

## Missouri Western State University

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| <b>Policy Name:</b> Fraudulent Activity           | <b>Responsible Office:</b> Finance and Administration |
| <b>Policy Category:</b> Compliance and Governance | <b>Approving Authority:</b> Board of Governors        |
| <b>Date Effective:</b> August 13, 2026            | <b>Date Last Reviewed/Revised:</b>                    |

### I. Purpose

The purpose of this policy is to prevent and detect fraudulent acts and to establish the procedures and responsibilities for reporting and resolving instances of known or suspected fraudulent activity.

### II. Applicability

This policy applies to any actual or suspected irregularity, fraudulent or dishonest act, involving any member of the University community, including: 1) members of the Board of Governors; 2) individuals who are paid by the University when they are working for the University, to include faculty, staff and student workers; 3) consultants, vendors, contractors and any other outside agency when they are doing business with the University; 4) individuals who perform services for the University as volunteers and who assert an association with the University; and 5) students.

### III. Definitions

**Fraudulent Activity:** an illegal, deceptive, unethical, improper, or dishonest act. Fraudulent activities may include abuse, conversion, misallocation, misuse, misappropriation, theft, unauthorized access or use, or willful destruction or damage to University Assets. Examples include, but are not limited to:

- authorizing or receiving compensation for hours not worked
- authorizing or receiving reimbursement for expenses not incurred
- authorizing or receiving compensation for goods not received or services not performed
- bribery or attempted bribery
- embezzlement
- falsification or unauthorized alteration of time or leave records
- falsification of reports to management or external agencies
- fraudulent actions by customers, vendors or other parties include bribes or inducements, and fraudulent (rather than erroneous) invoices from a supplier or information from a customer.
- forgery or alteration of documents, statements, employment credentials, purchase orders
- improper handling or reporting of financial transactions
- inappropriate disclosure of confidential information
- misappropriation, misapplication, removal, or concealment of University property

- misappropriation of funds, securities, supplies, inventory, or any other University Asset (including furniture, fixtures or equipment, data, trade secrets, and intellectual property)
- pursuit of a benefit or advantage in violation of the University's conflict of interests or other policy
- profiteering as a result of insider knowledge of University activities
- unauthorized alteration, manipulation, destruction, removal or inappropriate use of records and equipment
- unauthorized use of logos, trademarks, copyrights, etc.
- actions related to concealing or perpetuating aforementioned activities.

**Irregularities:** violations of federal or state laws or regulations and serious or recurring violations of University policies or procedures.

**University Assets:** includes items of tangible or intangible property owned by, leased to, licensed to, or in the possession of the University. University Assets also include items which rightfully should be a University Asset but were diverted due to Fraudulent Activity. Examples of University Assets include but are not limited to money, paid employee time, proprietary information, intellectual property (such as patents, trademarks, and copyrights), land, buildings, improvements, equipment, vehicles, software, supplies, tools, inventory, library volumes, and art objects and works.

**Waste:** the act of using or expending resources carelessly, extravagantly, or to no purpose.

#### **IV. Policy**

As a publicly supported institution, the University has a fiduciary responsibility to conserve, preserve, protect against waste, and efficiently use all University resources. All University employees have stewardship and safeguarding responsibilities for University funds and other assets under their control and for ensuring that those resources are used only for authorized purposes and in accordance with University rules, policies and applicable federal and state laws. The University will investigate significant irregularities and instances of fraudulent or dishonest behavior by members of the University community or its affiliates.

Missouri Western State University has zero tolerance concerning fraudulent activity. All University employees and students must comply with applicable state and federal law and University policy. University employees shall not perpetuate, engage in, or otherwise facilitate the act of committing Fraudulent Activity. Furthermore, a University employee cannot be compelled by a supervisor or a University official to violate a law or University policy.

#### **V. Procedures and Implementation**

##### **A. Detection of Fraudulent Activity**

All members of the University community have the responsibility to prevent, detect, and report suspected fraudulent or related wrongful conduct. Any employee who becomes aware of suspected fraudulent activity must report the suspected activity to the [reportfraud@missouriwestern.edu](mailto:reportfraud@missouriwestern.edu) or

to another appropriate official or office, as set forth below. Such reports will be reviewed to determine if any investigation is warranted.

All employees shall cooperate fully with any investigation performed by the University, oversight agencies, and/or law enforcement. Any employee who has knowledge of fraudulent activities or related wrongful conduct by any person or organization, including another employee, and does not report it to University officials may be subject to disciplinary action, up to and including termination of employment.

## **B. Reporting**

Any member of the university community or the public may use [reportfraud@missouriwestern.edu](mailto:reportfraud@missouriwestern.edu), to report any suspected fraudulent activity. If the employee elects to notify department management first, then department management must immediately submit a report to [reportfraud@missouriwestern.edu](mailto:reportfraud@missouriwestern.edu) or the University Police Department before taking any other action.

All employees are responsible for immediately reporting known or suspected incidents of fraud, including theft and misappropriation of University assets through one of the following options:

- To the [reportfraud@missouriwestern.edu](mailto:reportfraud@missouriwestern.edu) email account;
- Through their normal line of authority, starting with their supervisor, or anyone above; or
- To the University Police Department.

In the case of possible criminal activity, individuals should also contact the University Policy Department in addition to other listed options.

Fraudulent Activity cases are usually complex requiring special expertise to investigate the underlying issues. Therefore, it is important to notify one of these University offices immediately to minimize loss to the University. These offices will consult with one another and the Office of General Counsel and/or Risk Management to determine if further investigation is needed. Departmental personnel should not attempt to independently investigate instances of suspected fraud.

Any employee who suspects fraudulent activity should not attempt to personally investigate the suspected fraudulent or wrongful activity. Concerns about work performance and workplace behavior that are unrelated to fraudulent activity should be resolved by department management and the Human Resource Office and should not be reported under the fraud and theft policy. If there are any questions about what constitutes fraud and theft, employees should contact their supervisor or next-level supervisors as may be warranted.

## **C. Investigation of Reports or Suspected Fraud, Abuse or Misuse**

Investigations will be conducted when the University receives a significant and credible allegation of suspected fraudulent activity or related misconduct. The Director of Risk Management has the primary responsibility for the investigation of all suspected fraudulent acts as defined by this policy.

- a. All employees are required to cooperate fully in any internal or external investigation. Failure to cooperate as requested may result in disciplinary action up to and including termination of employment. The investigation team will have free and unrestricted access to all university 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 might use or have custody of any such items or facilities when it is within the scope of an ongoing fraud investigation.
- b. The Director of Risk Management, with input and assistance of the Office of President, Office of General Counsel and other necessary administrators, will coordinate efforts to investigate all significant suspicions or detections of fraudulent behavior.
- c. The Director of Risk Management does not have the authority to discipline University employees or students. Rather, such decisions will be made consistent with existing University policies and procedures.

Reports and investigations of allegations of fraud and theft ordinarily will be kept confidential to the reasonable extent possible under law and consistent with the need to conduct an adequate investigation and take corrective action.

#### **D. Consequences**

If appropriate University officials conclude that an employee has engaged in fraud or theft, appropriate disciplinary action will be pursued, up to and including termination of employment, in accordance with applicable personnel policies for faculty and staff. In addition, employees engaging in fraud or theft will be required to pay restitution, including the cost of the investigation. Employees of the University who engage in fraudulent activity or theft are not acting within the scope of their employment and should not expect protection for their acts under either the Missouri Tort Claims Act or any applicable University insurance policy.

Ordinarily, the submission of a resignation by an employee accused or suspected of fraud or theft will not preclude later disciplinary action, including restitution and legal action. If restitution is required, payment arrangements will be established with the University's Business Office.

It is the policy of the University to pursue legal action based on the merits of the case in consultation with the Office of General Counsel.

If an employee is discharged for theft or misappropriation of assets, the University may recover losses due to the employee's actions by withholding part or all of the amount owed from his or her paycheck following consultation with the Office of General Counsel. The amount to be withheld must be promptly communicated to the employee in writing. The written communication must also explain the employee's right to a hearing to appeal the disciplinary action or termination. Even when a hearing is requested, the paycheck will be held to the extent allowed by law pending the outcome. Because employees who are terminated for gross misconduct do not receive unpaid annual leave, this leave may not be used to pay debts to the University.

#### **D. Retaliation Prohibited**

The University prohibits and does not tolerate retaliation against any individual who files a complaint of illegal, dishonest, or fraudulent conduct; is involved as a witness or participant in the complaint or investigation process; or refuses to engage in illegal, dishonest, or fraudulent conduct.

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#### **Policy History**

| <b>Date of Review/Revision</b> | <b>Summary of Change</b> |
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