



Section Number: ____

Section Header: Fraud Waste and Abuse Policy

Responsible Office: Finance and Administration

Effective Date: June 12, 2006

Revision Date: _____

Responsible Officer: Associate Vice
President for Finance & Controller

INTRODUCTION

The Fraud, Waste and Abuse Policy is being implemented at New Jersey City University (NJCU) to comply with the Public Company Accounting Reform and Investor Protection Act of 2002 (Sarbanes Oxley Act of 2002) and the New Jersey State Statutes. Title VIII, Section 806 of the Sarbanes Oxley Act of 2002 and NJSA 34:19-1 provide protection to any employee who provides evidence of fraud, waste or abuse at an organization.

PURPOSE

The purpose of this policy is to provide guidelines with respect to the requirements of the pertinent provision of Section 806 of the Sarbanes Oxley Act of 2002 and the New Jersey State Statutes. The policy is also designed to communicate the mechanism of reporting fraud, waste or abuse and NJCU's responsibility in investigating such claims.

SCOPE

This policy applies to all NJCU employees, volunteers and board members.

POLICY

In accordance with the Sarbanes Oxley Act of 2002 and New Jersey State law, NJCU is required to investigate and report any instance of fraud, waste or abuse. Additionally, NJCU is required not to retaliate against the employee filing the complaint.

New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:

- a. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy, or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care; or
- b. Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a



business relationship, or, in the case of an employee who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care;
or

c. Objects to, or refuses to participate in, any activity, policy or practice which the employee reasonably believes:

(1) Is in violation of a law, or a rule or regulation issued under the law, or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;

(2) Is fraudulent or criminal; or

(3) Is incompatible with a clear mandate of public policy concerning the public health, safety or welfare.

NJCU will ensure that the following policy elements are developed:

- There is a confidential avenue for reporting suspected fraud, waste or abuse.
- There is a process to thoroughly investigate any reports.
- There is a process for disseminating the findings from the investigation.
- The employee filing the complaint will not be subjected to termination, firing, harassment, or refused of promotional opportunities.
- Even if the findings do not support the nature of the complaint, the employee who made the complaint will not face any retaliations or repercussions.

KEY PERFORMANCE INDICATORS

The success of the policy will be assessed annually using the following quantifiable measures:

1. Communicate the policy to all employees and board members.
2. Review the number of complaints reported and investigated with management and the Finance, Audit and Planning Committee.
3. Ensure the complaints are investigated promptly and respond to the individuals making the complaint within four to six weeks.



PROCEDURES

1. NJCU will develop a confidential hotline or email address to report complaints through an external reporting service.
2. The reporting service will report allegations regarding fraud, waste or abuse to the Human Resources Department.
3. The Human Resources Department will contact the President or his designee.
4. An investigation will immediately be commenced to determine the nature of the complaint.
5. A report will be written that describes the nature of the complaint, the method of investigation and the findings of the investigation.
6. The Human Resources Department will provide a summary of findings to the individual that reported the allegations.
7. The full report will be submitted to the Finance, Audit and Planning Committee for discussion at the subsequent committee meeting.

CONTACT

This policy is managed by:

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