

# County of Yolo Administrative Policies and Procedures Manual

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**TITLE:** Fraud Reporting and Whistleblower Policy

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**Department:** Financial Services; County Internal Audit

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**TYPE:** POLICY

**DATE:** September 13, 2022

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**A. PURPOSE**

The purpose of this policy is to safeguard public assets and prevent fraud, waste, and abuse. This policy describes the Yolo County Fraud Reporting and Whistleblower Program and describes responsibilities and procedures for reporting any credible allegations and investigating potential fraud, waste, and abuse, as defined in Section C, below, and provides specific instructions regarding other appropriate actions in case of suspected violations.

**B. APPLICABILITY**

This policy applies to any event of fraud, waste, abuse that is committed against the County of Yolo by elected officials, department heads, county managers, employees, interns, as well as volunteers, committee members, consultants, vendors, contractors, outside agencies, and/or any other parties with a business relationship with Yolo County.

**C. POLICY**

**WHISTLEBLOWER PROGRAM**

The County shall establish the Whistleblower Program as a means for county employees and members of the public to confidentially report any allegations of fraud, waste, or abuse committed against the County government by the parties listed above. The County shall provide appropriate intake resources to administer this policy and accept reports of any allegations. The County initially plans to contract with an independent company whose trained intake specialist will receive calls and web-based reports 24 hours a day, 7 days a week, and 365 days per year.

**FRAUD, WASTE & ABUSE**

Fraud, waste and abuse as defined for the purpose of this policy include acts which may constitute criminal conduct, but the following definitions are not intended to explain, replace, or supplement any existing legal definitions.

**Fraud** refers to any intentional act or omission designed to deceive others, resulting in the County suffering a loss and/or the perpetrator achieving a gain.

**Waste** refers to the unnecessary incurring of costs as a result of inefficient practices, systems, or controls.

**Abuse** refers to violations and circumventions of departmental or agency regulations which impair the effective and efficient execution of operations or resources.

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The terms fraud, waste and abuse include, but are not limited to:

- Forgery or alteration of any document or account.
- Forgery or alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropropriety in the handling or reporting of money or financial transactions.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the County.
- Unauthorized destruction, unauthorized removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or use of those assets for private or personal gain.
- Authorizing or receiving compensation for hours not worked.
- Misrepresenting financial operating results to obtain funding.
- Using County credit cards for purchase of personal items.
- Use of fuel in personal vehicles.
- Submission of fraudulent travel and or expense claims.
- Reporting false claims to state and federal programs.
- Material violations of the County's ethics or conflict of interest policies.
- Any similar or related irregularity to those specified above.

If there is general question as to whether an action constitutes fraud, waste, and abuse, contact the Internal Audit Division of the Department of Financial Services for guidance at [internalaudit@yolocounty.org](mailto:internalaudit@yolocounty.org).

## **WHISTLEBLOWER RIGHTS**

Whistleblowers are protected by California Labor Code Section 1102.5, California Government Code section 8547.1, and this policy from retaliation. An employee or contractor who observes or becomes aware of instances of retaliation against an individual who has been involved with a whistleblower case should report the retaliation to the Department Head and the Human Resources Director, as provided by the County's Policy on Workplace Civility.

All information received by Internal Audit related to a whistleblower case alleging fraud, waste, or abuse against the County government, including the identity of the reporter if known, shall remain confidential except to the limited extent necessary to undertake responsive action or as required in a criminal investigation and/or prosecution. All documents related to a case will be maintained in a secure location. Department heads and any other personnel involved in the investigation of a whistleblower case shall not share the substance of the case with anyone except those individuals who are directly involved in, and are essential to, conducting the investigation and/or administering discipline. The reporter's identity may not be disclosed to anyone outside of the investigating personnel without the express consent of the reporter unless such disclosure, in consultation with the County Counsel's Office or District Attorney is determined necessary to take appropriate action as a result of the findings of the investigation.

## **D. INVESTIGATION REPORTING RESPONSIBILITIES AND PROCEDURES**

1. Department heads are responsible for the prevention of fraud, waste, and abuse and for establishing internal controls and procedures to detect and prevent wrongdoing.

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2. All County employees shall cooperate fully with the investigation and during the investigation of fraud, waste, or abuse. Failure to cooperate in the whistleblower investigation may subject the employee to discipline, up to and including dismissal.
3. All events of suspected fraud shall be reported immediately. The term “immediate” for this purpose means at the earliest available opportunity but in no instance later than 72 hours after suspected activity.
4. Any suspected fraud, waste or abuse against the County government must be reported anonymously or by providing the individuals name by the following available methods:
  - a. By calling the Fraud, Waste & Abuse/Whistleblower Hotline; or
  - b. Online reporting form at <https://yolocounty.org/general-government-departments/financial-services>; or
  - c. Report it to the Department head; or
  - d. Report to Internal Audit (by calling Internal Audit or emailing to [internalaudit@yolocounty.org](mailto:internalaudit@yolocounty.org)); or
  - e. Report to Human Resources of personnel matters (by calling Human Resources or emailing to [HR@yolocounty.org](mailto:HR@yolocounty.org)); or
  - f. Report to the District Attorney.
5. The Fraud, Waste & Abuse/Whistleblower Hotline is provided as an alternative reporting mechanism to ensure concerns are properly addressed and as a means for anonymous reporting.
6. All documents obtained in the investigation of a Fraud, Waste & Abuse/Whistleblower case are considered confidential and shall not be disclosed, except as required by law. All California Public Record Act requests, subpoenas, and other requests for records will be coordinated with County Counsel.
7. Department heads shall secure all records and any other relevant documentation, immediately report the fraud, waste, or abuse against County government, and provide information regarding the incident. All records are to remain secured and confidential.
8. Internal Audit shall immediately assess the allegations to determine if an act of fraud, waste, or abuse was committed. If the report involves alleged retaliation against a whistleblower, Internal Audit staff will refer the case to Human Resources to investigate the report internally or, if appropriate, conduct an investigation that includes additional internal (e.g., Internal Audit) or external partners. If the report involves alleged fraud, waste, or abuse, Internal audit will investigate the report and/or, if appropriate, refer the case to the District Attorney, law enforcement agencies, County Counsel, Risk Management, and other relevant departments or entities (both internal and external) as needed for investigation and resolution.
9. If after review, fraud is suspected and a suspect(s) is identified, Internal Audit shall request the District Attorney or other appropriate law enforcement offices to conduct a criminal investigation, who may determine whether such investigation or prosecution is warranted.

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10. During the investigation, members of the investigation team shall maintain the confidentiality of information received. Upon conclusion of an investigation, results will be made available if appropriate, to the District Attorney, law enforcement agencies, County Counsel, Risk Management, and other relevant departments or entities as allowed by law. A report of losses and disposition will be provided to the Audit Subcommittee and/or Board of Supervisors.
11. Perpetrators of fraud, waste, or abuse may be criminally prosecuted to the fullest extent of the law, prosecuted civilly for recovery of missing County assets, and disciplined for misconduct.
12. Financial Services will assist Internal Audit in documenting (or estimating) the amount of loss, preserving evidence, and in identifying potential parties to the case.
13. Financial Services will report the loss, if determined, to the insurance carriers and prepare any claim documents when necessary.
14. Internal Audit will report at a minimum to the Audit Subcommittee on a semi-annual basis, which shall cover the previous six months of activity.
15. Losses of County property, including cash, arising from any circumstance, must also be reported under this policy. Ordinary cash shortages occurring as part of cashiering operations should be reported in accordance with the County's Cash Handling Manual.

### E. INVESTIGATIONS "NOT" SUBJECT TO THIS POLICY

Other concerns that relate to the following areas should be referred directly to the respective Department Head, Human Resources Director, and County Counsel:

Contact Department Head:

- **Citizen or Constituent Matters** that are in the normal course of the County's business and do not involve suspected fraud, waste, or abuse.

Contact Human Resources Director:

- **Personnel Matters** that do not involve suspected fraud, waste, or abuse.
- **Damage Claims** such as general liability, worker's compensation, or other incidents that are generally handled by the County's risk management and insurance functions.

Contact County Counsel:

- **Legal matters** including but not limited to where complainant invokes a threat of litigation against the County in their complaint.

Other concerns that relate to the following areas should be referred directly to the District Attorney's Office:

- **Welfare Fraud** involves theft of County funds by welfare recipients, or theft of their benefits by others.

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- **Workers' Compensation Insurance Fraud** involves knowingly false or fraudulent statements of any fact relative to workers' compensation payments and costs.
- **Consumer Fraud** involves deceptive business practices that cause consumers to suffer financial or other losses.
- **Auto Insurance Fraud** involves deceiving an insurance company about a claim involving one's personal or commercial motor vehicle.
- **Real Estate Fraud** involves when individuals or agencies provide false information for fraudulent real estate transactions.