I. Background

Acts of embezzlement and theft and financial conflicts of interest can and do occur in any organization, including a large and decentralized system of universities. These acts carry legal implications for the university employee both as an employee and as a citizen under the criminal law. Concern for a university's fiscal integrity must also be matched by concern for just and fair treatment of offenders. For this reason, the choice is not simply between discipline or discharge on the one hand and criminal prosecution on the other. Civil processes (employment action or civil legal action) are separate from criminal process, and each will be considered on its own merits. A determination as to the appropriate course of action in any given case can be made only after thorough inquiry into the facts and circumstances and appropriate consultation as described below.

For these reasons, the following procedures should be followed in the case of suspected or actual of embezzlement, theft or financial conflict of interest.

II. Definition and Scope

This Policy extends, but is not limited to, the following actions:

1. Theft, embezzlement, or misuse of cash, equipment or supplies;
2. Falsification of official records, such as time sheets or travel expense reports;
3. Misuse of university facilities, such as telephones, mail systems, vehicles or computers.
4. Employee conflicts of interest or ethics violations involving the use of one's public position for personal gain or advantage such as contracts for outside services which benefit the employee and/or his/her immediate family.
III. Purpose

The purpose of this Policy is to ensure:

1. Actual or suspected violations are reported in a timely and prescribed manner.
2. Investigations are completed in a timely and fair manner (to both the University and the employee).
3. Actions taken are timely, equitable and consistent from case-to-case.
4. Steps are taken to mitigate further losses.
5. University administrators are adequately informed of the status of ongoing investigations.
6. Obligations to extramural sponsors are satisfied.

IV. Procedures

As soon as there is any indication of an actual or suspected violation of this Policy, the following steps should be taken:

1. The discovering party, or his/her supervisor, should immediately report the incident to the University Police Department or Internal Audit.
2. Upon receipt of any such matter, the Police will immediately notify the Director of Internal Audit or vice versa.
3. The Director of Internal Audit will notify the Vice Chancellor for Finance and Administrative Affairs and the UW System Internal Audit Director, who will determine whose assistance is required (e.g., UWM Legal Counsel, and/or UW System Internal Audit, Legal Counsel, and/or the State of Wisconsin Department of Justice, etc.)
4. Internal Audit and/or the University Police will conduct an investigation and/or refer the matter to the other for investigation as appropriate depending upon the nature of the matter and need for additional investigation and/or substantive expertise.

The department head, in consultation with the investigating department (e.g., University Police, Internal Audit), should take immediate action to prevent further losses. These actions may include, but are not limited to:

- Cancellation or revocation of purchasing/travel card
- Suspension of access to financial or other systems
- Seizure or revocation of assigned property (i.e., vehicle, cell phone, laptop)
- Reassignment of duties
- Administrative leave pending investigation

1 These procedures do not preclude use of the Whistleblower Law or the fraud hotline.
The Department of Human Resources and/or Legal Affairs should be contacted for advice with respect to possible interim action involving an employee pending an investigation.

5. Upon conclusion of the investigation:
   a) University Police, as the Chancellor's designated representative, will determine whether a referral for criminal prosecution is appropriate and proceed accordingly. Officers will consult with the dean or division head, UW System Department of Internal Audit, UWM Office of Internal Audit and other legal authorities as deemed necessary.
   b) If investigated by Internal Audit, Internal Audit will issue a report which may include recommendations to improve operational procedures and internal controls. They will also provide the report to University Police, UW System Vice President for Business and Finance and the UW System Internal Audit Director.
   c) The department head of the unit involved should, consistent with applicable UWM and UW System policies, administer appropriate disciplinary action to the employee after consulting with Human Resources and/or Legal Affairs and the applicable dean or division head.
   d) In the case of a student, the investigating department should report the investigation’s findings to the Dean of Students Office for possible disciplinary action.