

29653

**ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
AUGUST 6, 2009**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGES DISTRICT NO. 508
County of Cook and State of Illinois**

RESOLUTION

**ADOPT THE REVISIONS TO THE ANTI-FRAUD POLICY
OF THE CITY COLLEGES OF CHICAGO
2008-2009**

(Amend Board Report No. 28271, approved September 6, 2007)

WHEREAS, the Illinois Public Community College Act, as amended, lists the powers and duties of community college districts in the State of Illinois, and states in 110 ILCS 850/3-30, that:

“The board of any community college district has the powers...that may be requisite or proper for the maintenance, operation and development of any college of colleges under the jurisdiction of the board.”

WHEREAS, Section 1.8 of the Rules for the Management and Government of the City Colleges of Chicago (“Rules”), provides for the adoption of policies, agreements and guidelines by the Board.

WHEREAS, effective September 6, 2007, in Board Resolution No. 28271, the Board approved an Anti-Fraud Policy; and

WHEREAS, various revisions to the Anti-Fraud Policy are recommended by the Office of Inspector General, Officers of the District and Chancellor; and

WHEREAS, the revised policy and summary of revisions have been presented to the Board of Trustees; and

NOW, THEREFORE BE IT RESOLVED, that the revisions to the Anti-Fraud Policy be adopted by the Board of Trustees effective August 6 2009, and posted on the City Colleges website.

August 6, 2009 – Office of the Inspector General

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**CITY COLLEGES OF CHICAGO
COMMUNITY COLLEGE DISTRICT NO. 508**

ANTI-FRAUD POLICY

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I. INTRODUCTION

a. Fraud Prevention

The goal of the Anti-Fraud policy is to improve systems and procedures, change the attitudes of the employees, and improve the overall integrity and performance of the City Colleges of Chicago. Strategies incorporated in fraud prevention plans should aim to:

- Perform an entity-wide risk assessment that links risks to controls
- Create and maintain a culture of honesty and high ethics: Set the tone at the top by setting achievable goals and expressing “zero tolerance” for unethical behavior
- Train employees regularly regarding the District’s values and code of conduct
- Have a strong system of controls: Identify ways to increase security in transaction processing/handling, record keeping, payment systems, and computer operations
- Detect the warning signs in financial records: Create internal mechanisms that highlight potential transgressions (e.g. edit/exception reports, supervisory review)
- Report irregularities: Create a system for employees to report (anonymously if necessary) illegal or unethical actions they have witnessed or suspected

II. POLICY GUIDELINES

A. Policy Statement

The City Colleges of Chicago has measures for the prevention, detection, and management of fraud and for fair dealing in matters pertaining to fraud. Management is responsible for detecting embezzlement, misappropriation, and other irregularities. Each member of the management team should 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. Also the management team has a responsibility to identify and document these improprieties when they occur.

Any irregularity detected or suspected must be reported immediately to the Office of the Inspector General who coordinates all investigations with the legal department and other affected areas, both internal and external.

B. Scope

This policy applies to the employees, officers and Board members of the City Colleges of Chicago. Additionally, this policy applies to all consultants, independent contractors and vendors of the District.

C. Definition

Fraud is not restricted to monetary or material benefits. It includes intangibles such as status and information. For the purpose of this policy, fraud against the City Colleges of Chicago includes but is not limited to:

- Forgery or alteration of any document or account
- Forgery or alteration of a check, bank draft, or any other financial report or document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Accepting or seeking anything of material value from vendors or persons providing services/materials to the company (for exceptions see the Gift Ban Policy)
- Destruction or the improper removal of records, furniture, fixtures, or equipment
- Unauthorized alteration of academic and student financial records

D. Strategies

Strategies to discourage fraud and misconduct should be communicated and reinforced with all employees. To this end, all departments should:

- Participate in in-house training programs covering fraud, fraud detection and fraud prevention
- Require all staff to acknowledge awareness and receipt of the associated policies and agreements for the prevention, detection, management and reporting of fraud and corrupt conduct by signing an annual affidavit and/or at the time of hire. The City Colleges of Chicago policies and agreements should include:
 - Ethics Policy
 - Employee Handbook (work rules)
 - EEO Policy and Complaint Procedures
 - Computer Use Policy
 - Board Rules
 - Operations Manual
- Encourage staff to report suspected fraud directly to those responsible for investigation without fear of disclosure or retribution
- Require vendors and contractors to agree in writing as a part of the contract process, to abide by the City Colleges of Chicago policies and procedures, and thereby avoid any conflict of interest
- Implement a fraud hotline for reporting suspicions of fraud

Human resources pre-employment strategies aimed at fraud prevention include:

- Criminal background checks of employees, as required by board rules
- Contacting previous employers and references
- Verifying transcripts, qualifications, publications and other certification or documentation
- Drug testing as a condition of employment

E. Review and Approval of Policy

In the interest of maintaining best practices, the policy on Anti-Fraud shall be reviewed by the Director of Internal Audit and the Inspector General annually. The outcome of the review shall be reported to and approved by the Audit Committee of the Board.

III. RESPONSIBILITIES

A. Responsible Officer

The Inspector General is responsible for the investigation of complaints relating to suspected fraudulent activity.

In the conduct of the investigation, the Inspector General shall be empowered to seek the services of other persons as appropriate.

B. Responsibilities for Implementation of This Policy

Under the direction of the Chancellor and the Board of Trustees, the Internal Audit function audits internal controls over CCC's operations and provides recommendations that help prevent, detect and deter fraud.

All officers and supervisors must share responsibility for the prevention and detection of fraud and for the implementation of the City Colleges of Chicago fraud strategy. Similarly, all staff must share in that responsibility. All officers and supervisors should ensure that they:

- Display a positive, appropriate attitude towards compliance with laws, rules and regulations;
- Are aware of common indicators/symptoms of fraudulent or other wrongful acts (e.g. by participation in relevant staff training programs and/or literature research) and respond to those indicators as appropriate;
- Establish and maintain proper internal controls to provide for the security and accountability of City Colleges of Chicago resources and prevent/reduce the opportunity for fraud.
- Are aware of the risks and exposures inherent in their area of responsibility.
- Respond to all allegations or indications of fraudulent or wrongful acts by reporting such allegations to a member of the Office of the Inspector General.

For this purpose, officers and supervisors will be supported by relevant services within the City Colleges of Chicago. Although activities may be undertaken by others, it is each manager's responsibility to actively support and encourage those activities and to be sure that they extend to his or her area of organizational responsibility. **To this end, management should incorporate into their annual planning processes, fraud control plans as well as fraud awareness programs and training.**

IV. REPORTING

A. Duty

All employees are responsible for reporting suspected fraud. Fraud constitutes a form of corrupt conduct. Any employee who suspects fraudulent activity must immediately notify their supervisor or the Office of the Inspector General.

The Director of Internal Audit and/or Inspector General designee shall report to the Audit Committee any matter:

- which he/she suspects on reasonable grounds concerns or may concern corrupt conduct, criminal conduct, criminal involvement or serious improper conduct
- which is of concern to him/her in his or her official capacity

B. Procedure

1. Complaints or reports of fraud

Complaints or reports of fraud may be reported via any of the following methods:

- i. A complainant may report fraud tips via the CCC fraud hotline (312)553-3244 or directly to the Office of the Inspector General.
- ii. Generally a complainant may report fraud to his/her immediate supervisor, who will in turn report the issue to the Office of the Inspector General.
- iii. If the complainant does not want to involve his/her supervisor, an alternative channel for confidential reporting is available by direct reporting to the Office of the Inspector General.
- iv. Where the employee does not wish to report the matter to their supervisor they may make a report directly to the Office of the Inspector General.
- v. Complainants are encouraged to provide a written summary of any complaint. See the Office of the Inspector General web page. The link to the Office of the Inspector General web page is www.ccc.edu (Click on District Departments and scroll down to The Office of the Inspector General).

Written, signed and dated summaries by the complainant or supervisor should identify, where known/possible the:

- department and/or location of the alleged incident
- key person(s) involved
- nature of the alleged incident
- time period over which the alleged incident has occurred
- value associated with the alleged incident
- documented evidence in support of the alleged incident

2. Where to Make a Fraud Report

All allegations of fraud should be reported to the Office of the Inspector General. An email can be sent to InspectorGeneral@ccc.edu. All complaints will be investigated by the Office of the Inspector General. You may access a complaint form by going to the Inspector General web page located at www.ccc.edu under the heading of District Departments.

3. Timely communication

Supervisors must maintain confidentiality and report matters related to corrupt or criminal conduct, criminal involvement or serious improper conduct to the Office of the Inspector General within one working day of their acquiring knowledge of the matters or, in cases where this is not practicable, as soon as possible. The Inspector General shall provide the Chancellor and the Audit Committee with a report on matters of corruption as soon as possible.

4. Communication for executive review

Where a matter is considered appropriate for official reporting, a draft report shall be prepared by the Office of the Inspector General, with an initial review being performed by the General Counsel. If the matter is serious or urgent, phone contact should be made with the Chancellor as soon as possible. The final draft of the report shall be forwarded to the Chancellor for review. The Office of the Inspector General shall report all matters (in writing) to the Board of Trustees through the Audit Committee. The report shall contain a description of the particular wrongful act suspected, the evidence which might substantiate it, and the action which has been taken or which is intended to be taken in relation to it.

5. Ongoing communication with the Board

The Board of Trustees is to be kept informed by the Chancellor of significant developments as they occur. Complainants, unless anonymous, will generally be advised of the eventual outcome of cases and will, to the extent permitted by the Board of Trustees, be kept informed throughout the process of an investigation, via the Office of the Inspector General.

V. HANDLING/INVESTIGATIONS OF COMPLAINTS

A. Confidentiality

Any report or information passed to the Office of the Inspector General is to be kept confidential and the fact that the Office of the Inspector General has received such report or information, or any details, should be conveyed only to those people who require the knowledge in the proper performance of their office or function. Confidentiality will be maintained at all times. Any report back to the complainant will be made in a manner so as not to compromise that confidentiality.

B. Cooperation with law enforcement

Everyone must cooperate fully with law enforcement and regulatory agencies, including reporting to such agencies and support of prosecution, where necessary.

C. Authorization for Investigating Suspected Fraud

Unless otherwise directed by the Chancellor, the Office of the Inspector General is responsible for coordinating investigations into matters of corrupt conduct. In those instances in which the Inspector General believes it to be in the best interests, the Inspector General has the authority and duty, after consulting of CCC with appropriate executives, to:

- Take control of, and/or gain full access to all District premises,
- Examine, copy, and/or remove all or any portion of the contents of files (electronic or paper), 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.

D. Fair Treatment

All suspects will be treated consistently without regard to position held, past performance or length of service, together with due regard to justice and procedural fairness.

VI. WHISTLE BLOWER PROTECTION

Employees should be assured that the City Colleges of Chicago will make every reasonable effort to ensure that they will not be victimized or disadvantaged by making a complaint. Action to cover up the wrongdoing and or to retaliate against, or victimize witnesses is strictly forbidden, and could itself constitute conduct within the jurisdiction of municipal, state or federal law.

An employee shall not be subject to:

- Threat of personal safety or career advancement
- Intimidation, harassment, or be threatened with intimidation or harassment

- Acts of retaliation or any act that is, or is likely to be, a detriment to the employee because he/she:
 - has assisted, is assisting or will or may in the future assist the Office of the Inspector General (or General Counsel)
 - is employed by or acting on behalf of, an independent agency or appropriate authority to whom or which an allegation has been referred
 - has exercised a power, or performed a duty, conferred or imposed by this policy

VII. DISCIPLINE AND TERMINATION

If an investigation results in a recommendation to discipline or terminate an individual, the recommendation will be reviewed by the Vice Chancellor of Human Resources and, if necessary, by the General Counsel before any such action is taken. The Chancellor shall be responsible for taking appropriate action against any employee(s) involved in matters of corrupt conduct as recommended and approved by the Board of Trustees.

VIII. PENALTIES

1. Any City Colleges of Chicago employee who violates the City Colleges of Chicago Anti-Fraud Policy may be subject to discipline, including suspension or dismissal.
2. Any City Colleges of Chicago official who violates the City Colleges of Chicago Anti-Fraud Policy may be subject to disqualification from office.
3. Any contractor doing business with the City Colleges of Chicago found to have violated the City Colleges of Chicago Anti-Fraud Policy may be barred from doing business with City Colleges, along with any other penalty provided for in this Policy.
4. If the Inspector General has a reasonable basis for concluding that an investigation has revealed criminal conduct, the Inspector General shall refer the matter to the appropriate law enforcement authority.