

**Virtus Academy of South Carolina**  
**Fraud Prevention Policy and Procedure**

VASC is committed to ensuring that fraudulent behavior and/or misconduct is prevented, conflicts of interest are avoided, and systems are in place to deter and/or identify corrupt activities.

This policy applies to employees, contractors, vendors, and their respective employees, contractors, subcontractors, or agents (collectively “Relevant Parties”) that are employed by, contracted, provide services to, or work with VASC.

Fraudulent behavior and/or misconduct could include dishonest activity in which a Relevant Party acts contrary to the interests of VASC by abusing his or her position in order to achieve some personal gain or advantage that is contrary to VASC’s best interests or that results in a disadvantage or loss to VASC. Further, fraudulent behavior and/or misconduct could include the redirection of goods or services for personal use, inappropriate arrangements with contractors and other third parties, and/or theft or misappropriation of VASC’s assets or finances. Ultimately, the determination of whether conduct meets the definition of fraud and/or other types of misconduct will be made with reference to applicable laws and standards.

If an employee or a Board member receives a report of alleged fraudulent activity and/or misconduct, he or she will notify the Board Chair as soon as possible. If circumstances warrant, the Board Chair may call an emergency or special-called meeting in compliance with the South Carolina Freedom of Information Act. Upon receipt of a report of suspected fraudulent behavior or misconduct, the Board has the authority to investigate the report and retain a third-party auditor to conduct a review of the relevant records. Upon receiving the results of any audit and/or making findings in connection with the investigation of the report, VASC will work with its legal counsel to determine what action(s), if any, are necessary.

If it is determined that fraud or other misconduct has occurred, VASC may terminate the employee(s), contractor(s), and/or vendor(s) as appropriate. The Board, in consultation with legal counsel, will consider all reasonable avenues available for recovering any funds lost or compensation for other losses. Due consideration will be given to the likely benefits of a recovery action exceeding the funds and/or resources required for the recovery action. VASC may report allegations of potential fraud or misconduct to law enforcement at any time.