



County Technical Assistance Service

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Reporting Fraud

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Reporting Fraud

Reference Number: CTAS-655

In 2007, the General Assembly passed the "Local Government Instances of Fraud Reporting Act," codified at T.C.A. § 8-4-501 *et seq.* The act requires public officials to report the unlawful taking of public money, property, or services to the comptroller of the treasury. The act states:

A public official with knowledge based upon available information that reasonably causes the public official to believe that a theft, forgery, credit card fraud, or any other act of unlawful taking of public money, property, or services has occurred shall report the information in a reasonable amount of time to the office of the comptroller of the treasury.

T.C.A. § 8-4-503(a).

"Unlawful conduct" means theft, forgery, credit or debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in T.C.A. § 39-16-402, involving public money, property, or services. T.C.A. § 8-4-502(4). "Reasonable amount of time" means any amount of time that is reasonable under the particular circumstances, but shall not under any circumstances exceed five working days. T.C.A. § 8-4-502(3).

An official who, acting in good faith, makes a report shall not be held liable in any civil or criminal action that is based solely upon (1) the person's decision to report what the person believed to be unlawful conduct; (2) the person's belief that reporting the unlawful conduct was required by law; or (3) the fact that a report of unlawful conduct was made. T.C.A. § 8-4-504(a). However, no immunity is conferred if the person reporting the unlawful conduct participated in or benefitted from the conduct. T.C.A. § 8-4-504(b).

Additionally, the comptroller is required to maintain a hotline whereby government employees and citizens can report alleged fraud, abuse, or wrongdoing by local governments and private corporations that contract with a local government to receive one or more community grants. The comptroller is required to investigate the information received through the calls to the hotline or refer such information to the appropriate program or investigative agency. Upon receiving the information relating to a call, a local government or community grant agency must undertake investigatory and remedial measures. T.C.A. §§ 8-4-402, -404 and -406.

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