

Coweta County School System
FY20 Fraud, Waste, Abuse, Corruption Policy

This policy applies to all federal, state, and local expenditures to include the following: Title IA, Title IC (Migrant), Title IA (Neglected & Delinquent), Title IIA (Supporting Effective Instruction), Title III (ESOL), IDEA (SpEd), Title IVA (Student Support and Academic Enrichment), Title XC McKinney-Vento Act (Homeless), and School Improvement (1003a, 1003g-SIG).

The Federal Programs Director provides Fraud, Waste, Abuse, and Corruption training annually to all participants at the summer Title I Principals workshop that includes principals and other district leaders. Principals and District Leaders will redeliver the policy and procedures on Ethics, Waste, Fraud, Abuse and Corruption to all employees on their staff along with the Georgia Code of Ethics for Educators. All employees are required to sign the sign-in sheet acknowledging they understand the Fraud, Waste, Abuse, and Corruption policy. **If an employee suspects any type of fraudulent activity, abuse, waste, or corruption, they are to report it to their immediate supervisor or directly to the Asst. Superintendent of Administrative Services. The complaint/allegation would be investigated to determine if any fraudulent activity or ethical misconduct has occurred.**

All reports of suspected fraud, waste, abuse, or corruption must be handled under the strictest confidentiality. Only those directly involved in the investigation should be given information. Informants may remain anonymous but should be encouraged to cooperate with the investigators and should provide as much detail and evidence of alleged fraudulent act as possible.

Fraud is a type of illegal act involving obtaining something of value through willful misrepresentation.

Ex. A person creates fake invoices to receive payment for services performed; Purchasing 5 active boards and not accounting for them on a property inventory.

- CCSS has strong internal controls which prohibit fraudulent activity by providing structure and discipline. For any Title 1 school expenditure, there are a minimum of four persons who “approve” the purchase. The teacher or staff member who makes the request, the principal who approves at the school level, the Title 1 Director, the purchasing manager, and the comptroller who has the final approval.
- Any payment for services rendered or any travel reimbursement has to go through those same approval steps.

Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial gain.

Ex. A person hires a sibling as a provider when another person might have been the better choice.

- CCSS always seeks the best qualified person for the position. We have procedures to follow for every position and more than one person usually interviews applicants.
- Criminal background checks are done before hiring and HR requires that we have a phone reference on file before we submit a person for employment.

Waste is a reckless or grossly negligent act that causes funds to be spent in a manner that was not authorized or represents significant inefficiency and needless expense. Waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.

Ex. A person chooses to go with a purchase that is much more expensive than others and does not take the time to do a comparison.

- CCSS requires a minimum of three bids on items that cost over \$1000.
- CCSS adheres to state regulations on travel reimbursements.
- CCSS purchasing manager is diligent in questioning any purchase that may seem unreasonable or unusual.

Corruption includes dishonest proceedings, bribery, debasement, alteration, or perversion of integrity. Corruption threatens equal access, quantity and quality of education.

- A break-down from the original.
- Bribery is the classic form of corruption.
- Includes influence peddling, nepotism, and other cases where officials act in their own interest and not the public interest.

Other Examples of Fraud, Waste, Abuse and Corruption (Not all-inclusive)

- Personal use of district-owned vehicles
- Long distance personal phone calls
- Personal use of district owned supplies or equipment
- Violations of system and/or state procurement policy
- Excessive or unnecessary purchases
- Falsification of official documents (timesheets, leave reports, travel vouchers, etc.)
- Contract fraud
- Serious abuse of time
- Inappropriate expenditures
- Embezzlement
- Theft or misuse of school funds or property
- Neglect of duty
- Bribery
- Teachers accepting money from students to change grades
- Teachers bribing students with monetary gifts to perform well on the Milestones

Fraud Prevention

The policy is written in the **CCSS Board Policy (DIE)** as follows:

The Coweta County School System Board of Education thoroughly and expeditiously supports the investigation of any and all reported cases of suspected fraud to determine if disciplinary, financial recovery, and/or criminal action should be taken.

All reports of suspected fraud, waste, abuse, or corruption must be handled under the strictest confidentiality. Only those directly involved in the investigation should be given information. Informants may remain anonymous but should be encouraged to cooperate

with the investigators and should provide as much detail and evidence of alleged fraudulent act as possible.

Procedures:

1. Anyone suspecting fraud concerning federal, state or local programs should report their concerns to the Superintendent or his/her designee. If the suspected fraud implicates the Superintendent, the informant shall report the information directly to the Board Chair.
2. Any employee of the school system who receives a report of suspected fraudulent activity shall report this information within the next business day to the Superintendent or his/her designee. Employees have the responsibility to report suspected fraud immediately. All reports can be made in confidence.
3. The Superintendent or his/her designee shall conduct or cause to be conducted an investigation of employees, providers, contractors, or vendors as necessary and appropriate.

Periodic communication should emphasize the responsibilities and channels to report suspected fraud.

*This policy relates to Standards #1,4,5,6,9, & 10 of THE CODE OF ETHICS FOR EDUCATORS.

Internal Controls

Price quotes are required; purchase requests and purchase orders are used; purchase request are approved (at least three people); goods are received and signed for by warehouse staff; inventories are maintained at the schools and district offices; and schools' and district offices' financial records are properly managed.