective bargaining agreement.

If there is any question as to whether an action constitutes fraud, the Department Head shall contact the County Administrator for guidance.

SECTION VI - INVESTIGATION RESPONSIBILITIES

The County Administrator shall have the primary responsibility to conduct the initial investigation of all suspected activity under Section IV above, except in matters arising from activities of the County Administrator or employees of that office.

The Department Head, supervisor and employees shall fully assist the County Administrator as requested and directed by the County Administrator. If the initial investigation shows that fraudulent activities may have occurred, the County Administrator shall immediately contact the Chairs of the Board and Finance Committee and provide an oral report. The County Administrator shall then forthwith prepare a confidential report to the Chairs of the Board and Finance Committee and such other chair of such other committee as may be deemed appropriate.

If the allegation of wrongdoing is made against the County Administrator, an Elected Official (except the Prosecuting Attorney) or a member of the Board of Commissioners, the Department Head or an employee shall report such suspicion to the Prosecuting Attorney/County Civil Legal Counsel. In such case, civil legal counsel and/or the Prosecuting Attorney shall have primary responsibility to coordinate the investigation and may request the County Administrator to provide assistance.

An allegation of wrongdoing made against the Prosecuting Attorney shall be reported to the County Administrator or Chair of the Board of Commissioners.

The term "County Administrator" in this policy shall be deemed to include civil legal counsel and/or the Prosecuting Attorney in such cases when civil legal counsel or the Prosecuting Attorney has primary responsibility of the investigation.

Decisions to prosecute or refer the examination and investigation results to the appropriate law enforcement and/or regulatory agencies for independent criminal investigation will be made in conjunction with Legal Counsel and the Board Chair or designated committee. Notwithstanding any determination as to how to handle the matter administratively, nothing in this policy shall be deemed to control the constitutional and statutory duties of the Prosecuting Attorney in the exercise of his/her discretion as to whether to authorize criminal charges.

SECTION VII - CONFIDENTIALITY

The County Administrator shall treat all information received confidentially, unless required by law to disclose such information, and until such time as disclosure is required to take administrative or corrective action.

An employee who suspects dishonest or fraudulent activity as set-forth in this policy **shall** immediately notify the County Administrator or Prosecutor as the case may be. Employees shall not personally attempt to conduct investigations or interviews/interrogations related to any suspected fraudulent act (see SECTION IX - REPORTING PROCEDURES below).

Nothing in this policy shall affect or interfere with an Elected Official's performance of their constitutional and statutory duties. However, as a co-employer with the County, the Elected Official shall report to the County Administrator any suspicion of an employee within their department who is or may be in violation of this policy and shall work and assist the County Administrator in such investigation.

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 conduct a proper investigation and not release information concerning the reporting of what may be improper activities.

SECTION VIII - AUTHORIZATION FOR INVESTIGATING

The County Administrator, his/her designee, the Prosecuting Attorney, his/her designee and/or, if necessary, law enforcement shall have:

- Free and unrestricted access to all County records and 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.
- In the case of records of an Elected Official, original records shall not be removed from their control without the consent of the Elected Official and/or as permitted by law, upon order of a court or by search warrant, however, copies may be made of such original records without cost.

SECTION IX - REPORTING REQUIREMENTS AND PROCEDURES

Care must be taken in the initial investigation of suspected improprieties or wrongdoings to avoid mistaken accusations or possibly alerting suspected individuals that an investigation is under way.

Department Heads, Elected Officials, supervisors, and employees who know of, discover, or suspect fraudulent activity ***shall immediately report such information to the County Administrator or Prosecuting Attorney, as the case may be.*** The failure to report may result in disciplinary action up to and including termination.

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 County Administrator or Legal Counsel.

A reporting employee and supervisor may remain confidential if such request is made.

Such request of confidentiality shall be honored until such time as disclosure is necessary in the investigation, court proceeding, disciplinary action, or is required by law. Nothing in this policy shall prevent an employee from anonymously reporting suspected activity.

All inquiries or questions concerning the existence or status of an investigation into suspected fraudulent activity/violation of this policy, whether made by a co-employee, the individual suspected of wrongdoing, their attorneys or representatives, the media, or any other person, shall be directed to the County Administrator or Legal Counsel (Prosecuting Attorney). All information and disclosure concerning the existence or status of an investigation shall be made only by the County Administrator or Legal Counsel (Prosecuting Attorney). However, an Elected Official may respond to inquiries and/or make statements or comments concerning investigation pertaining to his or her office or may refer inquires to the County Administrator or Legal Counsel (Prosecuting Attorney).

As co-employers, Elected Officials are encouraged to coordinate release of any information, disclosures or media releases with the County Administrator and the County's Legal Counsel.

The proper response to any such inquiry is: "I'm sorry, but County policy does not permit me to discuss this matter. You will need to contact the County Administrator or Legal Counsel."

Under NO circumstances should any reference be made to “the allegation”, “the crime”, “the fraud”, “the forgery”, “the misappropriation”, or any other specific reference.

SECTION X – DISCIPLINE/TERMINATION

If an investigation results in a recommendation to terminate an individual, and/or referral for criminal prosecution, the recommendation will be reviewed for approval by the designated representatives from the County Administrator’s office and Legal Counsel and, if necessary, by outside counsel, before any such action is taken.

The decision by a Department Head to discipline an employee subject to a collective bargaining agreement is to be made in accordance with the collective bargaining agreement and should be made in consultation with the County Administrator.

Elected Officials may take such disciplinary action or may terminate employment as permitted by law and/or as allowed under the collective bargaining agreement. As co-employers, Elected Officials are encouraged to coordinate and consult with the County Administrator.

Should the County Administrator or Legal Counsel believe, after consultation with the Department Head, that the Department Head’s decision is inappropriate or in violation of the collective bargaining agreement, the matter shall be presented to the Administration Committee.

Should the County Administrator or Legal Counsel believe, after consultation with the Elected Official, that his or her decision was in violation of state law, or in violation of the collective bargaining agreement; the matter shall be referred to the Administration Committee for additional consultation with the Elected Official. After such consultation, the County, as a co-employer may, in accordance with a collective bargaining agreement, take action so long as such action does not infringe upon the statutory and constitutional duties and responsibilities related to the Elected Official’s office, nor infringe upon his or her statutory and constitutional conferred powers related to employment of staff.

Nothing in this policy shall be deemed to be in conflict or limit the rights provided to an employee under the Whistle-Blowers' Protection Act MCL 15.361 *et seq.*

SECTION XI - ADMINISTRATION

The County Administrator is responsible for the administration, revision, interpretation and application of this Policy. The Policy will be reviewed annually and revised as needed. However, the failure to review the Policy annually shall not affect the validation of this Policy.

Nothing in this policy shall infringe upon statutory and constitutional duties and responsibilities related to an Elected Official, nor infringe upon his or her statutory and constitutionally conferred powers related to employment of staff.

ANTRIM COUNTY FRAUD POLICY

ACKNOWLEDGEMENT

I have read and understand the Antrim County Fraud Policy.

Signature

Printed Name

Date: _____