Purpose

Delaware County Community College is and wishes to be seen by all as being honest and opposed to fraud in the way it conducts its business. The College's ethical behavior and fraud reporting administrative procedure addresses the responsibility of employees and management for the detecting and reporting of fraud or suspected fraud.

Policy

Fraudulent and dishonest behaviors are NOT tolerated. The College promotes an organizational environment and culture that requires honesty and ethical behavior and encourages the prevention of fraud and theft by raising awareness of the need for high standards of personal and professional conduct. It is the policy of the College to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the College and, when appropriate, to pursue all legal remedies available under the law.

Any act of fraud, theft, illegal acts, or misconduct ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee(s) concerned, shall result in the appropriate disciplinary and legal actions against the employee(s) and/or entities, to include the possibility of termination of employment, restitution, and/or forwarding information to the appropriate authorities for criminal prosecution. The repayment of losses will be sought in all cases and the College will normally expect to recover all costs and expenses, including attorney’s fees in addition to the recovery of losses.

Policy Objectives

- To ensure that employees are aware of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- To provide guidance to employees as to action which should be taken when they suspect fraudulent activity.
• To provide a clear statement to employees forbidding illegal activity, including fraud for the benefit of the College.
• To provide clear guidance as to responsibilities for conducting investigations into fraudulent activities.
• To provide assurances that any and all suspected fraudulent activity will be fully investigated.
• To provide adequate protection and guidance as to appropriate action to employees in circumstances where they are victimized as a consequence of reporting, investigating, or being a witness to fraudulent or illegal activities.
• To provide a suitable environment for employees to report matters that they suspect may concern corrupt conduct, criminal conduct, criminal involvement, fraudulent conduct, or serious improper conduct.

Definitions

Fraud is not restricted to monetary or material benefits. It includes intangibles such as status and information. For the purpose of this policy, fraud against the College includes but is not limited to:

“Inducing a course of action by deceit or other dishonest conduct involving acts or omissions, the making of false statements, orally or in writing, with the object of obtaining money or other benefits from, or of evading a liability to the College.”

For the purpose of this policy, fraud for the benefit of the College includes but is not limited to:

“Inducing a course of action by deceit or other dishonest conduct, involving acts or omissions or the making of false statements, orally or in writing, with the object of obtaining money or other benefits for the College, or of evading a liability of the College, or of misrepresenting the financial status of the College.”

Fraud and/or theft shall include but not be limited to:

• Theft or misappropriation of College assets.
• Submitting false claims for payments or reimbursement.
• Accepting or offering a bribe or accepting gifts or personal favors under circumstances that might lead to the inference that the gift or favor was intended to influence an employee's decision-making while serving the College.
• Accepting a commission (kick-back) from or paying same to a third party in exchange for a College service.
• Blackmail or extortion.
• “Off Books” accounting or making false or fictitious entries.
• Knowingly creating and/or distributing false or misleading financial reports.
• Paying excessive prices or fees where justification thereof is not documented.
• Violation of the College's procedures with the aim of personal gain or with resulting detriment to the College.
• Willful and/or negligent acts that cause damage to the material interest of the College.
• A dishonorable, irresponsible, or deliberate act against the interests of the College.
• Supporting or ignoring actions of others that could be harmful to the College.

For the purpose of this policy, an employee refers to all those representing or working on behalf of the College to include but not limited to those receiving a check through the College payroll system; the administration, faculty, and staff members who receive remuneration, either full or part-time from the College; also any volunteer or organization that provides services on behalf of the College through an official arrangement with the College or a College organization, College work-study students, and other individuals associated with the College.

Responsibility for the Detection and Prevention of Fraud and Theft

Responsibility of Management

It is the responsibility of the administration to be familiar with the type of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation, fraudulent, or dishonest activity is or was in existence and put in place controls to avoid such occurrences.

Administrators are required to support and work with the College President and his designee to assist other involved departments and law enforcement agencies in the detection, reporting, and investigation of dishonest or fraudulent activity including the prosecution of offenders. If a fraud or theft is detected in an area, the administrator or manager is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.

Responsibility of Employees

Employees at all levels are responsible for exercising due diligence and control to prevent, detect, and report acts of fraud or theft. It is the responsibility of all employees to conduct their College business in such a way as to prevent the occurrence of fraud and theft in the workplace. Employees must also be alert to the possibilities for fraud and theft, and be on guard for any indications that improper or dishonest activity is taking place and to report fraud or theft when they think it has occurred.

Responsible Officers

The Anti-Fraud/Theft Management Group (hereinafter ‘the Group’) is responsible for the control and administration of the College’s Anti-Fraud and Theft Policy. This group shall be selected from within the College and include:
• Vice President for Administration and Treasurer.
• Vice President of Human Resources.
• Board of Trustees Finance Committee Chair.
• College’s Solicitor.

In keeping with the College’s Policies on Identity Theft Prevention, Anti-Fraud and Theft, and the Whistleblower Policy, any person may report allegations of wrongdoing or waste. Reports should focus on facts and avoid speculation. Reports shall include as much detailed information as possible in order to better facilitate evaluation of the nature, extent, and urgency of the wrongdoing or waste.

In addition to the above group, any person (identified or anonymous) may make a report of suspected wrongdoing or waste to the College’s independent hotline provider at:

855-832-5551

or

www.dccchotline.ethicspoint.com

If the suspected incident involves the Vice President for Administration and Treasurer of the College, the President shall undertake the role and functions specified for the Vice President for Administration and Treasurer.

The Vice President for Administration and Treasurer of the College has ultimate responsibility for the implementation of this policy and the prevention and detection of fraud and theft and is responsible for ensuring that appropriate and effective internal control systems are in place.

**Responsibilities for Implementation of This Policy**

The Associate Vice President for Finance and Assistant Treasurer supports the Vice President for Administration and Treasurer in ensuring appropriate and effective internal control systems are operating.

All managers, staff, and employees must share responsibility for the prevention and detection of fraud and theft.

It is the responsibility of all managers to ensure that there are mechanisms in place within their area of control to:

• Assess the risk of fraud or theft.
• Promote employee awareness of ethical principles subscribed to by the College.

All departments should ensure that they:
Display a positive, appropriate attitude towards compliance with laws, rules and regulations.

- Are aware of common indicators/symptoms of theft and fraudulent or other wrongful acts (e.g. by participation in relevant staff training programs and/or literature research) and respond to those indicators as appropriate.
- Establish and maintain proper internal controls to provide for the security and accountability of College resources and prevent/reduce the opportunity for fraud or theft.
- Are aware of the risks and exposures inherent in their area of responsibility.
- Respond to all allegations or indications of fraud, theft, or other wrongful acts.

Financial internal controls, administrative internal controls, and academic systems internal controls are all requirements for fraud and theft prevention. Responsibility for controls can be blurred. In such cases, executives need to clearly identify, through normal channels of authority, where responsibility lies. Ultimately, responsibility for internal control rests with the Vice President for Administration and Treasurer. Department managers are responsible for daily operations and for the internal control systems within their organizational responsibility. Where managers do not have the expertise to evaluate internal control, they may wish to call on support from the Vice President for Administration and Treasurer or Associate Vice President for Finance and Assistant Treasurer’s Office.

The policy is to provide for strategies aimed at preventing, detecting, and dealing fairly with matters pertaining to fraud and theft that integrate the activity of management and staff at all levels across the diversity of operations and activities at Delaware County Community College.

Measures to prevent fraud and theft should be continually monitored, reviewed, and developed, particularly as new systems, programs, contracting, or arrangements are introduced or modified.

**Reporting Fraud or Theft**

College employees should report any suspicions of fraud or theft, without delay, according to the procedure stated below. Reporting anonymously is also encouraged but requires sufficient details of the alleged wrongdoing to allow for an investigation. Persons who cover up, obstruct, or fail to report fraud/theft may be considered to be complicit in the action, and may be subject to disciplinary action and/or discharge. Persons who threaten retaliation against a person reporting a suspected fraud/theft shall be subject to disciplinary action up to and including termination of employment.

Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:

- Incorrect allegations or false reports.
- Alerting suspected individuals to an investigation underway.
- Treating employees unfairly.
In the case of all employees, the incident, facts, suspicions, or allegations should not be discussed with anyone inside or outside the College unless specifically directed to do so by the College president's designee investigating the incident. In particular, the matter should not be discussed with the individual suspected of fraud/theft.

Complaints or reports by current employees about fraudulent, corrupt or criminal conduct, criminal involvement, or serious improper conduct should generally be made to the complainant’s immediate supervisor, who should in turn report the issue through the chain of command to the Vice President for Administration and Treasurer.

If the complainant does not want to involve his/her supervisor, an alternative channel for confidential reporting is available by direct reporting to any member of the Group.

Where the employee does not wish to report the matter to his/her supervisor or to the Anti-Fraud Management Group, the matter may be reported directly to the College’s President. Employees are encouraged not to report directly to the President of the College where the Group is available.

Supervisors must maintain confidentiality and report matters related to fraudulent, corrupt or criminal conduct, criminal involvement, or serious improper conduct to the Group within one working day of their acquiring knowledge of the matters, or in cases where this is not practicable, as soon as is possible.

The Group shall provide the College’s President and Board of Trustees with a report on matters referred to them, as soon as it is practicable, and shall recommend proposed action.

Complainants are encouraged to provide a written summary of any complaint. If the complainant is unwilling to do so, supervisors are required to make complete written notes of the complaint.

Although employees may make complaints anonymously, anonymous complaints may be difficult to pursue if further information is required and they prevent reporting back to the complainant. However, well-founded anonymous complaints will receive, to the extent possible, due and proper consideration.

Written, signed, and dated summaries by the complainant should identify, where known/possible, the:

- Section and/or location of the alleged incident.
- Key person(s) involved.
- Nature of the alleged incident.
- Time period over which the alleged incident has occurred.
- Value associated with the alleged incident.
- Documentary evidence in support of the alleged incident.
Investigations of Complaints

Allegations of misconduct, theft, or fraud made by staff or students about other staff or students would generally be covered by the legal protection of “qualified privilege”, provided that the allegations are made honestly and without any improper motive, and to a person with a legitimate interest or duty in the subject matter.

Qualified privilege will not apply if the allegations are communicated to persons without such interest or duty.

Any statements, reports, or letters containing potentially defamatory statements should be clearly marked “Private Confidential” to the addressee.

Great care needs to be taken in the investigation of suspected improprieties or irregularities which fall within the definitions of the policy and these administrative procedures so as to avoid incorrect accusations or alerting individuals against whom an allegation has been made that a matter has been raised and an investigation is underway, and also to avoid making statements which could expose the maker to legal liability. Accordingly, the complainant or supervisor should not:

- Attempt to personally conduct investigations or interviews in order to determine whether or not a suspected activity is improper.
- Contact the suspected individual(s) to determine facts or demand restitution.
- Discuss any facts, suspicions, or allegations associated with the case with anyone, unless specifically directed by a member of the Anti-Fraud Management Group, law enforcement, or regulatory agencies.

The supervisor should report the matter(s) to the Group within one working day of their acquiring knowledge of the matter(s), or in cases where this is not practical, as soon as is possible.

The Group will initially conduct a preliminary fact finding review.

Confidentiality concerning the complainant and the information will be maintained at all stages.

After the preliminary review of the complaint/matter/suggestion, the Group may request assistance from a department for independent evidence as to the validity of the complaint, advice as to possible causes, and corrective action.

When an audit reveals an allegation of fraudulent, corrupt or criminal conduct, criminal involvement, or serious improper conduct, the Group shall be notified immediately by the Vice President for Administration and Treasurer. Assistance may be sought from other areas as necessary.
When allegations of fraudulent, corrupt or criminal conduct, criminal involvement, or serious improper conduct are received by the College’s Safety and Security Department section of the Plant Operations Office, such matters must be referred to the Group immediately.

In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct, and to protect the College from potential civil liability, the results of the audits/investigations will be disclosed or discussed only with those persons who require the knowledge in the proper performance of their office or function.

Appropriate personnel action shall be initiated by the Vice President of Human Resources. This action may cover suspension with pay while the matter is being investigated through to the termination of any staff member involved in the fraud or theft.

Where appropriate, the staff member involved in the fraud/theft shall be given twenty-four (24) hours to respond in writing to the written request for information concerning the suspected fraud/theft.

The Group will ensure that appropriate documentation of the facts has been achieved in order to permit:

- Appropriate personnel action.
- Protection of innocent persons.
- Support of appropriate civil or criminal actions.
- Documentation of claims against the College’s insurers.
- Preservation of the integrity of any criminal investigation and prosecution.
- Avoidance of any unnecessary litigation.
- Non-recurrence of similar conduct.

Everybody must cooperate fully with law enforcement agencies, including reporting to such agencies and in support of prosecution, where necessary.

**Action on Complaints**

The Group shall carry out such investigation as it deems appropriate.

Unless otherwise directed by the President and/or Board of Trustees, the Group is responsible for coordinating investigations into matters of fraudulent, corrupt or criminal conduct, criminal involvement, or serious improper conduct.

The Vice President for Administration and Treasurer shall be responsible for ensuring that controls are reviewed and updated. All departments are responsible for daily involvement in implementing controls.
Prevention of Victimization

A person shall not:

- Prejudice, or threaten to prejudice, the safety or career of another.
- Intimidate or harass, or threaten to intimidate or harass another.
- Do any act that is, or is likely to be, to the detriment of another person because the other person has assisted, is assisting, or will or may in the future assist the Group in the performance of its functions.
- Has furnished, is furnishing, or will or may in the future furnish information to the Anti-Fraud Management Group.

Employees must be assured that they will not be victimized or disadvantaged by making a complaint and that the policy prescribes for such actions. Employees should be assured that the policy has provisions supported by College procedures, which ensures that they will not be victimized or disadvantaged by making a complaint. Action to cover up the wrongdoing, and/or to retaliate against, or victimize witnesses is strictly forbidden, and could itself constitute improper conduct leading to disciplinary action including termination.

Any person who considers that they are being victimized as a consequence of the assistance being provided to the Group should, in the first instance, contact the Vice President of Human Resources or their nominee for guidance as to appropriate steps which may be taken to alleviate the situation.

All suspects will be treated consistently without regard to position held, past performance, or length of service, together with due regard to justice and procedural fairness. Where malicious accusations and/or procedual unfairness are perceived to have occurred, the chance to be heard is available through procedures associated with the College’s grievance policy.

Effective Date

The Policy shall come into effect immediately upon approval by the College’s Board of Trustees.

Review of Policy

The Finance and Audit Committee of the Board of Trustees will review this Policy as needed but at least once every three years.