

**Fraud Prevention and Investigation**

Fraud, financial improprieties, or irregularities include, but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the Bethany Public School District (District).
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other assets.
4. Impropriety in the handling of money or reporting of financial transactions.
5. Profiteering as a result of insider information of District information or activities.
6. Disclosing confidential and/or proprietary information to outside parties.
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing services to the District.
8. Destroying, removing, or inappropriately using records, furniture, fixtures, or equipment.
9. Failing to provide financial records to authorized state or local entities.
10. Failure to cooperate fully with any financial auditor, investigators, or law enforcement.
11. Any other dishonest or fraudulent act involving District monies or resources.

The District will seek to prevent and detect in an early stage any embezzlement of District funds by looking for the following tell-tale signs of embezzlement:

1. false invoices;
2. overbilling the District for maintenance items;
3. checks issued to fictitious companies;
4. check ledger containing duplicate entries;
5. checks written by business office staff to their personal accounts;
6. checks mailed to residences or P.O. boxes of administrators or business office staff;
7. forged signatures;
8. unauthorized use of a signature stamp;
9. income that is understated;
10. expenses that are overstated;
11. payments to unaccredited schools that issue phony academic credentials;
12. payments of salary increments based on having phony academic credentials issued by unaccredited schools.

The Superintendent or his/her designee shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent or his/her designee shall issue a report to appropriate personnel and to the Bethany Board of Education. The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. The result of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know.

In addition, the District will take the following steps to protect funds and property from theft:

1. Label all goods, materials, and equipment.
2. Establish adequate controls to account for their location, custody, and security.
3. Annually audit the inventory of equipment.
4. Update a listing of such equipment to reconcile the audit with the District's inventory system.
5. Document and account for any transfers and/or disposals of equipment.

Regulation approved: May 5, 2016

Regulation revised: April 7, 2021

Source: CABA