

# Fraud Policy Statement

## Date

7/16

## PREMISE

The University of Southern Indiana (USI) is committed to the highest standards of moral, legal, and ethical behavior. These standards are outlined in the Code of Ethics found in the University Handbook. All members of the USI community have a responsibility for the stewardship of the University's resources. Internal controls and operating procedures are intended to protect the University's assets and interests by detecting or preventing improper activities. However, there are no absolute safeguards against willful violations of laws, regulations, policies or procedures.

## POLICY STATEMENT

The University will investigate possible fraudulent or dishonest use or misuse of University resources or property by faculty, staff, or students. Anyone found to have committed fraud relevant to University assets is subject to disciplinary action by the University, up to and including termination or expulsion, and investigation by external criminal justice authorities when warranted.

The vice president for Finance and Administration is responsible for the administration, interpretation, and application of this policy.

## DEFINITIONS

**Fraud, Fraudulent Act or Misconduct:** A deliberate act (or failure to act) with the intention of obtaining an unauthorized benefit, either for oneself or for the institution, by using deception or false suggestions or suppression of truth or other unethical means, which are believed and relied upon by others. Depriving another person or the institution of a benefit to which he/she/it is entitled by using any of the means described above also constitutes fraud. Examples of fraudulent acts include, but are not limited to, the following:

- Embezzlement
- Forgery or alteration of documents
- Unauthorized alteration or manipulation of computer files
- Fraudulent financial reporting
- Misappropriation or misuse of University resources (e.g., funds, supplies, equipment, facilities, services, inventory, or other assets)
- Authorization or receipt of payment for goods not received or services not performed
- Authorization or receipt of unearned wages or benefits
- Conflict of interest, ethics violations

NOTE: The University will not rely on a determination by a criminal justice authority to criminally prosecute as the basis for determining if an act is fraudulent. The presence of the elements named in the definition will determine if the act is fraudulent for internal disciplinary purposes.

# RESPONSIBILITIES

USI administrators and all levels of management are responsible for maintaining a system of internal controls which prevent, detect, or deter fraudulent or dishonest conduct. Each member of the management team is expected to recognize risks and exposures inherent within his or her area of responsibility and to be alert for any indication of irregularity. Management should contact the Internal Audit Department as soon as fraud is detected or suspected.

Employees who know or suspect that other employees are engaged in a fraudulent act have a responsibility to report such activity to their supervisor or appropriate administrator. However, in the interest of confidentiality or if the employee is uncomfortable reporting to his supervisor or administrator, the employee may notify the Internal Audit Department directly by one of the methods described under *Reporting a Fraud*.

Any employee who is aware of a fraud and does not immediately report it will be subject to disciplinary actions. Employees who report suspected fraudulent activity or misconduct will be protected from reprisal or retaliatory action as stated in the *Whistleblower Policy F.54*. Whistleblowers should not confront the individual under suspicion or initiate investigations on their own. Such action may compromise any ensuing investigation and violate the individual's constitutional rights.

**IMPORTANT:** All claims of fraudulent activities must be made in good faith. Baseless allegations, made with disregard for truth or accuracy, or frivolous complaints will not be tolerated. People making such allegations may be subject to institutional disciplinary action and/or legal actions by the individuals accused of fraudulent conduct.

The Internal Audit Department will coordinate the investigation and resolution of reported fraudulent activities with appropriate USI departments (e.g., Public Safety, Human Resources, and Risk Management) and external law enforcement officials/agencies as appropriate and in accordance with the following guidelines:

1. All investigations will be conducted in the strictest confidence.
2. If an investigation reveals theft/fraud, charges will be filed with the appropriate criminal justice authority.
3. Restitution, including costs associated with the investigation, may be required from the accused.
4. Senior administrators, in consultation with Human Resources, will determine the extent to which disciplinary action, in accordance with personnel policies and procedures, will be imposed.

## REPORTING A FRAUD

Any person may report allegations of suspected improper activities by one of the following methods:

1. Report directly to one's supervisor or appropriate administrator, either orally or in writing. The supervisor or administrator must contact the Internal Audit Department as soon as a suspected fraud is reported.
2. File a written report via email to [fraud@usi.edu](mailto:fraud@usi.edu).
3. File an anonymous report:
  - a. Access the Fraud Hotline link on the Finance and Administration web page at [www.usi.edu/finance-and-administration/](http://www.usi.edu/finance-and-administration/); or
  - b. Call the Fraud Hotline at (812) 465-1028 and leave a detailed phone mail message.
4. File a written report via campus mail or US mail addressed to Director of Internal Audit, University of Southern Indiana, 8600 University Blvd., WA102F, Evansville, IN 47712.

All emails and phone mails will be received by the Director of Internal Audit or other designated member of the internal audit staff. The identity of the individual conveying information will remain confidential to the extent possible within the legitimate needs of the law and the investigation.

A reporter of fraudulent activity may remain anonymous. Because investigators are unable to interview anonymous reporters, it may be difficult to evaluate the credibility of the allegations. Therefore, it is critical that anonymous reporters provide detailed information and sufficient corroborating evidence to justify their claims that a fraudulent act has occurred. Unspecified or broad allegations of wrongdoing cannot be investigated.