



Green Valley Recreation

Fraud Policy

SCOPE OF POLICY

This policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Green Valley Recreation, Incorporated (GVR). This policy applies to any irregularity, or suspected irregularity, involving employees as well as members, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with GVR.

Staff are in the best position to detect and prevent fraud, misappropriations, and other irregularities within their area of responsibilities. Each member of the management team should be aware of the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

ACTIONS CONSTITUTING FRAUD

Fraudulent acts include the following:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of GVR activities
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to GVR. Exception: gifts less than \$100 in value with authorization by a supervisor and in compliance with the GVR employee handbook.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

Irregularities concerning an employee's moral, ethical, or behavioral conduct do not fall within this Policy and should be reported to the Human Resources Manager.

REPORTING PROCEDURES

An employee who discovers or suspects fraudulent activity will contact the CFO immediately or if the CFO is the individual allegedly involved in the activity, the CEO. The employee or other complainant will remain anonymous.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by GVR's legal counsel or the Human Resources Department.
- Do not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

INVESTIGATIVE RESPONSIBILITIES

The Human Resources Department has the primary responsibility for the investigation of all suspected fraudulent acts. In that effort, the Human Resources Department will have:

- Free and unrestricted access to all GVR records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to GVR.

CONFIDENTIALITY

The CEO, CFO and the Human Resources Department shall treat all information received confidentially. Investigation results will not be disclosed or discussed with anyone other than as directed by the CEO or the Human Resources Department. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect GVR from potential civil liability.

All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer must be directed to the Human Resources Department. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this

matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” or any other specific reference.

RESULTS OF INVESTIGATION

If the investigation substantiates that a fraudulent activity has occurred, the Human Resources Department shall notify the CEO. The CEO shall report the findings to the Board President and if appropriate, notify GVR's insurance carrier if there is a financial loss to GVR.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Board in consultation with GVR's legal counsel and CEO, as will final decisions on disposition of the case.

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from the CEO, the Human Resources Manager, and GVR's legal counsel and, if necessary, by outside counsel, before any such action is taken.

ADMINISTRATION

The CEO is responsible for the administration and application of this policy. The CFO, in conjunction with the Human Resources Department, shall perform an annual assessment and evaluation of the risk of fraud and report the findings thereof to the CEO and GVR's Board of Directors.

This Fraud Policy was adopted by GVR's Board of Directors at a duly-held meeting on the ____ day of _____, 20__.

By: _____
President, GVR Board of Directors