

# SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

## CORPORATE POLICY 3.01

### FRAUD PREVENTION POLICY

Chapter: 3.0 – Financial & Fiscal Policies

Section: 3.01 –Fraud Prevention Policy

Effective Date: April 1, 2011

#### 1.0 PURPOSE

1.1 To establish policies for the CORPORATION, affirming the CORPORATION's commitment to safeguard the organization assets from fraud and other improprieties.

#### 2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD and the AGENCY. This Policy may only be amended by approval of the BOARD and the AGENCY.

#### 3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

#### 4.0 POLICY

4.1 Directors, officers, employees, interns, volunteers, or consultants of the CORPORATION shall not engage in fraud. All positions required shall adhere to the Conflict of Interest Policy Section 2.02 and shall file a Statement of Economic Interests (FPPC Form 700).

4.2 Management is responsible for the prevention of fraud, misappropriation and other inappropriate conduct. Each member of management should be most familiar with the potential types of inappropriate activities that may occur within his or her area of responsibility and should be alert for any indication of such activities.

4.3 Examples of fraud include but are not limited to:

4.3.1 Any forgery, alteration of documents or data, or destruction of documents or data for the purpose of personal gain.

4.3.2 Any deliberate misappropriation of funds, supplies or other assets for the purpose of personal gain.

4.3.3 Any deliberate reporting of inaccurate monetary transactions.

4.3.4 Any false claims for reimbursement that are not made for the exclusive benefit of the CORPORATION.

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- 4.4 CONFIDENTIALITY - The CORPORATION recognizes that confidentiality is vital to all parties involved in any fraud investigation. All participants in a fraud investigation shall treat all information received confidentially. Any results of a fraud investigation will not be discussed with anyone other than those who have a legitimate need to know.
- 4.5 WHISTLE-BLOWER PROTECTION - The CORPORATION is committed to protecting any employee who reports potential fraudulent activities.
- 4.6 RETALIATION PROHIBITED - The Corporation will not tolerate retaliation against employees who report potential fraudulent activities or participate in a fraud investigation. Retaliation includes but is not limited to:
- 4.6.1 Dismissal or threatening to dismiss an employee,
  - 4.6.2 Discipline or suspension or threatening to suspend an employee, or
  - 4.6.3 Intimidating or coercing an employee.
- 4.7 REPORTING PROCEDURES - Employees should report fraudulent activities to their supervisor or manager, the Human Resources Manager, the PRESIDENT, the BOARD chair, or the City of San Diego City Auditor Fraud Hotline (866) 809-3500. Employees may also report any suspected fraudulent activities to the BOARD chair.
- 4.8 DISCIPLINARY ACTIONS - Anyone found to be in violation of this policy shall be subject to appropriate disciplinary action up to and including termination and or criminal and civil prosecution. Consultants or volunteers found to have violated this policy **will** have their relationship with the CORPORATION terminated.
- 4.9 TRAINING - The CORPORATION is committed to ensuring that the BOARD, officers, and employees conduct their business with integrity and honesty. As such, all BOARD Members, officers, and employees of the CORPORATION will receive training on this policy.
- 4.10 ANNUAL SURVEY – The CORPORATION shall administer an anonymous survey annually to specifically inquire if employees are aware of any suspected activity that could be fraudulent.
- 4.11 FRAUD CASES – All reports of fraudulent activity will be handled immediately by the Audit Committee. The CORPORATION will seek the fullest extent of the law for all guilty parties.