



# Southeastern Louisiana University

## Fraud Policy

### **Faculty Handbook**

Part II: General University Employment  
Section U. Fraud Policy

### **Classified Employee Handbook**

Part II: General University Employment  
Section U. Fraud Policy

### **Unclassified Employee Handbook**

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### **Graduate Assistant Handbook**

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### **Resident Assistant Handbook**

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### **Student Worker Handbook**

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Section S. Fraud Policy

**Approved April 22, 2004**

## INTRODUCTION

Southeastern Louisiana University, under the governance of the Board of Supervisors for the University of Louisiana System, is committed to the highest standards of moral and ethical behavior. These standards and the subject of appropriate behavior are outlined in the *Code of Student Conduct* and in various Southeastern and Board policies, which should be observed by all Southeastern students and employees.

The purpose of this Policy is to specifically address fraudulent acts. Fraudulent activity of any kind, including for the benefit of Southeastern, is expressly forbidden. This Policy establishes the procedures and responsibilities for reporting and resolving instances of known or suspected fraudulent acts. *Black's Law Dictionary* defines fraud as follows:

*An intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right. A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive another so that he shall act upon it to his legal injury. Any kind of artifice employed by one person to deceive another.*

For purposes of this Policy, the definition has been broadened to include:

- An intentional or deliberate act

- To deprive Southeastern or a person of something of value or gain an unfair benefit
- Using deception, false suggestions, suppression of truth, or other unfair means which are believed and relied upon

A fraudulent act may be an illegal, unethical, improper, or dishonest act including, but not limited to:

- Embezzlement
- Misappropriation, misapplication, destruction, removal, or concealment of property
- Alteration or falsification of documents
- False claims by students, employees, vendors, or others associated with Southeastern
- Theft of any asset including, but not limited to money, tangible property, trade secrets or intellectual property
- Inappropriate use of computer systems, including hacking and software piracy
- Bribery, rebate or kickback
- Conflict of interest, or
- Misrepresentation of facts

While a fraudulent act may have criminal and/or civil law consequences, Southeastern is not required to use a determination by a criminal justice authority to criminally prosecute as the basis for determining whether an act is fraudulent. It is the internal determination that the above criteria are present that defines an act as fraudulent under this Policy.

## **DUTIES AND RESPONSIBILITIES**

Generally, employees, students, and other persons associated with Southeastern (collectively, members of the campus community) abide by laws, rules, regulations, and policies; however, incidents of fraud may occur. Administrators at all levels of management are accountable for setting the appropriate tone of intolerance for fraudulent acts by displaying the proper attitude toward complying with laws, rules, regulations, and policies, including ethics policies. In addition, administrators should be cognizant of the risks and exposures inherent in their area of responsibility, and should establish and maintain proper internal controls which will provide for the security and accountability of the resources entrusted to them.

Any member of the campus community who has a reasonable basis for believing a fraudulent act has occurred has a responsibility to promptly notify one of the following:

- His or her supervisor
- The appropriate administrator
- Office of Internal Audit
- University Police Department

Employees who, in good faith, report suspected fraudulent activity are protected by the Louisiana Whistleblower Act against any retaliation by Southeastern for making such a report. The reporting member of the campus community shall refrain from confrontation of the suspect, further examination of the incident, or further discussion of the incident with anyone other than the employee's or student's supervisor or others involved in the resulting review or investigation. Persons found to be making intentional misleading claims under this Policy will be disciplined, up to and including termination of employment or expulsion from Southeastern.

## **INVESTIGATION**

Supervisors and administrators at all levels of management who become aware of suspected fraudulent activity are to respond in a consistent and appropriate manner and shall report the suspected activity to the Office of Internal Audit. With the concurrence of the Director of Internal Audit, the supervisor or administrator may treat the incident as an administrative issue and have a qualified individual or individuals perform an objective review as considered necessary.

The Office of Internal Audit has the primary obligation for investigating reported incidents to the extent considered necessary for resolution. The Office of Internal Audit may contact other Southeastern departments, University Police, and legal counsel to establish the necessary team to proceed with the review or investigation. The investigative team will attempt to keep source information as confidential as possible.

All affected departments and/or individuals shall cooperate fully with those performing a review or investigation, including the Office of Internal Audit, law enforcement officials, regulators, and any other parties involved. During all aspects of the review or investigation, the Constitutional rights of all persons will be observed. Suspects and others involved in the review or investigation shall be treated consistently without regard to past performance, position held, length of service, race, color, religion, sex, age, disability, national origin, or veteran status.

## **ACTIONS**

Employees found to have participated in fraudulent acts as defined by the Policy will be subject to disciplinary action, up to and including termination, pursuant to personnel policies and rules. Additionally, employees suspected of perpetrating fraudulent acts may be placed on suspension during the course of the investigation. In those cases where disciplinary action is warranted, the Human Resources Office, the Equal Employment Opportunity Officer, or other appropriate office shall be consulted prior to taking such actions. Criminal or civil actions against employees who participate in unlawful acts will be forwarded to the appropriate agency.

The employment of any employee involved in the perpetration of fraud will ordinarily be terminated. Actions to be taken will be determined without regard to past performance, position held, length of service, race, color, religion, sex, age, disability, national origin, or veteran status.

Students found to have participated in fraudulent acts as defined by the Policy will be subject to disciplinary action pursuant to the *Code of Student Conduct and/or Student Handbook*. In those cases where disciplinary action is warranted, the Vice President for Student Affairs, legal counsel, or other appropriate office shall be consulted prior to taking such actions. Additionally, criminal or civil actions against students who participate in unlawful acts will be forwarded to the appropriate agency.

The relationship of other individuals or entities associated with Southeastern found to have participated in fraudulent acts as defined by this Policy will be subject to review, with possible consequences including termination of the relationship. In those cases where action is warranted, legal counsel or other appropriate office shall be consulted prior to taking such actions. Additionally, criminal or civil actions against individuals or entities associated with Southeastern who participate in unlawful acts will be forwarded to the appropriate agency.

## **REPORTING**

According to University of Louisiana System Policy, the following procedures shall be followed in reporting illegal acts (theft, fraud, etc.) to the System Office, Office of the Legislative Auditor, and/or local law enforcement officials.

1. If there is suspicion that an illegal act has been committed, the campus should contact the System's Director of Internal Audit by phone immediately and keep his office abreast of any ongoing investigations.
2. When the System Director of Internal Audit is reasonably certain that an illegal act has been committed, he will contact the Office of the Legislative Auditor and instruct the university administration to contact the **District Attorney** and the appropriate law enforcement officials.