

Florida Atlantic University

Regulation 7.009 Fraud Prevention and Detection

- (1) **Overview.** Florida Atlantic University, under the governance of its Board of Trustees (BOT), is committed to creating an organizational culture where risk management structures are established to prevent and detect fraudulent activities within the University. University Regulations 5.011 (University Ethics), 5.012 (Employee Standards and Disciplinary Procedures), and 7.007 (Process for Complaints of Waste, Fraud or Financial Mismanagement), University Policy 8.2. (Standards of Conduct), as well as Chapter 112, Part 3 of Florida Statutes (The Code of Ethics for Public Officers and Employees) articulate standards of behavior and requirements for the disclosure of fraudulent activities. Breaches of these standards, especially acts involving fraudulent behavior, are deleterious and also impair the University's reputation for operating with efficiency as good custodians of public and private funds.
- (2) **Scope.** This regulation communicates a "zero tolerance" for fraudulent activities; institutes preventive measures designed to deter these activities and/or make them easier to detect and prevent; and provides for the reporting and investigation of such activities, including protecting persons, to the extent legally permitted, who report such violations. This regulation is applicable to all members of the University community including BOT members, University and auxiliary employees, entities contracting with or doing business with the University, vendors, volunteers, and students. Administrators at all levels of management should set the appropriate tone by displaying the proper attitude toward prudent fiscal management, complying with all policies, laws, rules, and regulations, and are responsible for establishing, adhering to and maintaining effective risk management and internal controls which will assure the security and accountability of the personnel, resources and fiscal responsibilities entrusted to them. In addition, administrators should be cognizant of the risks and exposures inherent in their area of responsibility, and be aware of the symptoms and red flags of fraudulent activities, should they occur. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with the University.
- (3) **Fraud.** Fraud is defined as an intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or inducement of another to act upon the intentional misrepresentation or concealment to his or her detriment. Fraud includes an impropriety, misappropriation, and/or fiscal wrongdoing, including but not limited to the following:
 - (a) Any fraudulent acts in the course of performing University functions;
 - (b) Forgery or alteration of any document or account belonging to the University;
 - (c) Destruction, alteration, mutilation, concealment, covering up, falsification or making of a false entry in any record, document or tangible object with the intent to impede, obstruct or influence any investigation by the University or by any state, federal or administrative agency.
 - (d) The destruction, alteration or concealment of any records used in the conduct of an audit;
 - (e) Forgery or alteration of a check, bank draft, or any other University or University-related financial document;
 - (f) Misappropriation of funds, securities, supplies, equipment, or other assets of the University;
 - (g) Impropriety in the handling or reporting of University or University-related money or financial transactions;

- (h) Deliberately and inappropriately disclosing University or University-related confidential or proprietary information to outside parties;
- (i) Accepting or seeking gifts or any other items of value from contractors, vendors, or persons providing goods or services to the University where it is understood that such gifts or items are intended to influence the judgment or official action of the University employee.
- (j) Unauthorized destruction, removal or inappropriate use of records, furniture, fixtures, equipment and other University property;
- (k) Improperly influencing or attempting to improperly influence the conduct of any audit of University finances, operations or accounts;
- (l) Taking information, using it or providing information that would lead to identity theft; and

and laws and in accordance with University Regulation 7.007. The investigation may utilize internal and/or external resources considered necessary. Individuals assigned to investigate suspected fraud will have free or unrestricted access to all relevant University records and premises. If suspected fraud or other wrongdoing involves programs funded in whole or in part with state, federal or private funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply. In those instances where the investigation by the Inspector General indicates criminal activity, the investigation shall be turned over to the University Police Department.

- (8) **Actions.** If an investigation substantiates that fraudulent activity has occurred, the senior area administrator shall take appropriate action in consultation with the Inspector General, Office of the General Counsel, University Police Department and the Provost's Office or Department of Human Resources, as appropriate. Employees determined to have participated in fraudulent activities will be subject to disciplinary action in accordance with University policies and regulations and in accordance with any applicable collective bargaining agreements. Decisions regarding demotion, suspension or termination will be made in consultation with the Office of the General Counsel and the Provost's Office or the Department of Human Resources, as appropriate. Failure to comply