

## Reporting and Investigation of Fraudulent Transactions

**Effective Date** Thursday, December 11, 2003

**Status** Final

**Last Revised** Wednesday, October 20, 2021

**Policy Type** [University](#)

**Contact Office**

[Audit and Compliance \(Office of\)](#)

**Oversight Executive**

[Executive Vice President and Chief Operating Officer](#)

**Applies To**

Academic Division The Medical Center The College at Wise

**Table of Contents**

[Policy Statement](#)

1. [Responsibilities](#)
2. [Compliance with Policy](#)

**Reason for Policy**

The University of Virginia does not tolerate theft, waste, or abuse of state, University, or University-related funds, property, or other resources through fraudulent means. This policy establishes procedures for reporting and investigating fraud.

**Definition of Terms**

### **Fraud**

The intentional deception perpetrated by an individual or individuals, or an organization, which could result in a tangible or intangible benefit to themselves, the University, the commonwealth, or others. Fraud includes a false representation of a matter of fact (whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed) that deceives or is intended to deceive. Intentional deception may be inferred from the totality of the circumstances, including statements and conduct, and does not need to be proven with direct evidence.

### **Fraudulent Transactions**

A transaction involving Fraud. Examples of Fraudulent Transactions include, but are not limited to the following acts:

- Embezzlement or financial irregularity
- Misappropriation of cash, funds, or property

- Misrepresentation or falsification of financial or non-financial documents and/or entries (e.g., timesheets, payroll, leave reports, travel vouchers, academic and administrative records)
- Misrepresentation or falsification of conflict of interest or other related disclosures
- Misrepresentation or falsification of procurement-related information, including level of delegated authority
- Charging personal purchases to a University account or purchasing card
- Intentional misstatement or omission of financial, accounting, or financial reporting information
- Taking gifts or bribes or colluding with a vendor to defraud the University
- Unauthorized use of:
  - University property or resources, including University information
  - University employees to perform non-University business
  - Faculty or staff identification cards
- Knowingly:
  - Certifying compliance with regulatory or sponsor requirements when such requirements have not been met
  - Preparing financial or non-financial reports that are misleading or intended to obscure actual performance
- Any other transaction that represents a knowing and willful violation of applicable federal or state laws and regulations or University policies and procedures.

## Person

University faculty, staff, students, and other individuals associated with the University.

## Policy Statement

All faculty, staff, students, and other individuals associated with the University (e.g., contractors, vendors, and others working or acting on behalf of the University) must immediately report observed, suspected, or apparent Fraudulent Transactions, regardless of the source of funds. This report ordinarily must be made to the supervisor of the Person reporting a suspected Fraudulent Transaction. The supervisor must immediately report the suspected Fraudulent Transaction to the Office of Audit and Compliance. In some cases, it may not be appropriate to report to a supervisor or manager such as when that person may be involved in the transaction. In those cases, the Office of Audit and Compliance may be notified directly (434-924-4110). If anonymity is desired, one may call or fill out an online form with the Office of the State Inspector General Fraud, Waste, and Abuse Hotline (800-723-1615) or <https://www.osig.virginia.gov/program-areas/citizen-services/state-fraud-waste-and-abuse-hotline/complaint-form/>.

Substantiated fraudulent activities will be reported to the appropriate local, state, and/or federal authorities as specified in Section 1 below.

### 1. Responsibilities:

The *Office of Audit and Compliance* is responsible for:

- Receiving complaints for investigation.
- Coordinating with the University Police Department as needed in resolving complaints.
- Investigating allegations that do not involve the University President, internal audit department or staff, or any other parties stipulated in *Code of Virginia* Section [2.2-309.B](#).

- Establishing whether allegations are substantiated based on the investigation's procedures, including collaboration with relevant offices and subject matter experts as needed.
- Determining if there is a "reasonable possibility" that a Fraudulent Transaction has occurred (in consultation with the Office of the University Counsel).
- Drafting the written notification to other state agencies such as the Auditor of Public Accounts, the State Inspector General, and the Superintendent of State Police, as required by *Code of Virginia* Section [30-138.A](#), and submitting it to the University President if the Office of Audit and Compliance concludes that there is a reasonable possibility that a Fraudulent Transaction has occurred.
- Communicating informally with the Office of the State Inspector General prior to the issuance of a written notification.
- Providing a written report to the affected area to address any identified misconduct or policy deviations and copying the responsible executive vice president. Copies of such reports may be provided to University Human Resources – Employee Relations, the Office of University Counsel, or other officials to help address the identified issues.
- Communicating with the Audit, Compliance, and Risk Committee of the University Board of Visitors as needed on matters related to an investigation and results of its investigations of suspected Fraudulent Transactions.
- Reporting incidents involving students to the Vice President & Chief Student Affairs Officer and the University Judiciary Committee.
- Reporting incidents involving research or sponsored awards to the Office of Sponsored Programs.
- Serving as investigative liaison to other state agencies as needed on non-criminal fraud investigations.

The ***University Police Department*** is responsible for:

- Making determinations of fraud in suspected fraud cases and conducting criminal investigations as needed.
- Communicating informally with the Virginia State Police prior to the issuance of the written notification required by *Code of Virginia* Section [30-138](#).
- Serving as investigative liaison to other state agencies on criminal fraud investigations.

The ***Office of the University Counsel*** is responsible for:

- Assisting the Office of Audit and Compliance in determining whether there is a "reasonable possibility" of fraud in a transaction.
- Reviewing draft notifications under *Code of Virginia* Section [30-138](#) as prepared by the Office of Audit and Compliance.
- Consulting with the University Police Department and other University officials in the determination of fraudulent activity and advising on the associated legal and administrative actions to be taken.

The ***University President*** is responsible for submitting the notifications to other state agencies required under *Code of Virginia* Section [30-138.A](#) if there is a reasonable possibility that a Fraudulent Transaction has occurred involving funds or property under the control of the University.

***All persons*** are responsible for fully cooperating with individuals performing investigations.

***All managers and executives required to respond to an investigative report*** are responsible for:

- Implementing corrective measures and working with the Office of Audit and Compliance to implement such measures.
- Working with University Human Resources – Employee Relations to take any disciplinary actions necessary to address the findings.
- Regularly reporting to the Office of Audit and Compliance all corrective measures and disciplinary actions until such actions are completed.

## 2. **Compliance with Policy:**

Failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies. The willful failure to report certain Fraudulent Transactions as required by *Code of Virginia* Section [30-138](#) shall constitute a Class 3 misdemeanor.

Questions about this policy should be directed to the [Office of Audit and Compliance](#).

## **Procedures**

For anonymity, call the Office of the State Inspector General Fraud, Waste, and Abuse Hotline (800-723-1615) or fill out the online form (<https://www.osig.virginia.gov/program-areas/citizen-services/state-fraud-waste-and-abuse-hotline/complaint-form/>).

## **Related Information**

[BEH-002: Conflict of Interest and Conflict of Commitment](#)

[Code of Virginia Sections 30-138 and 2.2-309 et seq.](#)

[Faculty Handbook 2022 – 2023 Section 4.1, “Obligations to Observe Policy”](#)

[FIN-054: Employee Obligation to Report Potential Conflicts of Interest](#)

[HRM-014: Standards of Conduct for University Staff Employees](#)

[IRM-002: Acceptable Use of the University’s Information Technology Resources](#)

[IRM-003: Data Protection of University Information](#)

[RES-004: Research Misconduct](#)

[Virginia Department of Human Resource Management Policy 1.60, “Standards of Conduct”](#)

[University Judiciary Committee: Standards of Conduct](#)

**Major Category** [Governance](#)

**Next Scheduled Review** Sunday, October 20, 2024

## **Revision History**

Revised 10/20/21; Added Compliance section 7/20/21; Updated 3/26/13.

## **Applies To Text**

Academic Division, the Medical Center, and the College at Wise.

## **Supersedes Policy Text**

I.A.2, Reporting Fraudulent Transactions.

**Last modified** March 1, 2024 - 1:49pm

**Approved By** Policy Review Committee

**Approved Date** December 11, 2003 - 12:00pm