



## POLICY DIRECTIVE

Policy:	<b>DOC 1.2.19 FRAUDULENT ACTS REPORTING</b>
Effective Date:	02/02/2000 <span style="float: right;">Page 1 of 2</span>
Revision Date(s):	04/12/2012; 04/24/2026
Signature/Title:	/s/ Eric Strauss, Director

### I. POLICY

Department employees and contractors must immediately report any suspected or actual fraudulent acts involving state resources or programs.

### II. APPLICABILITY

All divisions, facilities, and programs Department-owned and contracted, as specified in contract.

### III. DEFINITIONS (see Glossary)

### IV. REQUIREMENTS

#### A. Responsibilities

1. Department supervisors are responsible for detecting and preventing fraudulent acts including misappropriation of resources and other improper activity.
2. All Department employees must report suspected or actual fraudulent incidents that may involve other employees, consultants, vendors, contractors, or any other party engaged in Department business. Failure to report may result in disciplinary action or criminal charges.
3. The Department Training Unit is responsible to provide refresher training on fraudulent acts based on a review of annual investigative activity and the results of annual training needs assessments.

#### B. Fraud

1. The following is a partial list of acts that may serve as examples of conduct and behaviors that constitute fraud:
  - a. forgery or alteration of any Department document or account;
  - b. forgery or alteration of a check, bank draft, or any other financial transactions;
  - c. misappropriation of funds, supplies, or other assets;
  - d. impropriety in the handling or reporting of money or financial transactions;
  - e. disclosing confidential information to unauthorized parties;
  - f. accepting or seeking anything of material value from contractors, vendors, or persons providing Department services or materials (with the exception of gifts valued at less than \$50.00);
  - g. unauthorized destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment; and
  - h. any similar or related impropriety.
2. Employees are directed to:
  - a. review *DOC 1.3.2 Performance and Conduct* and *DOC 3.1.28 Crime Scene and Physical Evidence Preservation* for additional information on standards of conduct; and
  - b. address moral, ethical, or behavior concerns with the appropriate supervisor.

**C. Theft**

1. The following is a partial list of acts that constitute theft according to state law. A person commits theft if the person purposely or knowingly:
  - a. obtains by threat or deception control over an owner's property;
  - b. obtains control over stolen property knowing the property to have been stolen by another;
  - c. exerts unauthorized control over any part of the Family and Social Services public assistance provided under Title 52 and 53;
  - d. obtains or exerts or helps another obtain or exert unauthorized control over any part of any benefits provided under Worker's Compensation laws Title 39, Chapter 71;
  - e. commits insurance fraud; or
  - f. obtains or exerts unauthorized control over property of the person's employer or over property entrusted to that person.

**D. Reporting**

1. Anyone who suspects or has knowledge of dishonest or fraudulent acts may use one of the following to report the activity:
  - a. report to the Investigations Bureau;
  - b. submit a completed *Fraudulent Acts Report* form to the Investigations Bureau; or
  - c. call the Legislative Audit Division Fraud Hotline at 1-800-222-4446.
2. An employee who submits a Fraudulent Acts Report may inform a supervisor or may choose to report only to the Investigations Bureau or the Legislative Audit Division Fraud Hotline.
3. Employees will not attempt to personally investigate, interview, or interrogate any person that the employee may suspect of a fraudulent act.

**E. Confidentiality**

1. The Investigations Bureau will treat all fraudulent acts reports confidentially within the scope of investigative processes.
2. The Investigations Bureau will not disclose or discuss any investigation with anyone, except those who have a legitimate need to know, to avoid damage to the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Department from potential civil liability.

**F. Investigations**

1. In accordance with *DOC 3.1.19 Investigations*, the Investigations Bureau will:
  - a. investigate suspected fraudulent acts;
  - b. refer investigations to prosecuting authorities;
  - c. inform the Department's Human Resource Bureau and affected division or facility administrators of the status of any investigative referrals as they relate to ongoing administrative investigations and disciplinary action; and
  - d. in accordance with state law, immediately notify both the state Attorney General and Legislative Auditor in writing if information discovered during the course of an investigation substantiates actual or suspected theft involving state monies or property.

**V. CLOSING**

Questions about this policy should be directed to the Department's Investigations Bureau.

**VI. REFERENCES**

- A. 5-13-309, MCA; 45-6-301, MCA
- B. *DOC 1.3.2 Employee Performance and Conduct Guidelines*; *DOC 3.1.19 Investigations*; *DOC 3.1.28 Crime Scene and Physical Evidence Preservation*

**VII. FORMS**

*Fraudulent Acts Report*