



Book	Policy Manual
Section	8000 Operations
Title	FRAUD, WASTE, AND ABUSE
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8900 - FRAUD, WASTE, AND ABUSE

The Board prohibits and will not tolerate or condone fraudulent, unethical, or dishonest activities that promote or condone fraud, waste, and abuse.

Consistent with the standards of conduct in the Code of Ethics and other District policies and administrative guidelines, the Board is committed to establishing and maintaining an organizational culture of ethical behavior. As such, the Superintendent and his/her designees shall be responsible for implementing an effective system of internal controls to prevent and/or minimize fraud, waste, and abuse.

This policy applies to all District officers and employees as well as consultants, vendors, contractors, and/or any other party with a current or prospective business relationship with the District. Any investigative activity required will be conducted without regard to the suspected wrongdoers' length of service, position/title, or relationship(s) to the District.

This policy: 1) identifies what constitutes fraud, waste, and abuse; 2) establishes protocol for the reporting and investigation of suspected wrongful activities that fall within these definitions; and 3) if fraud, waste or abuse is substantiated, authorizes the Superintendent or his/her designee to pursue employee discipline and/or legal remedies made available under the law.

What Constitutes Fraud, Waste, and Abuse

Fraud is a willful or deliberate act or omission by which an individual intends to unlawfully deprive the District through an unauthorized benefit, service, property or something of value by deception, misrepresentation or other unethical or unlawful means. Fraudulent acts include, but are not limited to:

- A. Forgery, falsification or alteration of District documents or records;
- B. Falsification or misrepresentation of reports, timesheets, travel claims for reimbursement or other expense reimbursement claims;
- C. Authorizing or receiving compensation for time not worked;
- D. Unauthorized removal, theft or inappropriate use or destruction of District records, furniture, fixtures, equipment, goods, supplies or other assets;
- E. Embezzlement or misappropriation of funds or impropriety in handling or reporting of money or financial transactions of the District;
- F. Offer, payment or acceptance of bribes or gratuities;
- G. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the District. Except for those items allowed by Policy 3214 - Staff Gifts;

- H. Unauthorized accessing, taking another's information (including e-mail communications), and/or disclosing or distributing confidential District information;
- I. Taking or using the intellectual property of the District or a third party for personal gain; and
- J. Any similar or related irregularity.

Waste is the careless expenditure, consumption, or mismanagement of District resources to the detriment of the District. Most waste does not involve a violation of law. Instead, waste relates to inappropriate actions and inadequate oversight, which may result in a monetary loss or unnecessary costs to the District. Wasteful acts include, but are not limited to:

- A. Inappropriate or unallowable expenses charged to federal or state grants;
- B. Excessive or unnecessary purchases that are not consistent with the school or operational unit of the District; and
- C. Mismanagement or any act that results in the loss or misuse of District assets.

Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice, given the facts and circumstances. Abuse can occur in financial or non-financial settings, and does not necessarily involve fraud, violation of laws, or administrative guidelines. Abusive acts include, but are not limited to:

- A. Misuse of authority or position for personal benefit or advantage for a family member(s) or business associate(s);
- B. Personal use or misuse of District vehicles, property, supplies or other assets;
- C. Conducting personal business on District time; and
- D. Abuse of authority and/or actions taken to circumvent District policies and administrative guidelines.

Reporting of Suspected Irregular Activity:

- A. All employees or agents of the District shall be responsible for reporting any observed or suspected fraud, waste, abuse, or related activity. No officer or employee of the Board and District shall threaten, discipline or retaliate against an employee; or intimidate or coerce an employee because the employee has acted in accordance with the requirements of this policy. Similarly, an employee shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present or future investigation.
- B. Complaints may be filed with the OIG via the fraud hotline, web-based complaint form, fax, email, postal mail, phone, or in person. Persons making reports may choose to remain anonymous or disclose their identity. Information provided to the Inspector General (along with witness statements and investigation results) will be kept confidential to the extent permitted by applicable law(s).

Protocol for Investigation by OIG: The Inspector General is authorized, under Board Policy 1270, to initiate, conduct, supervise, and coordinate investigations designed to detect, deter, and prevent fraud, waste, financial mismanagement, misconduct and other abuses in the District.

Generally, OIG final reports comprise the following results: 1) Unfounded; 2) Findings and Recommendation(s) for corrective action including an employee disciplinary hearing convened by the District's Human Resources' Office of Employee Relations or other administrative action(s); and 3) Referral to appropriate law enforcement organization for criminal matters.

The Inspector General will provide the Superintendent and/or his/her designee as well as board leadership with investigative status updates on sensitive matters and matters having potential for media interest.

Upon conclusion of an investigation by the OIG, recommendations shall be considered by the Superintendent and his/her designees. If the allegations involve criminal wrongdoing, the Inspector General will refer the matter to the appropriate Law Enforcement agency and coordinate with such agency and/or judicial entities in an effort to obtain court-ordered restitution, or to recover District assets lost by fraud.

Legal Principles and Standards for Offices of Inspector General

Quality Standards for Investigations, Council of the Inspectors General on Integrity & Efficiency

Cross References

po1270 - AUTHORITY AND RESPONSIBILITIES OF THE INSPECTOR GENERAL

po1411 - WHISTLEBLOWER PROTECTION

po3210.01 - CODE OF ETHICS

po3214 - STAFF GIFTS