

K-STATE OLATHE INNOVATION CAMPUS, INC.

POLICIES AND PROCEDURES

Policy 104.

Adopted _____

Reporting Fraud: Whistleblowing

.010 Introduction

Kansas State University has established strong policies to assure the investigation of fraud or related misuse of University resources or property. In addition, the University has adopted a policy that promotes the reporting of fraud and "whistleblowing" by University employees in accordance with Kansas law. The purpose of this policy is to make clear that the University policy on the reporting of fraud and whistleblowing is adopted for the K-State Olathe Innovation Campus.

.020 University Policies on Reporting Fraud Are Incorporated by Reference and Made Applicable to K-State Olathe Innovation Campus

Chapter 3230 of the Kansas State University Policies and Procedures Manual, entitled "Reporting Fraud," is incorporated by reference in the Policies and Procedures of K-State Olathe Innovation Campus, Inc. and shall govern the reporting and resolving of instances of known or suspected fiscal fraud or related misconduct at the K-State Olathe Innovation Campus. A copy of Chapter 3230, "Reporting Fraud," is attached as an Appendix to this policy.

Reporting Fraud

Chapter 3230

Revised March 29, 2011

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.010 Introduction

This chapter outlines the policies, responsibilities and procedures for reporting and resolving instances of known or suspected fiscal fraud or related misconduct. The procedures are established to protect the assets and interests of the University, ensure a coordinated approach toward resolution of fiscal fraud or related misconduct and encourage compliance with University policy and State and Federal laws and regulations.

.020 Policy on Fraud

Kansas State University will investigate any reported fraudulent or related misuse of University resources or property. Any individual 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.

.030 Definition of Fraud

Fraud and related misconduct prohibited by this policy generally involves a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Such acts include, but are not limited to:

- making or altering documents or computer files with the intent to defraud
- purposely inaccurate financial reporting
- misappropriation or misuse of University resources, such as funds, supplies or other assets
- improper handling or reporting of money transactions
- authorizing or receiving compensation for goods not received or services not performed
- authorizing or receiving compensation for hours not worked.

It shall also be a violation of this policy for any University employee or student to make a baseless allegation of fraudulent conduct that is made with reckless disregard for truth and that is intended to be disruptive or to cause harm to another individual or individuals.

.040 Responsibilities

Kansas State University administrators and all levels of management are responsible for preventing and detecting instances of fraud and related misconduct and for establishing and maintaining proper internal controls that provide security and accountability for the resources entrusted to them. Administrators are also expected to recognize risks and exposures inherent in their area of responsibility, and be aware of indications of fraud or related misconduct. Responses to such allegations or indicators should be consistent.

The Internal Audit Office will work in consultation with the Office of General Counsel, administrators, law enforcement and/or other levels of management in instances where fraud or related misconduct is suspected. The Internal Audit Office is also available to assist administrators with ensuring that proper internal preventative measures are in place.

.050 Reporting Fraud

Anyone with reasonable basis for believing fraudulent or related misconduct has occurred is to report such incidents to the Internal Audit Office and the University Police. Any individual suspected of fraud or related misconduct is not to be confronted. University employees are not to initiate investigations on their own because such actions can compromise any ensuing investigations.

In those instances where the Internal Audit Office investigation indicates the probability of criminal activity, the investigation will be coordinated with the University police or other appropriate law enforcement agency.

.060 Whistleblower Act

The following is the State of Kansas Whistleblower Act which is listed in K.S.A. 75-2973 (1995 Supplement).

75-2973. Communications by state employees with legislators, legislative committees and others; prohibiting certain acts by supervisors and appointing authorities; appeal to state civil service board; posting copy of act; disciplinary action defined; officers and employees in unclassified service may bring civil action for relief.

(a) No supervisor or appointing authority of any state agency shall prohibit any employee of the agency from discussing the operation of the agency, either specifically or generally, with any member of the legislature.

(b) No supervisor or appointing authority of any state agency shall:

1. Prohibit any employee of the agency from reporting any violation of state or federal law or rules and regulations to any person, agency or organization; or
2. require any such employee to give notice to the supervisor or appointing authority prior to making any such report.

(c) This section shall not be construed as:

1. Prohibiting a supervisor or appointing authority from requiring that an employee inform the supervisor or appointing authority as to legislative requests for information to the agency or the substance of testimony made, or to be made, by the employee to legislators on behalf of the agency;
2. permitting an employee to leave the employee's assigned work area during normal work hours without following applicable rules and regulations and policies pertaining to leaves, unless the employee is requested by a legislator or legislative committee to appear before a legislative committee;
3. authorizing an employee to represent the employee's personal opinions as the opinions of a state agency; or
4. prohibiting disciplinary action of an employee who discloses information which: (A) The employee knows to be false or which the employee discloses with reckless disregard for its truth or falsity, (B) the employee knows to be exempt from required disclosure under the open records act or (C) is confidential under any other provision of law.

(d) Any officer or employee who is in the classified service and has permanent status under the Kansas civil service act may appeal to the state civil service board whenever the officer or employee alleges that disciplinary action was taken against the officer or employee in violation of this act in any court of law or administrative hearing. The appeal shall be filed within 30 days of the alleged disciplinary action. Procedures governing the appeal shall be in accordance with subsections (f) and (g) of K.S.A. 75-2949 and amendments thereto and K.S.A. 75-2929d through 75-2929g and amendments thereto. If the board finds that disciplinary action taken was unreasonable, the board shall modify or reverse the agency's action and order such relief for the employee as the board considers appropriate. If the board finds a violation of this act, it may require as a penalty that the violator be suspended on leave without pay for not more than 30 days or, in cases of willful or repeated violations, may require that the violator forfeit the violator's position as a state officer or employee and disqualify the violator for appointment to or employment as a state officer or employee for a period of not more than two years. The decision of the board in such cases may be appealed by any party pursuant to law.

(e) Each state agency shall prominently post a copy of this act in locations where it can reasonably be expected to come to the attention of all employees of the agency.

(f) As used in this section "disciplinary action" means any dismissal, demotion, transfer, reassignment, suspension, reprimand, warning of possible dismissal or withholding of work.

(g) Any officer or employee who is in the unclassified service who alleges that disciplinary action has been taken against such officer or employee in violation of this section may bring a civil action for appropriate injunctive relief, or actual damages, or both within 90 days after the occurrence of the alleged violation. A court, in rendering a judgment in an action brought pursuant to this act, shall order, as the court considered appropriate, reinstatement of the officer or employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, actual damages, or any combination of these remedies. A court may also award such officer or employee all or a portion of the cost of litigation, including reasonable attorney fees and witness fees.

.070 Questions

Questions relating to the reporting of fraud or related misconduct are to be directed to the Internal Audit Office at 532-7308 or the University Police at 532-6412.