

SECTION 400.36
THEFT AND FRAUD

To assure all employees and contracted professionals of Lake Region State College understand the importance of identifying and reporting fraud, who they need to report it to, how it will be investigated and how it will be resolved.

This policy applies to all employees or contracted professionals of Lake Region State College.

Lake Region State College employees are responsible for safeguarding LRSC resources and ensuring they are used only for authorized purposes, in accordance with LRSC rules, policies, and applicable law. All employees are responsible for reporting suspected theft, fraud, or unlawful or improper use of public funds or property.

1. As used in this policy, “theft, fraud or unlawful or improper use of public funds or property” includes:
 - a. Stealing, larceny, or embezzlement.
 - b. Making or altering document or files with the intent to defraud.
 - c. Purposely inaccurate accounting or financial reporting at any level.
 - d. Fraudulent conversion or misappropriation of public resources, including funds, supplies, or other property.
 - e. Improper handling or reporting of financial transactions.
 - f. Authorizing or receiving compensation for goods not received, services not performed, or hours not worked, including payment or receipt of a bribe, kickback, or other unlawful or unauthorized payment.
2. Fraud Awareness:

All benefited employees are required to watch a fraud webinar provided by NDUS.

 - a. It is suggested that all non-benefited employees also watch the free webinar.
3. Procedures for reporting suspected or detected fraudulent activity:
 - a. An employee with knowledge or suspicion of theft, fraud, or unlawful or improper use of public funds or property involving LRSC or affiliated entities shall report that information to a supervisor, the Controller in Administrative Affairs or the President. An employee with knowledge or suspicion of theft, fraud, or unlawful use of public funds involving an immediate supervisor shall report that information to an employee at a level above the immediate supervisor. As an alternate method, an employee may file an anonymous report by contacting the NDUS Fraud & Compliance Hotline at 833-210-3961, reports@lighthouse-services.com, or <https://www.lighthouse-services.com/ndus> to report suspicious activity.
 - b. Unreasonable failure to report such information as required may result in discipline, up to and including dismissal.
 - c. The employee or supervisor who suspects fraudulent activity should not attempt to conduct an investigation.
 - d. It is a violation of LRSC policy to retaliate against an employee who, in good faith, reports dishonest or fraudulent activity.
4. Procedures for investigating suspected or detected fraudulent activity

- a. The LRSC employees designated with responsibility for receiving and acting upon reports under this policy are the Controller for Administrative Affairs and the President. A supervisor or other person who receives a report of suspected theft or fraud shall report that information to the Controller or the President. The Controller shall inform the President, unless the President is implicated, in which case the Vice President of Administrative and Student Affairs shall inform the legal. If both the Controller and the President are implicated, the report shall be made to the legal.
 - b. The Controller shall take reasonable and appropriate action in response to receipt of a report, which may include an internal investigation, commission of an audit, referral to law enforcement officials, recommended policy or procedure amendments, a report summarizing findings or other steps. The Controller shall consult the legal and information shall be kept confidential as directed by the legal.
 - c. The Controller, with assistance from the President as appropriate, has the primary responsibility for the investigation. If the investigation reveals that fraudulent activities have occurred, the Controller will issue a report to the appropriate administrative officials.
 - d. Employee discipline, up to and including dismissal, will follow LRSC processes and procedures.
 - e. Decisions to prosecute or involve appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the President.
5. The Controller is also responsible for periodic review of LRSC internal control procedures, making recommendations for appropriate controls, and staff training to minimize opportunities for theft or fraud.

Related Documents/Policies: LRSC Policy 1500.05 Code of Conduct, SBHE Policy 308.1 Officer and Employee Code of Conduct, SBHE Policies Section 611 Employee Responsibility and Activities

History

Administrative Council Approved 06/15/10

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