

## Procedure for Investigating Fraud and Misconduct

**Effective Date:** March 31, 2022

**Function:** Office of Compliance Services

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### Basis for Procedure

This procedure supports the Research Foundation's (RF) [Fraud and Whistleblower Policy](#) and is used to conduct an investigation into an allegation of fraud, waste, abuse, or other Improper Conduct.

### Procedure Summary

All credible allegations of Improper Conduct will be reviewed and investigated. Suspected Improper Conduct should be reported to the Office of Compliance Services using the most efficient means possible, consistent with the Fraud and Whistleblower Policy.

The Office of Compliance Services has the primary responsibility of coordinating and documenting of all investigations of suspected Improper Conduct. A representative of the Office of Compliance Services will review the underlying facts and may consult with the Office of Internal Audit, Office of General Counsel, Human Resources, or others as needed, to determine the necessity of conducting an investigation and type of investigation required.

### Allegations of Harassment or Discrimination

Allegations that relate to discrimination or harassment, as defined in the [Equal Employment Opportunity and Antidiscrimination Policy](#) and the [Procedure for Resolving Discrimination, Harassment, and Retaliation Complaints](#), will be referred to the Office of Human Resources, to be reviewed pursuant to the RF's [Equal Employment Opportunity and Antidiscrimination Policy](#); and [Procedure for Resolving Discrimination, Harassment, and Retaliation Complaints](#).

Pursuant to the [Fraud and Whistleblower Policy](#), allegations that involve potential discrimination or harassment in addition to other Improper Conduct will be referred to the Office of Compliance Services for a determination on how to proceed. Allegations of assault, unwanted touching, or threats of violence are subject to the [Fraud and Whistleblower Policy](#) and this procedure, and are not to be considered an allegation of harassment or discrimination as described above.

## Findings and Corrective Action

If the investigation substantiates that fraud, waste, abuse, or other Improper Conduct has occurred, the Office of Internal Audit, Office of General Counsel and/or Office of Compliance Services will issue reports to appropriate designated personnel and to the Board of Directors through the Audit Committee.

If necessary, RF Central Office Management will take appropriate corrective action and communicate findings to the appropriate personnel. Employee discipline will be implemented in a manner consistent with the RF's [Progressive Discipline Policy](#).

## Referral to Law Enforcement or Regulatory Agencies

Decisions to prosecute or refer the investigation results to appropriate law enforcement and/or regulatory agencies for independent investigation will be made in consultation with the Office of General Counsel, the RF President, the Board, and others as needed.

RF Management will determine whether any sponsor disclosure is required after a review of relevant legal requirements and advice from the Office of General Counsel and Office of Compliance Services.

## Inquiries During A Pending Investigation

All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer must be directed to Office of Compliance Services.

## Records

The Office of Compliance Services will maintain a permanent record of all investigations or reviews. Any records subject to the attorney-client privilege or the attorney work-product doctrine will be marked as privileged and only released with the approval of the Office of General Counsel.

## Procedure Steps

The following table outlines the steps for handling allegations of Improper Conduct:

Step	Role or Responsibility	References or Tips
Monitor complaints of suspected or actual Improper conduct.	Office of Compliance Services	Enter allegations received through the <a href="#">Speak Up RF-Ethics Hotline</a> into the case management system, as required.
If an allegation relates to a Member of the Board of Directors, immediately refer to the Chair of the Audit Committee for a determination on how to proceed.	Office of Compliance Services	

<p>If an allegation relates to an Officer of the RF, provide notice to the Chair of the Audit Committee.</p>	<p>Office of Compliance Services</p>	
<p>Review the underlying facts.</p>	<p>Office of Compliance Services</p>	<p>May consult with the Office of Internal Audit, Office of General Counsel, Office of Human Resources, or others as needed to determine the necessity of conducting an investigation and type of investigation required.</p>
<p>Organize a review team to investigate the allegation.</p>	<p>Office of Compliance Services in consult with the Office of Internal Audit and Office of General Counsel</p>	<p>The team may include other RF or SUNY staff from any RF or SUNY department or location, and may be supported by outside consultants, such as independent auditors and attorneys.</p>
<p>Conduct fact finding to determine what happened with respect to the alleged incident.</p>	<p>Lead investigator</p>	<p>Members of the investigative team will have free and unrestricted access to all RF records and premises and the authority to examine, copy, and remove all or any portion of the contents of files, desks, cabinets, computer files and other standard or electronic storage facilities, without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.</p>
<p>Submit a report to the Office of Compliance Services documenting the investigation.</p>	<p>Lead investigator</p>	
<p>Make final determination and issue the report to appropriate designated personnel and to the Board of Directors through the Audit Committee, if appropriate.</p>	<p>Office of Compliance Services</p>	

Determine appropriate corrective measures to take following the investigation.	RF Central Office Management	Please refer to the <a href="#">Progressive Discipline Policy</a>
Create and file permanent corporate records documenting the allegation, investigation, and final report.	Office of Compliance Services	Documentation should include all material and relevant facts, along with statutory and regulatory guidance or requirements, policies and procedures, legal analysis, and other relevant considerations, and a final report outlining the outcome or final determination.

**Definitions**

*Improper Conduct*- A deliberate act or failure to act with the intention of obtaining an unauthorized benefit or misleading a RF representative, government official, vendor or other entity doing business with the RF. Examples of such conduct include, but are not limited to:

- Commission of any crime or offense, including forgery or alteration of documents;
- Unauthorized alteration or manipulation of computer files;
- Fraudulent or otherwise deceptive financial reporting;
- Pursuit of a benefit or advantage in violation of the RF’s Conflict of Interest Policy;
- Unauthorized disclosure of confidential or proprietary information;
- Misappropriation, unauthorized destruction, removal, or inappropriate use of the resources of the RF, its sponsors, or business partners. Resources includes supplies, equipment or other assets;
- Authorizing or receiving compensation for goods not received or services not performed;
- Any intentional or deliberate activity which results in violation of sponsor terms involving sponsor funds or sponsor reporting;
- Misconduct in science, misconduct in research, or other academic misconduct;
- Authorizing or receiving compensation for hours not worked;
- Violations of law, rule, or regulation;
- Creating a substantial and specific danger to public health or safety; and
- Intentional violations of an RF policy.

*Operating Location*- RF office located at a SUNY campus or other SUNY location overseen by an Operations Manager.

*Operations Manager*- an individual appointed by the RF president to oversee RF activity at an Operating Location.

**Related Information**

[RF Code of Conduct](#)

[RF Conflict of Interest Policy](#)

[RF Fraud and Whistleblower Policy](#)

[Equal Employment Opportunity and Antidiscrimination Policy](#)

[Procedure for Resolving Discrimination, Harassment, and Retaliation Complaints](#)

## Forms

[None](#)

## Change History

Date	Summary of Change
December 22, 2023	Updated Ethics Hotline name and added link to hotline.
March 31, 2022	Updated definition of Improper Conduct.
January 4, 2019	Removed references/links to obsoleted Nonharassment in the Workplace Policy.
September 1, 2018	Revised for consistency with the Fraud and Whistleblower Policy and to reflect current investigatory practices
June 30, 2012	New Procedure

## Feedback

Was this document clear and easy to follow? Please send your feedback to [webfeedback@fsuny.org](mailto:webfeedback@fsuny.org).