



East San Gabriel Valley Regional Occupational Program and Technical Center

1501 Del Norte Street, West Covina, CA 91790 • 626/472-5131 • FAX 626/472-5145

EMPLOYEE FRAUD POLICY

Introduction

The East San Gabriel Valley ROP/TC's Employee Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the ROP. It is the intent of the District to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

The Employee Fraud Policy applies to any irregularity, or suspected irregularity, involving employees, as well as consultants, contractors, and/or outside agencies with a business relationship with the ROP.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position, title, or relationship to the ROP.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another individual to act upon it to his or her injury. Each member of the management team will become familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported immediately to the Business Office, who in turn will inform the Superintendent and Personnel Office. The Business Office coordinates all investigations with the Superintendent, Personnel Office, and other affected areas, both internal and external.

Actions Constituting Fraud

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

- Any dishonest or fraudulent act.
- Misappropriation of funds, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of the ROP's activities.
- Disclosing confidential and proprietary information to outside parties.
- Disclosing to other persons any securities activities engaged in or contemplated by the ROP.
- Accepting or seeking anything of material value from contractors, or persons providing service and/or materials to the ROP.
- Destruction, removal, or inappropriate use of records, furniture, fixtures and equipment.
- Any similar or related irregularity.

Investigation Responsibilities

The ROP has the responsibility for the investigation of all suspected fraudulent acts as defined in the Employee Fraud Policy. If the investigation substantiates that fraudulent activities have occurred, the ROP will issue reports to the appropriate designated personnel, and if appropriate, to the Joint Board of Management.

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

Confidentiality

The East San Gabriel Valley ROP/TC treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Business Office immediately and should not attempt to personally conduct investigations or interviews and/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 ROP from potential civil liability.

Authorization for Investigating Suspected Fraud

The CFO, Superintendent, and Personnel Office will have:

- Free and unrestricted access to all ROP records and premises, whether owned or rented.
- The 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 might use or have custody of any such items or facilities, when it is within the scope of their investigation.

Reporting Procedures

Great care is 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 the Business Office immediately. The employee or other complainant may remain anonymous, unless disclosure is required by law. 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 Business Office.

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 "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 the Business Office.

Termination

If an investigation results in a recommendation to terminate an employee, the recommendation will be reviewed for approval by the CFO, Superintendent, and Personnel Office, and if necessary, outside counsel, before any such action is taken. The final authority to terminate an employee is made by the ROP's Joint Board of Management.

Administration

The Business Office and Personnel Office are responsible for the administration, revision, interpretation, and application of this Employee Fraud Policy. The Employee Fraud Policy will be reviewed and revised as needed.

I have read the above Employee Fraud Policy and agree to its terms and conditions.

Employee's Name

Employee's Signature

Date

This Employee Fraud Policy was modeled after the Association of Certified Fraud Examiners Policy