



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY,
NY 12234

TO: The Professional Practice Committee
FROM: Douglas E. Lentivech
SUBJECT: Disciplinary Actions in Cases Involving the Commission of Fraud
DATE: September 2, 2011
AUTHORIZATION(S):

Summary

Issue for Discussion

This item provides information about, and an opportunity for the Professional Practice Committee to discuss, professional misconduct cases involving the commission of fraud.

Reason(s) for Consideration

For information. This topic is submitted for consideration at the request of the Chairperson of the Professional Practice Committee.

Proposed Handling

This discussion will take place at the September 2011 meeting of the Professional Practice Committee.

Background Information

Fraud is a serious issue in society in general and in the practice of the professions. Allegations of fraudulent behavior form the basis of many charges of misconduct brought against licensed professionals.

Allegations of fraud may form the basis of discipline in any of the professions, including public accountancy and the health professions. With regard to public accountancy, fraud goes to the heart of the profession – the provision of accurate and reliable information about the fiscal transactions and status of both public and private entities. In the health professions, fraud constitutes a major obstacle to the provision of needed and affordable care, which is largely funded through public and private

insurance. In addition to driving up the costs of health care, the submission of fraudulent claims often affects the quality of services received by patients, such as when unneeded tests or procedures are performed or billed services are simply not provided.

Every month the Board of Regents imposes disciplinary penalties on licensed professionals who engage in fraud. Periodically, the Department reports to the Board of Regents on the imposition of disciplinary sanctions on licensed professionals in cases involving the commission of fraud.

Information will be provided about disciplinary actions taken over the past three years in cases involving fraud, including the professions involved, the types of fraud encountered, and the penalty imposed by the Board of Regents. In addition, there will be discussion on the many factors that are considered in determining the appropriate penalty to be imposed in any given case and recent disciplinary trends in fraud cases.