

DIVISION: <b>President's Office</b>	
SUBJECT: <b>Reporting Suspected Misconduct/Fraud</b>	Page 1 of 2
Policy Number:	Supersedes: <b>NONE</b>
Effective Date: May 15, 2005	Previous Issued: <b>N/A</b>

## 1. STATEMENT OF POLICY:

Loyola Marymount University will investigate any reports of suspected fraudulent or inappropriate use of University resources or property or reports of misconduct by its employees or agents.

If the investigation determines that the suspicions of fraud/misconduct are valid, Internal Audit will report the findings to the President and Senior Vice President for Business and Finance and if applicable, the Executive Vice President and Provost and divisional Senior Vice President. Any employee found to have engaged in fraudulent or related misconduct, as defined in this policy, is subject to disciplinary action by the University, which may include dismissal or expulsion, as well as prosecution by appropriate law enforcement authorities.

It is also a violation of this policy for any University employee or student to make a baseless allegation of fraudulent conduct with the intent to cause harm to another individual.

All determinations of fraudulent activity will be reported to the Audit Committee of the University's Board of Trustees in its Executive Session.

## 2. DEFINITIONS:

Fraud and related misconduct prohibited by this policy generally involves a deliberate act or failure to act with the intention of obtaining an unauthorized benefit and or depriving another of property or money. This is generally executed by using deception or other unfair means which are believed and relied upon. Examples include, but are not limited to:

- Altering or making documents or computer files with the intent to defraud;
- Deliberate misstatement in reporting of financial activity;
- Misappropriation or misuse of University resources;
- Authorizing or receiving compensation for goods not received or services not rendered;
- Authorizing or receiving compensation for hours not worked;
- Breach of confidentiality or unauthorized release of confidential information.

### 3. POLICY/PROCEDURES:

Suspected fraud or misconduct may be reported several ways: to the employee's supervisor, to the Director of Internal Audit, or through the University's Ethics Line hotline. Reports to the hotline may be made anonymously. If an instance of suspected fraud or misconduct is reported to another employee (e.g. a supervisor, dean, vice president), that person is to report the instance to the Director of Internal Audit. The Director of Internal Audit will notify the supervisor of any employee under investigation, provided that that individual is not implicated. Legal counsel, Human Resources and Public Safety or other University departments will be consulted as warranted. No University employee may use any means of retaliation related to individuals reporting suspected fraud or misconduct.

Though suspected fraud or other improper activity may be reported anonymously using the University's Ethics Line (or 1-866-294-6139), anonymous reports are more difficult to investigate. Certain matters cannot be accepted through the Ethics Line because they cannot be appropriately addressed when the reporter chooses to remain anonymous (e.g. discrimination and sexual harassment). LMU may not be able to investigate such allegations in an anonymous report.

Efforts will be made to maintain the confidentiality of the identity of the reporting individual, if reported on a confidential basis. Depending on the nature of the discipline or actions of law enforcement this confidentiality cannot be guaranteed.

Additional information about the Ethics Line and related policy links are located [here](#) on the LMU website. Related business policies are located at the Controller's Office website.

Last reviewed by:	Date:
Approved by:	Date:
Denied/Postpone:	Date:
<i>Notes:</i>	