

Fraud

PURPOSE	1
POLICY STATEMENT	2
WHO SHOULD KNOW THIS POLICY	2
DEFINITIONS	2
REGULATIONS	2
1.0 ACTIONS CONSTITUTING FRAUD	2
2.0 REPORTING SUSPECTED WRONGDOING	3
3.0 INVESTIGATION RESPONSIBILITIES.....	3
4.0 CONFIDENTIALITY.....	4
5.0 REPORTING INVESTIGATION FINDINGS.....	4
6.0 TERMINATION.....	4
FORMS	5

Purpose

Associated Students, Incorporated recognizes the importance of protecting the organization, its operations, its employees and its assets against financial risks, operational breaches and unethical activities. Therefore, it is incumbent upon ASI's Board of Directors and management to institute and clearly communicate a fraud prevention policy to both internal and external customers, vendors and partners.

ASI recognizes a zero tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated.

This policy covers all ASI employees and officers. Additionally, this policy covers all ASI vendors, customers, and partners to the extent that any ASI resources are involved or impacted.

The purpose of this policy is three fold:

- 1) To initiate proactive practices to discourage fraud and abuse by employees and others,
- 2) To assure a fair, structured, and consistent approach to investigations of suspected fraud and abuse, and
- 3) To establish a policy to govern the process to be followed when responding to allegations of fraud and abuse in ASI programs, functions or activities. By having an established policy, ASI is able to institutionalize the approach and reduce the role of personalities in decisions regarding each case.

Policy Statement

It is the policy of the Associated Students, Incorporated to strictly forbid the commission of any illegal activity by the directors, officers, employees, and volunteers of the ASI and its subsidiaries, as well as agents of any program, activity or function financially supported and administered by the ASI (hereinafter known collectively as “representatives”). This prohibition extends to and includes activities that might be perpetrated for the benefit of the ASI.

Management is responsible for knowing exposures to wrongdoing and for establishing controls and procedures to detect suspected wrongdoing. The Executive Director is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed periodically and revised as needed.

Who Should Know This Policy

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input checked="" type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel | <input checked="" type="checkbox"/> Program Advisors | <input checked="" type="checkbox"/> Staff |
| <input checked="" type="checkbox"/> Supervisors | <input checked="" type="checkbox"/> Volunteers | |

Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Fraud	An intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity
Defalcation	Withholding or misappropriating funds held for another, or failing to make a proper accounting
Misappropriation	The intentional, illegal use of the property or funds of another person for one's own use or other unauthorized purpose, particularly by a public official, a trustee of a trust, an executor or administrator of a dead person's estate or by any person with a responsibility to care for and protect another's assets
Misrepresentation	A false and material statement that induces a party to enter into a contract
Forgery	The crime of creating a false document, altering a document, or writing a false signature for the illegal benefit of the person making the forgery
Corruption	The offering, giving, soliciting or accepting of an inducement or reward that may improperly influence the action of a person or entity

Regulations

1.0 Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are no limited to:

- Any dishonest or fraudulent act

- Forgery or alteration of any document or account belonging to the Associated Students, Incorporated
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of ASI activities
- Disclosing to other persons securities activities engaged in or contemplated by ASI
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

If there is any question as to whether an action constitutes fraud, the Executive Director shall be consulted for guidance.

2.0 Reporting Suspected Wrongdoing

A representative who discovers or suspects fraudulent activity must notify the Executive Director immediately. The representative may remain anonymous. All subsequent inquiries concerning an activity under investigation shall be forwarded to the Executive Director or designee. No information concerning the status of an investigation will be released. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances shall any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

Individuals reporting a suspected fraudulent activity MUST NOT:

- Contact the suspected individual in an effort to determine facts or demand restitution.
- Discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Executive Director.

Reprisal against a person who has, in good faith, reported a violation or suspected violation is strictly prohibited. Representatives are further prohibited from participating in any cover-up of suspected wrongdoing or any form of retaliation against witnesses.

Irregularities concerning a representative's moral, ethical, or behavioral conduct should typically be reported to the individual's supervisor or program advisor rather than the Executive Director.

3.0 Investigation Responsibilities

All suspected wrongdoing shall be investigated fully. Nonetheless, great care will be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. The Executive Director has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy.

While conducting an investigation, the Executive Director shall be provided:

- Free and unrestricted access to all ASI records and premises, whether owned or rented; and
- Authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of the investigation.

All suspects and perpetrators will be treated consistently without regard to position or length of service.

4.0 Confidentiality

All information received in connection with an investigation shall be treated confidentially. Any representative who suspects dishonest or fraudulent activity must notify the Executive Director immediately and must not attempt to personally conduct investigations, interviews, or interrogations related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Associated Students, Incorporated from potential civil liability.

5.0 Reporting Investigation Findings

Pursuant to ASI's Policy on Reporting Fiscal Improprieties, the Executive Director shall promptly notify the University Director of Internal Auditing and the Board of Directors in writing of any incident of actual or suspected theft, fraud, defalcation, or other irregularity involving corporate assets. Prompt notification means within 12 hours of the time the incident becomes known to the Executive Director.

If an investigation substantiates that fraudulent activities have occurred, the Executive Director will issue reports to appropriate designated personnel and to the ASI Board of Directors through the A.S. Board of Control or USUBOD, as appropriate. The Executive Director or designee is also responsible for notifying the appropriate insurance carriers and filing necessary claims.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation shall be made in conjunction with legal counsel and the ASI Executive Officers, as will final decisions on disposition of the case.

6.0 Termination

If an investigation results in a recommendation to terminate an individual, the Human Resources Manager and legal counsel shall review the recommendation before any such action is taken. The final decision to terminate an employee shall be made by the employee's hiring authority. Should the Executive Director believe the decision inappropriate for the facts presented, the facts will be presented to the ASI Board of Directors for a final decision.

Forms

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Fraud Allegation Form	To report an allegation of fraud involving the assets, programs, or operations of the Associated Students, Incorporated.	Office of the Executive Director	N/A	N/A/ Completed form and any attachments must be sealed in an envelope marked "Confidential" and mailed or delivered to the Office of the Executive Director. If an allegation is being made against the Executive Director, the form should be mailed or delivered to the Student Government Office ATTENTION: ASI President.