Fraud

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The Board of Education shall implement controls to aid in the detection and prevention of fraud, impropriety or irregularity within the district. It is the intent of the Board to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

This policy applies to any actual or suspected fraud, impropriety or irregularity involving employees as well as consultants, vendors, contractors, employees with outside agencies and/or any other parties with a business relationship with the district.

The Executive Director, Fiscal Services or Controller in conjunction with audit committee oversight, without regard to the suspected wrongdoer's length of service, position/title, or relationship with the district, shall evaluate suspected fraud and initiate any necessary investigative activity.

Management personnel shall be responsible for detection and prevention of fraud, improprieties and other irregularities involving the district. Each member of the management team shall be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of fraud, abuse or illegal act.

Any fraud that is detected or suspected must be reported immediately to an immediate supervisor, when possible, and/or the Executive Director, Fiscal Services or Controller. The Executive Director, Fiscal Services or Controller will coordinate all investigations with legal counsel and other affected departments and agencies, both internal and external, as necessary.

Fraud, Improprieties and Irregularities

The terms fraud, abuse and illegal acts refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to the district
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, or other assets
5. Impropriety in the handling or reporting of money or financial transactions
6. Profiteering as a result of insider knowledge of district activities
7. Disclosing confidential and/or proprietary information to outside parties
8. Disclosing to another person(s) securities activities engaged in or contemplated by the district
9. Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the district
10. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
11. Any similar or related irregularity to those specified above
12. Inappropriate disclosure or use of private information protected by the privacy information act

If there are any questions as to whether an action constitutes fraud, contact the Executive Director, Fiscal Services or Controller for guidance.

Investigative Responsibilities

The Executive Director, Fiscal Services has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, a report will be provided to appropriate management personnel, and, if appropriate, to the audit committee.

A decision to file a criminal complaint or refer a matter to the appropriate law enforcement and/or regulatory agency for independent investigation, as well as the final decision concerning the disposition of the matter, will be made in conjunction with the Chief Business Officer, Legal Counsel and the Audit Committee.

Confidentiality

The Executive Director, Fiscal Services shall maintain the confidentiality of all information received. Any employee who suspects dishonest or fraudulent activity should immediately notify their immediate supervisor, when possible, and/or the Executive Director, Fiscal Services or Controller, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected dishonest/fraudulent act (see Reporting Procedures).

The results of any investigation shall not be disclosed or discussed with anyone other than those individuals who have a legitimate need to know. This is important in order to both avoid damaging the reputations of persons suspected of misconduct but subsequently found innocent of any wrongdoing, and to protect the district from potential civil liability.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress.

An employee who discovers or suspects fraudulent activity should immediately contact their immediate supervisor, when possible, and/or the Executive Director, Fiscal Services. All inquiries concerning the activity under investigation from the suspected individual, their attorney or representative, or any other inquirer should be directed to the district's legal counsel. No information concerning the status of an investigation will be given to anyone without a legitimate need to know. The proper response to any inquiries should be "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to the allegation, the crime, the fraud, the forgery, the misappropriation, or any other specific reference. The reporting individual should be advised of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the district's legal counsel or the Executive Director, Fiscal Services or Controller.

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