

# Employee Fraud & Theft Policy



## 1. POLICY

ABC Company is dedicated to promoting and maintaining the highest standards of honesty, integrity and ethical behaviour in every aspect of its operations. Engaging in fraudulent and dishonest behaviour violates this fundamental commitment, as well as the duty of honesty and trustworthiness that form the foundation of employment with ABC Company. Accordingly, those found to have engaged in such behaviour will be subject to appropriate disciplinary action, up to and including termination of their employment, mandatory restitution and repayment of ill-gotten gains and/or criminal prosecution by law enforcement and government authorities.

**Theft, fraud and other forms of dishonest conduct will not be tolerated from any individual who works for ABC Company. Period.**

## 2. PURPOSE

The purpose of this Policy is to promote clear rules and high standards of integrity for personal and professional behaviour, and to establish policies and procedures for enforcing those rules and standards, including a process for reporting, investigating and, if necessary, responding to acts of theft, fraud and dishonesty.

## 3. DEFINITION

For purposes of this Policy, workplace dishonesty, fraud and theft occurs when a person in ABC Company's employment **knowingly** lies, deceives or steals from the Company, its customers, clients, employees and/or others with whom it associates with the intent to obtain benefits or compensation of some type to which he/she is not entitled. Examples include, but are not limited to:

- Stealing or misappropriating cash, funds, tools, equipment, supplies, inventory or other ABC Company assets and resources;
- Using cash, funds, tools, equipment, supplies, inventory or other ABC Company assets and resources for purely personal gain;
- Submitting false claims for payment or reimbursement, such as by falsifying travel vouchers and/or using Company credit cards for unauthorized, personal purposes;
- Falsifying hours or overtime worked;
- Unrecorded vacation, sick leave and other forms of leave;
- Theft of time, including but not limited to buddy punching, or clocking in or

- out for a co-worker who is not there or asking a co-worker do the same for you;
- Offering, accepting or asking for bribes, gifts, personal favours and other remuneration in exchange for (or in a manner that can be perceived as being in exchange for) influencing the employee or ABC Company's decision-making;
- Accepting an unauthorized commission or kickback from a third party in exchange for an ABC Company product or service;
- Acts of extortion or blackmail;
- Creating or distributing false or misleading financial reports;
- Paying excessive fees or prices without documented justification; and/or
- Other deliberate, dishonourable and unauthorized acts to seek gain at the Company or a client, customer, employee or other third-party business associate's expense.

## **4. ROLES & RESPONSIBILITIES**

### **4.1 General Responsibilities**

All managers, supervisors and employees at every level of ABC Company are responsible for exercising due diligence and control to prevent, detect and report acts of dishonesty, fraud and theft of which they are aware in accordance with this Policy.

### **4.2 Managers' Responsibilities**

Managers, department heads, administrators and supervisors (referred to collectively as "managers") are responsible for being familiar with the types of improprieties that might occur in their area and under their jurisdiction, implementing or at least being aware of the appropriate controls in place to prevent such improprieties and being constantly alert to the potential for as well as any indication that improper activity, misappropriation or dishonest activity is, has been or may be taking place.

Managers will support and work with HR to assist other involved departments and law enforcement agencies in the detection, reporting and investigation of dishonest or fraudulent activity including the prosecution of offenders. Managers are also responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions that are detected or suspected in their areas.

### **4.3 Employees' Responsibilities**

It is the responsibility of all employees to conduct their ABC Company business in such a way as to prevent the occurrence of fraud and theft in the workplace. Employees must also be alert to the possibilities for fraud and theft and be on guard for any indications that improper or dishonest activity is taking place and to report dishonesty, fraud or theft when they reasonably suspect it has occurred in accordance with Section 5 below.

## **5. REPORTING**

All employees who have witnessed or discovered or have reasonable grounds to suspect that dishonesty, fraud or theft has occurred, will occur or is occurring should immediately report what they know or suspect to the HR Department following the reporting procedures set forth in the ABC Company Misconduct Policy.

Employees may report anonymously but must provide sufficient details of the alleged wrongdoing to allow for an investigation, including but not limited to, where known:

- Times and dates of the alleged misconduct;

- Where and how often it occurred;
- Who committed or aided in the commission of the alleged misconduct; and
- A brief description of how the alleged misconduct occurred.

ABC Company will keep all reports of dishonesty, fraud and theft confidential and not disclose the information or who provided it except where necessary to perform a follow-up investigation or where permitted or required by law.

## **6. ASSURANCE OF NO RETALIATION**

No employee will be subject to discipline, transfer, reductions in benefits or any other form of unfavourable treatment in retaliation for reporting dishonesty, fraud and theft in good faith in accordance with this Policy. Any individuals who engage in or threaten retaliation against a person for good faith reporting of suspected dishonesty, fraud or theft will be subject to disciplinary action up to and including termination of employment.

## **7. INVESTIGATION**

The HR Department will investigate allegations of dishonesty, fraud and theft in accordance with the internal investigation policies and procedures set forth in the ABC Company Misconduct Policy. HR will take appropriate measures to ensure that investigations are carried out promptly, thoroughly and fairly to all sides involved. Investigation reports will be kept confidential and not used or disclosed except as necessary to complete the investigation and resulting disciplinary, corrective and follow-up measures and as otherwise permitted or required by law.

## **8. DISCIPLINARY CONSEQUENCES**

Employees found to have engaged or condoned acts of dishonesty, theft or fraud will be subject to discipline, up to and including termination, in accordance with the ABC Company Progressive Discipline Policy. In addition, employees that cover up, obstruct, or fail to report dishonesty, theft and fraud of which they are aware may also be considered to be complicit and thus subject to disciplinary action and/or discharge.

Malicious and bad faith accusations of dishonesty, fraud or theft will also be subject to disciplinary action. Bad faith occurs when accusers deliberately make accusations that they know are false or recklessly without regard to whether the accusation is true or false, typically with the intent to harass the accused, waste the Company's time or carry out another dishonourable purpose. Accusations that turn out not to have merit will not be grounds for discipline, provided that they are made in good faith in the sincere and reasonable belief that the accusation was based on reasonable evidence.