

General Policies and Procedures 1.10 Fraud, Waste and Abuse Policy

Reviewed January 12, 2022; Effective: February 26, 2020 Previous Release: May 30, 2018

POLICY:

Harborcreek Youth Services ("HYS") has zero tolerance for the commission or concealment of acts of fraud, waste or abuse. Allegations of such acts will be investigated and pursued to their logical conclusion, including dismissal and/or legal action where warranted. All employees are responsible for reporting suspected instances of fraud, waste, and abuse in accordance with this policy.

- "Fraud" is defined in two basic categories; intentional misstatement of financial information and misappropriation of assets (or theft). Legally, fraud can lead to a variety of criminal charges including theft, embezzlement, and larceny; each with its own specific legal definition and required criteria each of which can result in severe penalties and a criminal record.
- "Waste" means the thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources owned by HYS to the detriment or potential detriment to HYS. Waste also include incurring unnecessary costs because of inefficient or ineffective practices, systems or controls. "Waste" does not necessarily lead to an allegation of "fraud", but it could.
- "Abuse" means the excessive or improper use of something, or the use of something in a manner contrary to HYS policy; misapplication; maltreatment; extravagant or excessive use so as to abuse one's position or authority. "Abuse" does not necessarily lead to an allegation of "fraud", but it could.

Examples of fraud, waste and abuse activities include, but are not limited to:

- Theft, unauthorized removal, or willful destruction of HYS records, HYS property, or the property of other persons (to include the property of employees, residents, or visitors).
- Unauthorized use of organization employees, property, credit cards, cell phones or other resources.
- Submission of personal or fictitious employee expenses for reimbursement or fictitious or inflated vendor invoices or payroll records for payment.
- Receiving kickbacks for other unauthorized personal benefits from vendors or others.
- Misuse of authority for personal gain.
- Forgery or fraudulent alteration of any check, bank draft, statement, billing, records, purchase order, report, timesheet, or other financial document.
- Misrepresentation of information on documents (employment history, timesheets, therapy provided, leave records, travel reimbursement requests, financial records, etc.)
- Any computer-related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes.

All Policies and Procedures are updated, refined, or improved as ways are found to make them more effective. Comments and questions from any staff member are invited to accomplish this goal and are to be directed to the Chief Executive Officer.

- Intentional material misclassification or misrepresentation of revenues, expenses, costs or other data in financial statements, reports, regulatory returns, applications or other communications.
- Intentional failure to disclose material related party transactions, noncompliance with lender requirements or donor/grantor restrictions or other required disclosure matters.
- Intentional improper use or disclosure of confidential donor, client/customer, employee or organization proprietary information.
- Any other illegal or unethical activity.

PROCEDURES

When suspected fraudulent activity, waste, or abuse is observed by, or made known to, an employee, the employee shall immediately report the activity in accordance with the Whistleblower Reporting and Non-Retaliation Policy Number 1.02.3. The reporter must be able to provide adequate information to support an investigation. Mere speculation does not suffice. The report must be made in good faith, avoiding baseless allegations. An employee who knowingly makes a false or bad faith report will be subject to disciplinary action, up to and including, dismissal and/or legal action.

Destroying, or allowing the destruction of, any document or record of any kind that the employee knows may be relevant to a past, present, or future investigation of fraud, waste or abuse is expressly prohibited.

It is not possible to guarantee absolute confidentiality in all circumstances. Disclosure to others inside or outside HYS may be required by law in certain cases.

If the investigation reveals a billing issue, HYS will address the issue and notify the government or other payor source of the issue and the manner in which it was addressed, including repayment where indicated. Corrective actions will be taken as necessary.

Harborcreek Youth Services is a health care provider that receives reimbursement from the Medicaid Federal Health Care program, and is precluded from entering into employment relationships or contracting with an individual or organization who is excluded on the U.S. Government's Office of Inspector General (OIG) List of Excluded Individuals/Entities on the OIG website. Using Sanction Screening Services, every employee's and vendor's (or subcontractor's) name is checked against the OIG List of Excluded Individuals/Entities on a monthly basis. If it is determined that the individual or entity is excluded, the HR Director will inform the CEO and actions will be taken to coordinate the termination of the relationship and ensure any corrective actions are taken in accordance with the procedures outlined in agency policies and procedures (Personnel Practices and Contracting and Contract Monitoring Procedures).

HYS maintains an anonymous phone number dedicated to address any suspected violation of law, regulation or policy.

Compliance Hotline: 1-814-434-4667

Reports can be made to: John Petulla, Chief Executive Officer

Colleen Daisley, Compliance Officer

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COMPLIANCE HOTLINE

1-814-434-4667

HYS maintains an anonymous phone number dedicated to address any suspected violations of law, regulations or policy. A voice recorded message will ask you to provide specific information to ensure all concerns are reviewed quickly, confidentially and appropriately.

Reports can be made to: John Petulla/CEO or Colleen Daisley/Compliance Officer



February, 2020

