



## Caldwell County

# Fraud Detection & Prevention Policy

**Policy:** The potential for, or occurrence of, fraud and other illegal acts is a significant and sensitive management concern in any organization. Within Caldwell County's operations, this concern is heightened by the public expectation of honesty and integrity in their local government. Although the process and responsibilities for determining, detecting, investigating and reporting known, alleged or suspected fraud or other illegal acts within Caldwell County has been in place, this policy formalizes the process, and assigns the responsibility of coordinating all efforts of compliance with this policy with each elected official, department head, and supervisors of the county.

1. **Purpose:** The purpose of this policy is to minimize the impact of all potential or actual fraudulent or illegal acts by deterring such activity or detecting it as early as possible; to alert all Caldwell County employees that there is a mechanism by which such activities can be reported and investigated; and to ensure the fair, objective and thorough investigation and reporting of all such activities while safeguarding individual rights and maintaining confidentiality in accordance with applicable law. This policy relates to all potential or actual fraudulent and other illegal activities:
  - a. Within Caldwell County involving its employees in the performance of their responsibilities, which includes, but is not limited to theft, malfeasance, abuse of power or authority, kickbacks and embezzlement.
  - b. That involves cheating, forging or willfully falsifying County reports, documents, misappropriation or theft of any assets belonging to Caldwell County or for which Caldwell County is responsible, including, but not limited to cash, checks, securities, intellectual property, equipment, vehicles information and other data.
  - c. Employee misuse of paid leave of absences, falsifying origin of a personal injury to collect workers' compensation, falsifying timecards or making false statement(s) in the performance of their official duties.

- d. This policy does not relate to such activities involving any individual, group, organization, government or other entity which is not a part of Caldwell County, unless such activity may have involved an employee of Caldwell County in the performance of their official duties, or unless such activity involved the loss, embezzlement, misappropriation or theft of any assets belonging to Caldwell County or for which Caldwell County is responsible.
2. **Process:** Any allegation(s) of fraud will be handled by the County Auditor's office. When the Auditor receives an allegation of fraud, the following steps should be taken immediately:
    - a. Always take the person making the complaint or comment seriously.
    - b. The Auditor's office conducts a preliminary interview with the complainant to determine if the allegation(s) warrants investigation. If the source of the allegation is anonymous, then a preliminary review of the allegation will be conducted to determine the necessity for further investigation. Any further investigation after the preliminary interview or review is conducted, the District Attorney's office will be notified.
      - If an investigation is warranted, the local, state and or federal authority will assign responsibilities for an investigation.
      - When all information relating to the allegation(s) has been reviewed and corroborated to the greatest extent possible, the employee who has been alleged to have committed the fraud is interviewed. The subject of the investigation is cautioned that any attempts to retaliate or influence the statements of complainant(s) or witnesses may result in his or her immediate termination.
    - c. Once a thorough and impartial investigation has been completed, the individual conducting the investigation will report their findings and conclusions to the local, state and or federal authority pending outcome of allegations.
3. **Not all Inclusive:** This policy should not be considered all-inclusive, and any act or action not specifically covered within this policy does not mean that the act or action is condoned, permissible, or would not call for disciplinary action.

ORDER OF THE  
CALDWELL COUNTY COMMISSIONERS COURT

This Caldwell County Fraud Detention and Prevention Policy is adopted during the regular session of the Caldwell County Commissioners Court on this the 14<sup>th</sup> day of May 2026 and becomes part of the official minutes of the County Commissioners Court.

Entered in the official minutes of the Caldwell County Commissioners Court.

B.J. Westmoreland

B.J. Westmoreland, Precinct 1

Rusty Horne

Rusty Horne, Precinct 2

Edward "ED" Theriot

Edward "ED" Theriot, Precinct 3

Dyral Thomas

Dyral Thomas, Precinct 4

Hoppy Haden

Hoppy Haden, County Judge

ATTEST

Teresa Rodriguez

Teresa Rodriguez, County Clerk

