

Report Fraud, Waste and Abuse

WHAT IS FRAUD, WASTE, & ABUSE?

Fraud

A dishonest and deliberate course of action that results in the obtaining of money, property or an advantage to which the person committing the fraud would not normally be entitled. Intentional misleading or deceitful conduct that deprives another of his/her resources or rights. Fraud always involves intent and some violation of trust.

Waste

Waste occurs when someone makes careless or extravagant expenditures, incurs unnecessary expenses, or grossly mismanages resources. This activity results in unnecessary costs. It may or may not provide the person with personal gain. Waste is almost always a result of poor management decisions and practices or poor accounting controls.

Abuse

Abuse most often involves an employee exploiting “loopholes” in policies and procedures for personal benefit. Abuse is very close to fraud, but is often not prosecutable as such. Abuse includes, but is not limited to the misuse or destruction of resources, using the power of an official position inappropriately, or any other seriously improper practice that cannot be prosecuted as fraud.

EXAMPLES OF FRAUD, WASTE, & ABUSE

Example 1

- An employee purchases a meal for a meeting which has a valid business purpose. The meal meets University policy, all receipts are provided and the University meal and entertainment form is complete. (Acceptable)
- The employee has a meeting with a valid business purpose. A meal is purchased, receipts are provided and required forms are completed. However, the meeting could’ve taken place without a meal. (Waste)
- The employee purchases a meal over a casual meeting with colleagues. The business purpose and necessity of the meeting is questionable. (Abuse)
- The employee purchases lunch for himself/herself and friends using University funds. (Fraud)

Example 2

- An employee purchases a needed piece of software to complete his University work. (Acceptable)
- The employee purchases needed software for business use. However, a different piece of software was available that would meet the needs and was of lesser cost. (Waste)
- The employee purchases software that has limited business use, and primarily uses the software for personal work. (Abuse)
- The employee purchases software. The software is not used for work, but is taken home and used for personal use. (Fraud)

Example 3

- An employee uses sick leave in accordance with University Policy. (Acceptable)
- The employee uses sick leave as vacation. (Waste)
- The employee uses up all of his/her sick leave as vacation, and then requests additional hours from the shared leave pool. (Abuse)
- The employee is absent from work and intentionally does not report leave time in accordance with University policies and procedures. (Fraud)

REPORTING TO IAAS

There are a number of ways to make a report directly to Internal Audit and Advisory Services.

Office Phone: (208) 426-1533

Office Fax: (208) 426-4835

In Person: 1117 Denver St.

By Mail: 1910 University Dr.
Boise, ID 83725-1240

University Reporting Line (Confidential)
(208) 334-2461

University Online Reporting Form (Confidential)

<http://www.boisestate.edu/internalaudit/auditrequest.asp>

Do not investigate the activity yourself, but do provide as much detail as possible.

Preventing Fraud, Waste, and Abuse

It is difficult to stop all fraud, waste, and abuse. However, a number of things can be done to help eliminate some of this activity. For example:

- Reduce opportunities through strong internal control
- Create a sense of honesty and ethics in your area.
- Report fraud, waste, and abuse when it is detected
- Require employees to look for ways to eliminate this activity

Many fraudsters steal because they feel unappreciated or because they have a financial or other problem they are reluctant to share with others. Listening to your coworkers, employees, and others as well as recognizing their achievements creates a more enjoyable workplace and it helps to prevent fraud by eliminating some of the feelings that contribute to a person’s decision to steal.

Protections Under the Law

The “Idaho Protection of Public Employees Act” (Title 6, Chapter 21) provides protections from “adverse action” for state employees who, in good faith, provide information concerning the waste of public funds, resources or manpower or who report potential violations of laws and regulations (both state and federal). This law protects state employees who participate in investigations, court cases, or administrative reviews associated with such activity. It also protects employees who refuse to carry out or object to directives to commit an illegal act. State employees cannot be unreasonably restricted from documenting such cases. Other federal and state laws also provide protection to individuals who report waste of government funds and/or violations of law.