

# MAINE COMMUNITY COLLEGE SYSTEM

## GENERAL ADMINISTRATION

### Section 209

**SUBJECT: REPORTING AND INVESTIGATING FRAUD, WASTE, ABUSE AND MISUSE OF SYSTEM ASSETS**

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**PURPOSE: To establish procedures for the prompt reporting and resolution of instances of suspected fraud and related offenses**

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#### **A. M CCS Policy**

It is the policy of the Maine Community College System to encourage its officers and employees to report suspected misconduct and instances of fraud, waste and abuse involving M CCS resources. Sound business conduct requires that each member of the M CCS community assume responsibility for safeguarding and preserving the assets and resources of the M CCS, particularly those for which he or she is responsible. This policy establishes procedures for the prompt reporting and resolution of instances of suspected fraud or misconduct. The M CCS will seriously consider each claim and take immediate and appropriate action based on the evidence available.

#### **B. Definitions**

For purposes of this policy, the following terms have the following meanings:

1. “Fraud” is the act of making false representations of material facts whether by words or conduct, by concealing information, or by making misleading statements in order to obtain some benefit or payment that would otherwise not exist. Fraud may be committed either for the person’s own benefit, or for the benefit of some other party. Fraudulent acts must have been committed knowingly, willfully and intentionally. Fraud generally involves intentional misuse or conversion of M CCS property or resources for personal uses.
2. “Waste” is spending money or using resources on goods or services in excess of actual need. Waste does not necessarily produce a benefit for the individual, but is an act of poor management of funds.
3. “Abuse” consists of practices that cause unnecessary costs to the M CCS. Abuse can be similar to fraud, except that it is not possible to prove that abuse was performed knowingly, willfully and intentionally.

### **C. Examples**

Examples of fraud, waste and abuse (collectively hereafter “fraud”) include, but are not limited to, the following:

1. Making or altering documents or computer files with the intent to defraud;
2. Preparing, submitting or approving intentionally inaccurate financial reports;
3. Misappropriating or misusing System resources, such as funds, supplies or other assets;
4. Improper handling or reporting of money transactions;
5. Authorizing or receiving compensation for goods not received or services not performed;
6. Authorizing or receiving compensation for time not worked;
7. Embezzlement or other financial irregularities;
8. Forgery, falsification, or alteration of documents (such as, by way of illustrative example, checks, financial accounts, time sheets, travel expense reports, contractor agreements, purchase orders, other financial documents, or electronic files);
9. Theft, destruction, or misappropriation of funds, securities, supplies, inventory or any other asset (including furniture, fixtures or equipment, trade secrets and intellectual property);
10. Unauthorized or inappropriate misuse of MCCA facilities, such as telephones, e-mail systems and computers;
11. Intentional violation of State procurement, purchasing and personnel laws, including dishonest or improper reporting of results, selective reporting or omission of conflicting data for deceptive purposes;
12. Accepting or offering bribes, kickbacks or illegal rebates;
13. Assigning an employee to perform non-employment-related tasks by persons in a supervisory or management position; and
14. Any action to conceal or perpetuate fraud, including non-cooperation with or obstruction of investigations into such activities.

## **D. Preventing, Reporting and Investigating Fraud**

### **1. Prevention and Detection**

MCCS administrators and all levels of management are responsible for preventing and detecting instances of fraud and for establishing and maintaining proper internal controls that provide security and accountability for the resources entrusted to them. Each administrator is expected to be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that fraud or potential fraud may have occurred. Responses to such allegations or indicators should be consistent.

When fraud is detected or suspected, an administrator, supervisor or manager should determine whether an error or misunderstanding has occurred or whether possible fraud exists. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent the reoccurrence of fraud.

### **2. Reporting and Investigating**

Anyone with a reasonable basis for believing that fraud has occurred should report such suspected fraud to their supervisor, college president and/or the MCCS general counsel. The college president and/or general counsel will be responsible for overseeing any investigation of an allegation of fraud. If deemed appropriate by a college president or the general counsel, the results of the investigation may be turned over to appropriate law enforcement officials.

An allegation of fraud may be reported to the general counsel on a confidential basis. Whether reported confidentially or not, the general counsel will treat reports as sensitive and will reveal information only on a “need to know” basis. The general counsel may, but is not required to, investigate reports submitted anonymously.

### **3. Cooperating and Responding**

MCCS employees are required to cooperate with any college, System or law enforcement efforts to detect, report and/or investigate fraud, including the prosecution of offenders. The MCCS will take appropriate disciplinary and legal action against officers or employees who commit fraud. MCCS actions may include termination of employment, mandating restitution and informing the appropriate authorities in accordance with state and federal law.

**E. False Reports**

It shall be a violation of this policy for any MCCS officer, employee or student to make a baseless allegation of fraud if such allegation is made with reckless disregard for truth and intended to be disruptive or to cause harm to another individual or individuals.

**F. Regulatory Compliance**

MCCS considers compliance with federal, state and local regulatory matters to be a serious obligation. Compliance obligations rest with employees at all levels of the System. Every officer and employee should become familiar with any pertinent regulations which govern teaching, research and administrative activities in his or her area of responsibility

Each MCCS officer and employee is expected to report any significant instance of suspected non-compliance of a regulatory matter to the appropriate college or System manager responsible for enforcement and monitoring. For purposes of this policy, a “significant instance of non-compliance” is defined as any activity or circumstance that could result in the assessment of a monetary or civil fine, penalty, loss of funding or consent order by an external regulatory body.

**G. Non-Retaliation**

In accordance with the Maine Whistleblower’s Protection Act, 26 M.R.S.A. §831, et seq., and other provisions of law, any person is free lawfully to disclose whatever information supports a reasonable belief of suspected fraud or regulatory non-compliance. The MCCS is committed to protecting employees from interference when making such disclosures. An employee may not retaliate against another employee who has made a disclosure and is also prohibited from directly or indirectly using the official authority of his or her position or office for the purpose of interfering with the right of an employee to make such a disclosure.

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REFERENCES: 20-A M.R.S.A. §12706(10) and §12709(2)

DATE ADOPTED: June 24, 2009

DATE(S) AMENDED: