



Housing Authority of the City of Columbia, Missouri

201 Switzler Street, Columbia, MO 65203
Office: 573.443.2556 ♦ TTY Relay: 800.735.2966 ♦ Fax: 573.443.0051 ♦ www.ColumbiaHA.com

COMMISSIONERS

Genie Rogers, Chair
Mary Anne McCollum, Vice-Chair
Bob Hutton
Max Lewis
Ed Robinson

Phil Steinhaus, CEO

Open Meeting Notice Board of Commissioners Meeting

Date: Monday, April 25, 2016

Time: 4:00 p.m.

Place: Columbia Housing Authority, 201 Switzler Street

- I. Call to Order/Introductions
- II. Roll Call
- III. Adoption of Agenda
- IV. **Resolution 2713:** A Resolution to Adopt Revisions to the Columbia Housing Authority Personnel Policy Related to the Anti-Fraud Policy, Appendix 4.
- V. Adjournment

If you wish to participate in the meeting and require specific accommodations or services related to disability, please contact Ms. ElTonya Rhoades, Executive Assistant at (573) 443-2556, extension 1122, at least one working day prior to the meeting. (Email: www.columbiaha.com/contact ► Administration)

Media Contact: Phil Steinhaus, CEO
Phone: (573) 443-2556
E-mail: www.ColumbiaHA.com ► Contact Us ► Administration

A complete agenda packet is available for review at all CHA offices during regular business hours and posted on the CHA web site at: www.ColumbiaHA.com.



Housing Authority of the City of Columbia, Missouri

Board Resolution

RESOLUTION # 2713

A Resolution to Adopt Revisions to the Columbia Housing Authority Personnel Policy Related to the Anti-Fraud Policy, Appendix 4.

WHEREAS, the Housing Authority of the City of Columbia, Missouri, adopted Appendix 4, Anti-Fraud Policy via Resolution 2372, on March 18, 2008; and

WHEREAS, the CEO of the Columbia Housing Authority and appropriate staff have undertaken a thorough review of the current Anti-Fraud policy; and

WHEREAS, revisions to Appendix 4, Anti-Fraud Policy of the personnel policy are deemed necessary in order to reflect our current organizational structure; and

WHEREAS, it has been determined that a revision adding the Human Resource Manager to the list of persons to whom suspected fraud, theft, waste, abuse, other dishonest conduct may be reported could encourage such reporting; and

WHEREAS, it has been determined that revisions to the Internal Audit Team are necessary due to changes in the Columbia Housing Authority's organizational structure; and

WHEREAS, it has been determined that the "Guidelines for Handling a Report of Suspected Fraud, theft, Waste, or Abuse" portion of the Anti-Fraud Policy require revision to ensure adherence to Garrity Rights during investigatory interviews; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Columbia, Missouri hereby adopts Resolution #2713 approving revisions to the Columbia Housing Authority Personnel Policy related to Appendix 4, Anti-Fraud Policy that will improve the Columbia Housing Authority's fraud reporting and investigation practices.

NOW, BE IT FUTHER RESOLVED that all previously adopted personnel policies and amendments are hereby rescinded, and a revised Anti-Fraud Policy dated April 19, 2016 is adopted, copy of which is incorporated by reference hereto and made a part hereof.

Genie Rogers, Chair

Phil Steinhaus, Secretary

Adopted April 25, 2016

Key to Revisions

Original Proposed Revisions (4/19/16)

Updated Revisions (4/25/16)

Deletions

Appendix 4
Adopted 2016-04-25

ANTI-FRAUD POLICY

Introduction

The Columbia Housing Authority has established an anti-fraud policy to enforce controls and to aid in the prevention and detection of fraud, theft, waste, or abuse against the agency. This policy applies to any fraud, theft, waste, or abuse or suspected fraud, theft, waste, or abuse involving an employee (including management), a consultant, vendor, contractor, outside agency, or person doing business with the agency or in any other relationship with the agency.

The Columbia Housing Authority does not tolerate any type of fraud, theft, waste or abuse. The agency's policy is to promote consistent, legal, and ethical organizational behavior by:

- assigning responsibility for reporting fraud, theft, waste or abuse;
- providing guidelines to conduct investigations of suspected fraudulent behavior;
- requiring each employee to attend annual fraud awareness training

Failure to comply with this policy subjects an employee (including management) to disciplinary action, including immediate termination. Failure to comply by a consultant, vendor, contractor, outside agency, or person doing business with the agency or in any other relationship with the agency could result in cancellation of the business or other relationship between the entity and the agency.

The Columbia Housing Authority will pursue prosecution if the results of an investigation indicate the possibility of criminal activity.

For purposes of this policy only the term **fraud** or **fraudulent** includes theft, waste, and abuse as defined below. The term **employee** includes employees in management positions. The term **management** includes directors, managers, assistant managers, supervisors and any other employee who has authority to sign another employee's performance evaluation.

Definitions and Examples of Fraud, Waste, Abuse, and Theft

Fraud is defined as an intentional deception designed to obtain a benefit or advantage or to cause some benefit that is due to be denied. Examples of fraud include:

- Forgery or alteration of a check, bank draft, or any other financial document;
- Theft of a check or other diversion of a tenant payment;
- Forgery or alteration of tenant information;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of agency operations;
- An employee with access to confidential tenant information who sells this information or uses it in the conduct of an outside business activity;

Waste is the loss or misuse of CHA resources that results from deficient practices, system controls, or decisions.

Abuse is the intentional, wrongful, or improper use of resources or misuse of rank, position, or authority that causes the loss or misuse of resources, such as tools, vehicles, computers, copy machines, etc. Examples of abuse include:

- Using CHA equipment or supplies to conduct personal business;
- An employee using non-confidential tenant information to get new customers for his/her outside business.

Theft is defined as the act of taking something from someone unlawfully. Examples of theft include:

- Taking home equipment belonging to the agency and keeping it for personal use;
- Altering tenant information with the intent to reduce their rent below what is actually due.

Responsibility to Report Suspected Fraud

Each employee is required to report any suspected fraud, theft, waste or abuse or other dishonest conduct to the employee's division management (Department Director), **Human Resource Manager**, or the CEO.

Management is required to report suspected fraud, theft, waste or abuse or other dishonest conduct, including reports from employees or other individuals, to the **Human Resource Manager** or CEO.

Management does not have the authority to determine the merits of a report of suspected fraud – the CEO makes this determination with the assistance of Internal Audit Team, as provided by this policy.

The identity of an employee or complainant who reports suspected fraud will be protected to the full extent allowed by law (see: *Responsibilities of the CEO and the Internal Audit Team*).

Suspected improprieties and/or misconduct concerning an employee's ethical conduct should be reported to division management (**Department Director**), **the Human Resource Manager**, or the CEO. Note that there are many instances of prohibited actions that do not rise to the level of fraud, such as an improper relationship with a vendor. **Please see CHA's Good Faith Reporting and Retaliation policy, Appendix 11, for these instances.**

Guidelines for Handling a Report of Suspected Fraud, Theft, Waste, or Abuse

Whether the initial report is made to management, **the Human Resource Manager**, or the CEO, the reporting individual should receive the following instructions and information:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- **Allow the CEO and the Internal Audit Team to conduct the investigation. Do not further investigate the allegations. Do not interrogate the employee(s) in question.**

- Observe strict confidentiality. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the CEO, the Internal Audit Team or the Office of Inspector General.
- Retaliation will not be tolerated. The agency will not tolerate any form of retaliation against individuals providing information concerning fraud or suspected fraud.
- Every effort will be made to protect the rights and the reputations of everyone involved, including the individual who in good faith alleges perceived misconduct as well as the alleged violator(s). (See: Disciplinary Action for the consequences of making a report of fraud in bad faith.)
- The identity of an employee or other individual who reports a suspected act of fraud will be protected as provided by this policy (see: Responsibility to Report Suspected Fraud).

Responsibilities of the CEO and the Internal Audit Team

On receiving a report of suspected fraud, the CEO shall document the contact and refer the report to the Internal Audit Team who will then conduct a preliminary investigation to determine the credibility of the report. If the report is credible, the CEO Internal Audit Team shall follow the investigation guidelines provided in this policy (see: *Guidelines for the Investigation of Suspected Fraud*).

The CEO and the Internal Audit Team shall make every effort to protect the rights and the reputations of everyone involved in a report of suspected fraud, including the individual who in good faith alleges perceived misconduct, as well as the alleged violator(s). ~~The CEO also shall make every effort~~ In addition, every effort shall be made to protect the identity of a person who in good faith reported the suspected fraud. However, disciplinary action may be taken as provided by this policy if a report is made in bad faith (see: *Disciplinary Action*).

On determining that a report is not credible or is not a report of fraud, the CEO shall document this determination. The CEO's documentation shall include support for the determination. The CEO will refer questions as to whether an action constitutes fraud to the Internal Audit Team.

In addition to reporting each suspected fraud to the Internal Audit Team, the CEO is responsible for reporting confirmed fraud to the Board of Directors and the HUD Field Office to forward the report to the Office of Inspector General.

The CEO is responsible for the administration, revision, interpretation, and application of this policy.

Guidelines for the Investigation of Suspected Fraud

The Internal Audit Team is composed of the Director of Finance, the Human Resource Manager, and the Director of Safety, and is responsible for the full investigation and documentation of suspected fraud.

The Internal Audit Team has primary responsibility for the investigation of reported wrongdoing and all suspected fraud and for coordinating investigative activities with any Department Directors that may need to assist with the investigation. Each employee involved in an investigation of suspected fraud shall keep the content of the investigation strictly confidential to the full extent provided by law. Investigation results shall not be disclosed or discussed with anyone other than those who have a legitimate need to know.

Any required investigative activity shall be conducted without regard to the suspected wrongdoer's length of service, position/title, relationship to the agency, or any other perceived mitigating circumstance.

The Internal Audit Team shall maintain appropriate documentation regarding incidents of fraud. The Internal Audit Team shall develop and maintain guidelines for access to and security of this documentation.

If an investigation substantiates fraudulent activities, the Internal Audit Team will prepare an incident report to the CEO and the Director of the **Department** ~~division~~ in which the fraud occurred. The Internal Audit Team shall prepare the report as soon as possible after the fraud is confirmed and shall document the content of the investigation, the findings, and any disciplinary action taken as a result of the finding.

Any inquiries from the suspected individual, his or her attorney/representative, or any other inquirer shall be directed to the CEO. If necessary, the CEO will refer these inquiries to the appropriate **Department** ~~division~~.

Disciplinary Action

Failure to comply with any part of this policy is grounds for disciplinary action, including immediate termination.

An employee who:

- has engaged in any form of fraud, waste, or abuse;
- suspects or discovers fraudulent activity and fails to report his or her suspicions as required by this policy (See: Responsibility to Report Suspected Fraud); or
- Intentionally reports false or misleading information, is subject to disciplinary action, including immediate termination.

Any member of management who does not pass to the CEO or the Internal Audit Team each and every report of suspected fraud made by an employee or other person is subject to disciplinary action, including immediate termination.

Fraud Awareness Training

The Internal Audit Team shall develop a Fraud Awareness Training to be presented to all employees annually. After attending the training, the employee must sign a form indicating that they have attended the training and understood its content.