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Fraud, Waste, and Abuse Policy..... 1

Fraud, Waste, and Abuse Policy

Pittsburg State University is committed to conducting its affairs ethically and in accordance with applicable laws, rules, regulations, policies, and procedures.

Each member of PSU’s community is expected to share in this responsibility. As a publicly supported institution, Pittsburg State has a fiduciary responsibility to conserve, preserve, and efficiently use all university resources and property. PSU is committed to establishing and maintaining strong internal control systems to assist in the prevention, deterrence, and detection of fraud, waste, and abuse.

Purpose

The purpose of this policy is to:

- prevent, deter, and detect fraud, waste, and abuse;
- assign responsibility for implementing appropriate internal controls to prevent, deter, and detect violations of this policy; and
- establish the appropriate reporting mechanisms to be used for notification of known or suspected fraud, waste, or abuse.

Scope

This policy applies to any situation of fraud or suspected fraud, waste, or abuse, involving PSU employees, students, customers, vendors, contractors, consultants, or other parties related to PSU.

Policy

Individuals shall not perpetrate, engage in, or otherwise facilitate the act of committing fraud, waste, or abuse. All individuals are responsible for reporting suspected or known violations of this policy. PSU will investigate allegations of fraud, waste, or abuse, in accordance with established policies and procedures.

Definitions:

Fraud - a false representation of a matter of fact that is intended to deprive the university of property or legal right to property.

Fraud is also a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means. A fraudulent act may be illegal, unethical, improper, or dishonesty.

Theft - the taking of university assets that result in a loss to the university.

Waste - the expenditure or allocation of resources in excess of need that is often extravagant or careless. Waste is also the thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources owned or operated by the university to the detriment or potential detriment of the university.

Abuse - the intentional, wrongful, or improper use of resources. Abuse can be a form of wastefulness as it entails the exploitation of “loopholes” to the limits of the law, primarily for

personal advantage. Extravagant or excessive use as to abuse one’s position or authority.

Leadership:

Administrators with supervisory responsibility at all levels within PSU, are responsible for establishing the appropriate tone of intolerance for fraud, waste, and abuse by establishing a culture founded on integrity and high ethical standards and principles. Each administrator is responsible for the adequacy of financial and other internal controls within her/his area of responsibility. This responsibility requires acting prudently and inquisitively while being aware of activities and locations where violations of this policy are likely to occur.

Reporting:

Employees, students, and other individuals associated with PSU who become aware of, or have a reasonable basis for believing that fraud, waste or abuse has occurred shall promptly report the suspected activity.

Reports can be made to:

- University Police & Parking Services (620-235-4624),
- Internal Audit department (620-235-6167),
- PSU employee’s supervisor, or
- [Compliance and Ethics hotline](#) (844-410-0003). Anonymous and available 24 hours

a day, 365 days a year.

It is not necessary to have proof of wrong doing at the time of reporting suspected violations of this policy; however, anyone reporting such activity should have reasonable grounds for doing so. No disciplinary or retaliatory action shall be taken against any PSU employee who, in good faith, report or causes to be reported suspected fraud, waste, or abuse or who assists in an authorized review of alleged fraud, waste, or abuse. The prohibition against disciplinary action does not extend to disciplinary action for self-reported violations.

Disciplinary action:

PSU employees engaging in fraud, waste, or abuse, as defined by this policy may be subject to disciplinary action. PSU employees suspected of perpetrating fraud, waste, or abuse may be placed on administrative leave during the course of the investigation. If the violation is identified as a crime, it will be reported to the appropriate law enforcement organization. Criminal investigations will be conducted separately from any internal investigation. Information obtained by the internal investigation will be made available to law enforcement to assist in the criminal investigation.

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Pittsburg State University