

The Harris County School District Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud, waste, abuse, or corruption against Harris County Public Schools. It is the intent of the Board to promote consistent and ethical organizational behavior by providing guidelines and assigning appropriate responsibilities related to the detection and prevention of fraud.

### **SCOPE**

This policy applies to any fraudulent activity, or suspected fraudulent activity, involving employees as well as stakeholders, consultants, vendors, contractors, outside agencies and their employees conducting business with or on behalf of Harris County Public School, and/or any parties with a business relationship with Harris County.

**Fraud** is defined as the intentional deception perpetrated by an individual or individuals, or an organization, either internal or external to federal, state, or local governments, which could result in a tangible or intangible benefit to themselves, others, or the district or could cause detriment to others or the district, state, or federal governments. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

**Waste** is defined as the intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of district, state, or federal resources to the detriment or potential detriment of the district. Waste also includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

**Abuse** is defined as excessive or improper use of a thing, or to employ something in a manner contrary to the natural or legal rules of its use. Intentional destruction, diversion, manipulation, misapplication, maltreatment or misuse of resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial settings.

### **Examples of Fraud, Waste and Abuse are:**

- personal use of district-owned vehicles
- long distance personal calls
- personal use of district owned supplies or equipment
- violations of system and/or state procurement policy
- excessive or unnecessary purchases
- falsification of official documents (time sheets, leave reports, travel vouchers, etc.)
- contract fraud
- conducting personal business on district time
- inappropriate expenditures
- embezzlement

## **RESPONSIBILITIES**

Reporting suspected fraud, waste, abuse, or corruption for proper investigation and disposition should be the responsibility of all district employees. Fraud is defined as the intentional deception, misappropriation of resources or the manipulation of data to the advantage or disadvantage of a person or entity. Management, defined as individuals who possess any degree of administrative or supervisory authority, should be responsible for the detection and prevention of fraud, misappropriations, and other irregularities.

### **Procedures for Reporting:**

- Each member of the district's management team should be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of fraud.
- Any fraud that is detected or suspected should be reported immediately to the Superintendent of Harris County Public Schools, who coordinates all investigations which appropriate district management and other appropriate authorities, both internal and external.
- All employees shall be encouraged to report verbally or in writing to their supervisor, department head, or other appropriate authority, evidence of activity by a district department, agency, or employee constituting:
  - a violation of local, state, or federal law, rule or regulation;
  - fraud;
  - misappropriation of resources;
  - substantial and specific danger to the public health and safety; or
  - gross mismanagement, a gross waste of monies, or gross abuse of authority.

## **RESPONSIBILITIES**

The Superintendent is responsible for the administration and application of this policy.

## **RETALIATION PROHIBITED**

Any retaliation for reports made in good faith pursuant to this policy is strictly prohibited and may result in disciplinary action. All employees shall be free of intimidation or harassment when reporting to public bodies about matters of public concern, including offering testimony to or testify before appropriate legislative panels.

**Procedures for Fraud, Waste, and Abuse**  
**July 10, 2011**

- At the beginning of each academic year (during Pre-Planning period), each Harris County administrator will distribute and review with personnel the district's policy regarding (DIE) Fraud, Waste, and Abuse.
- Attendees at the meeting (administrators, faculty, and staff), in which the policy is reviewed, will sign in acknowledging that they have received and understand the policy.
- Copy of the meeting agenda and sign-in sheet will be forwarded to the Director of Federal Programs within five (5) days of the meeting.
- Administrators will forward to the Director of Federal Programs copies of the meeting agendas and sign in sheets.
- For employees hired after the beginning of the academic year, the policy regarding fraud prevention will be reviewed by the employee's direct supervisor. Copy of the meeting agenda and sign-in sheet will be forwarded to the Director of Federal Programs within five (5) days of the meeting.
- The Office of Federal Programs will maintain copies of the documentation for Federal Programs monitoring purposes.