

Anti-fraud, corruption and bribery policy

The purpose of this policy is to spell out clearly the way in which Rutgers seeks to prevent and handle fraud, corruption and bribery.

This policy is applicable to Rutgers, but is intended to be used by any partner organization or other third party who does not have a similar policy in place.

As Rutgers, we expect our partners to have this policy as minimum standard.

1. Definition of terms

Agreement: Each written agreement between Rutgers and another Entity or between an Entity and an External Party

Audit Committee: Committee within the Supervisory Board, mandated with supervising the correct execution of external or internal audits.

Bribery: Exchange something of value, e.g. money, with the purpose of influencing the behavior of someone else

Complaints coordinator: The person in charge of handling the complaints procedure. Responsibilities include but are not limited to registering the complaint and ensuring that the procedure is followed appropriately. In case the Entity does not have a formal complaints coordinator appointed, the executive director or appointed manager of the Entity should act as such. If the complaint involves any of the afore mentioned persons, the complaint shall be sent to the chair of the Audit Committee or the external person of trust of the Entity.

Corruption: Dishonest behavior by those in power

Entity: Rutgers or any partner organization or third party to whom this policy applies

External party: Any other party outside of the Entity, with which the Entity has signed an agreement

Fraud: Intentionally lying or cheating to gain an unlawful advantage

Internal Investigative Committee: Committee within the Entity charged with the investigation of the (suspected) fraud case. This committee does not need to be a permanent Entity body, but may be formed depending on each case.

Supervisory Board: The board in charge of supervising the Executive Director and the Executive Managers of the Entity.

This policy shall include, but is not limited to:

- a. Theft or misappropriation of the entity's assets, or assets paid by the entity without the explicit permission for private use
- b. Submitting false claims for payment or reimbursement
- c. Accepting or offering a bribe, or accepting gifts or other favors under circumstances that might lead to the inference that the gift or favor was intended to influence an employee's decision-making while serving the entity.
- d. Accepting a commission from, or paying same to a third party (kickbacks)

- e. Blackmail or extortion
- f. "Off book" accounting, or making false or fictitious entries
- g. Knowingly creating and/or distributing false or misleading financial reports
- h. Payment of excessive prices or fees where justification thereof is not documented
- i. Violation of foundation procedures with the aim of personal gain or to the financial detriment of the Entity
- j. A dishonorable, irresponsible or deliberate act against the interest of the entity.

2. Prevention and Monitoring

The Entity has a strict policy on fraud, corruption, bribery or any kind of dishonorable behavior. This policy is applicable to the Supervisory Board members, management, staff or volunteers, but also partner organizations, subgrantees, consultants and other third parties that are contracted to provide services to or collaborate with the Entity.

Fraud concerns everyone and everyone has the responsibility not only to behave in an integer way, but also to report any suspicions or instances of fraud. Managers should promote an open culture, where employees have the confidence to speak out about issues, and serve as a good example by acting with integrity. Both staff and management should be trained regularly to be made aware of fraudulent or other undesired behavior, to spot 'red flags' and to be able to report any (suspicions of) incidents appropriately.

Monitoring can be carried out by, but is not limited to:

- Financial reports, narrative reports and visits to offices and project sites
- Annual organizational or project audits, carried out by a registered auditor
- Finance can provide additional monitoring whenever deemed necessary
- Internal monitoring, by spotting common 'red flags'

3. How to handle fraud

- 3.1 The person first confronted with a case of (suspected) fraud shall report this immediately to the programme manager within the Entity or the external 'person of trust' (**to reference where to find the contact details**). If the (suspected) fraud takes place within one of Rutgers' programs, the Rutgers contact person should also be informed, with a copy to complaintscommission@rutgers.nl.
- 3.2 A (suspicion of) fraud complaint is filed by submitting a letter or email to the complaints coordinator of the Entity.
- 3.3 The letter / email of complaint should include at least:
 - Name of the person under suspicion (the complainant has the possibility to remain anonymous)
 - Date of writing / registering
 - Description of the alleged fraudulent act(s) or behavior
- 3.4 The complaints coordinator of the Entity shall register the suspicion of fraud complaint in the complaints register, and will inform the Executive Director and the Manager Finance & Facilities. The receipt of the complaint by the Entity should be acknowledged to the complainant within five working days.
- 3.5 The complaints coordinator of the Entity will form an Internal Investigative Committee that will investigate the charges. Selected members of the Internal Investigative Committee will not be implicated in the suspicion of fraud. No department will be allowed to investigate complaints that involves its own or its personnel's acts. The Internal Investigative Committee shall report all complaints and the results of any subsequent investigation to the complaints coordinator, who will inform the executive director. The executive director will take the necessary follow-up steps.

3.6 Upon discovering of actual or suspected irregularities in the implementation of the subsidized activities (such as fraud, a breach of procedures or any other kind of irregularity), the organization that is receiving and administering the grant must notify the organization that has awarded and made available the grant in writing immediately, stating at least the financial amount involved and the measures it has taken. Furthermore, in its annual financial progress report and final financial report the grant recipient must include an overview of all notifications as referred to above, the financial amounts involved and the measures taken. In case the fraud concerns External Parties to the Entity, the following additions / exceptions apply:

- Payments to such External Party are immediately frozen until the case is resolved
- The executive director will notify the External Party in writing that the payments have been suspended and the execution of the entire agreement will be suspended (with detailed explanation).
- The Entity expects a total clarification before resumption of the payments may be considered.

3.7 In case an External Party is involved, the executive director - after receiving the report and recommendation from the Internal Investigative Committee - will decide on whether the relationship with this External Party should be terminated or, in case of and only after appropriate measures have been taken by the External Party concerned the relationship can be continued.

4. Advice for the investigation of alleged fraud

4.1 The complaint will be investigated by the Internal Investigative Committee as promptly as possible.

4.2 Initially such investigation will consider, amongst others, the following issues:

- a. Does the alleged act constitute a breach of the policy described in this document?
- b. Is the issue potentially a criminal matter according to the Dutch and/or local law? If so, the advice of the legal counsel would be sought.
- c. What steps need to be taken immediately to secure evidence, and how will those steps be taken?
- d. Should the police, judiciary or public prosecutor be notified? Items to be considered for this decision are among others, the level of seriousness of the (potentially) criminal event and the determination whether or not the 'public' has been a victim.
- e. Which departments of the entity are involved? Should their management be brought into the investigation, and if so, when?

4.3 The Internal Investigative Committee may decide to meet with the Supervisory Board Members, management, staff or volunteers under investigation and, if appropriate, request the HR responsible to temporarily suspend the concerned person(s) from his/her current duties, until the investigation either confirms his/her involvement in the complaint, or clears him/her of suspicion. The Internal Investigative Committee may also schedule meetings with such other persons as are suspected to have been involved in, or to have any knowledge of the alleged fraud. All such meetings shall be handled as confidentially as possible and shall be documented by the Internal Investigative Committee.

4.4 Upon completion of its investigation, the Internal Investigative Committee will submit a written report to the executive director, who will issue a decision on the matter, including any disciplinary actions to be taken. Such decision will be communicated to the management, staff and volunteers implicated in the complaint, by the head of the department in which the person is employed, in coordination with the HR responsible or the executive director, if a member of the Supervisory Board is accused. The decision of the executive director will be final.

4.5 In case it is concluded that the fraud issue is a criminal matter, advice of the legal counsel shall be sought to determine whether legal charges should be brought forward against the persons or legal entities involved.

5. Protection under the policy

- 5.1 In conducting its investigations and in dealing with complaints under this policy, the Entity will strive to keep as confidential as possible the identity of any complainant or any individual who provides information during the course of an investigation.
- 5.2 The Entity will not take any action harmful to any complainant or individual who provides information during the course of the investigation, including interfering with their lawful employment or livelihood.
- 5.3 Persons who threaten to retaliation against a person reporting a suspected fraud shall be subject to disciplinary action, up to and including immediate termination of employment.
- 5.4 An individual who deliberately or maliciously provides false information, may be subject to disciplinary action, up to and including immediate termination of employment. Depending on the seriousness of the incident, a report might be filed with the local authorities.

6. Retention of complaints and documents

All complaints regarding alleged violations of this policy will remain confidential to the extent feasible in practice and under applicable law and regulations. In addition, all written statements, along with the results of any investigations relating to the event/complaint, shall be retained by the Entity in accordance with any records retention policy applicable to the Entity or the donor's terms and conditions.