

Fraud

FIN-ACC-I-35



About This Policy

Effective Date:
03-01-2005

Last Updated:
10-27-2011

Responsible University Office:
Financial Management Services

Responsible University Administrator:
Vice President and Chief Financial Officer

Policy Contact:
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Associate Vice President
and University Controller,
Office of the Controller
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Related Information

* [I-30, Fiscal Misconduct](#)

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Policy Statement

If Internal Audit concludes that an employee has engaged in fraud, appropriate legal action will be pursued along with immediate termination of the employee from Indiana University, in accordance with respective personnel policies for Academic, Staff and Temporary employees. In addition, the employee will be required to pay restitution for the cost of the investigation.

If any employee knows or suspects that other university employees are engaged in fraud, it is his or her responsibility to immediately notify the Internal Audit Department or the appropriate campus police department.

Any employee who has knowledge of fraud by another employee and does not report such to university officials may himself/herself be subject to disciplinary action, including termination from Indiana University.

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Reason For Policy

To establish the consequences of fraud and the appropriate reporting mechanisms to be used for notification of known or suspected fraud.

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Procedure

Any deviation of policy in regard to termination will be determined by the Chancellor of the campus or the appropriate Vice President and the President of Indiana University. Legal action will be pursued based on the merits of the case as determined by University General Counsel.

If the initial notification is to the Internal Audit Department, they shall notify the appropriate campus police department and vice versa.

The appropriate police department shall be responsible for establishing procedures for investigating the allegation, either alone or in coordination with Internal Audit. Together, the appropriate police department and Internal Audit will also determine the accuracy of the allegations.

The Internal Audit Department shall be responsible for ascertaining the extent of loss, and for reviewing and evaluating control/process failures related to the loss. Internal Audit will also notify Financial Management Services, University Human Resource Services (or the appropriate Academic Affairs office for faculty), Insurance, Loss Control & Claims, University General Counsel, and the appropriate vice president or chancellor.

If restitution is required, payment arrangements will be worked out with the Office of Insurance, Loss Control & Claims. The Office of Insurance, Loss Control & Claims will be responsible for funds being deposited to the appropriate university account.

All investigations of allegation of fraud will be conducted in the strictest of confidence. To the extent permitted by law, the names of those communicating information will not be revealed.

Indiana University's insurance coverage states that once fraud has been identified, any fraudulent activity occurring after this date by the employee will no longer be covered.

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Definitions

Fraud: The deliberate misrepresentation of fact for the purpose of depriving the university of a valuable possession or legal right.

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History

This policy was established on October 27, 2011.