

**Mendota Area Senior Services
Fraud, Waste, and Abuse Policy**

STATEMENT FROM MENDOTA AREA SENIOR SERVICES BOARD OF DIRECTORS

Mendota Area Senior Services' Board of Directors have zero tolerance for the commission or concealment of acts of fraud, waste, or abuse. Allegations of such acts will be investigated and pursued to their logical conclusion, including legal action where warranted. All employees are responsible for reporting suspected instances of fraud, waste, and abuse in accordance with this Policy.

The Board of Directors is responsible for the effectiveness and efficiency of MASS operations, including the protection of MASS assets from fraud, waste, and abuse. The Board has the primary responsibility for the implementation of internal controls to deter and detect fraud.

The Board of Directors is responsible for assisting in the deterrence and detection of fraud, waste, and abuse at Mendota Area Senior Services by examining and evaluating the adequacy and the effectiveness of the agency systems of internal control. The Board of Directors has primary responsibility for the investigation of fraudulent acts committed by or against Mendota Area Senior Services.

To provide employees and others with a confidential, secure means to report suspected fraud, waste, and abuse the MASS Board of Directors has available a confidential form found on Mendota Area Senior Services website at www.mendotaareaseniorservices.org See the below definitions of "fraud", "waste", and "abuse." "Waste" and "abuse" are not necessarily fraudulent acts but, depending upon the circumstances, they could be.

SCOPE

This policy applies to all MASS employees. The provisions of this policy apply to any instance of fraud, waste, or abuse involving not only employees, but also external organizations doing business with Mendota Area Senior Services and volunteers at MASS sponsored events.

COMMITMENT TO CONFIDENTIALITY AND ANONYMITY

Through the confidential form, your anonymity is assured. When you report, please remember the following concerning confidentiality and anonymity:

- Even if you report anonymously, once the report has been filed and the investigation begins, your co-workers or others who are familiar with the situation you are reporting may still be able to guess your identity.
- Whether you report anonymously or not, the MASS Board of Directors will treat your report confidentially.

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- It is not possible to guarantee absolute confidentiality in all circumstances. Disclosure to others inside or outside Mendota Area Senior Services may be required by law in certain cases.

Please do not let these possibilities discourage you from reporting an incident.

WHISTLEBLOWER PROTECTION

Retaliation against an employee who in good faith filed a report of alleged fraud, waste, or abuse, or who participated in an investigation, is a violation of this Policy. Such “whistleblower protection” is granted via the Illinois Whistleblower Act.

DEFINITIONS OF FRAUD, WASTE, AND ABUSE

Fraud

The American Institute of Certified Public Accountants (AICPA) defines two basic categories of fraud: intentional misstatement of financial information and misappropriation of assets (or theft). Other audit-related organizations provide additional insight into the definition of fraud that can be summarized as follows:

Fraud consists of an illegal act (the intentional wrongdoing), the concealment of this act, and the deriving of a benefit (converting the gains to cash or another valuable commodity).

Legally, fraud can lead to a variety of criminal charges including theft, embezzlement, and larceny – each with its own specific legal definition and required criteria – each of which can result in severe penalties and a criminal record.

Waste

“Waste” means the thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources owned or operated by Mendota Area Senior Services to the detriment or potential detriment of Mendota Area Senior Services. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls. Waste does not normally lead to an allegation of “fraud”, but it could.

Abuse

“Abuse” means the excessive, or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources owned or operated by Mendota Area Senior Services; or extravagant or excessive use so as to abuse

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one's position or authority. "Abuse" does not necessarily lead to an allegation of "fraud", but it could.

Examples of fraud, waste, and abuse activities include, but are not limited to:

- Forgery or alteration of documents (checks, contracts, purchase orders, invoices, time sheets, leave records, etc.).
- Misrepresentation of information on documents (employment history, time sheets, leave records, travel reimbursement requests, financial records, etc.).
- Theft, unauthorized removal, or willful destruction of MASS records, MASS property, or the property of other persons (to include the property of employees, customers, or visitors).
- Misappropriation of funds, equipment, supplies, or any other asset.
- Improprieties in the handling and reporting of financial transactions.
- Serious abuse of MASS time such as unauthorized time away from work, falsification of work hours reported, or excessive use of MASS time for personal business.
- Authorizing or receiving payments for goods not received or services not performed.
- Vendor kickbacks.
- Authorizing or receiving payment for hours not worked.
- Misuse of authority for personal gain.
- Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes.
- Inappropriate use of MASS-provided electronic devices such as computers, PDAs, cell phones, pagers, or e-mail.

RESPONSIBILITIES

Employees

Any MASS employee who has knowledge of fraud, waste, or abuse, or who has good reason to suspect that such conduct has occurred, shall adhere to the procedures in this Policy.

When suspected fraudulent activity, waste, or abuse is observed by, or made known to, an employee, the employee shall immediately report the activity to his/her direct supervisor. If the employee believes that the supervisor is involved with the activity, he/she shall immediately report the activity to the MASS Board of Directors. If the employee believes that the MASS Board of Directors may be involved with the activity, the employee shall file a report via the confidential form found on Mendota Area Senior Services website.

The employee shall not make any attempt to investigate the suspected activity prior to reporting it. The MASS Board of Directors shall coordinate investigations of fraud, waste, or abuse.

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An employee shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present, or future investigation of fraud, waste, or abuse.

Citizens and Customers

The MASS Board of Directors cannot compel employees or clients (non-employees) to report suspected instances of fraud, waste, or abuse. However, the MASS Board of Directors strongly encourages them to do so.

Management's Responsibilities

Once management has been informed of suspected fraud, waste, or abuse (or if management itself suspects fraud, waste, or abuse), management shall either contact the MASS Board of Directors directly or file a report via the confidential form found on Mendota Area Senior Services website.

Board of Directors Responsibilities

The MASS Board of Directors will coordinate all activity pertaining to Fraud, Waste, and Abuse. The Board President will receive all reports and initiate and coordinate all investigations. When the Board President receives a report, the Board will review the report and determine if it has any follow-up questions for the person who filed the report. If so, the Board President will send these via email within five business days of the receipt of the report.

To the extent allowed by law, the MASS Board of Directors will review relevant information in a confidential and professional manner and will conduct a prompt preliminary investigation of the alleged activity. The preliminary investigation may include employee interviews and analyses of available records. A full investigation will follow if evidence indicates possible fraud, waste, and/or abuse.

The MASS Board of Directors shall be given unlimited and unrestricted access to all books, records, property (including desks and computers), and personnel during such investigations. Once an investigation is undertaken, the MASS Board of Directors will take immediate action to prevent the theft, alteration, or destruction of relevant records. Such actions may include, but are not limited to, limiting access to the location where the records currently exist, preventing the individual(s) who is the subject of the investigation from having access to the records, and/or taking actual possession of such records.

Once the MASS Board of Directors has sufficient, competent evidence that there is indeed an unauthorized, illegal, irregular or unsound practice that could (or already has)

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affected Mendota Area Senior Services, the Board of Directors is required to report the matter to proper authorities. If it appears that the matter is criminal in nature, the Board of Directors will immediately report it to other agencies as necessary (e.g., Police Department, State Attorney General's Office).

FILING A REPORT

General

Please keep the following in mind when reporting via the confidential form:

- If possible, report the issue to your supervisor first.
- You must be able to provide adequate information to support an investigation. Mere speculation does not suffice.
- Your report must be made in good faith. An employee who knowingly makes a false or bad faith complaint will be subject to disciplinary and/or legal action.
- **DO NOT USE THE FORM TO FILE REPORTS FOR VIOLATION TYPES NOT LISTED IN THE CHOICES PROVIDED.**

How to File a Report

Step 1: Ways to report:

Print and complete the confidential form located on Mendota Area Senior Services website.

In person: Forms are located on Mendota Area Senior Services information table.

Step 2: Complete a Report:

Following all instructions, follow these steps:

1. Complete the report, providing information about the incident, including:
 - a. Who: persons engaged in the incident, including titles;
 - b. What: what specifically occurred; and
 - c. When: the time and duration of the incident.
2. Read the anonymity information very carefully. Confirm whether or not you wish to remain anonymous. Please note that investigating your concern will be easier, and the MASS Board of Directors may be able to perform a more comprehensive investigation, if you provide your identity and how you may be reached. Every attempt will be made to keep your identity confidential.

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3. Enclose the form in a sealed envelope addressed as follows:

**Attn: Confidential to Board of Directors
Mendota Area Senior Services
P.O. Box 376
Mendota, IL 61342**

Forms may be mailed or dropped in a marked container located on the informational table located in the senior center.

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