ADMINISTRATIVE PROCEDURE

FINANCIAL IMPROPRIETY, IMPROPER CONDUCT AND WHISTLEBLOWER PROTECTIONS

2200
Procedure No.

October 14, 2024
Date

I. PURPOSE: To provide procedures for detecting, reporting and investigating allegations of financial impropriety and improper conduct in Prince George's County Public Schools (PGCPS), protection for employees who file related whistleblower claims, and provide an administrative remedial process for PGCPS employees who are subject to personnel actions of reprisal or retaliation for making a protected disclosure.

II. POLICY: The Prince George's County Board of Education (Board) and PGCPS prohibit all financial impropriety and/or improper conduct. All employees, members of the Board, and others doing business or providing services to PGCPS are expected to conduct themselves with high ethical and moral standards by adhering to this policy and the Board's Ethics Regulations (Policy 0107). The Employee and Labor Relations Office (ELRO) will recommend to the Superintendent, or designee, disciplinary action up to and including restitution, demotion, suspension, termination, as well as possible civil or criminal charges, upon a finding that an employee has engaged in financial impropriety and/or improper conduct. (Board Policy 0109)

III. BACKGROUND:

A. PGCPS is a tax-supported entity and recognizes its responsibility for ensuring a high level of integrity and commitment to responsible stewardship of resources. The Board has adopted a policy on financial impropriety, improper conduct and whistleblower protection (formerly Fraud, Waste, Abuse and Whistleblower Protection) that outlines PGCPS' responsibility for maintaining a high standard of ethics and professional conduct in the protection of the school system's assets.

B. In addition, the Public School Employee Whistleblower Protection Act prohibits a public school employer under certain conditions from taking, or refusing to take, any personnel action as reprisal against a public school employee because the employee discloses or threatens to disclose unlawful behavior; provides information or testifies for an investigation of unlawful behavior; or objects to or refuses to participate in unlawful behavior. For fiduciary responsibility and to support ethical conduct, employees and others are encouraged to report known or suspected financial improprieties or other improper conduct.

IV. DEFINITIONS: The following definitions apply to the contents of this Administrative Procedure:

A. *Abuse* – Improper use of resources or authority for financial gain. Involves behavior that is deficient or inappropriate when considering public trust.

B. *Financial impropriety* – An abuse of authority, mismanagement, or substantial waste of money; including but not limited to, PGCPS related fraud, waste, abuse, false claims, false statements, bribery, kickbacks, theft, or embezzlement by employees, members of the Board, and others doing business or providing services to PGCPS.

C. *Fraud* – An act, omission, misrepresentation, or concealment to deceive or gain personally causing a breach of fiduciary responsibility or violation of laws or PGCPS policies and procedures. This includes all acts for personal gain, without limitation, that result in damages or losses to PGCPS. Fraudulent activities may include, but are not limited to:

1. Theft, misappropriation, removal, or concealment of PGCPS property or resources, including funds, supplies, equipment, assets, or data;

2. Forgery, alteration or unauthorized signing of documents – *e.g.*, contracts, checks, invoices, purchase orders, expenditure reimbursement requests, medical leave documents, applications, etc.;

3. Acceptance of compensation for hours not worked or duties not performed;

4. Improper destruction or removal of records;

5. Unauthorized use of credit cards or purchasing cards;

6. Deliberate swapping of funds – *e.g.*, personal checks for cash;

7. Acceptance of undue benefits for self or family members – *e.g.*, health care benefits, school meals;

8. Accepting kickbacks, bribes, gifts, rebates, or anything of value in exchange for business given to a vendor;

9. Unauthorized personal use of PGCPS property;

10. Unauthorized use of PGCPS facilities, especially for financial gain;

11. Issuance of payments for other than goods and services provided to PGCPS;

12. Deliberately false accounting and/or misstatement of accounting information including payroll and timekeeping data;

13. Deliberate filing of false information to government agencies;

14. Deliberate overcharging for goods and services;

15. Diversion of funds, including through electronic banking;

16. Willful disclosure of confidential and proprietary information to outside parties including, but not limited to confidential or proprietary information obtained during Executive Session;

17. Violation of Board Policy 0107, *Ethics Regulations*;

18. Improperly altering or falsifying student grades; and

19. Other illegal activities.

D. *Improper conduct* – Includes but is not limited to PGCPS-related safety or security concerns; exposure of students and/or employees to a substantial and specific public health or safety danger; serious breaches of Board policies; forging, altering, falsifying, or otherwise tampering with any Board or PGCPS document, account, and/or signature; inappropriate or unauthorized disclosing and/or divulging of confidential and/or proprietary information to an outside party; or any violation of a law, rule or regulation that has been committed by any employee at any level of authority.

E. *Legitimate employment decision* – Recommendation to change an employee's assignment, a notice of assignment location change, promotion, demotion, or disciplinary action up to termination.

F. *Protected disclosure* – A good faith communication that discloses or demonstrates an intention to disclose information that might evidence a financial impropriety or improper conduct.

G. *Retaliation* – Adverse action against an individual because they have made a protected disclosure or have participated in an investigation, proceeding or hearing involving a protected disclosure. Adverse action includes actual or

attempted acts of reprisal, threats, coercion, intimidation, interference, or similar improper acts.

H. *Supervisor* – Any individual within PGCPS who has the authority to direct and control the work performance of an employee, or who has managerial authority to take corrective action regarding the violation of a law, rule, or regulation of which the employee complains.

I. *Waste* – Neglect, destruction, damage, or loss of property by someone entrusted with use. This improper conduct results in added costs and squandering of resources to the detriment of PGCPS.

J. *Whistleblower* – An employee who makes a protected disclosure based on a reasonable belief that the Board, Board member, or an employee has engaged in an activity or practice that evidences:

1. An abuse of authority, mismanagement, or substantial waste of money;

2. A substantial and specific danger to public health or safety; or

3. A violation of a law, rule, policy or administrative procedure.

V. PROCEDURES:

A. Detecting Financial Impropriety and Improper Conduct

1. All Chiefs, administrators and supervisors are responsible for detection and prevention of financial impropriety and improper conduct, and should be aware of the potential for the types of improprieties that might occur in their respective areas of responsibility. Employees should also be vigilant and alert to indications of occurrences of financial impropriety and improper conduct. Additionally, chiefs, administrators and supervisors must perform consistent management oversight and hold employees accountable for their performance on the job. Financial impropriety and improper conduct prevention internal controls may include, but are not limited to:

a. Establishment of internal controls where there is a system of checks and balances;

b. Ensuring that no process is controlled entirely by a single employee;

c. Performing consistent management oversight;

d. Accountability for performance within established guidelines; and

e. Annual training that identifies ways to prevent financial impropriety and improper conduct.

B. Reporting Financial Impropriety and Improper Conduct

1. Employees and members of the Board are responsible for reporting known or suspected financial impropriety and improper conduct described in Section IV of this administrative procedure. Additionally, employees should report known and suspected violation(s) of law, abuse of authority, gross mismanagement, gross waste of money or resources, or a substantial and specific danger to public health or safety committed by any PGCPS employee or against PGCPS by any person, business entity or agency.

2. Individuals may report in writing or orally as follows:

a. Advise their immediate supervisor responsible for the department or school where the financial impropriety and improper conduct is suspected. Employees are encouraged to document their concerns in writing and request a response within 30 calendar days. The immediate supervisor shall report the matter immediately through appropriate channels to include department/office Director or Division Chief. Note that all reasonable efforts will be taken to complete investigations within 30 days however, some might require additional time depending on the complexity of the situation, staffing levels and/or capacity.

b. Internal Audit – 14201 School Lane, Sasscer Administration Building, Upper Marlboro, MD 20772; Telephone: 301-780-6888; Fax: 301-780-6893.

c. Online Reporting – https://pgcps.alertline.com/gcs/welcome.

Reports made online can be made anonymously.

d. Compliance Hotline – Call 1-866-646-2512. Reports made to the Hotline can be made anonymously.

e. Security Services – 8333 Woodyard Road, Clinton, MD 20735. Telephone: (301) 499-7000; Fax: (301) 499-7013

f. Office of Integrity and Compliance – Call 301-952-6113 from 8:00 am to 4:30 pm Monday through Friday. Send correspondence any time to Wayne K. Curry Administration Building, Attn: PGCPS Integrity and Compliance Officer, 1301 McCormick Drive, Suite 3-124, Largo, Maryland 20774. Send an email any time to oic@pgcps.org. See also https://www.pgcps.org/offices/integrity-and-compliance/contact

3. Oral Reports - The protection provided against a violation of section V.C.2. below requires, among other things, that reports be made in writing. Reports made orally may not be afforded the same protection.

4. Employees shall not make false reports. Intentional false reporting may lead to disciplinary action.

C. Whistleblower Protection

1. Retaliation against an employee who in good faith filed a report of an alleged violation identified in Section IV is a violation of state law, Board policy and this administrative procedure.

2. Subject to section V.C.3. below, PGCPS may not take or refuse to take any personnel action as reprisal against an employee because the employee:

a. Discloses or threatens to disclose to a supervisor an activity, a policy, or a practice of PGCPS that is in violation of a law, rule, or regulation;

b. Provides information to or testifies before any public body conducting an investigation, a hearing, or an inquiry into any violation of a law, rule, or regulation by PGCPS; or

c. Objects to or refuses to participate in any activity, policy, or practice in violation of a law, rule, or regulation.

3. Whistleblower protection shall be provided only if:

a. The employee has a reasonable, good faith belief that PGCPS has, or still is, engaged in an activity, a policy, or a practice that is in violation of a law, rule, or regulation;

b. The employee discloses information that the employee reasonably believes evidences:

1) An abuse of authority, gross mismanagement, or gross waste of money;

2) a substantial and specific danger to public health or safety; or

3) a violation of law; and

c. The employee has reported the activity, policy, or practice to a PGCPS supervisor or administrator in writing and afforded PGCPS a reasonable opportunity to correct the activity, policy, or practice.

4. Notwithstanding the prohibition against retaliation, legitimate employment decisions may be taken against an employee on grounds other than the employee's exercise of any rights protected by law, Board policy and this administrative procedure.

D. Internal Administrative Complaint and Civil Action

1. Internal Administrative Complaint

Any employee who is subject to a personnel action in violation of Section V.C.2. of this administrative procedure may initiate the administrative remedial process by filing an administrative complaint. The administrative remedial process shall be completed within 30 calendar days after the employee files the initial administrative complaint. The complaint shall be made in writing to

the Superintendent who will in turn refer the matter to Internal Audit for appropriate handling.

2. Civil Action

a. Before instituting a civil action, an employee who is subject to a personnel action in violation of Section V.C.2. of this administrative procedure shall notify Superintendent in writing of their intention to institute a civil action.

b. The employee is not required to exhaust any administrative remedies before instituting a civil action.

E. Investigations of Financial Impropriety and Improper Conduct

1. Internal Audit has the primary responsibility for the investigation of reported acts of financial impropriety and improper conduct without bias. To the extent provided by law, Internal Audit will maintain the confidentiality of the identity of reporters, the person who is the subject of the report, and the report produced from the investigation. Retaliation against reporters of financial impropriety and improper conduct is prohibited.

2. Division Chiefs, administrators, and supervisors must promptly forward to Internal Audit intake documents received for reported instances of financial impropriety and improper conduct for investigation. Security Services should advise Internal Audit of reports of financial impropriety and improper conduct to determine the necessity for support for its investigations. Security Services must share their investigation results and work papers with Internal Audit. Reports made online and to the Compliance Hotline can be made anonymously and are investigated by Internal Audit.

3. The Board has authorized Internal Audit to have complete access to all PGCPS facilities, records, documents, and files to conduct audits and investigations of financial impropriety and improper conduct. Internal Audit will investigate and objectively evaluate information obtained relative to allegations of financial impropriety and improper conduct. The facts of each case will be reported in a clear and concise manner in an investigation report. The format and delivery date of the reports will be determined by Internal Audit. Interim reports may be issued.

4. Results of investigations are communicated to the Board Chair, Superintendent, Chief Human Resources Officer, the Director of Employee Labor Relations and further only to those with a need to know. Documentation supporting the investigation will be maintained within Internal Audit and will only be presented to persons authorized as identified by the Chief Internal Auditor. Investigation reports and work papers may be subject to court proceedings in the event of subpoena.

F. Record Retention

Investigation reports and supporting documentation are maintained in accordance with PGCPS procedures. Internal Audit maintains a permanent database of hotline reports of financial impropriety and improper conduct through the Hotline Services vendor.

VI. MONITORING AND ACCOUNTABILITY:

A. When it is determined that an act of financial impropriety or improper conduct has been committed, the Division of Human Resources Employee and Labor Relations Office (ELRO) must recommend appropriate disciplinary action. These actions may include letters of reprimand, suspension, termination, restitution, or a combination of sanctions.

B. All reasonable steps will be taken to recover misappropriated PGCPS funds and property including initiation of criminal and or civil proceedings. The Superintendent/designee will determine which financial impropriety and improper conduct activities will be forwarded for further legal action to the appropriate legal entity. The Board will be notified on a monthly basis of such actions. A report may also be made to the Prince George's County Police Department and/or States Attorney or other entity for suspicion of a financial crime and/or civil action may be initiated.

C. Applicable PGCPS employee personnel files and records must be promptly updated to document actions taken. Notices must also be sent to avoid unauthorized access to PGCPS resources effective upon the date of termination or separation from employment.

D. The Division of Business Management Services will provide mandatory training for all fiscal related administrative procedures and any updated

information in the School Accounting Manual to all Principals and staff with bookkeeping responsibilities.

VII. RELATED POLICIES AND ADMINISTRATIVE PROCEDURES:

- Policy 0109 – Financial Impropriety, Improper Conduct and Whistleblower Protection Act
- Policy 0107 – Ethics Regulations
- Policy 0108 – Code of Conduct
- Policy 0115 – Information Technology Services – Acceptable Usage Guidelines
- Policy 0127 – Reporting Suspected Child Abuse and Neglect
- Policy 4116 – Conflicts of Interest
- Policy 4400 – Inappropriate Relationships between Students, Employees, Volunteers, and Contractors
- By-Law 9270 – Actions by Individual Board Members

VIII. LEGAL REFERENCE:

Md. Code Ann., Educ. §§ 6-901, *et seq.* (Public School Employee Whistleblower Protection Act)

IX. MAINTENANCE AND UPDATE OF THIS ADMINISTRATIVE PROCEDURE: This administrative procedure shall be updated as needed by the Division of Human Resources Employee and Labor Relations Office.

X. CANCELLATIONS AND SUPERSEDURES: This administrative procedure cancels and supersedes Administrative Procedure 2200 – Fraud, Waste and Abuse and Whistleblower Protection dated March 18, 2019.

XI. EFFECTIVE DATE: October 14, 2024