



## ELEMENTS OF A FRAUD POLICY

The purpose of a written Fraud Policy is to establish an anti-fraud culture covering work practices and business ethics *within your organization*. Your policy should indicate the fight against fraud is endorsed and supported at the most senior level of your organization and needs to be communicated to all employees (irrespective of grade, position, or length of service), contractors, suppliers, and second tier subrecipients.

A written Fraud Policy should be simple, focused, and can be brief. It should:

- Make it clear all employees have a responsibility for fraud prevention and detection
- Encourage employees to report any suspicion of fraud
- Identify procedures to be followed if fraud is suspected
- Allocate responsibility for investigating fraud
- Outline actions to be taken in the event of fraud (up to termination and/or legal recourse)

It can be helpful to identify actions that might constitute fraud in your policy. These can include:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling of money or financial transactions
- Profiteering as a result of insider knowledge of your organization's activities
- Disclosing confidential or proprietary information to outside parties
- Accepting or soliciting anything of material value from contractors, vendors, or persons providing services to the company
- Destruction, removal, or inappropriate use of business assets including Grant Subaward records and documents

There are many samples of Fraud Policies on the internet that can be accessed by conducting a simple search on "fraud policy." We hope this information is beneficial to you in the development of your fraud policy. If you are suspecting fraud or misuse of Grant Subaward funds, you can contact the Monitoring Division Chief at (916) 845-8836 or at [Monitoringdivision@caloes.ca.gov](mailto:Monitoringdivision@caloes.ca.gov).



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