

PENSACOLA STATE COLLEGE
POLICIES OF THE DISTRICT BOARD OF TRUSTEES

Policy Title:	Fraud	<u>Number</u> 6Hx20-1.038
Legal Authority: Law Implemented:	s. 1001.64, Fla. Stat.	<u>Page</u> Page 1 of 4

This policy addresses the responsibility of Pensacola State employees and management for detecting and reporting suspected and known fraud.

I. Definitions

For the purposes of this policy, fraud shall include, but not be limited to:

- A. Theft or misappropriation of College assets;
- B. Submitting false claims for payments or reimbursement;
- C. Submitting false timesheets and/or failure to submit leave requests for time not worked;
- D. Accepting or offering a bribe or accepting gifts or favors;
- E. Accepting a commission from a third party;
- F. Blackmail or extortion;
- G. 'Off Books' accounting or making false or fictitious entries;
- H. Knowingly creating and/or distributing false or misleading financial reports;
- I. Paying excessive prices or fees where the justification thereof is not documented;
- J. Violation of the College's procedures with the aim of personal gain or to the detriment of the College;
- K. Willful negligence intended to cause damage to the material interest of the College; or
- L. A dishonorable, irresponsible, or deliberate act against the interest of the College.

II. Responsibility for the Detection and Prevention of Fraud

- A. Responsibility of Employees
 - 1. It is the responsibility of all employees to conduct their College business in such a way as to prevent fraud occurring in the workplace. Employees must also be

alert to the possibilities for fraud and be on guard for all indications of improper or dishonest activity.

B. Responsibility of Management

1. It is the responsibility of all administrators to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in their area and put in place controls to avoid such occurrences.
2. Administrators are required to support and work with other involved departments and law enforcement agencies in detecting, reporting, and investigating dishonest or fraudulent activity, including prosecuting offenders. If a fraud is detected in an area, administrators are responsible for taking appropriate corrective actions to ensure adequate controls are implemented to prevent the recurrence of improper actions.

C. Reporting Fraud

1. It is the responsibility of all College employees to report fraudulent activities without delay according to the procedure set forth below. Persons with knowledge of a fraudulent activity who cover up, obstruct, or fail to report will be considered an accessory after the fact and may be subject to disciplinary action and/or discharge. Persons who threaten retaliation against a person who has reported fraudulent activity shall be subject to disciplinary action up to and including termination of employment.
2. Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:
 - a. false accusations; or
 - b. alerting a suspected individual that the fraudulent activity has been detected.
3. The incident, facts, suspicions, and oral allegations should not be discussed with anyone inside or outside the College unless specifically directed by the College administrator investigating the incident.
4. Fraud can be detected at any level within the College, and the following general principles should apply in the reporting of suspected fraud.
 - a. A person who suspects fraudulent activity shall immediately report the matter to his or her Department Head. If the Department Head is suspected of involvement in the fraudulent activity, or of being an accessory after the fact to the fraud, then the report shall be made directly to the appropriate Vice President. The appropriate vice president would be the Vice President, Academic and Student Affairs, in the case of an academic employee or a student services employee, or the Vice President, Business Affairs, for all other employees. If the appropriate Vice President is suspected of involvement in the fraudulent activity, or of being an accessory after the fact to the fraud, then the report shall be made directly to the President of the College.

- b. When a report of suspected fraudulent activity is made to a Department Head, if that Department Head has conclusive knowledge that no fraud has occurred, the Department Head shall forward the report and the exonerating information to the appropriate Vice President. Examples of exonerating conclusive knowledge may include such things as a leave request form having been submitted for a person who was absent from work, or a property disposition form having been properly submitted for equipment to be removed from a campus.
 - c. If the Department Head does not have conclusive knowledge that no fraud has occurred, then the Department Head shall immediately forward the report of fraudulent activity to the appropriate Vice President, or the President if the Vice President is implicated, and shall refrain from conducting any further investigation until being directed to do so by the Vice President or President.
5. The College has established a fraud hotline to allow anonymous reporting of fraudulent activities. The hotline will be monitored by the Office of the Vice President, Business Affairs. As an alternative to reporting fraudulent activity through a report made directly to a Department Head or Vice President, as set forth above, employees may satisfy their reporting obligation by making a satisfactory report to the fraud hotline. A satisfactory report of fraudulent activity shall include the name of the suspected individual and a specific description of the activity believed to be dishonest, given with enough detail to allow for a thorough investigation without alerting the suspected individual.

D. Procedures for the Investigation of Alleged Fraud

1. The Vice President, or the President if the Vice President is implicated, shall have the responsibility for coordinating the College's response and will seek advice from legal counsel, appropriate law enforcement agencies, and others as required.
2. The Vice President or President will notify the appropriate staff, who will, if appropriate, conduct an initial investigation to gather factual information and reach a preliminary determination as to whether further action is required. The findings, conclusions, and recommendations will be reported to the appropriate Vice President or President.
3. Where initial investigation provides reasonable grounds for suspecting an employee of fraudulent activity, the Vice President or the President will decide if any actions are necessary to prevent further loss. Such actions may include suspension of the employee(s) with or without pay in accordance with Board of Trustees Policies and/or the decision to proceed with further investigation.
4. Each case will be considered individually with a view to minimizing the losses (both monetary and otherwise) to the College. Having reached a decision as to what further action is necessary and how such actions should be undertaken, the Vice President or President shall communicate with the affected employee(s) and the appropriate supervisor(s).

5. Results of fraud investigations will be considered, and the internal control structure assessed so that a similar recurrence of the same or similar fraud can be prevented or at least promptly detected by the relevant Vice President and staff in the future. Documentation regarding the findings, conclusions, and recommendations, following consultation with the relevant department(s), will be maintained.

E. Disciplinary Action

1. The Human Resources Department will be consulted for any employee disciplinary actions resulting from fraudulent activity.
2. Documentation related to such employee discipline will be maintained in the employee's personnel file.

History:	Adopted 4/21/09; amended 1/22/13; 06/20/17.
President's Signature:	Date: