



FRAUD POLICY

1.0 Purpose. The RCWE Fraud Policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Regional Center for Workforce Excellence (RCWE). It is the intent of RCWE to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

2.0 Requirements. RCWE management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each staff member will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to the CEO, who coordinates all investigations with legal counsel and other affected areas, both internal and external. Any fraud that is detected or suspected to have been committed by the CEO should be immediately reported to the Northwest PA Workforce Investment Board Chairperson, who will coordinate all investigations of the CEO with legal counsel.

3.0 Scope. This policy applies to any fraud, or suspected fraud, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with RCWE. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

4.0 Actions Constituting Fraud. The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Forgery or alteration of any document or account belonging to the Company;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of company activities;
- Disclosing confidential and proprietary information to outside parties;
- Disclosing to other persons securities activities engaged in or contemplated by the company;



POLICY – 104

Rev. Level: A

May 1, 2009

- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company. Exception: Gifts less than \$50 in value;
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

5.0 **Other Inappropriate Conduct.** *Suspected improprieties* concerning an employee's moral, ethical, or behavioral conduct, should be resolved as outlined in the Regional Center for Workforce Excellence Employee Handbook. If there is any question as to whether an action constitutes fraud, the CEO will contact legal counsel for guidance.

6.0 **Investigation Responsibilities.** The CEO has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the CEO will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel, as will final disposition of the case.

7.0 **Confidentiality.** The CEO treats all information received *confidentially*. Any employee who suspects dishonest or fraudulent activity will notify the CEO immediately, and *should not attempt to personally conduct investigations or interviews/interrogations* related to any suspected fraudulent act (see Reporting Procedure section below). Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

8.0 **Authorization for Investigating Suspected Fraud.** Members of the Investigation Team will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; AND
- The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.



POLICY – 104

Rev. Level: A

May 1, 2009

9.0 Reporting Procedures. Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will *contact the CEO immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the CEO. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: “I am not at liberty to discuss this matter.” *Under no circumstances* should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference. The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the CEO or legal counsel.

10.0 Termination. If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the CEO, and, if necessary, by outside counsel, before any such action is taken. Termination procedures will be conducted as outlined in the Regional Center for Workforce Excellence Employee Handbook.

11.0 Administration. The CEO is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

12.0 History.

Name	Date	Rev. Level	Description of change	Effective Date
Debra O’Neil	5/01/2009	A	New policy	7/01/2009

Auxiliary aids and services are available upon request to individuals with disabilities.

Equal Opportunity Employer Program
Paul Newlin – Equal Opportunity Officer
Phone: (814) 333-1286
TTY/TDD (814) 337-7205