

CITY OF BRANSON, MISSOURI  
ADMINISTRATIVE RULES

RULE NUMBER 18 REFERENCING ARTICLE 26 OF THE HUMAN RESOURCES MANUAL  
AMENDED 7-10-2012

A RULE PERTAINING TO **FRAUD ABUSE HOTLINE POLICY**

**Section 1. General**

The City of Branson is committed to the principles of accountability, transparency, responsibility and sound ethical operating practices. As part of this commitment, the City will maintain a confidential (as allowed by RSMo 610.021) 24-hours-a-day, 7-days-a-week hotline for City employees, contractors, citizens and other interested parties to report issues such as: fraud, waste, abuse of City resources, safety violations, etc. The hotline will go straight to an outside administrator, and callers may remain anonymous. Please keep in mind that if you do choose to remain anonymous and do not provide enough detailed information for the City to investigate, the City may not be able to act on your call. Reports with immaterial or vague allegations will not be investigated. The hotline should NOT be used to report general complaints that should be addressed with a supervisor or Department Director. Harassment or discrimination complaints should be addressed with the Human Resources Department.

- If your report is on the City Administrator or the City Administrator's office, you should contact the Mayor directly.

**Section 2. Purpose**

This policy addresses the responsibility of City of Branson employees for detecting and reporting fraud, suspected fraud, illegal activities or other workplace violations.

**Section 3. Policy**

It is the policy of the City of Branson to identify and promptly investigate any possibility of fraudulent or related illegal or dishonest activities against the City of Branson and, when appropriate, to pursue legal remedies where available on behalf of the City. The City of Branson will take appropriate disciplinary and legal actions against employees and/or other individuals or entities, to include the possibility of termination of employment, restitution, and forwarding of information to the appropriate authorities for criminal prosecution.

This policy also clarifies what acts are considered to be fraudulent, illegal or dishonest, and describes the steps to be taken when fraud or other dishonest activities are suspected. This policy also includes the procedures to follow in accounting for missing funds, restitution, and recoveries.

#### **Section 4. Definitions**

- A. Fraud, dishonest, fraudulent or illegal activities include, but are not limited to, the following:
- (1) Forgery or alteration of documents (checks, time sheets, independent contractor agreements, purchase orders, budgets, etc.)
  - (2) Misrepresentation of information on documents.
  - (3) Misappropriation of funds, securities, supplies, or any other asset.
  - (4) Theft, disappearance, or intentional destruction of any asset.
  - (5) Intentional misuse of City equipment or property.
  - (6) Improprieties in the handling or reporting of money transactions.
  - (7) Authorizing or receiving payments for goods not received, or services not performed.
  - (8) Authorizing or receiving payment for hours not worked.
  - (9) Any apparent violation of Federal, State or local laws related to dishonest activities or fraud.
  - (10) Any work practice that is deemed dangerous or harmful to employees.
  - (11) Any similar or related activity.

#### **Section 5. Management Responsibility**

- A. The City Administrator, Department Directors, and all supervisors, have a duty and responsibility to detect fraudulent or related dishonest or illegal activities in the areas they oversee. Each should be familiar with the types of improprieties that might occur in their area, and be alert for any indication that illegal or improper activity, misappropriation, or dishonest activity is or was in existence in their area. When an improper activity, etc. is detected or suspected, they should determine whether an error or mistake has occurred, or if dishonest or fraudulent activity may have occurred.
- B. If a supervisor determines a suspect activity may involve fraud or related dishonest activity, they should contact their immediate supervisor and/or the Department Director. The Department Director should then contact the City Administrator. If the City Administrator deems it appropriate, the City of Branson Police Department will also be contacted. The City Administrator (and City of Branson Police

Department, if contacted) will conduct an investigation. To the extent permitted by law, the City Administrator and Police Department will treat all information gathered during the investigation process as confidential. The City Administrator, Department Director and supervisor (if applicable) will also be held responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent the reoccurrence of improper actions found to have occurred.

- C. The Department Director and supervisor (if applicable) will fully support and cooperate with the City Administrator (and City of Branson Police Department, if contacted) in the detection, reporting and investigation of criminal acts, including prosecution of offenders. The City Administrator shall have full and unrestricted access to all necessary records and other employees. All City of Branson furniture and contents, including desks and lockers, City cell phones, and City computers, are also open to inspection during such investigations; there is no assumption of privacy. Every effort should be made to effect recovery of any and all discovered City of Branson losses.
- D. Normal care is to be taken in dealing with suspected illegal, dishonest or fraudulent activities to avoid the following:
  - (1) Incorrect accusations.
  - (2) Alerting suspected individuals that an investigation is underway.
  - (3) Making statements that could lead to claims of false accusations or other offenses.

Additionally, individuals who knowingly make false accusations will be subject to disciplinary or other appropriate action.

- E. Responsibilities of the Department Director and supervisor (if applicable) in handling suspected dishonest or fraudulent activities include the following:
  - (1) Do not contact (unless requested) the suspected individual to determine the facts, or to demand restitution. Under no circumstances should there be any reference to “what you did,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” etc.
  - (2) Do not discuss the case, facts, suspicions, or allegations with anyone outside the City of Branson, unless specifically directed to do so by the City Administrator.
  - (3) Do not discuss the case with anyone inside the City of Branson other than employees who have a need to know, such as the City Administrator, City Attorney, or the Human Resources Department.

- (4) Direct all inquiries from the suspected individual, or his or her representative, to the City Administrator, or the City of Branson Police Department. All inquiries by an attorney of the suspected individual should be directed to the City Administrator, or the City Attorney. Direct all inquiries from the media to the Communications Director. A suggested proper response to such an inquiry is: "I'm not at liberty to discuss this type of matter."
- (5) Take appropriate disciplinary or other corrective action, after consulting with the City Administrator and Finance and Human Resources.

## **Section 6. Employees Responsibility**

- A. When suspected fraudulent incidents or dishonest practices are observed by or made known to an employee, the employee:
  - (1) Must report the incident or practice to his/her supervisor, for subsequent reporting to the proper management official. When the employee believes the supervisor may be involved in the inappropriate activity, the employee is to make the report directly to the next higher level of management and/or the City Administrator. If at any step in this process the employee does not feel comfortable with reporting directly to someone, they may utilize the Fraud Hotline.
  - (2) The reporting employee shall thereafter refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with anyone, unless requested to do so by the City Administrator, or the Branson Police Department.

## **Section 7. Investigation and Disciplinary Action**

- A. The City Administrator (and Branson Police Department, if deemed appropriate) will investigate situations involving possible fraud or related dishonest activity.
- B. While callers to the Fraud Hotline have the option to remain anonymous, please keep in mind that if you do so and do not provide enough detailed information for the City to conduct a proper investigation, the City may not be able to act on your call. We strongly urge you to provide as much detail as possible.
- C. If warranted, an investigation will further proceed as follows, if evidence is uncovered showing possible dishonest or fraudulent activities:
  - (1) The City Administrator will discuss the findings with the Board of Aldermen, and the appropriate Department Director(s).

- (2) The City Administrator will advise the applicable Department Director, if the case involves staff members, to meet with the Director of Human Resources (or his/her designated representative) to determine if disciplinary actions or prosecution should be taken.
  - (3) If illegal activity appears to have occurred, the findings will be reported to the Branson Police Department for possible prosecution.
  - (4) The City Administrator or Director of Human Resources will coordinate notification of insurers, and the filing of any insurance claims.
- D. In order to protect the confidential reporting process, updates of actions will not be provided or made public to the extent permitted by applicable law.

### **Section 8. Accounting for Loss, Restitution, and Recovery**

The Department incurring the loss from a dishonest or fraudulent act will normally suffer the loss, until the monies can be recovered through insurance or restitution. The Finance Department will set up a receivable for the amount owed to the City. The Department account will be created with any amounts collected at fiscal year end of the fiscal year during which the collection occurs.

### **Section 9. Cost of Recovering Funds**

There is no special fund to cover the costs of recovery, such as hiring special investigators. These expenses may be allocated from existing budget funds.