

Operational Services

Fraud

This fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Calumet City School District No. 155. It is the intent of the Calumet City School District No. 155 to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

I. Scope

This policy applies to any fraud, or suspected fraud, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and any other parties with a business relationship with the Calumet City School District No. 155.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position or title, or relationship to the Calumet City School District No. 155.

II. Policy

Management is responsible for the detection or prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported to the Superintendent, who coordinates investigations with the District Counsel and other affected areas, both internal and external.

III. Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- An entry into the accounting records of the Calumet City School District No. 155 that is intentionally made to represent what is not true or does not exist, with intent to deceive the Board of Education of the Calumet City School District No. 155.
- Forgery of a check, bank draft, wire transfer or any other Calumet City School District No. 155 financial document.
- Unauthorized alteration of any financial document or account belonging to the Calumet City School District No. 155.
- Misappropriation of funds, securities, supplies, or other Calumet City School District No. 155 assets.
- Impropriety in the handling or reporting of money or financial transactions.

- Disclosing confidential and proprietary information to outside parties for personal gain, except as allowed under the Illinois Freedom of Information Act or other law.
- Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the Calumet City School District No. 155, except as provided in gift policies.
- Unauthorized destruction, removal, or use of records, furniture, fixtures, and equipment for personal gain.
- Any similar or related inappropriate conduct.

IV. Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct should be resolved by building administrators rather than the Superintendent. If there is any question as to whether an action constitutes fraud, contact the Superintendent for guidance.

V. Investigation Responsibilities

The Administration has the primary responsibility for the investigation of all suspected fraudulent financial acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Superintendent will issue reports to appropriate designated Calumet City School District No. 155 building administrators, involved personnel, and to the Board of Education.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for further independent investigation will be made in accordance with Illinois and Federal laws by the Board of Education of the Calumet City School District No. 155 in consultation with the general counsel, as will final decisions on disposition of the case.

VI. Confidentiality

The Superintendent treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Superintendent, and should not attempt to personally conduct investigations or interviews related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know subject to Illinois Freedom of Information Act. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

VII. Reporting Procedures and Fraud Hotline

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

An employee who discovers or suspects fraudulent activity will contact the Superintendent's Office. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquiries should be directed to the Superintendent or the Board of Education. No information concerning the status of an investigation will be given out.

The reporting individual should be informed that they should not contact the suspected individual in an effort to determine facts or demand restitution or discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Superintendent or Board of Education.

VIII. Termination

The Board of Education does have the authority to terminate an employee for committing fraudulent acts. Decisions to terminate an employee reside with the Board of Education and Superintendent in consultation with the General Counsel.

IX. Administration

The Board of Education and Superintendent are responsible for the administration, revision, interpretation, and application of this policy.

Adopted: 4/5/12
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