

VILLAGE OF GAMBIER FRAUD POLICY

PURPOSE

Fraud is a drain on government resources and directly violates the trust of the public. It is not tolerated in any form. Any fraudulent activity is a serious offense against both the Village and public.

REPORTING GUIDELINES

Village of Gambier employees should report any suspicion of fraud to the Auditor of State. Ohio Revised Code section 117.103 outlines the State of Ohio Fraud Reporting system in full detail. Given the sensitivity associated with reporting fraud, employees should report the activity to the state. It is at the employee's discretion to report this suspicion to internal management (including the employee's department head, Police, or Administration). The employee should not report the suspicion directly to the individual who may have committed fraud.

STATE OF OHIO FRAUD REPORTING SYSTEM

The Ohio Auditor of State's office maintains a system for reporting fraud, including the misuse of Village money by an employee or elected official. The system allows employees and citizens to file anonymous reports to the State Auditor. If an employee has a suspicion that there is fraudulent activity occurring in the Village, they should contact through one of the available options below:

Fraud reporting hotline at 1-866-FRAUD OH (1-866-372-8364),

online at <https://ohioauditor.gov/fraud/default.html>,

email fraudohio@ohioauditor.gov,

Via mail at the following address:

Ohio Auditor of State's office
Special Investigations Unit
88 East Broad Street
P.O. Box 1140
Columbus, OH 43215

Reporting of fraud is protected under the Ohio Revised Code section 124.341 (Violation or misuse - whistleblower protection).

EXAMPLES OF FRAUD

If an employee is uncertain if the activity or behavior constitutes fraud, they should err on the side of caution and report the activity to the Ohio Auditor of State. While Fraud is not easily defined and can vary, given the circumstances, the following list can provide an example of potential fraudulent behavior:

1. Theft or misappropriation of Village resources;
2. Falsification of official documents or reports;
3. Corruption or official misconduct, including misuse of Village information, conflicts of interest, or offering or accepting bribes;
4. Improper use or spending of Village tax dollars;
5. Violations of Village procurement policy or contract fraud;
6. Tampering with government records;

RED FLAGS

Important note: The presence of one or even many red flags is not in and of itself a conclusive indication that fraud exists, but rather is meant to heighten awareness. The following categories list behaviors that might indicate fraud.

1. General Red Flags
 - a. Employee lifestyle changes: expensive cars, jewelry, homes, boats
 - b. Refusal to take vacation or sick leave
 - c. Poorly defined duties without adequate monitoring
 - d. Lax or inexperienced accounting personnel
 - e. Inordinate number of manual checks
 - f. Excessive number of checking accounts
 - g. Frequent changes in banking accounts
 - h. Service contracts for which there is no product
 - i. Photocopied or missing documents
 - j. Altered records
2. Purchasing, Inventory
 - a. Abnormal number of expenses, supplies or reimbursements
 - b. Increase in purchasing without increase in sales
 - c. Acceptance of gratuities or significant “promotional” items
 - d. Prepayment of goods or services
 - e. Frequent use of sole-source contracts
 - f. Pressure to expedite payments
 - g. Prepayment of goods or services
 - h. Purchasing agents who pick up vendor payments rather than having them mailed
3. Corporate Credit Cards
 - a. Minimal or no supporting documentation for charges (for example, summary charge slips vs. detailed receipts)
 - b. No or minimal policies regarding access and use of credit cards
 - c. No or unreasonably high limits
 - d. No restrictions on types of purchases
 - e. Inappropriate charges noted on statements

4. Accounts Receivable
 - a. Excessive number of voided receipts, customer discounts and returns
 - b. Unauthorized bank accounts
 - c. Unauthorized voided receipts, customer discounts, or returns
 - d. Unauthorized account adjustments or write-offs
 - e. Untimely deposits
 - f. Sudden activity in a dormant bank account
 - g. Unreconciled bank accounts
 - h. Discrepancies between bank deposits and posting
5. Payroll
 - a. Overtime charged during a slack period
 - b. Employees with duplicate Social Security numbers, names or addresses
 - c. Overtime charged for those who normally would not have overtime wages
 - d. Inconsistent overtime hours for a cost center
 - e. Budget variations for payroll by cost center
 - f. Employees with few or no payroll deductions
6. Behavior Changes
 - a. Borrowing money from co-workers
 - b. Easily annoyed at reasonable questions
 - c. Bragging about significant new purchases
 - d. Creditors or collectors appearing at the workplace
 - e. Excessive drinking or gambling beyond the ability to stand the loss
 - f. Providing unreasonable responses to questions
 - g. Refusing vacations or promotions for fear of detection
 - h. Carrying unusually large sums of money
 - i. Rewriting records under the guise of neatness in presentation

WHISTLEBLOWER PROTECTION

Any employee who suspects and reports fraud violations in good faith are protected by ORC 124.341 (Violation or misuse - whistleblower protection). The Village will not retaliate, nor will it tolerate retaliation, against persons who, in good faith, report suspected violations or who participate in the investigation of suspected violations. In the event that an act of retaliation occurs, it should be reported immediately to the Village Administrator or Mayor who will investigate any such report.