

Plumas County Community Development Commission & Housing Authority

Fraud, Waste, and Abuse Policy

PURPOSE

PCCDC expects its employees to strive for excellence in public service as well as maintain the highest standards of ethics and integrity. To help achieve this vision, this policy has been developed to reinforce PCCDC's commitment to preventing and detecting fraud, waste, and abuse. The policy also defines what constitutes fraud, waste, and abuse and outlines expectations and procedures all employees must follow when fraud, waste or abuse is suspected.

SCOPE

This policy applies to all PCCDC employees.

DEFINITIONS OF FRAUD, WASTE, AND ABUSE FOR PURPOSES OF THIS POLICY

- **Fraud** is a type of **illegal act** involving the obtaining of something of value through willful misrepresentation. Whether an act is, in fact, fraud is a determination to be made through the judicial or other adjudicative system.
- **Waste** occurs if the taxpayer does not receive reasonable value for his or her taxes in connection with any government funded activity due to an inappropriate act or omission of a PCCDC employee. Importantly, waste goes beyond fraud and abuse and most waste does not involve a violation of law. Rather, waste relates primarily to mismanagement, inappropriate actions and inadequate oversight.
- **Abuse** involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement.

Examples of fraud, waste, and abuse include, but are not limited to:

- Using PCCDC resources in a manner contrary to established policies or permissions governing the use of those resources, or that otherwise constitutes fraud, waste or abuse.
- Obtaining PCCDC funds or compensation through dishonesty.
- Manipulating computer files, programs or data to hide fraud.
- Falsification of costs or expenses.
- Forgery or alteration of documents.
- Destruction or removal of records in violation of PCCDC records retention policies or departmental policies.
- Paying of excessive prices or fees to third parties with the aim of personal gain.

POLICIES AND PRINCIPLES

The following policies and principles apply to the PCCDC workforce:

- PCCDC employees must have, and be seen to have, the highest standards of honesty and integrity in the exercise of their duties.
- PCCDC staff will not tolerate fraud, waste, abuse, or dishonest conduct. Suspected acts of such will be investigated. Employees may be disciplined for committing fraud, waste or abuse.

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POLICIES AND PRINCIPLES CONTINUED

PCCDC Will:

- Co-operate with external investigating bodies.
- Recover funds lost through fraud when possible
- Develop and maintain effective controls to prevent fraud, waste, and abuse
- Ensure that if fraud, waste or abuse is suspected, an appropriate investigation takes place
- Review systems and procedures to prevent similar frauds, waste, or abuse.

RESPONSIBILITIES

Managers/Supervisors— are responsible for establishing and maintaining a system of internal controls and procedures to ensure the detection and prevention of fraud, waste and abuse. Upon notification from an employee or supervisor of suspected fraud or abuse, or if the Manager/Supervisor has reason to suspect that a fraud or abuse has occurred, he or she shall immediately (by the end of their shift) contact the PCCDC Finance Director or Executive Director. The Manager/Supervisor shall not attempt to investigate or discuss the matter with anyone other than the PCCDC Finance Director or Executive Director or law enforcement. If a Manager/Supervisor is notified or suspects minor instances of waste by an employee, he or she may take appropriate action without notifying the PCCDC Finance Director or Executive Director.

Employees - must immediately (by the end of their shift) notify their Manager/Supervisor of any act of suspected fraud, waste or abuse that has occurred or is occurring. If an employee has reason to believe that the Manager/Supervisor may be involved or has not addressed the situation, the employee must also report the suspected fraud, waste or abuse to the PCCDC Finance Director or Executive Director. Employees must maintain strict confidentiality concerning reported fraud, waste, and abuse as instructed by higher authority.

The Hotline for reporting fraud, waste, and abuse of DOE funds is 1-800-541-1625 Dept of Energy, Office of Inspector General.