

Volume F1: Finance	F1.99.3 Fraud Prevention and Detection	Responsible Office: Finance and Administration
Chapter 99: General		Responsible Officer: Vice President

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POLICY STATEMENT

Northeastern Illinois University (NEIU) is committed to the highest standards of ethical behavior. Acts of fraudulent behavior are costly and erode the public's trust and confidence in the integrity of the University. The University shall have in place a process to monitor internal controls for safeguarding its assets from fraud and abuse, including criminal activity, and to properly steward the University's assets over which it is entrusted.

PURPOSE OF THE POLICY

To provide the University and its employees guidance for monitoring and safeguarding University assets and a process to prevent and detect fraud and abuse behavior.

WHO IS AFFECTED BY THIS POLICY

The University Community

DEFINITIONS

Fraud: A willful or deliberate act or omission with the intention of obtaining an unauthorized benefit, service, property, or something of value by deception, misrepresentation, or other unethical or unlawful means. Examples of fraudulent or dishonest conduct include, but are not limited to, forgery or unauthorized alteration of University documents, including checks, bank drafts or any other financial document; misappropriation or theft of funds, securities, supplies, or other assets; impropriety in handling or reporting of money or financial transactions; accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the University; destruction, removal, or inappropriate use of University records, furniture, fixtures, and equipment; and/or any similar or related inappropriate conduct.

REGULATIONS

1. FRAUD PREVENTION

All levels of University management are required to become familiar with the types of improprieties that might occur in his or her area and to be alert for any indication that such a defalcation, misappropriation, or other fiscal irregularity has occurred. All levels of management are required to establish and follow controls as applicable for their division or unit. Vice Presidents are responsible for ensuring that systems of internal control are established and maintained in their areas that provide reasonable assurance that improprieties are prevented. University Internal Audit is available to assist management in recognizing improper conduct and reviewing and assessing internal controls.

The following internal controls procedures are required to reduce the risk of fraudulent activity occurring within the University:

1. Separation of duties
2. Physical safeguard over assets
3. Proper documentation



4. Proper authorization
5. Adequate supervision
6. Independent validation of transaction accuracy

2. FRAUD DETECTION

It is the responsibility of each member of the University community to report to the proper authority any suspected incidents of fraud or fraudulent and/or criminal activity. The University's reporting authorities are University Counsel, University Internal Audit, University Ethics Officer, and University Police Department. In addition, the State of Illinois Office of the Executive Inspector General also serves as a reporting authority. Individuals are not to attempt to personally conduct investigations or interviews.

3. INVESTIGATION

University Counsel, in conjunction with University Police and University Internal Audit, as necessary, will oversee all investigations into allegations of falsification, misappropriation, and other fiscal irregularities. To avoid damaging the reputations of innocent persons and to protect the University from potential civil liability, the results of any investigation will not be disclosed or discussed with anyone other than those persons who have a legitimate need to know.

Allegations or matters of conduct deemed outside the scope of the policy, such as personnel-related issues or scientific misconduct, may be referred by University Counsel to the respective area of management for review and appropriate action.

When an investigation reveals suspected criminal activity or an investigation is initiated due to an allegation of criminal activity, the University Police will take the lead. University Counsel will also inform and consult with the State Office of the Executive Inspector General or the State Attorney General, as needed.

University employees will support the University's fiduciary responsibilities and will cooperate with University Counsel, University Internal Audit, University Ethics Officer, University Police, and other law enforcement agencies in the detection, investigation, and reporting of fraudulent or criminal acts, including prosecution of offenders. During the course of the investigation University Counsel may seek the assistance of the Illinois Attorney General or Office of the Executive Inspector General.

4. ACTION

Anyone found to have engaged in fraud or fraudulent conduct is subject to disciplinary action by the University up to and including dismissal or expulsion and civil or criminal prosecution. Employees who knowingly make false allegations are subject to disciplinary action up to and including dismissal. The University will make every effort to recover losses that result from fraudulent or criminal acts.

AUTHOR REFERENCE

"Dishonest or Fraudulent Activities and Whistleblower Policy" – Eastern Illinois University

HISTORY

N/A

CONTACT INFORMATION

Please direct questions or concerns about this policy to:

Contact	Phone	E-Mail
Office of Finance and Administration	(773) 442-5100	VPfinance-admin@neiu.edu
University Counsel	(773) 442-5219	M-ReardonHenry@neiu.edu



DISCLAIMER

The University reserves the right to modify or amend sections of this policy at any time at its sole discretion. This policy remains in effect until such time as the Responsible Officer calls for a review. Requests for exception to any portion of this policy, but not to the policy statement, must be presented in writing to the Responsible Officer.