ADMINISTRATIVE DIVISION	BTRU Board of Trustees
POLICY NUMBER	BTRU 1.20
POLICY TITLE	Dishonest Acts and Fraud
SCOPE OF POLICY	USC System
DATE OF REVISION	October 23, 2026
RESPONSIBLE OFFICER	Secretary of the Board of Trustees
ADMINISTRATIVE OFFICE	Board of Trustees

PURPOSE

The University of South Carolina System (USC) composed of all campuses, institutes, entities, sites, and properties under the governance of the USC Board of Trustees, is committed to the highest standards of moral and ethical behavior by faculty, staff, and administrators (University Employees). The purpose of this policy is to prohibit dishonest acts and/or fraudulent activity by University employees, and to advise them of their responsibility to report suspected dishonest acts and fraudulent activity to the appropriate University offices.

Dishonest acts and fraudulent activity by students are governed by the applicable policies in the Carolina Community.

DEFINITIONS AND ACRONYMS

For purposes of this policy, the following terms will have the meaning set forth herein:

Conflict of Commitment – means a situation in which an individual engages in external activities, either paid or unpaid, that may interfere with his/her primary obligation and commitment to the University.

Conflict of Interest – means a situation in which an individual has financial, professional, or personal considerations that may directly or indirectly affect, or have the appearance of affecting, their professional judgment in exercising any University duty or responsibility. A conflict of interest may arise when an individual has the opportunity or appears to have the *opportunity to influence* the University's business, administrative, academic, research, or other decisions in ways that could lead to financial, professional, or personal gain or advantage of any kind, whether or not the value is readily ascertainable.

Dishonest Act or Fraudulent Activity – An intentional or deliberate act to deprive USC or a person of something of value, or to gain an unfair benefit using deception, false suggestions, suppression of truth, or other unfair means which are believed and relied upon.

A dishonest act or fraudulent activity may be, but is not limited to, an act or activity that is unethical, improper, or illegal such as:

- Embezzlement

- Misappropriation, misapplication, destruction, removal, or concealment of property,
- Alteration or falsification of paper or electronic documents, including the inappropriate destruction of paper or electronic documents,
- False claims and/or misrepresentation of facts,
- Theft of an asset including but not limited to money, tangible property, trade secrets or intellectual property,
- Inappropriate use of computer systems including hacking and software piracy,
- Bribery, kickbacks, or rebates,
- Conflicts of interest or commitment that are left unmanaged or intentionally not disclosed.

Although a dishonest or fraudulent act may have criminal and/or civil law consequences, USC is not required to use a determination by a criminal or civil authority as the basis for determining whether an act is dishonest or fraudulent, nor must the act rise to the level of a crime or violation of civil law in order to constitute a violation of this policy.

University Employees – means members of the University of South Carolina Board of Trustees, and University officers, faculty, staff and other individuals employed by the University regardless of classification, including all full-time, part-time, temporary, research grant, time-limited and contract employees.

POLICY STATEMENT

Dishonest acts or fraudulent activity of any kind are strictly forbidden. University employees who engage in dishonest acts or fraudulent activity of any kind, or who fail to report suspected dishonest acts or fraudulent activity, will be subject to appropriate disciplinary procedures and possible criminal prosecution and/or civil action.

PROCEDURES

A. Duties and responsibilities

1. University employees at all levels are accountable for setting the appropriate tone of intolerance for dishonest acts or fraudulent activities and for complying with laws, rules, regulations, and policies.

2. Faculty and administrators must be aware of the risks and exposures in their area of responsibility and are responsible for establishing and maintaining proper internal controls that will provide for the security and accountability of the resources entrusted to them.

B. Reporting Suspected Dishonest Acts or Fraudulent Activity

1. Any University employee who has a reasonable basis for believing a dishonest act or fraudulent activity has occurred, or is occurring, has a responsibility to promptly notify their supervisor, their department administrator, Audit & Advisory Services, or the law enforcement department at their institution. If talking with the supervisor or other administrator is not an option in dealing with a workplace concern, the USC Integrity Line is an anonymous reporting system, administered by an independent third-party provider, to report concerns about questionable or unethical behavior. http://www.sc.edu/uscintegrityline/

2. University employees who are acting in good faith to report suspected dishonest acts or fraudulent activities are protected by State law against retaliation by USC for making such a report; however, any person determined to be knowingly making frivolous claims under this policy will be subject to appropriate disciplinary procedures up to and including termination from employment.

3. Persons reporting suspected dishonest or fraudulent acts must refrain from confrontation with the individual(s) accused and must not discuss the matter with anyone other than their supervisor, department administrator, or those investigating the allegations.

C. Investigating Suspected Dishonest Acts or Fraudulent Activity

University Policy UNIV 1.53, University Investigative Responsibilities outlines the unit and process used to determine responsibility for investigating reported incidents. Insofar as possible, the anonymity of the persons reporting will be maintained. However, a reporter's identity may have to be disclosed, at the discretion of the university, to comply with the law, to conduct a thorough investigation, or to provide fair procedural review for accused individuals.

D. Sanctions

1. Faculty, Staff, and Administrators

a. Faculty, staff, and administrators suspected of participating in dishonest acts or fraudulent activity may be suspended without pay during the course of the investigation, in accordance with the applicable University policy including ACAF Policy 1.82, Faculty Progressive Discipline, HR Policy 1.39, Disciplinary Action and Termination for Cause, or the applicable Faculty Manual.

b. Faculty, staff, and administrators found to have participated in dishonest

acts or fraudulent activity will be subject to disciplinary action up to and including termination from employment and possible criminal prosecution or civil action.

c. Faculty, staff, and administrators found to have knowledge of a dishonest act or fraudulent activity and who knowingly failed to report the activity will be subject to disciplinary action up to and including termination from employment.

d. If disciplinary action is warranted, such action will be taken after consultation with the appropriate office, (i.e., the Division of Human Resources, the Office of the General Counsel, the Office of the Provost, or other offices) as deemed necessary.

2. Associates of the University of South Carolina

a. The relationship of individuals or entities associated with USC found to have participated in dishonest acts or fraudulent activity as defined by this policy will be subject to review, with the possible consequence of modification or termination of the relationship.

b. If action is warranted, the Office of the General Counsel and other appropriate offices will be consulted prior to action being taken.

c. Criminal or civil action may be taken against individuals or entities associated with USC that participate in dishonest acts or fraudulent activity.

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

University Policy ACAF 1.82, *Faculty Progressive Discipline*
University Policy BTRU 1.18, *Conflicts of Interest and Commitment*
University Policy BTRU 1.22, *Reporting Violations of State and Federal Laws or Regulations*
University Policy BTRU 1.24, *Internal Control Policy*
University Policy HR 1.02, *University of South Carolina Ethics Policy*
University Policy HR 1.39, *Disciplinary Action and Termination for Cause*
University Policy UNIV 1.53, *University Investigative Responsibilities*
Faculty Manuals

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
July 1, 2003	New policy approval
April 24, 2015	Policy organization, content, and accuracy reviewed with the department name and authorization for the policy updated along with

	scrivener corrections and reference to USC's Integrity Line.
August 17, 2018	Reviewed and updated to reflect title change. The policy was reformatted into the new policy format.
August 16, 2019	Added definitions and reorganized content to clarify policy and procedures.
August 14, 2020	Scrivener corrections and updated to reflect title changes and more accurately represent the University system.
August 19, 2022	Scrivener corrections.
August 18, 2023	Scrivener corrections and revising definition of conflicts of interest for consistency with the conflicts of interest policy.
August 23, 2024	Scrivener corrections to align with UNIV 1.00, Policy on Policies and BTRU 1.17, Conflicts of Interest and Commitment
October 23, 2026	Incorporate new policy on University Investigative Responsibilities, updates to applicable policies and scrivener corrections.