

## **SUBJECT: ALLEGATIONS OF FRAUD**

### **Reporting and Investigations of Allegations of Fraud**

All Board members and officers, District employees and third party consultants are required to abide by the District's policies, administrative regulations and procedures concerning financial practices of the District in the conduct of their duties. Further, all applicable federal and/or state laws and regulations must be adhered to in the course of District financial operations and practices. Any individual who has reason to believe that any illegal or inappropriate financial activity is occurring, has occurred, or is being contemplated within the School System shall disclose such information upwards through the chain of command as established within the department or school building or as enumerated in the District's Organizational Chart. In the event that the suspicion of illegal or inappropriate financial activity concerns the individual in the chain of command above the reporter who would otherwise receive the report, the report shall be made to the next level of supervisory authority in the chain of command. If more than one level upwards in the chain of command immediately above the reporter is included in the suspicion of illegal or inappropriate financial activity, the reporter shall report to the Internal Auditor or the Independent (External) Auditor, or the School Attorney, or the Board of Education. The District will publicize its policy concerning financial practices and the reporting of suspected illegal or inappropriate financial practices within the District as deemed appropriate; and specific individual written notification will be provided to all employees with fiscal accounting/oversight and/or financial duties including the handling of money.

Upon receipt of a report of suspected illegal or inappropriate financial activity, the Board or designated employee(s) will promptly conduct a thorough investigation. To the extent feasible, within legal constraints, all reports will be treated as confidentially and privately as possible. However, disclosure may be necessary to complete a thorough investigation of the charges and/or to notify law enforcement officials as warranted, and any disclosure will be provided on a "need to know" basis. Written records of the report and resulting investigation and outcome will be maintained in accordance with law.

Based upon the results of this investigation, if the District determines that a Board member, school employee, school official, or school officer has engaged in illegal or inappropriate financial practices, appropriate disciplinary measures will be applied, up to and including termination of employment, in accordance with applicable laws and regulations District policy and regulation, and any applicable collective bargaining agreement. Third parties who are found to have engaged in illegal or inappropriate financial practices will be subject to appropriate sanctions as warranted and in compliance with law. The application of such disciplinary measures by the District does not preclude the filing of civil and/or criminal charges as may be warranted. Rather, when school officials receive a complaint or report of alleged improprieties/fraud and/or wrongful conduct that may be criminal in nature, law authorities shall be promptly notified. An appeal procedure will also be provided, as applicable, to address any unresolved complaints and/or unsatisfactory prior determinations by the applicable investigating officer(s). Appeal shall be made by written application to the Director of Human Resources within three business days of receipt of notification of a finding of an illegal or inappropriate financial practice.

(Continued)

## **SUBJECT: ALLEGATIONS OF FRAUD (CONT'D.)**

### **Protection of School Employees who Report Information Regarding Illegal or Inappropriate Financial Practices**

Any employee of the School District who has reasonable cause to believe that the financial practices or actions of a Board member, an employee or officer of the District violates any local, state, federal law or rule and regulation relating to the financial practices of the District, and who in good faith reports such information to an official of the District, or to the Office of the State Comptroller, the Commissioner of Education, or to law enforcement authorities, shall have immunity from any civil liability that may arise from the making of such report pursuant to Section 3028-d of the Education Law and/or Section 75-b of the Civil Service Law. Further, neither the School District, nor any Board member, employee or officer thereof, shall take, request, or cause a retaliatory action against any such employee who makes such a report.

### **Prohibition of Retaliation**

The Board prohibits any retaliatory behavior directed against any individual making a good faith report based on reasonable cause as well as any witnesses and/or any other individuals who participate in the investigation of an allegation of illegal or inappropriate financial practices or actions. Follow-up inquiries shall be made to ensure that no reprisals or retaliatory behavior has occurred to those involved in the investigation. Any act of retaliation is prohibited and subject to appropriate disciplinary action by the District.

### **Knowingly Makes False Accusations**

Any individual who *knowingly* makes a false report concerning alleged illegal or inappropriate financial practices or actions is subject to appropriate disciplinary action.

Civil Service Law Section 75-b  
Education Law Section 3028-d

Adopted: 8/9/2005

Revised: 1/09/2007; Reviewed by Superintendent & Assistant Superintendent for Business Services 6/28/19  
with no recommended changes (except for renumbering from 5580); approval by BOE 7/9/2019