

FRAUD

Policy Number 203GS

Effective Date: 6/1/16

Revised Dates: 6/21/17; 11/09/2020

Scope

This Policy on Fraud applies to faculty, staff, predoctoral researchers, summer scholars and applicants ("Covered Individuals") of The Graduate School of the Stowers Institute for Medical Research ("The School").

Purpose

The purpose of this Policy is to set forth the policies, rules and procedures of the SGC with respect to fraud or suspected fraud involving any Covered Individual or any third party doing business with the SGC.

The School is included in the Stowers Group of Companies ("SGC") Organizations and has adopted the following policy as its own.

Policy

All members of management are responsible for establishing internal controls and other systems to prevent or detect fraud in his/her laboratory or department. Each principal investigator/member of management should be familiar with the types of fraud that might occur and be alert for any sign of fraud.

Actions Constituting Fraud

As used in this Policy, the term fraud shall mean any defalcation, misappropriation, and/or other fiscal irregularities that would include but not be limited to:

- any dishonest or fraudulent act;
- forgery or alteration of any document or account belonging to the SGC;
- forgery or alteration of any check, bank draft, or any other financial document;
- misappropriation of funds, supplies, or other assets;
- impropriety in the handling or reporting of money or financial transactions;
- accepting or seeking anything of material value from vendors or persons providing services or materials to the SGC;
- destruction or disappearance of records;
- any similar or related irregularity.

Actions Other than Fraud that Violate Policies

It is possible that certain allegations involving fraudulent activities covered by this Policy may also involve violations of other SGC policies, criminal law, or the regulations of various state and

federal agencies. The President and CEO of SIMR will appoint an ad hoc committee to assist in the investigation of alleged or suspected fraud. When the SIMR President and CEO determines that the allegations relate solely to the violation of other policies, the SIMR President and CEO will refer the matter to the appropriate member of management with responsibility for maintaining compliance with such other policies. In cases where the allegations appear to constitute fraud as defined in this Policy and also violate other regulations, the SIMR President and CEO shall meet with the members of management responsible for the other policies and develop a plan for conducting the investigation.

Investigative Responsibilities

The SIMR President and CEO, with the assistance of the ad hoc committee, has primary responsibility for the investigation. Decisions to prosecute or turn matters over to appropriate law enforcement and/or regulatory agencies for independent investigation will be made in consultation with the SRM Board of Directors and the SGC's legal counsel.

Confidentiality in Reporting Suspected Fraud

The Office of the SIMR President and CEO encourages Covered Individuals who suspect dishonest or fraudulent activity to make a report of the relevant information on a confidential basis. Individuals should contact the Office of the President and CEO immediately and should not attempt to conduct investigations or interviews related to suspected fraud.

Authorization for Investigating Suspected Fraud

In those instances in which the SIMR President and CEO believes it to be in the best interests of the SGC and approves the action, appropriate officers of the SGC shall have the authority to take control of, and/or gain full access to, any and all SGC property, whether owned or leased, and examine, copy, and/or remove all or any portion of the content of files, records, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any Covered Individual who may use or have custody of any such items or facilities.

Reporting Procedure

Care must be taken in the investigation of suspected fraud to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. A Covered Individual who discovers or suspects fraudulent activity should contact the Office of the SIMR President and CEO. All inquiries from the suspected individual should be directed to the SIMR President and CEO. The suspected individual's representative or attorney, if any, should be directed to the SGC's legal counsel.

The reporting individual must adhere to the following restrictions:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, fact, suspicions, or allegations with anyone (whether on or off campus) unless specifically authorized to do so by the SIMR President and CEO or the SGC's legal counsel.

This policy was approved by the GSSIMR Board of Directors on September 5, 2018.
This policy was last updated by the GSSIMR Board of Directors on November 09, 2020.
This policy will be reviewed by the GSSIMR Board of Directors in 2022.