

Fraud, Waste, Abuse and Corruption Procedures

Calhoun County School System

Fraud, Waste, Abuse, and Corruption Procedures

Purpose

In compliance with White House Executive Order 12731, the Calhoun County School System provides all employees, clients, vendors, and individuals with confidential channels to report suspicious activities. The Calhoun County School System shall not tolerate fraud, waste, abuse or corruption of any kind and has an established system for the reporting and investigating of suspicious activities.

Definitions

“Fraud” means the intentional deception perpetrated by an individual or individuals, or an organization or organizations, either internal or external to Calhoun County Schools that could result in a tangible or intangible benefit to themselves, others, or the locality or could cause detriment to others or the locality. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

“Waste” means the intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use or squandering of resources owned or operated by the locality to the detriment or potential detriment of the locality. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.

“Abuse” means the excessive or improper use of something, or the employment of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources owned or operated by the locality; or extravagant or excessive use so as to abuse one’s position or authority.

“Corruption” includes dishonest proceedings, bribery, debasement, alteration, or perversion of integrity. Corruption threatens equal access, quantity and quality of education.

Examples of Fraud, Waste, Abuse and Corruption (Not all-inclusive)

- Forgery or unauthorized alteration of any document or account belonging to the District.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other District assets, including employee time.
- Impropriety in the handling of money or reporting of District financial transactions.
- Profiteering as a result of insider knowledge of District information or activities.
- Unauthorized disclosure of confidential or proprietary information to outside parties.
- Unauthorized disclosure of investment activities engaged in or contemplated by the District.
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [See DBDI]
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
- Failure to provide financial records required by state or local entities.
- Failure to disclose conflicts of interest as required by law or District policy.
- Any other dishonest act regarding the finances of the District.

Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

The Superintendent or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the District.

Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board Chair, or local law enforcement.

Statement of Administrative Regulations:

Any and all reports of suspicious activity and/or suspected fraud, waste, abuse, or corruption, shall be investigated. The Calhoun County School System shall not tolerate fraud, waste, abuse, or corruption of any kind, and any reported cases of suspected fraud, waste, abuse, and corruption will be thoroughly investigated to determine if disciplinary, financial recovery, and or criminal action should be taken.

Confidentiality

All reports of suspected fraud, waste, abuse, or corruption must be handled under the strictest confidentiality. Only those directly involved in the investigation should be given information. Informants may remain anonymous but should be encouraged to cooperate with the investigators and should provide as much detail and evidence of alleged fraudulent act as possible.

Procedures and Responsibilities

Any person who suspects fraud, waste, abuse, or corruption in the District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board Chair, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with the law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

Neither the Board nor any District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety.

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent, Board Chair, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment.

If necessary, the person reporting the fraudulent activity will be contacted for additional information.

Periodic communication through meetings should emphasize the responsibilities and channels for reporting suspected fraud, waste, abuse, or corruption.

If a contractor or vendor is found to have committed fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

A hard copy of these Fraud, Waste, Abuse and Corruption Administrative Regulations shall be posted in a visible location at all schools and facilities and on the Calhoun County Schools website (www.calhoun.k12.ga.us).

Each employee shall review the document and will sign attesting that he or she has indeed received this information and understands its contents.

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.