

Lewis Center for Educational Research

**BP 4270: PERSONNEL
ANTI FRAUD POLICY & REPORTING PROCEDURE**

Adopted: June 6, 2006

Revised:

Purpose

This Anti-Fraud Policy and Response Procedure has been created to support the Lewis Center for Educational Research's commitment to protecting its revenue, property, reputation and other assets; to emphasize clearly the need for accurate financial reporting; and to define guidelines for the investigation and handling of fraud, should it occur.

Applicability

This Policy applies to all employees of the Lewis Center for Educational Research. This includes all full-time, part-time, and temporary employees.

Definition of Fraud

In law, "fraud" generally involves an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or concealment of material facts. Fraud is a violation of trust that, in general, refers to an intentional act committed to secure personal or business advantage.

The terms fraud, misappropriation and other irregularities refer to, but are not limited to:

- 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 company activities
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and Human Resources rather than the Investigation Unit. If there is any question as to whether an action constitutes fraud, contact the Human Resources Specialist for guidance.

Investigation Responsibilities

The Investigation Unit will include the following personnel: Certified Accountant or Director of Finance as needed, Compliance Manager, Human Resources Specialist, Foundation Board Member, and Supervisor. The Investigation Unit has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Investigation Unit will issue reports to the CEO and/or designee.

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

Confidentiality

The Investigation Unit treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Investigation Unit immediately, and should not attempt to personally conduct investigations or interviews/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 Lewis Center for Educational Research from potential civil liability.

Authorization for Investigating Suspected Fraud

Members of the Investigation Unit will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented
- The authority to examine, copy, and/or remove all or any portion of the contents of computers, files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when the search is reasonable at the time of its inception and it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact his or her supervisor or the Human Resources Specialist (760-946-5414, ext. 220) immediately. The supervisor will inform the Human Resources Specialist, who will then assemble the Investigation Unit. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Investigation Unit or Legal Counsel.

No information concerning the status of an investigation will be given out. The proper response to any inquiries is, "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by Legal Counsel or the Investigation Unit.

Personnel Actions

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Human Resources and/or Legal Counsel.

Whistle-Blower Protection

No employee of the Company, or person acting on behalf of the Company in attempting to comply with this policy shall:

- be dismissed or threatened to be dismissed;
- be disciplined or suspended or threatened to be disciplined or suspended;
- be penalized or any other retribution imposed, or
- be intimidated or coerced,

based to any extent upon the fact that the employee has reported an incident or participated in an investigation in accordance with the requirements of this Policy. Violation of this section of the Policy will result in disciplinary action, up to and including dismissal.

If an allegation is made in good faith, but it is not confirmed by the investigation no action will be taken against the originator. If, in the course of the investigation, it is found that the allegations are false and made with malicious (spiteful or malevolent) intent, action may be considered against the individual making the allegation.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

EMPLOYEE:

COMPANY:

Signature

Print Name

Date

Lewis Center for Educational Research

Name: _____

Title: _____

Date: _____