

## FRAUD POLICY

### INTRODUCTION

Spartanburg County School District Four is committed to the highest standards of moral and ethical behavior by its employees, administrators, and elected officials. The purpose of this policy is to prohibit dishonest acts and/or fraudulent activity and to advise employees, administrators, and elected officials of their responsibility to report suspected fraudulent activity to the appropriate District Office personnel. In addition, this policy assigns responsibility for the development of adequate internal controls and performance of investigations relating to fraud.

### SCOPE OF POLICY

This policy applies to any fraud, or suspected fraud, involving employees, administrators, and elected officials, as well as consultants, vendors, contractors, outside agencies, and/or any other parties having a business relationship with the District.

### POLICY

Spartanburg County School District Four Administration and all levels of management are responsible for assisting in the prevention and detection of fraud, misappropriations, and other inappropriate conduct. Fraud is defined in this policy as a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Any fraud that is detected or suspected will be reported immediately to the District Superintendent, who will conduct an objective and impartial investigation into the fraudulent activity, along with law enforcement agencies, as deemed necessary or appropriate. Any fraud that is detected or suspected of the superintendent will be reported immediately to the Board of Trustees. Any employee found to have engaged in fraudulent activity, as defined by this policy, is subject to disciplinary action by the District, which may include dismissal, as well as prosecution by appropriate law enforcement authorities.

### ACTIONS CONSTITUTING FRAUD

As used in this policy, the term "fraud" includes, but is not limited to, the following:

- any dishonest or fraudulent act of a financial nature;
- forgery or alteration of any document or account belonging to the District;
- forgery or alteration of a check, bank draft, or any other financial document;
- misappropriation of funds, securities, supplies, or other assets;
- impropriety in the handling or reporting of money or financial transactions;
- disclosing confidential information of a financial nature to outside parties;
- accepting or seeking anything of material value from vendors, contractors, or other persons providing services/materials to the District.
- destruction, removal or inappropriate use of records, furniture, fixtures, electronic data, utilities, and equipment regardless of age, condition or value, except as permitted by law or District policy;
- authorizing or receiving compensation for hours not worked.
- any similar or related inappropriate conduct, including any such conduct that constitutes a violation of state or federal laws or regulations.

### DUTIES AND RESPONSIBILITIES

Employees, administrators and elected officials at all levels are responsible for setting the appropriate tone of intolerance for fraudulent acts by complying with all laws, rules, regulations and policies.

Administrators and elected officials should be aware of the types of fraud that could occur within their area of responsibility and should be alert for any indication of fraud. Administrators and elected

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officials are responsible for establishing and maintaining proper internal controls that will provide for the security and accountability of the resources entrusted to them.

### **REPORTING PROCEDURES**

Any employee of the District who has a reasonable basis for believing a fraudulent act has occurred, or is occurring, has a responsibility to promptly notify their supervisor, the principal at their location, or the superintendent.

No person acting on behalf of the District shall:

- dismiss, or threaten to dismiss, any employee;
- discipline, suspend, or threaten to discipline or suspend an employee;
- impose any penalty upon an employee;
- intimidate or coerce an employee; or
- otherwise retaliate against an employee

because the employee has acted in accordance with the requirements of this policy. However, it shall also be a violation of this policy for any informant to make a baseless allegation of fraudulent activity that is made with reckless disregard for truth and that is intended to be disruptive or to cause harm to another individual. Any violation of this section will result in disciplinary action.

Persons reporting suspected fraudulent activity should refrain from confrontation with the suspect and should not discuss the matter with others unless specifically asked to do so by the Superintendent and/or District Attorney.

### **INVESTIGATIVE PROCEDURES**

The Superintendent or Board of Trustees has the primary responsibility for investigating the reported fraudulent activity; however, the Superintendent or Board of Trustees may contact other individuals as deemed appropriate to establish a team to investigate the suspected fraudulent activity.

Members of the investigative team will have:

- free and unrestricted access to all District records and premises necessary to conduct a thorough investigation of the alleged fraud, whether owned or rented; AND
- the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the Superintendent, the District attorney and/or the appropriate administration as will final decisions on disposition of the case.

### **CONFIDENTIALITY**

Except as necessary to inform the Board of Trustees, Superintendent and/or law enforcement, all participants in a fraud investigation shall keep the details and results of the investigation confidential. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, in order to protect the reputations of persons suspected of fraudulent activity but subsequently found innocent of wrongdoing and to protect the District from potential civil liability.

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### MEDIA ISSUES

Any person contacted by the media with respect to an investigation into fraudulent activity shall refer the media to the Superintendent. The suspected fraud or audit investigation shall not be discussed with the media by any person other than through the superintendent.

### SANCTIONS

#### ▪ **Employees and Administrators**

Employees and administrators suspected of participating in fraudulent activity may be suspended without pay during the course of the investigation, to the extent permissible by State law and the policies set by the District.

Employees and administrators found to have participated in fraudulent activity will be subject to disciplinary action up to and including termination from employment and probable criminal prosecution or civil action.

Employees and administrators found to have knowledge of fraudulent activity and who knowingly failed to report the activity will be subject to disciplinary action up to and including termination from employment.

If disciplinary action is warranted, such action will be taken after consultation among the Superintendent, attorney, and others as deemed necessary or appropriate.

#### ▪ **Consultants, vendors, contractors, outside agencies, and/or any other parties having a business relationship with the District**

The relationship of individuals or entities associated with the District found to have participated in fraudulent activity as defined by this policy will be subject to review, with the possible consequence of modification or termination of the relationship. If such action is warranted, the District Attorney and other appropriate offices will be consulted prior to the action being taken. Criminal or civil action may be taken against such individuals or entities.

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