



Policy Number:	2.005
Originating Office:	Financial Affairs
Responsible Executive:	Vice President of Financial Affairs
Date Issued:	03/17/2011
Date Last Revised:	04/13/2012

Fraud

Policy Contents

- I. Reason for this Policy.....1
- II. Statement of Policy1
- III. Definitions.....1
- IV. Procedures2
- V. Related Documents, Forms and Tools.....3

I. REASON FOR THIS POLICY

Describe the responsibilities and guidelines relating to misappropriation and theft of University assets and considered to be fraudulent activity.

II. STATEMENT OF POLICY

Fraud shall be defined to include the following for purposes of this policy:

- A. Conduct within the scope of employment, or conduct apparently within the scope of employment, and representations to University of South Dakota (USD) that constitutes:
 - a. Intentional or deliberate act to deprive the State of South Dakota, the Board of Regents, USD or any affiliated organizations or students of something of value (property, money, services, or opportunities).
 - b. Deception, false representation of fact by either conduct or other communication, or concealing what should have been disclosed, or made when the actor knew or should have known that the other party relied upon his or her representations, leading to injury of the State of South Dakota, the Board of Regents, USD or any affiliated organizations or students.
 - c. Examples of a fraudulent act include but are not limited to:
 - i. Embezzlement

- ii. Misappropriation, misapplication, destruction, removal, or concealment of property
- iii. Alteration or falsification of documents
- iv. Theft of any asset (money, tangible property, etc.)
- v. Authorizing or receiving compensation for goods not received or services not performed
- vi. Authorizing or receiving compensation for hours not worked
- vii. Misrepresentation of fact

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. These remedial actions may include, but are not limited to:

- a. Disciplinary action (up to and including termination of employment)
- b. Restitution for all losses, including investigation and legal expenses
- c. Forwarding information to the appropriate authorities for criminal prosecution
- d. Institution of civil action to recover losses.

Where USD elects to take corrective or disciplinary action, it will proceed under the procedures in place under Board of Regents policy or under any collective bargaining agreement for the respective employment classification.

USD may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from the fraudulent conduct.

All investigations will be conducted in confidence insofar as reasonably possible. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of a fraudulent act will be revealed when required in conjunction of the investigation or legal action.

III. DEFINITIONS

ASSETS: Resources such as money, negotiable securities, and property owned by or under custodial control of the university

MISAPPROPRIATIONS: Wrongful uses of assets (e.g., fraud, embezzlement, and conflict of interest decisions that result in financial losses)

THEFT: Taking and removing personal property with intent to deprive the rightful owner of it

IV. PROCEDURES

REPORTING AT THE INCEPTION OF A CASE

A department, upon initiating an investigation of a known or suspected misappropriation or theft, shall notify the University Police Department. The department shall report the estimated

magnitude of the loss and other pertinent details to the University Police Department and cooperate fully in the investigation and audit.

INVESTIGATIONS AND REPORTS

The Director of the University Police Department will perform the investigation and shall provide a written report to the Office of Financial Affairs, supervisor over the area that is being investigated, and the Vice President of that area.

The Office of Financial Affairs will perform an audit of the area being investigated and will provide an audit report to the Vice President of Financial Affairs, Vice President of that area, and the supervisor over the area.

If after or during the investigation it appears that a crime has been committed, the Director of the University Police Department will notify the appropriate Law Enforcement Officials.

V. RELATED DOCUMENTS, FORMS AND TOOLS

South Dakota Board of Regents – Fraud Policy 4:37
(<https://www.sdbor.edu/policy/documents/4-37.pdf>)