



**DEPARTMENT OF MENTAL HEALTH  
POLICY/PROCEDURE**

<b>SUBJECT</b> <b>SUSPECTED CRIMINAL ACTIVITY, INCLUDING EMPLOYEE THEFT AND MISAPPROPRIATION OF FUNDS</b>	<b>POLICY NO.</b> <b>605.03</b>	<b>EFFECTIVE DATE</b> <b>10/01/1989</b>	<b>PAGE</b> <b>1 of 2</b>
<b>APPROVED BY:</b> <b>Original signed by:</b> <b>ROBERTO QUIROZ</b>  Director	<b>SUPERSEDES</b> <b>605.3</b> <b>10/01/1989</b>	<b>ORIGINAL ISSUE DATE</b> <b>01/14/1982</b>	<b>DISTRIBUTION LEVEL(S)</b> <b>1</b>

**PURPOSE**

- 1.1 To provide guidelines for the enforcement of Department of Mental Health (DMH) policy regarding suspected employee theft, misappropriation of funds, or any suspected criminal activity.

**POLICY**

- 1.2 The DMH will take immediate action by notifying the proper authorities and ensuring the appropriate handling of any suspected employee theft, misappropriation of funds, or any suspected other criminal activity by a DMH employee or agency contracting with the County.

**PROCEDURE**

- 2.1 Whenever a DMH employee or agency contracting with the County is suspected of theft, misappropriation of funds or resources, or any other criminal activity, the concerned party should immediately report the suspected activity to the Head of the Audit Compliance Team (ACT) who will in turn immediately notify the Personnel Officer, or designee, for matters concerning DMH employees; the Audit Division of the Auditor-Controller’s Office; and the Deputy Director responsible for the affected operational unit. Examples of reportable incidents include, but are not limited to:
  - 2.1.1 Falsification of payroll records
  - 2.1.2 Misappropriation of County revenues
  - 2.1.3 Illegal or inappropriate use of County workforce



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- 2.1.4 Theft of County inventories or fixed assets.
- 2.2 Once the Audit Division of the Auditor-Controller's Office has been notified, no further action is required other than filing a written report with the Audit Division within two work days. Specifically, the following instructions should be observed:
  - 2.2.1 Do not investigate the suspected activity or initiate contact with law enforcement agency.
  - 2.2.2 Do not contact the employee, the contract agency, or other individuals under suspicion.
  - 2.2.3 Do not disturb or otherwise compromise any physical evidence.
  - 2.2.4 Do not mention the suspected activity to any individual not specified above.

**AUTHORITY**

Departmental Guidelines on Employee Theft or Misappropriation of Funds, Chief Administrative Office, Office of Human Resources, December 1987

Fiscal Manual Update #2: Defalcations, Embezzlements or Misappropriations of County Monies or Resources, Auditor-Controller, December 1987

Department of Mental Health Policy