

Operational Services

Fraud Prevention

Summary: The district develops controls which will aid in the detection and prevention of fraud, waste and abuse against the district. The district shall promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope

This policy applies to any fraud or suspected fraud, waste, or abuse involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and any other parties engaged in a business relationship with Woodland School District 50.

Investigative activity will be conducted without regard to the alleged offender's length of service, position or title, or relationship to the district.

Policy

Management is responsible for preventing and detecting of fraud, waste and abuse. Fraud is defined as the intentional, false representation or concealment of a material fact. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

Detected or suspected fraud, waste and abuse must be reported to the Superintendent or to a designee responsible for investigation coordination with district counsel, both internal and external.

Actions Constituting Fraud

The terms defalcation, misappropriation and other fiscal wrongdoings refer to, but are not limited to:

1. Any entry into the accounting records of the district that is intentionally made to represent what is not true or does not exist, with intent to deceive the Board of Education of Woodland School District 50.
2. Forgery of a check, bank draft, wire transfer or any other Woodland School District 50 financial document.
3. Unauthorized alteration of any financial document or account belonging to the district.
4. Misappropriation of funds, securities, supplies or other district assets.
5. Impropriety in the handing or reporting of money or financial transactions.
6. Disclosing confidential and proprietary information to outside parties for personal gain, except as allowed under the Illinois Freedom of Information Act or other law.
7. Accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to the district, except as provided in gift policies.
8. Unauthorized destruction, removal or use of record furniture, fixtures and equipment for personal gain.
9. Any similar or related inappropriate conduct.

Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral, ethical or behavioral conduct should be resolved by building administrators. If there is any question as to whether an action constitutes fraud, waste or abuse, contact the Superintendent for guidance.

Investigation Responsibilities

The primary responsibility for the investigation of all suspected fraudulent financial acts as defined in the policy falls upon district administration. If an investigation substantiates that fraudulent activities have occurred, the Superintendent will issue reports to the appropriate district administrators, involved personnel and the Board of Education.

Decisions to prosecute or disclose investigative results to law enforcement and/or regulatory agencies for further independent investigation will be made in accordance with Illinois and Federal laws by the Board of Education in consultation with the general counsel, as will final decisions on disposition of the case.

Confidentiality

The Superintendent treats all information received confidentially. Any employee who suspects fraud, waste or abuse shall notify the Superintendent and shall not attempt to personally conduct investigations or interviews.

To avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct, investigation results will not be disclosed or discussed with anyone other than those having a legitimate need for disclosure subject to the Illinois Freedom of Information Act.

Method of Reporting

Any individual who reasonably believes that an act of fraud, waste or abuse has occurred or is occurring shall report such allegations to the Superintendent of Schools or designee, or if the allegations involve the Superintendent of Schools, to the Board of Education. The process will remain anonymous and employees will be guaranteed that "Whistle Blowing" will be free from any act of reprisal. Every allegation shall be investigated by the District appropriately. The Board President or Superintendent of Schools may consult with and direct the School District Attorney to engage forensic auditors or other appropriate specialists when necessary to assist in determining whether or not there is a reasonable basis to believe that fraud, waste or abuse has occurred or is occurring. The School District Attorney shall notify all Board members, except for any member(s) who may be involved, of the alleged wrongdoing requiring the forensic investigative activities.

The reporting individual shall be instructed to not contact the suspected individual in an effort to determine facts or demand restitution or discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the Superintendent or Board of Education.

Termination

The Board of Education has the authority to terminate an employee for committing fraudulent acts. Decisions to terminate an employee reside with the Board of Education and Superintendent in consultation with the General Counsel.

Administration

The Board of Education and Superintendent are responsible for the administration, revision, interpretation and application of this policy.

ADOPTED: October 25, 2018