



## Bayfield County Administrator

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Mark Abeles-Allison, *County Administrator*  
Kristine Kavajecz, *Assistant*

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### BAYFIELD COUNTY AD HOC FRAUD PREVENTION COMMITTEE

Scott Fibert	Dan Anderson	Mark Abeles-Allison,	
William Bussey	Elizabeth Skulan	Sheriff Paul Susienka	
Patricia Olson	Kay Cederberg	Tom Toepfer	Rob Schierman
Jason Bodine	Paul Houck	Mark VanVlack	Kathy Gram

Dear Committee Members:

This letter is written to inform you of the Bayfield County Ad Hoc Business Park Planning Committee Meeting scheduled for Wednesday, May 11, 2016, 1:30pm, at the Emergency Operations Center (EOC), Bayfield County Annex Building, Washburn, WI. The agenda for this meeting is as follows:

*Notice is hereby given that a majority of the Bayfield County Board may be present at the meeting to gather information about a subject over which they have decision-making responsibility. This constitutes a meeting of the Bayfield County Board pursuant to State ex rel. Badke v. Greendale Village Bd., 173 Wis. 2d 553, 494 N.W.2d 408(1993), and must be noticed as such, although the County Board will not take any formal action at this meeting.*

#### AGENDA

- 1) Call to Order
- 2) Discussion and Possible Action on Committee Purpose: *Establish county policies and procedures to help prevent and provide a plan of action in the event of fraud.*
- 3) Nomination/Election of Committee Officers: Chair, Vice Chair
- 4) Discuss essential components of Fraud Policy
- 5) Draft Policy Effort Review, Laconia example / Eau Claire County
- 6) Discussion and Possible Action on Next Planning Steps / Recommendations / Draft language /

7) Next Meeting?? Wednesday, September 14, 1:30pm.

8) Agenda Topics

9) Adjournment

Should you have any questions in the meantime, please contact my office.

Sincerely,

Mark Abeles-Allison  
Bayfield County Administrator

MAA/kak

*Any person planning to attend a Bayfield County meeting that has a disability requiring special accommodations should contact 373-6100, 24-hours before the scheduled meeting, so appropriate arrangements can be made.*

cc: Bayfield County Board of Supervisors  
The Daily Press, via fax  
The County Journal, via fax

**BAYFIELD COUNTY, PROPOSED  
FRAUD PREVENTION COMMITTEE  
2016**

**PURPOSE:** Establish a Fraud Prevention and Fraud Planning Policy that will outline county policies and procedures to help prevent and provide a plan of action in the event of fraud.

**TIMELINE:** Begin in March, complete by December 31, 2016 with approval by the Bayfield County Board.

**MEMBERS:**

- County Clerk
- Treasurer
- Human Services Director
- County Board Representative
- Sheriff
- Register of Deeds
- Clerk of Court
- Highway Commissioner
- Zoning and Planning Administrator
- Forestry Director
- County Administrator
- IT Department
- Auditor
- Bank Representative

## **EXAMPLE FRAUD POLICY**

### CITY OF LACONIA

#### **INTRODUCTION**

The City of Laconia recognizes the importance of protecting the organization, its taxpayers, its employees and its assets against financial risks, operational breaches and unethical activities. Therefore, the management must clearly communicate the fraud prevention policy to both internal and external customers, vendors and employees.

The impact of misconduct and dishonesty may include:

- The actual financial loss incurred
- Damage to the reputation of our City and our employees
- Negative publicity
- The cost of investigation
- Loss of employees
- Loss of public confidence
- Damaged relationships with our contractors and suppliers
- Litigation

Our goal is to establish and maintain an environment of fairness, ethics and honesty for our employees, our citizens, our suppliers and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

Our City is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal, where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

#### **ZERO TOLERANCE POLICY**

The City of Laconia has adopted a zero tolerance policy regarding fraud. No employee of the City shall remove any City of Laconia assets from the property, misuse any City assets for one's personal gain, or willfully misappropriate any City of Laconia asset. Any evidence supporting fraud, theft or embezzlement of City of Laconia assets and equipment may be subject to the following actions including but no limited to: suspension, termination, restitution and criminal charges. Any City of Laconia employee who is aware of fraud being committed against the City by anyone shall report such activity to the Police Department.

#### **PROHIBITED ACTS**

Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include:

1. Falsification of expenses and invoices
2. Authorizing or receiving compensation for goods not received or services not performed
3. Theft of cash or fixed assets

4. Alteration or falsification of records
5. Failure to account for monies collected
6. Knowingly providing false information on job applications
7. Authorizing or receiving compensation for hours not worked
8. Embezzlement, bribery or conspiracy

### **REPORTING OF FRAUD**

1. Employees shall read and understand this policy. Additionally, suspected or known fraudulent acts by employees shall be reported to their respective Department Head. If the employee has reason to believe that their Department Head may be involved, the employee shall notify the Police Department directly.
2. Supervisors shall a) communicate the provisions of this policy to all staff; b) take no action without consulting the Department Head; c) recommend appropriate disciplinary action when there is evidence of wrong-doing; and d) if suspension or termination is recommended, consult with the Personnel Specialist.
3. Department Heads shall communicate any suspected or known fraudulent act to the Police Department. The Police Department will notify the City Manager of each reported incident and keep the City Manager abreast of the investigation.
4. All participants in the fraud investigation shall keep the details and results of the investigation confidential.
5. Any employee reporting an act of fraud; or assisting, testifying or participating in a fraud investigation, acting in accordance with the requirement of this policy, shall not be subject to any adverse employment action unless it is determined the employee is culpable for such action and/or made an allegation knowing it was false. Examples of adverse employment action include, but are not limited to, discipline, suspension, threatening to discipline or suspend, coercion, acts of intimidation and firing.

### **FALSE ALLEGATIONS**

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

### **DETERRING FRAUD AND CORRUPTION**

The City has established internal controls, policies and procedures in an effort to deter, prevent and detect fraud and corruption. All new full time employees are subject to background investigations including a criminal background check(s). All temporary, part-time, and seasonal employees may be subject to a criminal background check based on position and possible duration or employment. The City may also verify all applicants' employment history, education and personal references prior to making an offer of employment.

All vendors, contractors and suppliers must be active, in good standing and authorized to transact business in the City of Laconia. Vendors, contractors, and suppliers maybe subject to screening, including verification of the individual or company's status as a debarred party.

When necessary, contractual agreements with the City may contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

City employees will periodically receive fraud and corruption awareness training. New employees will receive this policy as part of their training at orientation.

## CORRECTIVE ACTION

Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the City Manager or disciplinary committee.

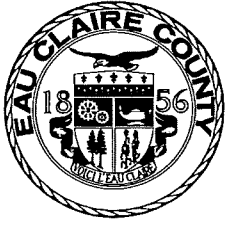
Ethics Committee

Offenders at all levels of the City will be treated equally regardless of their position or years of service with the City. Determinations will be made based on a finding of facts in each case, actual or potential damage to the City, cooperation by the offender and legal requirements.

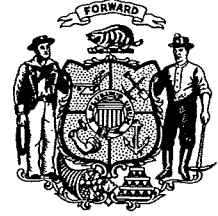
Exec Committee

Depending on the seriousness of the offense and the facts of each individual case, action against an employee can range from written reprimand and a probationary period to legal action-either civil or criminal. In all cases, involving monetary losses to the City, the City will pursue recovery of losses.

*DISCLAIMER: All example policies are for illustrative purposes only. None of these example policies have been reviewed by LGC legal staff for enforceability or compliance with applicable laws. LGC makes no express or implied endorsement or recommendation of any example policy, nor does it make any express or implied guarantee of the legal enforceability, legal compliance, or quality of any particular policy. Likewise, we do not represent that any particular policy or portion of a policy is appropriate for any particular municipality. Legal counsel should review any proposed financial policy before a municipality adopts it.*



**Eau Claire County**  
**Office of the County Administrator**  
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March 30, 2016

TO: All Employees

FROM: Kathryn Schauf, County Administrator

RE: Eau Claire County Ethics & Fraud Anonymous Hotline

As County Administrator, I strongly believe that our core values of integrity and transparency coincide strongly with our mission to assure the common good through services essential for a safe, sustainable, engaged and healthy community. Delivering services to the citizens of Eau Claire County in an ethical, professional, fair and transparent manner is what our employees strive for each and every day. With this in mind, I am pleased to announce that effective Monday, April 4<sup>th</sup>, 2016, we have engaged Lighthouse Services to provide an anonymous ethics and compliance hotline for all employees of Eau Claire County. The purpose of the service is to insure that any employee wishing to submit a report anonymously can do so without the fear of retribution.

Employees are encouraged to use the hotline service in cases where anonymity is desired. Please follow Eau Claire County standard practices for all reports or consistent with EAP and grievance policies.

Reports may cover but are not limited to the following topics:

Ethical violations	Internal controls
Fraud	Conduct violations
Conflict of Interest	Threats
Theft and Embezzlement	Bribery and Kickbacks
Falsification of reports or records	Misuse of Company Property

Please note that the information provided by you may be the basis of an internal and/or external investigation into the issue you are reporting and your anonymity will be protected to the extent possible by law by Lighthouse. However, your identity may become known during the course of an investigation because of the information you have provided. Reports are submitted by Lighthouse to a company designee for investigation according to Eau Claire County's policies.

For your convenience, Lighthouse Services provides a toll free number and other methods of reporting that are available 24 hours a day, 7 days a week for use by Eau Claire County employees and staff.

**Telephone (Toll free):** USA and Canada – (844) 600-0067 (not available from Mexico)

**Website:** [www.lighthouse-services.com/eauclearcounty](http://www.lighthouse-services.com/eauclearcounty)

**E-mail:** [reports@lighthouse-services.com](mailto:reports@lighthouse-services.com) (must include Eau Claire County with report)

To help provide a better understanding of the program, I invite you to watch the 10 minute video below:  
[www.lighthouse-services.com/Video/EthicsHotlineTraining/EauClaireCounty](http://www.lighthouse-services.com/Video/EthicsHotlineTraining/EauClaireCounty)

I would like to thank the employees of Eau Claire County for your continued efforts to provide the highest level of excellence to the community that we serve. If you have any concerns regarding the anonymous hotline, please do not hesitate to contact me.

***Our Mission***

*To provide quality, innovative, and cost effective services that safeguard and enhance the well-being of residents and resources.*

## Chapter 2 Ethics Ordinance

### Sec. 2-4-1 Title.

This ordinance is cited as the Bayfield County Ethics Ordinance.

### Sec. 2-4-2 Purpose.

The purpose of this ethics ordinance is to establish ethical standards of conduct for all Bayfield County officials and employees by identifying those actions that are not compatible with the best interests of the County. The County Board believes that a code of ethics for the guidance of County officials and employees in serving the County will help officials and employees avoid conflicts between personal interests and public responsibilities, will improve standards of public service and will promote and strengthen the faith and confidence of the people of Bayfield County in their officials and employees. To this end, the policy of the County is that:

- A. Officials and employees are independent, impartial and responsible to the people;
- B. Government decisions and policy are promulgated in the best interests of the people, community and government;
- C. County office or employment should not be used for personal gain or political advantage; and
- D. County business is conducted so as to reinforce the public's confidence in the integrity of County government.

### Sec. 2-4-3 Authority.

Bayfield County (hereinafter "Bayfield County" or "County") enacts this ethics ordinance pursuant to the authority of Wis. Stat. §19.59.

### Sec. 2-4-4 Definitions.

- A. **Anything of Value** includes any money, property, favor, service, subscription, payment, advance, forbearance, loan or promise of future employment. "Anything of Value" does not include door prizes, compensation and expenses paid by the County, fees and expenses which are permitted by Wisconsin Statutes, political contributions which are reported under Chapter 11 of the Wisconsin Statutes, or hospitality extended for a purpose unrelated to County business by a person other than an organization.
- B. **Anything of Insignificant Value** includes unsolicited advertising or promotional materials such as pens, pencils, notepads, calendars, informational or educational materials of insignificant value, (an item from



a vendor that costs less than \$25.00 on a one (1) time basis, but not more than \$50.00 worth of items in a calendar year from a vendor), plaques, other advertising giveaways or any other thing which is not likely to influence the judgment of individuals covered by this Code.

- C. **Associated** when used in reference to an organization, includes any organization in which an individual or a member of his/her immediate family is a director, officer, or trustee, or who has a significant fiduciary relationship or an individual who owns or controls, directly or indirectly, and severally or in the aggregate, at least ten (10) percent of the outstanding equity.
- D. **Confidential Information** means written material or oral information related to county government that is not otherwise subject to the open records law and that is designated by statute, court decision, lawful order, ordinances, resolutions or custom as confidential.
- E. **Contract** means all agreements executed between the County or a sub-unit thereof and another party or parties, for the provision of goods, materials, supplies, construction or services in exchange for valuable and sufficient consideration.
- F. **Employee** means any person employed by the County in any capacity, full-time or part-time, and not otherwise included in the definition of Official. Employee includes, without limitation, limited term employees (LTE), temporary employees, casual employees and seasonal employees.
- G. **Financial Interest** means any interest which yields, directly or indirectly, a monetary or other material benefit to the Official or Employee, to the Official or Employee's immediate family, or to any person employing or retaining services of the Official or Employee.
- H. **Immediate Family** means an Official's or Employee's spouse, children, stepchildren, parents, siblings, grandparents and stepparents. Immediate Family also means any other legal relation who contributes more than one-half ( $\frac{1}{2}$ ) support to the Official or employee, or receives that level of support from the Official or employee, or lives in the Official's or Employee's residence.
- I. **Official** includes all County elected officials and appointed members of policymaking Boards, Committees, Councils and Commissions.
- J. **Organization** means any stock or non-stock corporation, partnership, proprietorship, firm, enterprise, franchise, incorporated or unincorporated association, trust or other legal entity other than an individual or body politic.
- K. **Personal Interest** means any interest arising from blood or marriage relationships or from close business or political associations, whether or not any financial interest is involved.
- L. **Political Activity** includes but is not limited to, the following:

- (1) Directly or indirectly soliciting or receiving subscriptions or contributions for any political party or political purpose;
  - (2) Engaging in any form of activity calculated to favor or improve the chances of any political party or any person seeking or attempting to hold political office;
  - (3) Any act done for the purpose of influencing an election or nomination for election of any individual to state or local office;
  - (4) Any act done for the purpose of influencing the recall from or retention in office of an individual holding a state or local office;
  - (5) Any act done for the purpose of payment of expenses incurred as a result of a recount at an election;
  - (6) Any act done for the purpose of influencing a particular vote at a referendum. *(Adopted 1-21-14)*
- M. Significant Fiduciary Relationship** means owning or controlling, directly or indirectly: (a) at least ten (10) percent of the outstanding stock or stock of any business corporation having a cost or market value of at least five thousand dollars (\$5,000); or (b) an interest of at least ten (10) percent or five thousand dollars (\$5,000) of any organization.

### **Sec. 2-4-5 Responsibility of Public Office.**

Officials and Employees hold their positions for the benefit of the public. They are bound to uphold the Constitution of the United States, the Constitution of the State of Wisconsin, and to carry out efficiently and impartially all laws of the United States, the State of Wisconsin as well as all ordinances, resolutions and policies of the County. They are further bound to observe in their official acts the highest standards of morality and to discharge faithfully the duties of their office regardless of personal considerations. The public interest must be their primary concern.

### **Sec. 2-4-6 Fair and Equal Treatment.**

- A. Use of Public Property.** An Official or Employee shall not use or permit the use of County services or County-owned vehicles, equipment and materials for non-governmental purposes or for personal convenience or for profit.
- B. Obligations to Citizens.** An Official or Employee shall not grant any special consideration, treatment or advantage to any citizen beyond that which is available to every other citizen.

**Sec. 2-4-7 Conflicts of Interest.**

- A. Financial and Personal Interest Prohibited.** No Official or Employee shall engage in any business or transaction or shall act in regard to financial or personal interest, direct or indirect, which: (1) is incompatible with the discharge of his or her duties; (2) would tend to impair their independence of judgment or action in the performance of their official duties; or (3) is contrary to the provisions of this ethics ordinance.
- B. No Financial Gain or Anything of Value.** Except as otherwise provided or approved by the County Board, no Official or Employee shall use his/her public position or office to obtain financial gain or anything of value for the private benefit of himself/herself or his/her immediate family, or for an organization with which he/she is associated. This paragraph does not prohibit a county elected official from using the title or prestige of his/her office to obtain campaign contributions that are permitted by and reported as required by Chapter 11 of the Wisconsin Statutes.
- C. Incompatible Employment.** An Official or Employee shall not engage in or accept any private employment or render any service for a private interest when such employment or service is incompatible with the proper discharge of their official duties or which may impair their independence of judgment or action in the performance of their official duties unless as otherwise permitted by law or unless disclosure is made as hereafter provided. An Employee shall obtain prior approval from their Department Head, or in the case of a Department Head, from the applicable home committee, before engaging in outside employment. Any authorized outside employment must not conflict with the Official's or Employee's ability to do their job with the County and must not otherwise violate any provision of this ethics ordinance.
- D. Use or Disclosure of Confidential Information.** An Official or Employee shall not, without lawful authority, knowingly disclose or permit the disclosure of confidential information to any person not lawfully authorized to receive such privileged information, or use confidential information to advance their personal financial interest or the financial interest of any other person or organization.
- E. Receipt of Gifts and Gratuities Prohibited.** An Official or Employee shall not solicit or accept from any person or organization, directly or indirectly, anything of value without full payment, if it could reasonably be expected to influence their vote, governmental actions or judgments, or if it could reasonably be considered as compensation or a reward for any governmental action or inaction. It is not a conflict of interest for an Official or Employee to receive an unsolicited item of insignificant value or anything that is given to them independent of their position as an Official or Employee. This provision does not prohibit an Official or Employee from engaging in outside employment in accordance with this ethics ordinance.

- F. Nepotism.** An Official or Employee shall not hire, promote or advocate for the hiring or promotion of any member of his or her immediate family. An Official or Employee shall not directly supervise any member of his or her immediate family. An Official or Employee shall not approve or advocate for approving increases in the rate of pay or benefits of an immediate family member.
- G. Contracts.** No Official or Employee shall, in a private capacity, negotiate, bid for, enter into, make or perform a contract in which the Official, Employee, immediate family member of the Official or Employee, or any business or organization with which an Official, Employee or immediate family member is associated, has a direct or indirect financial interest, if the Official or Employee is authorized or required by law to participate in the Official's or Employee's capacity as such Officer or Employee in the making of that contract or to perform in regard to that contract some official function requiring the exercise of discretion on the Officer's or Employee's part. If the Official or Employee will not be involved with the contract in an official capacity, the contract may be allowed only if awarded through a process of public notice and competitive bidding in conformity with all applicable laws. This provision is intended to comply with, and in no way contradicts or invalidates the guidelines in Wisconsin Statute § 946.13.
- H. Financial Interest in Legislation.** A member of the County Board who has a financial interest in any proposed action before the County Board, or whose immediate family member has a financial interest in any proposed action before the County Board, shall fully disclose the nature and extent of such interest to the County Board Chair prior to the initial discussion of such action and shall refrain from participating in the discussion of, and voting on, such action. A member of the County Board shall request to be excused by the Board or Committee Chair for the duration of any deliberations concerning such action in which the member has a financial interest. Any other Official or Employee who has a financial interest in any proposed action before the County Board, and who participates in discussion with or gives an official opinion or recommendation to the County Board, shall first fully disclose the nature and extent of such interest to the County Board.
- I. Business Interest.** An Official or Employee shall not engage in any business, transaction or act in regard to any financial interest, direct or indirect, which:
1. Is incompatible with the proper discharge of their official duties for the benefit of the public;
  2. Is contrary to the provisions of this Code; or
  3. May impair their independence of judgment or action in the performance of their official duties.

- J. Unfair Persuasion.** No Official or Employee may use or attempt to use his or her public position to influence or gain unlawful benefits, advantages or privileges for himself or herself or others.
- K. Issuance of Permits.** No Official or Employee empowered to issue a discretionary permit pursuant to either state or local laws or regulations shall issue any such permit to himself or herself or to any member of that Official's or Employee's immediate family without first revealing in writing the request for such permit to that person's immediate supervisor or to the County Board that regulates the subject of such permit and obtaining written permission from the person's immediate supervisor or the County Board to issue the same.

### **Sec. 2-4-8 Public Records and Property.**

Pursuant to §19.21-19.39, Wisconsin Statutes, each and every Official is the legal custodian of and shall safely keep and preserve all property and things received from the Official's predecessor or other persons and required by law to be filed, deposited, or kept in the Official's Office, or which are in the lawful possession or control of the Official or the Official's Deputies.

### **Sec. 2-4-9 Political Activity.**

Officials and Employees may engage in political activity provided that such activity does not interfere with the performance of their duties and does not involve the use of county equipment or property. Officials and Employees are specifically prohibited from directly or indirectly coercing any person to withhold or contribute monetary or other types of assistance to any political candidate, party or purpose.

### **Sec. 2-4-10 Wisconsin Statutes Incorporated.**

The following Sections of the Wisconsin Statutes are hereby incorporated by reference and made a part of the ethics ordinance:

- A.** Chapter 11.00 Campaign Financing;
- B.** Section 19.21 Custody and Delivery of Official Property and Records;
- C.** Section 19.59 Code of Ethics for Local Government Officials, Employees and Candidates;
- D.** Section 946.10 Bribery of officers and employees;
- E.** Section 946.12 Misconduct in Public Office;
- F.** Section 946.13 Private Interest in Public Contract Prohibited.