



*Changing Lives...Building Communities*

**Title of Policy:** College Wide Fraud Policy

**Applies to (check all that apply):**

Faculty \_\_\_\_\_ Staff \_\_\_\_\_ Students \_\_\_\_\_  
Division/Department \_\_\_\_\_ College  X

**Topic/Issue:**

**BCCC Fraud Policy**

**Background to Issue/Rationale for Policy or Procedure:**  
**(For procedures, cite appropriate approved College Policy addressed)**

The purpose of this Policy is to specifically address fraudulent acts. Fraudulent activity of any kind, including for the benefits of BCCC, is expressly forbidden. This Policy establishes the procedures and responsibilities for reporting and resolving instances of known or suspected fraudulent acts. *Black’s Law Dictionary* defines fraud as follows:

*“An intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right. A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive another so that he shall act upon it to his legal injury. Any kind of artifice employed by one person to deceive another.”*

**State/Federal Regulatory Requirements (cite if applicable):**

**Code of Federal Regulations:**

45 CFR 74.42 Title 45 Public Welfare Subtitle A Department of Health and Human Services Part 74 Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations and Commercial Organizations Subpart 42 Codes of Conduct

**Annotated Code of Maryland**

## **Executive Order 01.01.1994.06 STATE AGENCIES—Internal Audit**

**07.01.10.00 Title 07 DEPARTMENT OF HUMAN RESOURCES** Subtitle 01 OFFICE OF THE SECRETARY Chapter 10 Office of the Inspector General Authority: Article 41, §6-101(c) and 6-103(b) Article 88A, §3(a) 5, and 89;

### **Executive Order 01.01.2007.01**

(Rescinds Executive Orders 01.01.2003.01 and 01.01.2003.13) Standards of Conduct for Executive Branch Employees

The COMAR subtitles apply to all employees and State employees who are applicants for positions in the Executive Branch of State government, including a unit with an independent local personnel system.

### **Policy Language:**

#### **1.0 Fraud Policy**

*The College's Board of Trustees expressly forbids fraudulent activity of any kind, including for the benefit of BCCC. Enforcement of this fraud policy is the responsibility of the entire College community in order to prevent detect, report, and resolve known or suspected incidences of fraud. This Policy establishes the procedures and responsibilities for reporting and resolving instances of known or suspected fraudulent acts.*

#### **Duties and Responsibilities**

1. Employees, students and other persons associated with BCCC (collectively, members of the campus community) must abide by laws, rules, regulations and policies.
2. All levels of management are accountable for educating staff members, enforcing compliance and reporting fraudulent acts related to laws, rules, regulations and policies, including ethics policies.
3. All staff members should be cognizant of the risks and exposures inherent in their area of responsibility, and should establish and maintain proper internal controls that will provide for the security and accountability of the resources entrusted to them.
4. Any member of the campus community who has a reasonable basis for believing a fraudulent act has occurred has a responsibility to promptly notify one or more of the following:
  - a. His or her supervisor

- b. The appropriate administrator
- c. Office of Internal Audit
- d. BCCC Security Department

The State of Maryland's Whistleblower Act protects employees who, in good faith, report suspected fraudulent activity. The reporting member of the campus community shall refrain from confrontation of the suspect, further examination of the incident, or further discussion of the incident with anyone other than the employee's or student's supervisor or others involved in the resulting review or investigation. Persons found to be making frivolous claims under this Policy will be disciplined, up to and including termination of employment or expulsion from BCCC.

**Approved by the Board of Trustees:** December 20, 2001

**Originator/Division:** Chief Internal Auditor/President's Office