The College District prohibits fraud and financial impropriety, as defined below, in the actions of its trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the College District.

**Definition**

Fraud and financial impropriety includes but is not be limited to:

1. Forgery or unauthorized alteration of any document, electronic record or account belonging to the College District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document including any entry in College District financial computer systems.
3. Misappropriation of funds, securities, supplies, or other College District assets, including employee time.
4. Impropriety in the handling of money or reporting of College District financial transactions.
5. Profiteering as a result of insider knowledge of College District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties, regardless of whether the discloser will, or could, personally benefit from the disclosure.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the College District.
8. Accepting or seeking anything of more than nominal value from contractors, vendors, or other persons providing services or materials to the College District, except as otherwise provided by law or College District policy.
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failing to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or College District policy.
12. Any other dishonest act regarding the finances of the College District.

**Financial Controls and Oversight**

Each employee who supervises or prepares College District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his/her area of responsibility for fraud and financial impropriety.
Fraud Prevention
The Chancellor or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the College District.

Reports
Any person who suspects fraud or financial impropriety in the College District shall report the suspicions immediately to any supervisor, the Chancellor or designee, the Board Chairperson, the College District Ethics Hotline, or local law enforcement.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

Protection from Retaliation
The College District shall not tolerate any form of retaliation against a person who in good faith reports perceived fraud or financial impropriety or for cooperating with an investigation. The College District reserves the right to decline to indemnify or defend any employee or Trustee who engages in retaliation in violation of this policy.

However, nothing in this policy limits or delays the College District's right to take appropriate disciplinary actions, up to and including termination, when an employee's behavior warrants the action.

Investigation
In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Chancellor, Board Chairperson, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

Response
If an investigation substantiates a report of fraud or financial impropriety, the Chancellor, Board Chairperson, or a designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Chancellor or designee shall take or recommend appropriate disciplinary action, which may include termination of employment.

If a contractor or vendor is found to have committed fraud or financial impropriety, the College District shall take appropriate action, which may include cancellation of the College District's relationship with the contractor or vendor.
When circumstances warrant, the Board, Chancellor, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the College District, the College District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with the Office of Legal Affairs.

**Analysis**

After any investigation substantiates a report of fraud or financial impropriety, the Chancellor or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Chancellor or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.