

PORT HURON HOUSING COMMISSION FRAUD POLICY

The following policy on fraud specifies what the Port Huron Housing Commission does to reduce fraud, how fraud matters are handled, and what action is taken as a result of investigation. This policy does not cover administrative matters such as time and attendance problems or minor acts of insubordination. These matters will be resolved through the initiation of disciplinary measures where appropriate.

Management employees, and tenants of the Port Huron Housing Commission are responsible for preventing, detecting, and reporting fraud. The Executive Director or his/her designee shall be in charge of investigating suspected irregularities.

Following are examples of what constitutes fraudulent activities by all employees of the Port Huron Housing Commission including all management personnel:

Bribery or kickbacks

(Example: Gifts received for conducting business with certain companies should be submitted to the Executive Director and will then only be used to benefit the Port Huron Housing Commission as a whole which includes coupons and rebates.)

False claims or bid-rigging

Theft, embezzlement, or other misapplication of funds or assets

(Theft also relates to the use of office supplies, maintenance supplies, photocopying, etc. for personal use and/or gain.)

Forgery or alteration of documents

Impropriety with respect to reporting financial transactions

Profiting on insider knowledge or a conflict of interest

Destruction or concealment of records or assets

Tenant misrepresentation of income

False statements from tenants or employees

Other possible criminal acts will be coordinated with local law enforcement or handled by appropriate administrative actions. Other criminal acts may include such activities as:

Illegal drug activity

Disturbing the peace

Vandalism

The Port Huron Housing Commission has implemented many checks and balances throughout its operation to prevent and/or detect fraud. However, many situations require employee honesty and may only be detected by fellow employees.

Anyone suspecting fraudulent activity should report it immediately to your Supervisor

unless the matter involves your Supervisor, then it should be reported directly to the Executive Director. Do not attempt any investigation on your own. The Supervisor and/or the Executive Director will then conduct a thorough internal investigation of the matter and has the authority to obtain and take control of and examine records during this investigation. Allegations will not be discussed with anyone other than those with a legitimate need to know.

Suspected fraud or related criminal activities can also be reported to:

HUD OIG Hotline, GFI
451 - 7th Street, SW
Washington DC 20410
Telephone: 1-800-347-3735; or
Email: hotline@hudoig.gov

Suspected fraud or related criminal activities can also be reported to the Regional Special Agent in charge responsible for the State of Michigan. A complete listing of OIG Investigation Offices is located within the HUD OIG regional map.

The outcome of any and all investigations will be reported directly to the Executive Director if the Executive Director was not already involved. Dependent upon the outcome of the investigation, more severe matters which may also involve criminal activity will be reported to the HUD OIG Office of Investigation at the Detroit Field Office and the appropriate federal, state, and local law enforcement agencies. Allegations of personal improprieties or other irregularities not constituting criminal activity will be resolved by the Executive Director. All of the above could result in employee disciplinary actions and/or termination, tenant eviction as well as prosecution by the legal system which could include administrative, civil, and criminal penalties.

Management will review all recommendations for evictions, cancellations of subsidies, or the termination of an employee. Tenants and employees will be accorded full due process of law.

Results from any investigation resulting from suspected irregularities will not be disclosed to outsiders except to the appropriate law enforcement agencies where it was deemed necessary to contact. Management will not retaliate against tenants or employees who report fraud, criminal activity, or other program irregularities.

Fraud Policy as it relates to Tenants:

The Port Huron Housing Commission is fully committed to combating fraud in all of its programs. It defines fraud as a single act or pattern of actions that include false statements, the omission of information, or the concealment of a substantive fact made with the intention of deceiving or misleading the Port Huron Housing Commission. It results in the inappropriate expenditure of funds and/or a violation of housing requirements.

Although there are numerous different types of fraud that may be committed, the two most common are the failure to fully report all sources of income and the failure to accurately report who is residing in the residence. The Port Huron Housing Commission shall aggressively attempt to prevent all cases of fraud.

When a fraudulent action is discovered, the Port Huron Housing Commission shall take action. It shall do one or more of the following things depending on circumstances and what it determines appropriate:

- A) Require the resident to immediately repay the amount in question;
- B) Require the resident to enter into a satisfactory repayment agreement as set forth in our Admission and Continued Occupancy Policy or Section 8 Administrative Plan;
- C) Terminate the resident's tenancy;
- D) Refer the case for criminal prosecution; or
- E) Take such other action as the Port Huron Housing Commission deems appropriate.