

# 5571 - Allegations of Fraud

2011 5571

Non-Instructional/Business Operations

## 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 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 operations and practices. Any individual who has reason to believe that financial improprieties or wrongful conduct is occurring within the School System is to disclose such information according to the reporting procedures established by the District. The reporting procedures will follow 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 allegations of financial improprieties/fraud and/or wrongful conduct concern the investigating official, the report shall be made to the next level of supervisory authority. If the chain of supervisory command is not sufficient to ensure impartial, independent investigation, allegations of financial improprieties/fraud and/or wrongful conduct will be reported as applicable, to the Internal Auditor (if available), or the Independent (External) Auditor, or the School Attorney, or the Board of Education. The District's prohibition of wrongful conduct, including fraud, will be publicized within the District as deemed appropriate; and written notification will be provided to all employees with fiscal accounting/oversight and/or financial duties including the handling of money.

Upon receipt of an allegation of financial improprieties/fraud and/or wrongful conduct, the Board or designated employee(s) will conduct a thorough investigation of the charges. However, even in the absence of a report of suspected wrongful conduct, if the District has knowledge of, or reason to know of, any occurrence of financial improprieties/fraud and/or wrongful conduct, the District will investigate such conduct promptly and thoroughly. To the extent possible, 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 allegation, 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 school official has engaged in financial improprieties/fraudulent and/or wrongful actions, appropriate disciplinary measures will be applied, up to and including termination of employment, in accordance with legal guidelines, District policy and regulation, and any applicable collective bargaining agreement. Third parties who are found to have engaged in financial improprieties/fraud and/or wrongful conduct 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 financial improprieties/fraud and/or wrongful*

*conduct that may be criminal in nature, law authorities should be immediately 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).

### **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 fiscal practices or actions of 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. Further, neither the School District, nor employee or officer thereof, shall take, request, or cause a retaliatory action against any such employee who makes such a report.

The Board also prohibits any retaliatory behavior directed against any witnesses and/or any other individuals who participate in the investigation of an allegation of illegal or inappropriate fiscal 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 false accusations against another individual as to allegations of financial improprieties/fraud may also face appropriate disciplinary action.

Education Law Section 3028-d

Adopted: 4/11/11