

**North Carolina Statute 126.84 addresses the state's stance regarding Fraud, Waste and Abuse. It is as follows:**

Article 14-Protection for Reporting Improper Government Activities:

§ 126-84.Statement of Policy:

It is the policy of this State that State employees shall be encouraged to report verbally or in writing to their supervisor, department head, or other appropriate authority, evidence of activity by a State agency or State employee constituting:

- 1) A violation of State or federal law, rule or regulation;
- 2) Fraud;
- 3) Misappropriation of State resources;
- 4) Substantial and specific danger to the public health and safety; or
- 5) Gross mismanagement, a gross waste of monies, or gross abuse of authority.

Further, it is the policy of this State that State employees be free of intimidation or harassment when reporting to public bodies about matters of public concern, including offering testimony to or testifying before appropriate legislative panels.

***What Is Considered To Be Fraud, Waste, Or Abuse?***

**Fraud:**

The intentional deception perpetrated by an individual or individuals, or an organization or organizations, either internal or external to state government, which could result in a tangible or intangible benefit to themselves, others, or the State or could cause detriment to others or the State. Fraud includes a false representation of a matter of fact, whether by words or by conduct, by false or misleading statements, or by concealment of that which should have been disclosed, which deceives and is intended to deceive.

**Waste:**

The intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of State resources to the detriment or potential detriment of the State. Waste also includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

**Abuse:**

Excessive or improper use of a thing, or to employ something in a manner contrary to the natural or legal rules for its use. Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of State resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial settings.

**Examples of Fraud, Waste and Abuse are:**

- Personal use of State-owned vehicles
- Personal use of state telephones, including long distance personal calls
- Personal use of state owned supplies or equipment
- Violations of state procurement policy
- Excessive or unnecessary purchases
- Falsification of official documents (timesheets, leave reports, travel vouchers, etc.)
- Contract fraud
- Conducting personal business on state time
- Inappropriate expenditures
- Embezzlement

The State Auditor operates a toll-free telephone Hotline established by the NC General Assembly, which allows citizens, and employees to report potential fraud, waste, abuse, and mismanagement within state government (1-800-730-TIPS). Hotlines can also be reported to the State Auditor via email ([www.ncauditor.net/WebProject/](http://www.ncauditor.net/WebProject/) and look at right hand side of the web page for the electronic link).

Western Carolina University employee's can also report potential fraud, waste, abuse and mismanagement to Western Carolina's Director of Internal Audit, Robert Edwards, [edwardsr@wcu.edu](mailto:edwardsr@wcu.edu). Internal Audit takes all such reports seriously, whether referred to them by the State Auditor or internally, via an employee. Internal Audit strives to maintain confidentiality of the complainant at all times.