B-003 Fraud Policy

I. Purpose

The University of Miami is committed to the highest standards of accountability in all its affairs. The University embraces a culture of honesty, ethics and integrity and will vigorously pursue the prosecution of those who commit fraud and theft within the University. Fraud depletes the University of vital resources and is anathema to the culture of excellence the University fosters. This policy outlines the University’s commitment to deter and detect fraud and theft.

This policy complements the University’s B-002 Internal Controls policy.

II. Definitions

A. Fraud – an act of deceiving or misrepresenting in order to secure unfair or unlawful gain.
B. Theft – the act of appropriating dishonestly for one’s own use any property entrusted to one’s care, and shall include embezzlement or misappropriation.
C. Corruption – the offering, giving, soliciting, or acceptance of an inducement or reward which may influence the action of another person.
D. Reporter – an individual who reports a suspected incident(s) of fraud, theft, or corruption.

III. Policy

A. Responsibilities of Faculty and Staff – All employees, regardless of position, are expected to assist in preventing and/or identifying fraud, theft and corruption (collectively referred to as “fraud” for the remainder of this policy).

B. Reporting Fraud – Employees who are aware of or suspect fraud (i.e., the “reporter”) must immediately report the situation. Reporters may disclose their concerns directly to their supervisor, chairperson, or dean or to the University’s Office of Audit and Advisory Services (hereinafter referred to as “Internal Audit”). Alternatively, reporters may use the University’s compliance hotline “CaneWatch” to report their concerns. Supervisors, chairpersons, and deans who receive a report of fraud must immediately notify Internal Audit, who, in turn, will coordinate with other University offices including the Office of the Controller, Human Resources and the Office of General Counsel to ensure investigations are initiated promptly.

C. Compliance Hotline – The University provides a confidential telephone reporting line managed by a third-party vendor known as “CaneWatch.” Individuals may make anonymous and confidential reports through CaneWatch by either using the toll free line at (877) 415-4357 or through www.canewatch.ethicspoint.com. All reports submitted through CaneWatch will be promptly evaluated and investigated.

D. Investigations – Upon receipt of an allegation, an investigation will be initiated through Internal Audit, in consultation with the Office of General Counsel and Human Resources, as necessary. Internal Audit will coordinate an evaluation of internal control breakdowns for remediation and training with the Office of the Controller once the investigation is complete. The Office of General Counsel will act as a liaison with law enforcement and prosecutorial agencies and will

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pursue restitution and criminal and/or civil penalties to the fullest extent of the law. Under no circumstances should employees or others undertake investigations or discuss allegations with the individuals suspected of fraud. Investigations will be conducted by those with the professional qualifications to do so.

E. **Prosecution** – The University is committed to assisting law enforcement and/or other agencies in the prosecution of those suspected of committing fraud. Separate and apart from any possible criminal prosecution, the University reserves the right to pursue civil actions against the perpetrator(s). Additionally, the University will report stolen funds to the IRS in accordance with their regulations for the investigation of tax evasion.

F. **Harassment, Victimization, or Retaliation** - The University will not tolerate harassment, victimization or retaliation against those who report fraud. The commission of such acts against a reporter shall result in disciplinary action, up to and including termination. Any investigation concerning the commission of such acts shall be conducted by Human Resources.

G. **Malicious Allegations** – The reporting of fraud is a serious matter. In turn, if intentionally false and malicious allegations are reported, disciplinary action may be considered against the reporter.

H. **Employees Suspected of Fraud** – An employee suspected of committing or otherwise involved in fraud may be placed on administrative leave in accordance with the University’s Discipline policy. In the event the allegations of fraud are substantiated, disciplinary action up to and including termination shall be taken in accordance with the University’s Human Resources policy entitled “Employment Separations.” Such disciplinary action is not contingent upon the outcome of any law enforcement’s investigation into the allegations or prosecutorial decision as to whether criminal charges should be filed.

IV. Procedures

See above.

V. References

A. University of Miami Business Conduct and Ethical Standards for Faculty and Staff
B. Internal Controls Policy B-002
C. Committee of Sponsoring Organizations of the Treadway Commission (COSO)
D. Human Resources Policy entitled “Discipline”
E. Human Resources Policy entitled “Employment Separations”

VI. Policy Owner

Internal Audit shall be considered the owner of this policy for purpose, and shall serve as the primary source of information, education, and assistance to faculty and staff leadership on this policy.

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