

UTHSCSA HANDBOOK OF OPERATING PROCEDURES

Chapter 2	General Policies and Procedures	Effective:	April 2000
Section 2.7	Miscellaneous	Revised:	February 2007
Policy 2.7.3	Fraud, Abuse, and False Claims Act	Responsibility:	Director, Internal Audit

FRAUD, ABUSE, AND FALSE CLAIMS ACT

Policy

Management is responsible for establishing internal controls and other monitoring mechanisms to prevent or detect fraud and abuse.

Fraud is a type of illegal act involving the obtaining of something of value through willful misrepresentation.

Abuse involves behavior that results in excessive or unreasonable costs to the Health Science Center or other state or federal agencies. Abuse also includes misuse of authority or position for personal financial interests.

False claim is defined as any action involving untruthful or fraudulent requests for payment or reimbursement being submitted to the federal government, state government, private sector company, organization or entity.

The Federal False Claims Act (FCA) was passed by Congress to prevent the U. S. Government from paying federal funds for fraudulent claims involving goods and services. For the Health Science Center, this includes a person who presents a false claim to a government employee or who provides a false record to get a claim paid or approved by the U.S. Government. The FCA outlines the federal penalties for submitting false claims, as well as protections granted to an individual who reports a violation. See the U.S. Government Accountability website for further details about the Federal False Claims Act (FCA) <http://www.gao.gov/index.html>.

Each manager should be familiar with the types of fraud, abuse, and false claims that might occur within his or her area of responsibility and should be alert for any indication of occurrences of fraud, abuse, and false claims. These occurrences may include, but are not limited to:

1. Forgery or alteration of any document or account belonging to the Health Science Center;
2. Forgery or alteration of any check, bank draft, or any other financial document;
3. Misappropriation of funds, supplies, or other assets;

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4. Impropriety in the handling or reporting of money or financial transactions;
 5. Accepting or seeking anything of material value from vendors or persons providing services/material to the Health Science Center;
 6. Destruction or disappearance of records; and/or,
 7. Any similar or related irregularity.

Any fraud, abuse, and/or false claims that are detected or suspected must be reported immediately to the Director of Internal Audit.

The Director of Internal Audit is responsible for coordinating all investigations (both internal and external) and for the administration, interpretation, and application of this fraud/abuse/false claims policy.

The conditions of this policy apply to any fraud, abuse, or false claims suspected or otherwise, involving faculty, staff, students, vendors, and outside agencies doing business with the Health Science Center.

Internal Audit

The Director of Internal Audit has the primary responsibility for the investigation and will issue reports to the appropriate executive personnel.

Decisions to prosecute or turn matters over to appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with University Police and executive personnel.

In those instances in which the Director of Internal Audit considers it to be in the best interests of the Health Science Center, Internal Audit Office staff have the authority and duty, after consulting with appropriate executive personnel, to:

1. Take control of, and/or gain full access to, all Health Science Center premises, whether owned or rented, and;
2. Analyze, copy, and/or remove all or any portion of the contents of files, records, desks, cabinets, and other storage facilities on

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the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities.

It is possible that certain allegations involving fraudulent activities covered by this policy may also involve violations of other Health Science Center policies, criminal law, or the regulations of various state and federal agencies. When the Director of Internal Audit determines that the allegations relate solely to the violation of other policies, the Director of Internal Audit will refer the matter to the appropriate official with responsibility for such other policies.

In cases where the allegations appear to constitute fraud, abuse, and false claims as defined in this policy and violate other regulations, the Director of Internal Audit shall meet with the officials responsible for the other policies and collectively with these officials develop a plan for conducting the investigation.

Reporting Procedure

Care must be taken in the investigation of suspected fraud, abuse, or false claims so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress.

Faculty and staff who discover or suspect fraudulent activity or abuse should contact the Director of Internal Audit immediately. Additionally, all inquiries from the suspected individual and his or her attorney or representative should be directed to the Director of Internal Audit.

The reporting employee must adhere to the following restrictions:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone outside the Health Science Center unless specifically instructed to do so by the Director of Internal Audit or other authorized Health Science Center official.
3. Do not discuss the case with anyone inside the Health Science Center other than the Internal Audit Office or other authorized

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Health Science Center officials who have a legitimate need to be informed concerning the specifics of the investigation.
