

Fraud

Fraud, Improprieties and Irregularities

The terms fraud, improprieties and irregularities 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 other persons 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 records, equipment; and/or
11. Any similar or related irregularity to those specified above.

If there is any question as to whether an action constitutes fraud, contact the Internal Auditor's Office for guidance.

Investigative Responsibilities

The Internal Auditor 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, the Internal Auditor shall issue a report 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 Superintendent and Legal Counsel.

Confidentiality

The Internal Auditor's Office 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 Internal Auditor's Office, 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.

Authorization for Investigating Suspected Fraud

Where there exists reasonable cause, and to the extent permitted by law, the Internal Auditor is authorized upon the initiation of an investigation, and after consulting with appropriate management personnel, to have free and unrestricted access to all district records and premises, whether owned or rented.

(cf. 3400.2 - Internal Audit)

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 Internal Auditor's Office. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Internal Auditor or 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 Internal Auditor.

Regulation FRESNO UNIFIED SCHOOL DISTRICT

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