

Jordanelle Special Service District

The Fraud Reporting Policy

Policy Statement

As referenced in the Fraud Policy of Jordanelle Special Service District (the District), the governing board has established this policy to provide a framework for reporting suspicions of fraud within the District. Jordanelle Special Service District commits to properly addressing the concerns of employees as submitted in accordance with the provisions of this policy.

Scope

It is understood that employees, board members, vendors, and other outside agencies may report suspicions of fraud under this policy. It is also understood that the scope of this policy can include reporting suspicions of fraudulent activity allegedly performed by employees, board members, vendors, or other outside agencies against the District.

Reportable Actions Constituting Fraud

The terms *fraud*, *misappropriation*, and *irregularities* are synonymous terms commonly used to refer to occupational or internal fraud. There are three types of fraud: asset misappropriation (the taking of District assets), corruption (collusion between at least two parties to gain personally while causing a loss to the District), and financial statement fraud (misrepresenting the financial position and/or results of operations).

Fraud can include, but is not limited to, any dishonest act, misapplication of funds or assets, profiting on insider knowledge, destruction of records or assets, disclosure of confidential information, forgery or alteration of documents, impropriety in reporting transactions, gifts from vendors (outside of limits), disappearance of records or assets, and/or any similar or related irregularity.

Predication (Reasonable Cause)

The District has implemented this policy to encourage reporting suspicions that fraud is occurring within the District or has been perpetrated against the District. It is understood that in making a report in accordance with this policy, proof-positive evidence is not necessary. The potential reporter does not have to be right. The potential reporter should simply consider what predication, or reasonable cause, exists to make a report.

Accordingly, those considering making a report under this policy should provide some type of documentation that a fraud may have been committed or at least indicate that the specific issue may appear to be fraudulent in nature. It is the responsibility of the investigators to form the conclusion that presentable fraud has occurred. Maliciously false or frivolous reports made under this policy will be dealt with in accordance with the provisions noted in the fraud policy.

Reporting Mechanism

To ensure the proper handling of a report of fraud under this policy, the governing board of the District has established a formal reporting mechanism whereby any individual who has knowledge of any suspected fraudulent activity can anonymously report these suspicions. The reporting process is as follows:

- Complete Form FN-1: *Anonymous Submission of Allegations of Fraud*. A copy of Form FN-1 is attached to this policy. In addition, the form can be found on the District's website at www.jssd.us.
- Mail Form FN-1 to the attention of the board chairman at:
Wasatch County Council
Attn: Jordanelle Special Service District Board Chairman
25 North Main

Heber City, Utah 84032

- If the allegation(s) involves a member of the governing board, mail Form FN-1 to the attention of the District's legal counsel at:

Parson Behle & Latimer
Attn: Robert H. Hughes
201 South Main Street, Suite 1800
Salt Lake City, UT 84111

Notifications made in accordance with this policy will be handled according to the provisions of the District's separate fraud policy.

Acknowledgment and Signature

I have read and understand the contents of this fraud reporting policy.

Signature

Date