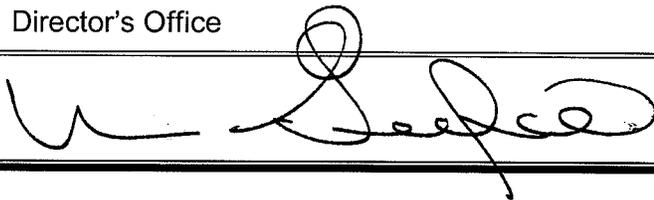


Internal Operations Manual

SUBJECT: Fraud **NUMBER:** 107-05-030
DIVISION: Director's Office **EFFECTIVE DATE:** 08-01-00

APPROVED:



POLICY/PURPOSE: This policy sets forth the Department of Administrative Services (DAS) position on fraud. It also sets procedures for the investigation of fraud.

AUTHORITY: ORS 659.505 to 659.545

APPLICABILITY: All Department of Administrative Services employees.

DEFINITIONS: Fraud - inappropriate, deceptive action on the part of an employee resulting in personal gain.

GUIDELINES:

- I. DAS will not tolerate fraudulent acts. Fraud may include but is not limited to the following:
 - Theft.
 - Computer hacking.
 - False or misleading representations on a job application.
- II. Fraud is not always a criminal act. However, DAS will ask the appropriate authority to prosecute acts of criminal fraud.
- III. DAS Internal Audit will coordinate investigations of suspected fraud with DAS Personnel and IRMD's Information Technology (IT) Security Officer, as appropriate.
- IV. Personnel will complete an investigation separate from any criminal investigation.
- V. Public employees disclosing fraud will be protected under the provisions of ORS 659.505 to 659.545, the Whistleblowers Protection law. DAS will take reasonable steps to see that employees do not suffer retaliation for reporting fraud.
- VI. All media inquiries regarding fraud are to be sent to the Director's Office.

PROCEDURES:

EMPLOYEE SUSPECTS OR KNOWS OF FRAUD COMMITTED BY MANAGER

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Employee with suspicion fraud has occurred	Calls Internal Audit and requests a meeting with the Internal Audit Manager.
2.	Internal Audit Manager	Maintains the reporter's confidentiality as long as there is sufficient basis for belief.
3.	Internal Audit Manager	Decides the appropriate action to be taken based upon discussions with the employee.

MANAGER SUSPECTS FRAUD

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Manager with suspicion fraud has occurred	Inform Internal Audit of possibility of fraud.
2.	Internal Audit	Maintains reporter's confidentiality as long as there is sufficient basis for belief. Assesses allegation and determines whether to investigate. Internal Audit, IRMD's IT Security Officer, or Personnel will conduct investigation or the manager will be provided with advice on conducting their own investigation.
3.	Manager	If manager investigates, manager will report results to Internal Audit.
4.	Internal Audit	Informs the necessary parties including the DAS Director.

INTERNAL AUDIT SUSPECTS FRAUD

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Internal Audit	Informs employee's manager of suspicion of fraud.
2.	Internal Audit	Assess situation and determines whether to investigate more completely. As appropriate, coordinates the investigation with IRMD's IT Security Officer or DAS Personnel.
3.	Internal Audit	Reports results to manager and Personnel.
4.	Internal Audit	Informs the DAS Director, if appropriate.

MANAGER FINDS FRAUD

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Manager	Informs Internal Audit.
2.	Internal Audit	Coordinates investigation taking appropriate action and informing the necessary parties including the DAS Director. Criminal acts will be reported to the police.
3.	Personnel	If appropriate, initiates dismissal process.
4.	Risk Management Division	Seeks recovery from employee.

INTERNAL AUDIT FINDS FRAUD

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Internal Audit	Coordinates investigation taking appropriate action and informing the necessary parties including the DAS Director. Criminal acts will be reported to the police.
2.	Personnel	If appropriate, initiates dismissal process.
3.	Risk Management Division	Seeks recovery from employee.