

CITY OF MANDAN  
FRAUD POLICY

The City of Mandan will not condone violation of ethics, laws, ordinances, regulations, policies and procedures that protects its employees, revenue, property, information and other assets from any attempt to gain, by theft, deception or fraud, financially or benefit at the expense of the City of Mandan taxpayer

This policy applies to employees, the public, contractors, vendors, elected and appointed officials, volunteers, agents and taxpayers.

The City of Mandan does not permit any activity that does not stand the closest possible public scrutiny.

**Definitions**

**Asset Inventory Misuse** - converting City assets/inventory for personal use i.e. gas, vehicles, office supplies, etc.

**Asset Misappropriation** - theft or misuse of City assets.

**Bribery** – offering, giving, receiving, or soliciting of anything of value to influence an official act or a business decision.

**Cash Larceny** - cash stolen from the City after recording on the City books.

**Conflict of Interest** -undisclosed economic or personal interest in a transaction that adversely affects the City.

**Corruption** – wrongful use of influence to procure a benefit to self or another person contrary to duty to City or taxpayer.

**Economic Extortion** – employee demand of pay to influence an official act or a business decision.

**Fraudulent Cash Disbursements** - disbursement of funds through trick or device i.e. false invoices, time records, expense reports, check tampering etc.

**Fraudulent Statements** – falsification of an organization’s financial statements.

**Illegal Gratuities** – person benefiting from an official act or a business decision who gives a gift to a person who made the decision.

**Larceny** - stealing assets/inventory from the City.

**Occupational Fraud** - the use of ones occupation for personal enrichment through misuse or misapplication of employer’s resources or assets.

**Other similar irregularities** - any activity involving questionable behavior or business dealings that put City revenue, property, information and other assets at risk of waste or abuse.

**Skimming** - cash stolen from the City before recording on City books.

## **Responsibilities**

City will investigate any acts of fraud or other similar irregularities.

Department heads and elected officials are responsible for instituting and maintaining internal controls.

City Administrator has primary responsibility for administering this policy.

City Administrator will be notified of allegations of fraud.

City Administrator is subject to the advice of the City Attorney.

Investigation results will be reported to City Attorney and City Administrator.

City Attorney will pursue reasonable efforts to obtain recovery of City losses and possible criminal referral.

## **Procedures**

**Employees / Elected Officials** - Any employee or elected official who has knowledge of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor or City Administrator. If the employee has reason to believe their supervisor may be involved or does not feel comfortable reporting the occurrence to their supervisor, the employee shall immediately notify City Administrator.

**Employees /Elected Officials** have a duty to cooperate during an investigation

**Employees /Elected Officials** who knowingly make false allegations will be subject to discipline and or termination.

**Whistle-Blower Protection** – Will be accorded in accordance with appropriate laws and ordinances. The City will protect employees who act in accordance with the requirements of this policy from acts of coercion, intimidation, threats of termination, discipline or suspension.

**City Management/Elected Officials** - Upon notification from an employee of suspected fraud, or if management has reason to suspect that a fraud has occurred, they shall immediately notify City Administrator.

**City Administrator** - Upon notification or discovery of a suspected fraud, the City Administrator will promptly investigate the suspected fraud. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the City Administrator will inform the City Attorney. Subject to the advice of the City Attorney, the City Administrator will contact the Morton County Sates Attorney and/or the Mandan Police Department and/or NDBCI.

**Security of Evidence** – City Administrator shall take immediate action to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.

**Personnel Actions** - If a suspicion of fraud is substantiated by the investigation, disciplinary action, in accordance with MMC Title IV, shall be taken by the Appointing Authority, in consultation with the City Administrator and City Attorney.

### **Media Issues**

Any City employee or elected official contacted by the media with respect to alleged fraud or audit investigation shall refer the media to the City Administrator. The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the City Administrator, in consultation the City Attorney.

### **Documentation**

At the conclusion of the investigation, the results will be reported to the members of the Board of Commissioners, the City Attorney, and others as determined necessary. If the report concludes that the allegations are founded, the report will be forwarded to the Office of Morton County States Attorney and/or the Mandan Police Department and/or NDBCI.

### **Reporting to External Administrators**

City Administrator will report to the external Auditors of the City all information relating to investigations.

### **Training**

New employees are trained at the time of hiring about the City's Fraud Policy and sign an acknowledgement.

Existing Employees will be trained on the policy and sign an acknowledgment form.