



BOULDER COUNTY COLLABORATIVE

FRAUD POLICY

BACKGROUND

The Boulder County Collaborative Fraud Policy is established to implement the State of Colorado's Anti-Fraud, Waste, and Abuse Policy and facilitate the development of controls that will aid in the detection and prevention of fraud, waste, and abuse of Community Development Block Grant Disaster Recovery (CDBG-DR) funds. It is the intent of the Collaborative to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls.

The Boulder County Collaborative (BCC) is in receipt of CDBG-DR funds from the Department of Housing and Urban Development (HUD), provided through the State of Colorado Department of Local Affairs (DOLA). The BCC will use these funds to carry out activities to address the long-term recovery needs resulting from the flood in September 2013. Activities include repair, reconstruction, and new construction of housing units; acquisition of flood damaged properties; repair, replacement, and new construction of public and private infrastructure and public facilities; and planning studies.

Any fraud, waste or abuse that is suspected, discovered or reported concerning any aspect of the BCC Disaster Recovery will be reviewed and resolved. The BCC will follow the State of Colorado's CDBG-DR Program Anti-Fraud Waste and Abuse (AFWA) Policy [Attachment A]. Additional measures to be taken to implement this process are addressed below.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees, as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the BCC communities.

This policy similarly applies to any irregularity, or suspected irregularity, involving consultants, sub-contractors, contractors, vendors, and applicants to the Disaster Recovery Program.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the BCC communities.

CDBG-DR management staff in each Partner community is responsible for the detection and prevention of fraud, waste, and abuse, misappropriations, and other irregularities as it relates to their individual projects. 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 his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.



Any irregularity that is detected or suspected must be reported immediately to the City of Longmont CDBG Disaster Recovery Program Manager, who will coordinate all investigations with the State of Colorado's Fraud Investigator, as necessary. If the subject of the concern is the City of Longmont or its CDBG-DR staff, then the State of Colorado's Fraud Investigator should be contacted directly.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of city/town/county activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons activities engaged in or contemplated by the city/town/county
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the city/town/county. Exception: Gifts of food that may be shared by all.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by each community's departmental management and/or their Human Resources Department. If there is any question as to whether an action constitutes fraud, contact the Longmont CDBG-DR Program Manager for guidance.

INVESTIGATION RESPONSIBILITIES

The Lead Agency in conjunction with their BCC partners has the primary responsibility for the collecting and reporting to the State of Colorado's Department of Local Affairs (DOLA) of all suspected fraudulent acts as defined in the policy. If the investigation substantiates the fraudulent activities have occurred, the BCC will follow the State's direction in addressing the identified incident.

CONFIDENTIALITY

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 BCC, Lead Agency and/or BCC Community from potential civil liability.



REPORTING PROCEDURES

Great care must be taken in the investigation or suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity with a program applicant, will contact their Department Head, City Manager, Mayor or the Longmont CDBG-DR Program Manager immediately. The employee or other complainant may remain anonymous. The senior administrator will gather the necessary information and provide that information to the State's fraud investigator. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Longmont CDBG-DR Program Manager. No information concerning the status of the investigation will be given out. The proper response to any inquiries is: "*I am not at liberty to discuss the matter.*" Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected fraudulent 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 DOLA.

REPORTING PROCEDURES FOR DISASTER RECOVERY

The State's Fraud Hot Line has been established to take calls from concerned residents, BCC Partner employees, or others regarding potential waste, fraud, or abuse of CDBG-DR funds. The toll-free Fraud Hot Line number is (844) 775-1618.

The CDBG-DR Program Manager is Kathy Fedler, City of Longmont, 303-651-8736.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the appropriate Human Resources Director and the appropriate Legal Department and, if necessary, by outside counsel, before any such action is taken. The State of Colorado Fraud Investigator and the CDBG-DR Program Manager do not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Lead Agency believe the management decision inappropriate for the facts presented, the facts will be presented to the community's executive level management or the appropriate City/Town Council for a decision.

ADMINISTRATION

The Longmont CDBG-DR Program Manager is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

