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|  | FGCU POLICY 1.004 | Responsible Unit: Office of Internal Audit |
| | Fraudulent or Other Dishonest Acts | |

A. POLICY STATEMENT

Florida Gulf Coast University employees and entities doing business with the University have a responsibility to be good stewards of the public resources that have been entrusted to the University’s care. As good stewards, employees, both of the University and of entities doing business with the University, are to behave ethically and to abide by all applicable laws, regulations, rules, and policies.

University employees and agents are required to report any suspected act of fraud, criminal conduct, mismanagement, or misrepresentation to the appropriate supervisor, administrator, Vice President, or Internal Audit.

Any employee who is found to have participated in or failed to report fraudulent or other dishonest acts may be subject to disciplinary action.

B. REASON FOR POLICY

The University must be a good steward of the public resources that have been entrusted to its care. Adherence to the Code of Ethics, safeguarding of resources, and compliance with laws, rules, regulations, and policies by University employees and entities doing business with the University provide stewardship and accountability for the University’s public resources.

Generally, University employees and contractors abide by laws and regulations; however, incidents of fraudulent or other dishonest acts may occur. The University does not tolerate fraud, criminal conduct, mismanagement, or misrepresentations. This Policy provides a process for reporting suspected fraudulent or other dishonest activities. Examples of occupational fraud and abuse, include, but are not limited to:

1. Corruption
 - a. Conflicts of Interest (purchasing schemes, sales schemes, etc.)
 - b. Bribery (invoice kickbacks, bid rigging, etc.)
 - c. Illegal Gratuities
 - d. Economic Extortion

2. Asset Misappropriation

a. Cash

- 1) Larceny (of cash on hand, from the deposit, etc.)
- 2) Fraudulent Disbursements
- 3) Billing Schemes (shell company, personal purchases)
- 4) Payroll Schemes (ghost employees, commission schemes, falsified wages)
- 5) Expense Reimbursement (mischaracterized expenses, overstated expenses, fictitious expenses, multiple reimbursements)
- 6) Check Tampering (forged maker, forged endorsement, altered payee, concealed checks, authorized maker)
- 7) Register Disbursements (false voids, false refunds)
- 8) Skimming
 - a) Sales (unrecorded, understated)
 - b) Receivables (write-off schemes, lapping schemes, unconcealed)
 - c) Refunds

b. Inventory and All Other Assets

- 1) Misuse (including personal use of University assets)
- 2) Larceny (asset requisition and transfer, false sales and shipping, purchasing and receiving, unconcealed larceny)

3. Fraudulent Statements

a. Financial

- 1) Asset/Revenue Overstatement (timing differences, fictitious revenues, concealed liabilities and expenses, improper disclosure, improper asset valuations)
- 2) Asset/Revenue Understatements

b. Non-Financial

- 1) Employment Credentials
- 2) Internal Documents
- 3) External Documents.

C. PROCEDURES

1. All University employees are expected to observe the provisions of the Code of Ethics for Public Officers and Employees, Part III of chapter 112, Florida Statutes.
2. Administrators at all levels of management should set the appropriate tone by displaying the proper attitude towards the resources entrusted to the University. The appropriate tone includes, but is not limited to, ethical behavior and compliance with laws, regulations, rules, and policies. Administrators and management are also responsible for establishing and maintaining proper internal controls to provide for the security and accountability of resources entrusted to them. In addition, administrators should be cognizant of inherent risks and exposures in their areas of responsibility, and be aware of possible symptoms of fraudulent and other dishonest acts.
3. Employees and other individuals who have a reasonable basis for believing that fraud, mismanagement, or misrepresentation has occurred must report it to his or her supervisor, to the appropriate administrator, or Vice President, or to the Director of Internal Audit. However, individuals who observe a criminal act in progress, such as theft or destruction of property, or who have reasonable suspicion that a criminal act has been committed, should immediately report the suspected criminal activity to the University Police or, if the activity occurs off-campus, other law enforcement agency. They should not confront the individual in question (being observed), but allow the law enforcement agency to handle the matter.
4. Supervisors and administrators at all levels of management who become aware of suspected fraudulent and dishonest activity should report the suspected activity to the appropriate Vice President; Director, Equity, Ethics and Compliance; Director of Internal Audit; or Director, Campus Safety. It is the responsibility of the Director of Internal Audit, or designee, to investigate or direct to the proper agency for handling, allegations of fraudulent, other dishonest acts, or any other acts covered under this policy. Employees shall not confront the individual being investigated, or initiate investigations on their own, as such actions can compromise any ensuing investigation.
5. The constitutional rights of all persons are to be preserved during all aspects of an investigation. Employees are required to cooperate with any police or audit investigation, and the employee may be requested to keep their knowledge of an investigation confidential as permitted by Florida Statutes.
6. The Whistle-blower's Act, section 112.3187, Florida Statutes, provides protection from retaliatory action for employees of the University who report suspected fraudulent or other dishonest acts, and for employees who cooperate with an ensuing investigation. The Director of Internal Audit is the University's official contact for reporting suspicious activities under the Whistle-blower's Act. Information about the Whistle-blower's Act is available from Internal Audit, from Internal Audit's website, or sections 112.3187 and 112.3188, Florida Statutes.

7. Employees found to have participated in or failed to report a fraudulent or other dishonest act may be subject to disciplinary action pursuant to a collective bargaining agreement or University regulation. Criminal or civil actions may also be taken against employees or other individuals who participate in criminal or other dishonest acts.

Authority

*Part III, Chapter 112, Florida Statutes, Code of Ethics for Public Officers and Employees
BOG Regulation 1.001, University Board of Trustees Powers and Duties*

History of Policy

New 07/24/2008; Amended 12/17/19

APPROVED

*s/Michael V. Martin
Michael V. Martin, President

December 17, 2019
Date