

AN ORDINANCE ESTABLISHING A
WHISTLEBLOWER POLICY FOR HARNETT COUNTY

Purpose

Harnett County is committed to the highest standards of moral and ethical behavior by its employees, administrators, and elected officials. The purpose of this policy is to prohibit dishonest acts and/or fraudulent activity and to advise employees, administrators, and elected officials of their responsibility to report suspected fraudulent activity to the appropriate County office. In addition, this policy assigns responsibility for the development of adequate internal controls and performance of investigations relating to fraud.

Scope of Policy

This applies to any fraud, or suspected fraud, involving employees, administrators, and elected officials, as well as consultants, vendors, contractors, outside agencies, and/or any other parties having a business relationship with Harnett County. This policy also applies to employees of local boards, agencies and commissions over which the Board has authority to require general policies to be followed.

Policy

The Harnett County Administration and all levels of management are responsible for the prevention and detection of fraud, misappropriations, and other inappropriate conduct. Fraud is defined in this policy as a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Any fraud that is detected or suspected will be reported immediately to the Harnett County Legal Staff, which will conduct an objective and impartial investigation into the fraudulent activity, along with other applicable departments and/or law enforcement agencies, as deemed necessary or appropriate. Any individual found to have engaged in fraudulent activity, as defined by this policy, is subject to disciplinary action by Harnett County, which may include dismissal, as well as prosecution by appropriate law enforcement authorities and any other civil remedies allowed by law. The Harnett County Legal Staff is defined as the County Attorney and the County legal department senior attorney. It is noted that it is the responsibility of the County Legal Staff to notify the County Manager of pending investigations.

Actions Constituting Fraud

As used in this policy, the term "fraud" includes, but is not limited to, the following:

- Any dishonest or fraudulent act;
- Forgery or alteration of a check, bank draft, or any other financial document or account;

- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Accepting or seeking anything of material value from vendors, contractors, or other persons providing services/materials to the County;
- Using County funds to make unauthorized purchases;
- Authorizing or receiving compensation for hours not worked;
- Any similar or related inappropriate conduct.

Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and Human Resources rather than the County Legal Staff. If there is a question as to whether an action constitutes fraud, contact the County Legal Staff for guidance.

Duties and Responsibilities

Employees, supervisors, department heads and administrators at all levels are responsible for setting the appropriate tone of tolerance for fraudulent acts by complying with all laws, rules, regulations and policies. Department heads, supervisors, and elected officials should be aware of the types of fraud that could occur within their area of responsibility and should be alert for any indication of fraud. Department heads, supervisors, and elected officials are responsible for establishing and maintaining proper internal controls that will provide for the security and accountability of the resources entrusted to them.

Reporting Procedures

Any employee of Harnett County who has a reasonable basis for believing a fraudulent act has occurred, or is occurring, has a responsibility to promptly notify his/her supervisor, Department head, County Manager, a Commissioner or the County Legal Staff. Supervisors, elected officials, and/or Department heads have a responsibility to immediately notify the County Legal Staff of fraudulent activity reported to them by employees. Reporting options are as follows: (1) via confidential internet reporting link that will be available on the Harnett County website (www.harnett.org) or (2) via written notice sent to the attention of the County Legal Staff. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal right of defense.

Harnett County will not retaliate against a whistleblower

No person acting on behalf of the County shall:

- Dismiss, or threaten to dismiss, any employee;
- Discipline, suspend, or threaten to discipline or suspend an employee;
- Impose any penalty upon an employee; or
- Intimidate or coerce an employee

because the employee has acted in accordance with the requirements of this policy. However, it shall also be a violation of this policy for any informant to make a baseless allegation of fraudulent activity that is made with reckless disregard for truth and that is intended to be disruptive or to cause harm to another individual. Any violation of this section will result in disciplinary action which may include dismissal.

Persons reporting suspected fraudulent activity should refrain from confrontation with the suspect and should not discuss the matter with others unless specifically asked to do so by the County Legal Staff.

Investigative Procedures

The County Legal Staff has the primary responsibility for investigating the reported fraudulent activity; however, the County Legal Staff may contact other individuals (such as a Department Head, member of Management Team, etc.) as deemed appropriate to establish a team to investigate the suspected fraudulent activity.

Members of the investigative team will have:

- Free and unrestricted access to all County records and premises, whether owned or rented, as permitted by law; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

In the instances where the investigation indicates possible criminal activity, the investigation will be turned over to the appropriate law enforcement agency.

The results of the investigation conducted by the County Legal Staff will be communicated orally and/or in writing to the County Manager, the audit firm engaged to perform Harnett County's annual audit, and/or other appropriate designated personnel.

Confidentiality

All participants in a fraud investigation shall keep the details and results of the investigation confidential. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, in order to protect the reputations of persons suspected of fraudulent activity but subsequently found innocent of wrongdoing and to protect the County from potential civil liability.

Media Issues

Any person contacted by the County Legal Staff with respect to an investigation into fraudulent activity shall refer the media to the County Legal Staff. The suspected fraud or audit

investigation shall not be discussed with media by any person other than the County Legal Staff or County Manager.

Sanctions

- Employees and Administrators

Employees and administrators suspected of participating in fraudulent activity may be suspended without pay during the course of the investigation, in accordance with policies as established by Harnett County's Personnel Ordinance.

Employees and administrators found to have participated in fraudulent activity will be subject to disciplinary action up to and including termination from employment and probable criminal prosecution or civil action.

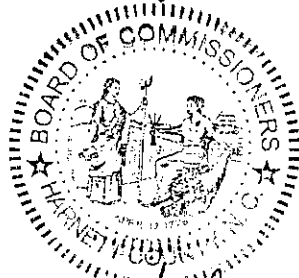
Employees and administrators found to have knowledge of fraudulent activity and who knowingly failed to report the activity will be subject to disciplinary action up to and including termination from employment.

If disciplinary action is warranted, such action will be taken after consultation between the County Manager, the Human Resources Director, the County Legal Staff, and other offices as deemed necessary and/or appropriate.

- Consultants, vendors, contractors, outside agencies, and/or any other parties having a business relationship with Harnett County.

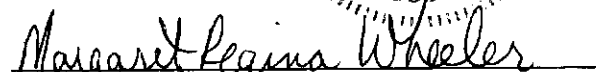
The relationship of individuals or entities associated with Harnett County found to have participated in fraudulent activity as defined by this policy will be subject to review, with the possible consequence of modification or termination of the relationship. If such action is warranted, the County Legal Staff, the County Manager and/or other appropriate offices will be consulted prior to the action being taken. Criminal or civil action may be taken against such individuals or entities.

Adopted by the Harnett County Board of Commissioners on January 22, 2013 and effective immediately.




Jim Burgin, Chairman
Harnett County Board of Commissioners

ATTEST:


Margaret Regina Wheeler, Clerk to the Board
Harnett County Board of Commissioner