

FRAUD POLICY
of the
_____ **SOIL AND WATER CONSERVATION DISTRICT (SWCD)**

The Texas Legislature has adopted the following standards of conduct for state officers and employees: A state officer or employee should not:

- (1). Accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer's or employee's official conduct;
- (2). Accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the official position;
- (3). Accept other employment or compensation that could reasonably be expected to impair the officer's or employee's independence of judgment in the performance of the officer's or employee's official duties;
- (4). Make personal investments that could reasonably be expected to create a substantial conflict between the officer's or employee's private interest and the public interest; or
- (5). Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer's or employee's official powers or performed the officer's or employee's official duties in favor of another.¹

In an effort to maintain and culture a strong fraud prevention and detection program, the _____ SWCD will follow these standards of conduct adopted by the state and is determined to act appropriately and to clearly communicate its expectations for appropriate behavior to district employees, contractors, and consultants. To create and promote a workplace environment that cultivates appropriate behavior, deters wrongdoing, and encourages and facilitates all district employees to report any known or suspected wrongdoing, the district has designated a contact person for its fraud prevention and elimination activities. The designated contact person will report directly to the Chairman of the SWCD Board of Directors.

Currently, the designated contact person is:

¹ A Guide to Ethics Laws For State Officers And Employees, Revised April 27, 2004.

Deterring, Detecting and Investigating Potential or Actual Fraud And Other Illegal Acts

The potential for, or occurrence of, fraud and other illegal acts is a significant and sensitive management concern in any organization. In the _____ SWCD this concern is heightened by the breadth and complexity of the responsibilities of the district, as well as the public expectation of honesty and integrity in government, and particularly regarding environmental issues. Although the process and responsibilities for deterring, detecting, investigating and reporting known, alleged or suspected fraud or other illegal acts in the _____ SWCD has been in place, this policy formalizes the process, and assigns the responsibility of coordinating all efforts of compliance with this policy to the district designated fraud prevention and elimination contact person.

The purpose of this policy is:

- (1). to minimize the impact of all potential or actual fraudulent or illegal acts in the _____ SWCD by deterring such activity or detecting it as early as possible;
- (2). to alert all district employees that there is a mechanism by which such activities can be reported and investigated; and
- (3). to ensure the fair, objective and thorough investigation and reporting of all such activities while safeguarding individual rights and maintaining confidentiality in accordance with applicable law.

This policy relates to all potential or actual fraudulent and other illegal activities:

- (1). within the _____ SWCD involving its employees in the conduct of their employment responsibilities, which includes, but is not limited to theft, malfeasance, abuse of power or authority, kickbacks and embezzlement;
- (2). that involve the loss, misappropriation or theft of any property or assets belonging to the _____ SWCD or for which the _____ SWCD is responsible, including, but not limited to cash, checks, intellectual property, property and equipment, information and other data.

This policy does not relate to such activities involving any individual, group, organization, government or other entity which is not a part of the _____ SWCD, unless such activity may have involved an employee of the _____ SWCD in the conduct of his or her employment responsibilities, or unless such activity involved the loss, embezzlement, misappropriation or theft of any assets belonging to the _____ SWCD or for which the _____ SWCD is responsible.

The _____ SWCD has a policy to clearly separate the respective responsibilities of the District Board of Directors and the staff of the _____ SWCD. The District Board of Directors shall establish and approve general policy for the district. The District Board of Directors shall make any necessary rules, guidelines or directives to carry out its powers and duties under the provisions of the Texas Agriculture Code and other laws of the State. The District Board of Directors shall examine and approve budget recommendations for the _____ SWCD that is to be transmitted to the Texas State Soil and Water Conservation Board. The District Board of Directors may hire one or more individuals for various positions to serve at the will of the Board.

_____ SWCD employee(s) shall manage the administrative affairs of the _____ SWCD, as assigned, including the execution of rules, guidelines, decisions, and directives of the Board. All employees of the _____ SWCD shall be responsible to the Board of Directors.

In keeping with this policy, the _____ SWCD is hereby establishing clear and formal processes and procedures that adhere to state laws, regulations and general guidelines relating to the prevention, detection and elimination of fraud, waste, and abuse in government.

The following process will be followed for reporting and investigating any known, alleged or suspected fraud or other illegal activities at the _____ SWCD:

- (1). The SWCD designated fraud prevention and elimination contact person will be the initial contact for reporting such activities. Contact may be verbal or written, and may be made by anyone having knowledge of the activity.
- (2). The SWCD designated contact person will make a preliminary determination as to the necessity for proceeding with an investigation of the reported fraud or illegal activity.
- (3). After determining to proceed with an investigation, the SWCD designated contact person will advise the Chairman of the District Board of Directors, and the Field Staff person representing the Texas State Soil and Water Conservation Board (TSSWCB) of all facts known regarding the reported fraud or illegal activity.
- (4). All personnel, files, data, records and equipment shall be made available to the SWCD designated contact person to conduct any investigative measures deemed necessary to determine the occurrence of, and extent of, any fraudulent or other illegal act.
- (5). The SWCD designated contact person will consult with the TSSWCB Field Staff contact person for advice and assistance.
- (6). Upon completion of all investigative measures, the SWCD contact person will prepare a report of its findings for review by the Chairman of the District Board

of Directors. The District Chairman will discuss the report with the Field Staff person representing the Texas State Soil and Water Conservation Board and SWCD staff, as appropriate.

- (7). If the _____ SWCD Board of Directors determines that: (a) the findings warrant referral to outside enforcement and/or prosecutorial agencies, or (b) money received from state, federal or local government sources may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operations of the district, then the SWCD designated contact person or the Chairman of the District, where appropriate, will contact such agencies, including the State Office of the Texas State Soil and Water Conservation Board and the State Auditor's Office, and fully cooperate with them.

Throughout all of the above proceedings, every effort will be made to maintain the anonymity and protect the rights of all individuals who may be directly connected with the reported fraud or illegal activity.

This policy should not be perceived as a substitute for management's responsibility to be alert to and to deter fraud or other illegal acts in its daily activities.