



# ADMINISTRATIVE PROCEDURE

## FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

- I. **PURPOSE:** To provide procedures prohibiting fraud, waste and abuse in Prince George’s County Public Schools (PGCPS) and protection for employees who file related whistleblower claims.
  
- II. **BACKGROUND:** Prince George’s County Public Schools 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 of Education has adopted a policy on fraud, waste and abuse that outlines PGCPS’ responsibility for maintaining a high standard of ethics and professional conduct in the protection of the school system’s assets.

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.

- III. **POLICY:** PGCPS prohibits all conduct considered fraud, waste, or abuse. All employees, members of the Board of Education, 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 code of ethics. The Employee and Labor Relations Office will recommend to the Chief Executive Officer disciplinary action up to and including restitution, suspension, termination, as well as possible civil or criminal charges, upon a finding that an employee has engaged in fraud, waste or abuse. (Board Policy 0109)

- IV. **DEFINITIONS:**

- A. **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:

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



## ADMINISTRATIVE PROCEDURE

### FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

- Forgery, alteration or unauthorized signing of documents - e.g., contracts, checks, invoices, purchase orders, expenditure reimbursement requests, medical leave documents, applications, etc.;
- Acceptance of compensation for hours not worked or duties not performed;
- Destruction or removal of records;
- Unauthorized use of Credit cards or Purchasing Cards;
- Deliberate swapping of funds - e.g., personal checks for cash;
- Acceptance of undue benefits for self or family members – e.g., health care benefits; school meals;
- Accepting kickbacks, bribes, gifts, rebate, or anything of value in exchange for business given to a vendor;
- Unauthorized personal use of PGCPS property, including district-owned vehicles;
- Unauthorized use of PGCPS facilities, especially for financial gain;
- Issuance of payments for other than goods and services provided to PGCPS;
- Deliberate false accounting and/or misstatement of accounting information including payroll and timekeeping data;
- Deliberate filing of false information to government agencies;
- Deliberate overcharging for goods and services;
- Diversion of funds through electronic banking;
- Willful disclosure of confidential and proprietary information to outside parties;



## ADMINISTRATIVE PROCEDURE

### FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

- Violation of Board Policy 0107, *Ethics Regulations*;
- Altering or falsifying student grades in violation of [Administrative Procedure 5116](#), Grade Change Authorization and Appeals; and
- Other illegal activities.

B. **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.

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

#### V. **PROCEDURES:**

##### A. Fraud, Waste and Abuse Detection

All Chiefs are responsible for detection and prevention of fraud, waste and abuse. Each member of the executive leadership team should be aware of the potential for the types of improprieties that might occur in their respective areas of responsibility. Supervisors as well as employees should be vigilant and alert to indications of occurrences of fraud, waste and abuse. Fraud prevention internal controls may include, but are not limited to:

1. Establishment of internal controls where there is a system of checks and balances.
2. Ensuring that no process is controlled entirely by a single employee.
3. Performing consistent management oversight.
4. Accountability for performance within established guidelines.
5. Annual training that identifies ways to prevent fraud, waste and abuse.

##### B. Reporting Fraud, Waste and Abuse

Employees and members of the Board of Education are responsible for reporting known or suspected fraud, waste and abuse described in Section IV of this Administrative Procedure. Additionally, employees should report known and suspected violation of law; abuse of authority; gross mismanagement; gross waste of money; or a substantial and specific danger to public health or safety committed



# ADMINISTRATIVE PROCEDURE

## FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

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by any PGCPS employee or against PGCPS by any person, business entity or agency.

Individuals may report in writing or orally as follows:

1. Advising his/her immediate supervisor responsible for the department or school where fraud, waste or abuse is suspected. Employees should document their concerns in writing and request a response of at least 30 days to correct the activity, policy or practice.
2. Internal Audit – 14201 School Lane, Sasscer Administration Building, Upper Marlboro, MD 20772; Telephone: 301-780-6888; Fax: 301-780-6893
3. Online Reporting - <https://pgcps.alertline.com/gcs/welcome>. Reports made online can be made anonymously.
4. Compliance Hotline: 1-866-646-2512. Reports made to the Hotline can be made anonymously.
5. Security Services - 507 Largo Road, Upper Marlboro, MD 20772 Telephone: (301) 499-7000; Fax: (301) 780-6734.

Employees should not make false reports. Intentional false reporting will lead to further disciplinary action.

### C. Whistleblower Protection

Retaliation against an employee who in good faith filed a report of an alleged violation identified in Section B is a violation of state law and this procedure.

1. 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 the employer 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



# ADMINISTRATIVE PROCEDURE

## FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

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- violation of a law, rule, or regulation by the employer; or
- c. Objects to or refuses to participate in any activity, policy, or practice in violation of a law, rule, or regulation.
2. 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 is a violation of this procedure and reported the activity, policy, or practice to a supervisor or an administrator in writing; and
  - c. The employee afforded the supervisor or administrator a reasonable opportunity to correct the activity, policy, or practice.
3. Notwithstanding the prohibition against retaliation, personnel action may be taken against an employee on grounds other than the employee's exercise of any rights protected by law and this procedure.
4. Employees must exhaust all administrative remedies prior to bringing a civil action in court for alleged violation of the *Public School Employee Whistleblower Protection Act*.

### D. Investigations of Fraud, Waste and Abuse

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

1. Department managers and principals should promptly forward to Internal Audit intake received for reported instances of fraud, waste and abuse for investigation. Security Services should advise Internal Audit of reports of fraud, waste and abuse to determine the necessity for support for its investigations. Security Services should also share its investigation results.



# ADMINISTRATIVE PROCEDURE

## FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

Reports made Online and to the Fraud, Waste and Abuse Hotline can be made anonymously and are investigated by Internal Audit.

2. The Board of Education has authorized Internal Audit to have complete access to all PGCPS facilities, records, documents and files to conduct audits and investigations of waste, fraud and abuse. Internal Audit will investigate and objectively evaluate information obtained relative to allegations of fraud, waste and abuse. 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.
3. Results of investigations are communicated to the Chief Human Resources Officer, Director Employee Labor Relations, Chief Executive Officer, Board Chair and further only to those with a need to know. Work papers 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.

### E. Record Retention

Investigation Reports and work papers are maintained in accordance with PGCPS record retention policy of 5 years. Internal Audit maintains a database of reports of fraud, waste and abuse through the Hotline Services vendor.

## VI. MONITORING AND ACCOUNTABILITY

- A. When it is determined that an act of fraud, waste and abuse has been committed, the Division of Human Resources under the direction of 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 CEO or designee will determine which fraudulent activities will be forwarded for further legal action to the appropriate legal entity. The Board of Education will be notified on a monthly basis of such actions.



# ADMINISTRATIVE PROCEDURE

## FRAUD, WASTE AND ABUSE AND WHISTLEBLOWER PROTECTION

2200

Procedure No.

March 18, 2019

Date

C. Applicable 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.

D. Annual mandatory training for all fiscal related administrative procedures and any updated information in the School Accounting Manual will be provided for all Principals and bookkeepers.

VII. **RELATED POLICIES:**

Policy 0109, Fraud, Waste and Abuse; Policy 0107 Ethics Regulations; Policy 8373 Office of Internal Audit

VIII. **LEGAL REFERENCE:** Public School Employee Whistleblower Protection Act – Maryland Code, Education Article section 6-901 – 6-906.

IX. **MAINTENANCE AND UPDATE OF THESE PROCEDURES:** This procedure shall be updated as needed by the Employee and Labor Relations Office.

X. **CANCELLATIONS AND SUPERSEDURES:** None. This is a new procedure.

XI. **EFFECTIVE DATE:** March 18, 2019