

10.02 Fraud, Waste and Abuse

Revised [November 10, 2016](#) (MO -2016)
Next Scheduled Review: November 10, 2021
Click to view [Revision History](#).



Policy Statement

Fraud, waste and abuse of resources of any kind by employees or members of The Texas A&M University System (system) are prohibited. The system places a strong emphasis on establishing and maintaining strong internal control systems to assist in the prevention, deterrence and detection of fraud, waste and abuse.

Employees are required to report factual information suggestive of fraudulent, wasteful or abusive activities that may involve the system or any of its members. The system maintains the Risk, Fraud & Misconduct Hotline as a mechanism for reporting these types of activities. The system pursues available legal remedies against persons or entities involved in fraudulent, wasteful or abusive acts against the system.

Reason for Policy

This policy is established to protect the assets, resources and interests of the system; to increase the awareness of all employees of the possibility of fraud, waste and abuse; and to govern the reporting and review of allegations of suspected fraud, waste and abuse.

Definitions

Click to view [Definitions](#).

Procedures and Responsibilities

1. RESPONSIBILITIES OF SYSTEM MEMBERS

Management at all levels within the system is responsible for establishing the appropriate tone of intolerance for fraud, waste and abuse by establishing a culture founded on integrity and high ethical standards and principles as set forth in the system ethics policy. Management must display the proper attitudes toward complying with laws, policies, regulations and rules. Management should also be cognizant of the risks and exposures

inherent in its area of responsibility and should establish and maintain proper internal controls which will provide for the security and accountability of the resources entrusted to it.

2. RESPONSIBILITIES OF ALL EMPLOYEES

All employees are responsible for acting with propriety in the use of any resources of the system and to abide by laws, policies, regulations and rules of the system and its members. When suspected fraud, waste or abuse is observed by or made known to an employee, the employee is responsible for reporting that information.

3. RESPONSIBILITIES OF THE CHIEF AUDITOR

The chief auditor of the system has the primary responsibility for the review, documentation and reporting of all allegations of suspected fraud, waste and abuse in the system. The reviews, documentation and reports shall be considered confidential to the extent permitted by law.

4. REVIEW PROCESS

The chancellor shall ensure that the system uses all available resources to review allegations of suspected fraud, waste and abuse. Participation among appropriate parties, including the chancellor, the applicable member chief executive officer, the System Internal Audit Department, the Office of General Counsel, the System Ethics and Compliance Office and law enforcement officials, shall allow for comprehensive and coordinated reviews.

5. ACTIONS

The system pursues disciplinary and recovery actions against employees found to have participated in fraudulent, wasteful or abusive acts as defined by this policy.

Related Statutes, Policies, or Requirements

[System Policy 07.01, Ethics](#)

[System Policy 10.01, Internal Auditing](#)

[System Policy 32.01, Employee Complaint and Appeal Procedures](#)

[System Policy 32.02, Discipline and Dismissal of Employees](#)

The January 2013 version of this policy supersedes:
System Policy 21.04, *Control of Fraud, Waste and Abuse*.

Member Rule Requirements

A rule is not required to supplement this policy.

Contact Office

System Internal Audit Department
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