Office of Superintendent of Schools
Board Meeting of May 12, 2010

May 5, 2010

Alberto M. Carvalho, Superintendent of Schools

SUBJECT: **PROPOSED PROMULGATION OF NEW SCHOOL BOARD RULE: INITIAL READING 6Gx13- 8C-1.071, ANTI-FRAUD**

COMMITTEE: **SCHOOL SUPPORT ACCOUNTABILITY**

LINK TO STRATEGIC FRAMEWORK: **SCHOOL/DISTRICT LEADERSHIP**

This item is submitted for consideration by the Board to promulgate School Board Rule 6Gx13- 8C-1.071, Anti-Fraud. The purpose of the new rule is to make employees aware of activities that may be fraudulent, illegal, or otherwise unethical and their responsibility to report these activities. The rule applies to any fraud, suspected fraud, involving elected officials, employees, consultants, contractors, outside agencies and employees of such agencies, and any other parties with a business relationship with the District.

Attached are the Notice of Intended Action and the proposed new rule.

Authorization of the Board is requested for the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act for the promulgation of a new School Board Rule 6Gx13- 8C-1.071, Anti-Fraud.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize the Superintendent to initiate rulemaking proceedings in accordance with the Administrative Procedure Act to promulgate a new School Board Rule 6Gx13- 8C-1.071, Anti-Fraud.

AMC/lv

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NOTICE OF INTENDED ACTION

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, announced on May 12, its intention to promulgate new School Board Rule 6Gx13- 8C-1.071, *Anti-Fraud*, at its meeting of June 16, 2010.

PURPOSE AND EFFECT: The purpose of the new rule is to make employees aware of activities that may be fraudulent, illegal, or otherwise unethical and their responsibility to report these activities. The rule applies to any fraud, suspected fraud, involving elected officials, employees, consultants, contractors, outside agencies and employees of such agencies, and any other parties with a business relationship with the District.

SUMMARY: This rule establishes employees' duty to report fraud, suspected fraud, illegal, and unethical activities to the Inspector General, the Chief Auditor, the Office of Civil Rights Compliance, the Civil Investigative Unit, the Office of Professional Standards or Miami-Dade Schools Police, as appropriate, pursuant to the applicable School Board Rules and procedures governing these entities. The rule defines fraud and examples of fraud that must be reported. The rule includes confidentiality and non-retaliation provisions.

SPECIFIC LEGAL AUTHORITY UNDER WHICH RULEMAKING IS AUTHORIZED: 1001.41(1), (2); 1001.42(26); 1001.43(10), F.S.

LAW IMPLEMENTED, INTERPRETED OR MADE SPECIFIC: Chapter 119; 1001.41(1), (2); 1001.32(2); 1001.42(6); 1001.43(10), F.S.

IF REQUESTED, A HEARING WILL BE HELD DURING THE BOARD MEETING of June 16, 2010, which begins at 1:00 p.m., in the School Board Auditorium, 1450 N.E. Second Avenue, Miami Florida 33132. Persons requesting such a hearing or who provide a proposal for a lower cost regulatory alternative as provided by Section 120.541(1), F.S., must do so in writing by June 8, 2010, to the Superintendent of Schools, Room 912, at the same address.

ANY PERSON WHO DECIDES TO APPEAL THE DECISION made by the School Board of Miami-Dade County, Florida, with respect to this action will need to ensure the preparation of a verbatim record of the proceedings, including the testimony and evidence upon which the appeal is to be based. (Section 286.0105, Florida Statutes).

A COPY OF THE PROPOSED NEW RULE is available at cost to the public for inspection and copying in the Citizen Information Center, Room 158, 1450 N.E. Second Avenue, Miami, Florida 33132.

Originator: Mr. Alberto M. Carvalho
Date: May 3, 2010

Methods of Operation

ANTI-FRAUD

The purpose of this policy is to make employees aware of activities that may be fraudulent, illegal, or otherwise unethical and their responsibility to report these activities. The District will not tolerate such activities which could result in criminal prosecution. Disciplinary action may also be taken as appropriate.

1. Scope

This policy applies to any fraud, or suspected fraud, involving elected officials, employees, consultants, vendors, contractors, outside agencies and employees of such agencies, and any other parties with a business relationship with the District.

2. Policy

Fraud and fraudulent activity is strictly prohibited.

Each employee or agent of the District is responsible for reporting any observed or suspected fraud or fraudulent activity to the Office of the Inspector General, the Chief Auditor, the Office of Civil Rights Compliance, the Civil Investigative Unit, the Office of Professional Standards or Miami-Dade Schools Police, as appropriate, pursuant to the applicable School Board Rules and procedures governing these entities.

The obligation to report fraud includes instances when the employee knew that an incident of fraud had occurred.

All reporting and investigation shall be done in accordance with the terms and conditions for reporting fraud in the collective bargaining agreement.

3. Fraud – Definitions

Fraud is defined as the intentional, false representation or concealment of a material fact in order to personally benefit or induce another to act to his/her detriment.

A. falsifying, unauthorized altering, or forging District documents, including but not limited to the following:

1. claims for payments or reimbursements, which include, but are not limited to, submitting false claims for travel or overtime;

2. absence or leave forms;

3. electronic or printed files, photographic records or audio records that are maintained by the District, or accounts belonging to the District;

4. a check, bank draft, wire transfer, or any other District financial document;

5. electronic or printed student records;

6. electronic or printed fire, health, sanitation, and safety reports;

B. misappropriating funds, supplies, or other assets of the District

C. handling or reporting money or financial transactions in an improper or illegal manner;

D. disclosing directly or indirectly confidential and proprietary information to outside parties for personal gain;

E. disclosing to other persons the purchasing/bidding activities engaged in or contemplated by the District so that any entity, person, or business has an unfair advantage in the purchasing/bid process;

F. causing the District to pay excessive prices or fees where justification is not documented;

G. accepting or offering a bribe, gifts or other favors when it appears that the bribe, gift or favor was intended to influence a decision that was or needed to be made;

H. removing, destroying, or using records, furniture, fixtures and/or equipment (including, but not limited to, computers used in violation of) for personal gain;

I. using local, State or Federal funds for other than their designated and approved purposes; or

J. using District equipment or work time for any outside private business activity.

This list is meant to illustrate the types of activities that are prohibited, and is not intended to be all-inclusive.

4. Investigation

Investigations undertaken pursuant to this policy shall be conducted and reported by the Office of the Inspector General, the Chief Auditor, the Office of Civil Rights Compliance, the Civil Investigative Unit, the Office of Professional Standards and Miami-Dade Schools Police, pursuant to the applicable School Board Rules and procedures governing these entities. All of these entities shall cooperate to prevent duplication of investigative efforts where possible.

Any investigation conducted pursuant to this policy shall be conducted without regard for the length of service, position/title, or relationship of the individual who is alleged to have committed or concealed fraud.

5. Confidentiality

The District will maintain confidentiality with regard to the reports of suspected misconduct and the investigation, to the extent consistent with the conduct of an appropriate investigation and the District's obligations under the Freedom of Information Act and F.S. Chapter 119. However, absolute confidentiality for reporting witnesses and investigation results cannot be guaranteed.

Except as authorized by the Superintendent or his/her designee, the reporting witness and others interviewed are not to discuss the allegations or investigation with other District employee or officials, vendors or contractors. Such discussions may interfere with the investigation. Further, because of the nature of the alleged misconduct, unsubstantiated allegations that are not privileged, could harm an innocent individual's reputation and result in potential civil liability.

6. Non-Retaliation

Individuals who, in good faith, report suspected fraudulent activity will not be subject to any retaliation as a result of reporting the actual or suspected misconduct.

Individuals who knowingly make a false report of suspected fraud or fraudulent activity shall be subject to disciplinary action.

Specific Authority: 1001.41(1), (2); 1001.42(26); 1001.43(10), F.S.
Law Implemented, Interpreted, or Made Specific: Chapter 119; 1001.41(1), (2); 1001.32(2); 1001.42(6); 1001.43(10), F.S.

History **THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**
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