Baltimoretax Lifeline, Health & Learning Foundation

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

1. POLICY STATEMENT

Our Commitment

Baltimoretax Lifeline Health and Learning (BLHL) Foundation has zero tolerance for fraud, bribery, corruption, and dishonest conduct of any kind. As a fiduciary partner entrusted with managing resources for vulnerable communities, we hold ourselves to the highest standards of financial integrity and ethical conduct.

We commit to:

- Preventing fraud and corruption through strong controls
- Detecting irregularities quickly through monitoring
- Investigating all allegations thoroughly and fairly
- Taking appropriate action against perpetrators
- Recovering misappropriated funds where possible
- Reporting serious cases to authorities
- Learning from incidents to strengthen systems

2. SCOPE

This policy applies to the following groups and individuals associated with the foundation:

- Board of Trustees
- All staff (full-time, part-time, temporary, contract employees)
- Volunteers and interns
- Consultants and service providers
- Partners and sub-grantees
- Suppliers and contractors
- Any person or entity using Foundation resources

The scope ensures that all parties involved with or benefitting with the foundation's activities are aware of and adhere to this policy. This comprehensive approach promotes consistency, accountability and compliance throughout all levels of engagement.

3. DEFINITION(S) OF FRAUD, CORRUPTION, BRIBERY AND RELATED PROHIBITED CONDUCT

What is Fraud?
Fraud refers to intentional acts of deception, dishonesty or misrepresentation carried out to secure unfair or unlawful gain or to deprive someone of a legal right.

Types of Fraud include:

- **Theft:** Stealing cash, assets, or resources
- **Embezzlement:** Misappropriating funds entrusted to you
- **False Claims:** Submitting false invoices, receipts, or expense claims
- **Payroll Fraud:** Ghost workers, falsified time records
- **Procurement Fraud:** Bid rigging, false invoicing, kickbacks
- **Grant Fraud:** Misusing restricted funds, false reporting
- **Identity Fraud:** Using false credentials or identities
- **Data Fraud:** Falsifying program data, research, or reports

What is Corruption?
Corruption is the abuse of entrusted power for private gain. It involves actions where individuals use their position or influence to obtain benefits for themselves or others contrary to legal or ethical standards.

Types of Corruption include:

- **Bribery:** Offering, giving, soliciting, or receiving something of value to influence actions
- **Extortion:** Coercing someone to provide money or benefits
- **Nepotism:** Favoring relatives in employment or contracts
- **Embezzlement:** Theft of funds by those entrusted with them
- **Fraud:** Deliberate deception for gain
- **Collusion:** Secret agreements for fraudulent purposes

What is Bribery?
Bribery involves offering, promising, giving, receiving, or soliciting anything of value as an inducement for actions or decisions which is illegal, unethical, or a breach of trust. This conduct undermines integrity and fairness.

Bribery may include:

- Cash payments

- Gifts of significant value
- Entertainment or hospitality
- Favours or services
- Business opportunities
- Employment opportunities
- Political or charitable contributions used as bribes

What are Facilitation Payments?

Facilitation payments are small payments, sometimes called "grease payments," made to secure or expedite routine government actions.

These payments are strictly prohibited, regardless of whether they are customary in a particular location, involve minimal amounts, seem necessary to complete a process or are legal under local law.

4. WHAT IS PROHIBITED

4.1 All Forms of Fraud

Engaging in any form of fraud is strictly prohibited, these includes but not limited to the following actions:

- Theft of Foundation property, funds, or resources
- Falsifying documents or records
- Submitting false claims or invoices
- Falsifying time records or expense claims
- Creating ghost workers or beneficiaries
- Misusing Foundation assets for personal gain
- Computer fraud or cyber theft
- Identity theft or impersonation

4.2 All Forms of Bribery

Prohibited activities include but are not limited to:

- Paying bribes to anyone, including government officials and private parties
- Receiving bribes from anyone
- Offering anything of value to influence decisions

- Accepting anything of value to influence your decisions
- Using intermediaries to pay or receive bribes
- Making facilitation payments

4.3 All Forms of Corruption

Examples of prohibited corrupt practices include but not limited to:

- Abuse of position for personal gain
- Nepotism and favoritism
- Kickbacks and secret commissions
- Conflicts of interest for personal benefit
- Insider trading or misuse of insider information
- Money laundering
- Extortion

4.4 Related Prohibited Conduct

In addition to the above, the following conduct is also strictly prohibited:

- Collusion with others to commit fraud or corruption
- Destroying or concealing evidence
- Retaliating against whistleblowers
- Attempting any prohibited conduct listed in this policy
- Failing to report suspected fraud or corruption

5. RED FLAGS - RECOGNIZE AND REPORT

Financial Red Flags

- Missing documents or records
- Altered or forged documents
- Unusual transactions or patterns
- Discrepancies in accounts
- Excessive voids, refunds, or adjustments
- Missing receipts or inadequate documentation
- Payments to unknown entities
- Unusual payment methods (cash, personal accounts)

- Invoices without supporting documentation
- Duplicate payments

Procurement Red Flags

- Single vendor for all purchases
- Splitting purchases to avoid approval limits
- Vendors with addresses matching staff
- Unusually low or high bids
- Poor quality goods or services from preferred vendor
- Vendor unwilling to provide documentation
- Last-minute vendor changes
- Sole-source justifications without proper basis

Payroll Red Flags

- Employees with multiple bank accounts
- No permanent address for employee
- Lack of background checks
- Employees not appearing for work
- Timesheet irregularities
- Pay without supporting documentation
- Unusual deductions or additions

Behavioral Red Flags

- Lifestyle inconsistent with salary
- Unwillingness to take leave or share duties
- Defensive or evasive when questioned
- Reluctance to delegate or share information
- Working unusual hours alone
- Overriding controls frequently
- Close relationships with vendors
- Substance abuse or financial difficulties
- Intimidation of colleagues

Partner and Vendor Red Flags

- Reluctance to provide financial records
- Lack of transparency about ownership
- Requests for unusual payment terms

- Involvement of intermediaries or agents
- Reputation concerns
- Politically exposed persons (PEPs) involved
- Offshore accounts or entities
- Resistance to due diligence

6. PREVENTION MEASURES

6.1 Internal Controls

The Foundation implements robust internal controls designed to protect its operations and assets which includes:

- **Segregation of duties:** No single person controls an entire transaction
- **Authorization requirements:** Appropriate approvals for all transactions
- **Physical security:** Locks, safes, and restricted access
- **Access controls:** Systems access based on roles
- **Regular reconciliations:** Bank accounts, petty cash, and inventory
- **Surprise audits:** Unannounced spot checks
- **Rotation of duties:** Preventing long-term control of a process
- **Mandatory leave:** Requiring time away from sensitive duties

6.2 Due Diligence

The Foundation exercises due diligence in its operations by thoroughly vetting:

- **New staff:** Background checks and reference verification
- **Partners:** Financial and reputational checks
- **Vendors:** Capability and integrity verification
- **Beneficiaries:** Identity and need verification
- **High-risk transactions:** Enhanced scrutiny

6.3 Transparency and Accountability

The Foundation promotes transparency and accountability by implementing the following measures:

- Clear policies and procedures
- Published selection criteria

- Open procurement processes
- Public reporting of finances
- Accessible complaints mechanisms
- Regular audits (internal and external)
- Board oversight and monitoring

6.4 Culture of Integrity

The Foundation nurtures a culture of integrity through various initiatives including:

- Tone from the top: Leadership modeling ethical behavior
- Ethics training: Regular training for all staff
- Open communication: Safe channels to raise concerns
- Recognition: Celebrating ethical conduct
- Consequences: Swift action on violations
- Continuous improvement: Learning from incidents

7. REPORTING FRAUD AND CORRUPTION

7.1 Duty to Report

All individuals associated with the Foundation are required to report any suspected, attempted, or requested fraud or corruption, observed red flags, or conduct that violates Foundation policy. This duty applies regardless of uncertainty, involvement of senior staff or Board members, concerns about consequences, or whether the incident occurred in the past. There are no exceptions.

7.2 How to Report

Internal Channels

1. Your supervisor, where you are comfortable and the supervisor is not involved
2. Executive Director, for serious matters
3. Board Chairman, for matters involving the Executive Director
4. Confidential Box: Locked box at the office (checked weekly)

External Channels for serious cases

- Economic and Financial Crimes Commission (EFCC)

- Independent Corrupt Practices Commission (ICPC)
- Nigeria Police Force
- Donor hotlines, where donor funds are involved

Anonymous Reporting

Anonymous reports are accepted but they may limit the ability to investigate fully. Reporters are encouraged to provide as much details as possible and use secure methods when available.

7.3 What to Include in a Report

- Description of incident
- When and where it occurred
- Who was involved
- Amount involved, where applicable
- Evidence or documents, where available
- Witnesses, where any exist
- How you became aware
- Any previous reports

7.4 Protection for Reporters/Whistleblowers

The Foundation provides comprehensive whistleblower protection for individuals who report in good faith. Protections include:

- No retaliation against reporters in good faith
- Confidentiality maintained to the extent legally possible
- Protection from adverse employment action
- Support provided where needed

Retaliation is strictly prohibited. This includes termination, threats, harassment, negative performance reviews, exclusion, isolation, or any other form of adverse treatment.

Good Faith Requirement
Reports must be made honestly and with sincere belief in the accuracy of the information provided.

Initial Response (Within 24 Hours)

Upon receiving a report, the Foundation will promptly begin its response and follow these essential steps:

1. Acknowledge receipt, where the report is not anonymous.
2. Assess severity and urgency to determine appropriate actions.
3. Secure evidence, including safeguarding documents and where necessary, freezing accounts to prevent loss or tampering.
4. Assign an investigator, internal or external depending on the case.
5. Notify key stakeholders, including the Board and donors where required.
6. Take protective actions as needed which may include suspending access to systems or reassigning duties to safeguard the investigation process.

Principles

- Maintain confidentiality, sharing information only on a need-to-know basis.
- Conduct the investigation with fairness, ensuring subjects have the opportunity to respond.
- Ensure thoroughness and completeness in all aspects of the investigation.
- Document every step of the investigation process.
- Complete the investigation as quickly as possible, maintaining timeliness.
- Maintain objectivity, ensuring the process is free from bias or external pressure.

9. ROLES AND RESPONSIBILITIES

Everyone

All staff and stakeholders are expected to be familiar with and adhere to the anti-fraud policy. It is essential that everyone completes the required anti-fraud training to ensure understanding of the policy and procedures. Any suspicion of fraud should be promptly reported, and individuals must cooperate fully with any investigations. Adherence to internal controls is mandatory to uphold the integrity of organizational processes.

- Know and comply with the policy
- Complete anti-fraud training
- Report suspected fraud
- Cooperate with investigations
- Follow internal controls

Managers

Managers are responsible for ensuring that their teams understand and comply with the anti-fraud policy. They must be vigilant in monitoring for potential red flags and consistently enforce internal controls. When fraud is reported, managers must act swiftly and take appropriate steps. Fostering a safe environment for reporting is also a key responsibility for managers.

- Ensure team understanding and compliance
- Monitor for red flags
- Enforce controls
- Act promptly on reports
- Take appropriate action
- Create a safe reporting environment

Finance Team

The Finance Team is tasked with designing and maintaining effective financial controls. They are responsible for monitoring all transactions, conducting timely reconciliations, and investigating any irregularities. Reporting findings to management and recommending improvements are also crucial parts of their role.

- Design and maintain controls
- Monitor transactions
- Conduct reconciliations
- Investigate irregularities
- Report to management
- Recommend improvements

Internal Audit

Internal Audit is responsible for regularly testing controls and conducting fraud risk assessments. They handle investigations of more complex cases and suggest enhancements to processes. Reporting directly to the Board ensures transparency and oversight.

- Test controls regularly
- Conduct fraud risk assessments
- Investigate complex cases
- Recommend improvements

- Report to the Board

Executive Director

The Executive Director is responsible for ensuring the anti-fraud policy is implemented across the organization. This role includes overseeing investigations, reporting to the Board, notifying donors when necessary, and implementing corrective actions. The Executive Director also promotes a culture of integrity throughout the organization.

- Ensure policy implementation
- Oversee investigations
- Report to the Board
- Notify donors where required
- Implement corrective actions
- Champion a culture of integrity

Board of Trustees

The Board of Trustees plays a key role in approving the anti-fraud policy and receiving investigation reports. They oversee significant cases, ensure sufficient resources are allocated for maintaining controls, hold management accountable, and serve as role models for ethical conduct.

- Approve the policy
- Receive investigation reports
- Oversee major cases
- Ensure adequate resources for controls
- Hold management accountable
- Model ethical conduct

QUESTIONS AND SUPPORT

If you suspect fraud, report it.

Contacts

- Fraud Hotline: fraud@blhlfoundation.org
- Phone: +234 813 188 2511

If you are unsure, ask. It is better to report and be wrong than fail to report actual fraud.