



HUTTO FIRE RESCUE

WILLIAMSON COUNTY EMERGENCY SERVICES DISTRICT #3

STANDARD OPERATING PROCEDURES

STANDARD OPERATING PROCEDURE - Administration #1-4.5 (Revised) ISSUE DATE: October 1, 2021 EFFECTIVE: October 1, 2021	RESCINDS: #1-4.5: Fraud Detection (2009)
SUBJECT: FRAUD DETECTION AND PREVENTION POLICY	AUTHORIZED BY: Williamson County ESD #3 Board of Commissioners
REFERENCE / AUTHORITY: State of Texas Laws State of Texas Statutes	APPLIES TO: <input checked="" type="checkbox"/> Full Time Uniformed Staff <input checked="" type="checkbox"/> Volunteer Uniformed Staff <input checked="" type="checkbox"/> Civilian Staff <input checked="" type="checkbox"/> ESD Commissioners
TFCA BEST PRACTICES: Chapter (s) : Item (s) :	CPSE / CFAI ACCREDITATION:



PURPOSE

Establish a fiduciary policy for Hutto Fire Rescue/Williamson County Emergency Services District #3 (Hutto Fire Rescue) for the detection and prevention of fraud.

BACKGROUND

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

POLICY

This policy applies to any fraud, or suspected fraud, involving all members of Hutto Fire Rescue as well as Board of Commissioners, consultants, vendors, contractors, outside agencies doing business with members of such agencies, and/or any other parties with a business relationship with Hutto Fire Rescue.

- A. Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct.
- B. 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 their injury.
- C. Each member of Hutto Fire Rescue will be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of irregularity.
- D. Any fraud that is detected or suspected must be reported immediately to the Fire Chief's Office, who coordinates all investigations with the local law enforcement, Hutto Fire/Rescue legal counsel, and other affected areas, both internal and external.
- E. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to Hutto Fire Rescue.

ACTIONS CONSTITUTING FRAUD

- A. The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:
 - 1. Any dishonest or fraudulent act.
 - 2. Forgery or alteration of any document or account belonging to Hutto Fire Rescue.
 - 3. Forgery or alteration of a check, bank draft, or any other financial document.
 - 4. Misappropriation of funds, securities, supplies, or other assets.
 - 5. Impropriety in the handling or reporting of money or financial transactions.
 - 6. Profiteering because of insider knowledge of Hutto Fire Rescue activities.
 - 7. Disclosing confidential and proprietary information to outside parties.
 - 8. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to Hutto Fire Rescue.
 - a. Exception: Gifts less than \$50 in value.

9. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related inappropriate conduct.

OTHER INAPPROPRIATE CONDUCT

- A. Suspected improprieties concerning a members moral, ethical, or behavioral conduct, should by resolved by Hutto Fire Rescue management rather than local law enforcement.
- B. If there is any question as to whether an action constitutes fraud, contact the Fire Chief's Office for guidance.

INVESTIGATION RESPONSIBILITIES

- A. 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 appropriate designated personnel and, if appropriate, to the Board of Commissioners.
- B. Decisions to prosecute 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 and the Board of Commissioners, as will final decisions on disposition of the case.

CONFIDENTIALITY

- A. The Fire Chief treats all information received confidentially. Any member who suspects dishonest or fraudulent activity will notify the Fire Chief immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURES section below).
- B. 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 Hutto Fire Rescue from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

- A. Members of the Investigation Unit will have :
 1. Free and unrestricted access to all Hutto Fire Rescue records and premises, whether owned or rented; AND

2. 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

- A. 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.
- B. A member who discovers or suspects fraudulent activity will contact the Fire Chief's Office immediately. The member or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, their attorney or representative, or any other inquirer should be directed to the Fire Chief.
- C. No information concerning the status of an investigation will be given out.
- D. The reporting individual should be informed of the following:
 1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
 2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by legal council or the investigating law enforcement agency.

TERMINATION

- A. If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Board of Commissioners and, if necessary, by legal counsel, before any such action is taken.
- B. Should the member believe the management decision inappropriate for the facts presented, the member may appeal the decision to the Board of Commissioners.

ADMINISTRATION

- A. The Fire Chief is responsible for the administration, revision, interpretation, and application of this policy.
- B. The policy will be reviewed annually and revised as needed.