

**DUBLIN**

Front Line Defenders – Head Office
Second Floor, Grattan House
Temple Road, Blackrock
Co. Dublin, A94 FA39, Ireland

info@frontlinedefenders.org
www.frontlinedefenders.org

phone +353 1 212 3750
fax +353 1 212 1001

BRUSSELS

Front Line Defenders – EU Office
Square Marie-Louise 72
1000 Brussels
Belgium

euoffice@frontlinedefenders.org
www.frontlinedefenders.org

phone +32 2 230 9383
fax +32 2 230 0028

Front Line Defenders Anti-Fraud Policy

1. Introduction

Front Line Defenders is committed to the highest possible standards of openness, transparency and accountability in all its affairs. We wish to promote a culture of honesty and opposition to fraud in all its forms.

The organisation operates in many countries and the flexibility required to provide rapid support to human rights defenders working in hostile environments can put Front Line Defenders at additional risk of loss due to fraud. The purpose of this policy is to provide:

- A clear definition of what we mean by “fraud”
- A definitive statement to staff forbidding fraudulent activity in all its forms
- A summary to staff of their responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs.
- Guidance to employees as to action which should be taken where they suspect any fraudulent activity.
- Clear guidance as to responsibilities for conducting investigations into fraud related activities.
- Protection to employees in circumstances where they may be victimised as a consequence of reporting, or being a witness to, fraudulent activities.

This document is intended to provide guidance and should be read in conjunction with:

- Front Line Defenders Staff Terms and Conditions
- Front Line Defenders finance policy

This document will be reviewed periodically in order to determine whether it remains useful, relevant and effective.

2. Definitions

Front Line Defenders defines fraud as:

"The theft or misuse of Front Line Defenders' funds or other resources, by an employee or a third party, which may or may not also involve misstatement of financial documents or records to conceal the theft or misuse"

For example, fraud includes but is not limited to the following:

- Theft of funds or any other Front Line Defenders property
- Falsification of costs or expenses
- Forgery or alteration of documents
- Destruction or removal of records
- Inappropriate personal use of Front Line Defenders' assets
- Employees seeking or accepting cash, gifts or other benefits from third parties in exchange for preferment of the third parties in their dealings with Front Line Defenders
- Blackmail or extortion
- Paying of excessive prices or fees to third parties with the aim of personal gain.

3. Front Line Defenders Policy

Fraud in all its forms is wrong, and is unacceptable to Front Line Defenders. This is because where fraud occurs:

- It is not just a loss to Front Line Defenders, but ultimately to our beneficiaries, human rights defenders at risk.

- It may have a major impact on our reputation, on donor confidence and therefore again on our beneficiaries.

Front Line Defenders' objective is that fraud is eliminated from its activities. Any indications of fraud will be rigorously investigated and dealt with in a firm and controlled way.

4. Responsibilities of Employees

a. Executive Director and Deputy Director

It is the responsibility of the Directors to be familiar with the types of fraud that might occur, to be alert for any indication of fraud or improper activity and to maintain controls to avoid such occurrences.

The Directors are required to ensure that all staff be given a copy of this policy.

Directors should also ensure that staff be encouraged to report suspected issues of fraud.

b. All Staff

It is the responsibility of all employees to carry out their work in such a way as to prevent fraud occurring in the workplace. Employees must also be alert for occurrences of fraud, be aware that unusual transactions or behaviours could be indications of fraud, and report potential cases of fraud as outlined below.

5. Reporting Suspected Fraud

Employees are required to report issues of suspected fraud. Employees should report their suspicions to the Deputy Director or Executive Director. If any concern or suspicion implicates either of the Directors then the report can be made to Kieran Mulvey, Treasurer, Board of Trustees. Employees who suspect fraud should not do any of the following:

- Contact the suspected individual(s) directly in an effort to determine facts, demand explanations or restitution
- Discuss the issue with anyone within Front Line Defenders other than the people listed above
- Discuss the issue with anyone outside of Front Line Defenders, except as required by law

6. Dealing with Reports of Suspected Fraud

Any suspicions of fraud will be taken seriously by Front Line Defenders.

Front Line Defenders expects its Directors to deal firmly and quickly with any reports of suspected fraud.

Arrangements must be made for a comprehensive investigation of the issue. The following are responsible for managing these investigations:

Investigations should be done either by appropriately experienced independent Front Line Defenders staff, or by independent third parties. An investigation is required to be done without regard to any person's relationship with Front Line Defenders, position or length of service.

The safeguards for reporting employees must be applied in all cases - see below.

The conclusion of all fraud investigations must be documented. The Executive Director should forward the written report/conclusions to the Board of Trustees and agree the appropriate action to be taken. The person(s) that initially reported the suspicions should be informed of the outcome of the investigation but this should be done only once the report and proposed course of action has been finalised.

7. Safeguards for Employees

Issues reported to the Directors will be investigated with the following safeguards.

Harassment or Victimisation: Front Line Defenders recognises that the decision to report a suspicion can be a difficult one to make, not least because of the fear of reprisal from those responsible for the suspected malpractice. Front Line Defenders in accordance with its Staff Terms and Conditions will not tolerate harassment or victimisation and will take all practical steps to protect those who raise an issue in good faith.

Confidentiality: Front Line Defenders will endeavour to protect an individual's identity when he or she raises an issue and does not want their name to be disclosed. It should be understood, however, that an investigation of any malpractice may need to identify the source of the information and a statement by the individual may be required as part of the evidence.

Anonymous Allegations: Front Line Defenders discourages anonymous allegations. Issues expressed anonymously will be considered at the discretion of Front Line Defenders. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised
- The credibility of the allegations and the supporting facts
- The likelihood of confirming the allegation from attributable sources

Untrue Allegations: If an allegation is made in good faith, but it is not confirmed by an investigation, Front Line Defenders guarantees that no action will be taken against the

complainant. If, however, individuals make malicious or vexatious allegations, disciplinary action will be considered against an individual making the allegation.

8. Actions Arising from Fraud Investigations

a. Disciplinary procedures

Persons who are judged guilty of fraud have committed gross misconduct and will be dealt with in accordance with the Staff Terms and Conditions. Proven allegations of fraud may result in dismissal.

Where appropriate, Front Line Defenders will refer significant fraud to the local law enforcement agencies with a view to initiating criminal prosecution. Consideration should be given to the local context and the consequences in terms of human rights of initiating criminal prosecution against the individuals involved. In every case, the final decision whether or not to prosecute should be taken by the Executive Director.

b. Changes to systems of controls

The fraud investigation is likely to highlight where there has been a failure of supervision and / or a breakdown or absence of control; the course of action required to improve systems should be documented in the investigation report and implemented when this report is finalised.

c. Recovery of losses

Where Front Line Defenders has suffered loss, full restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible for the loss.

If the individual or organisation cannot or will not make good the loss, consideration will be given to taking civil legal action to recover losses. This is in addition to any criminal proceedings which may result.

9. Effective Date

The Anti-Fraud Policy will come into effect immediately upon approval by the Board of Trustees.

10. Review of this Policy

In the interests of maintaining best practice, the contents of this Anti-Fraud Policy will be reviewed by the Board of Trustees every three years.