

Appendix “B”

Fraud Reporting and Investigation Policy

Policy

The board of directors is committed to protecting the revenue, property, information and other assets of (name of housing provider) from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees, to gain by deceit, financial or other benefits.

The board is responsible for taking all reasonable steps to prevent and detect fraud, misappropriation and other irregularities.

Scope of the Policy

The conditions of this policy apply to any irregularity, or suspected irregularity involving not only employees but also board members, vendors, tenants/members, and/or others.

Definitions/Actions Constituting Potential Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Forgery, alteration or destruction of documents and records
- Misappropriation of funds, supplies, or other assets
- Any irregularity in the handling or reporting of money or financial transactions
- Accepting or seeking anything of material value from vendors or persons providing services or material to the housing provider
- Destruction or disappearance of records, furniture, fixtures or equipment
- Provision of an unauthorized and/or illegal benefit to a tenant/member including, but not limited to: a reduction of the rent payable, internal transfer , or incorrect determination of eligibility for rent-geared-to-income assistance in violation of the Social Housing Reform Act 2000 and associated regulations
- Any computer related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes or misappropriation of housing provider owned software
- Any claim for reimbursement of expenses that are not made for the exclusive benefit of the housing provider
- Any similar or related irregularity or dishonest act

Investigation Responsibilities

1. It is the Board of directors' intent to fully investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with *the housing provider*. All directors, officers and employees of *the housing provider* will co-operate fully to ensure the irregularity is investigated to the satisfaction of the Board of directors and Niagara Regional Housing.

2. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the Board of directors, subject to the advice of its legal counsel, will contact its insurance company, Niagara Regional Police and Niagara Regional Housing.
3. Upon conclusion of the investigation, the results will be reported to the President of the Board of directors who will provide a copy to Niagara Regional Housing.
4. The Board of directors will pursue every reasonable effort, including court ordered restitution to obtain recovery of the corporation's losses from the offender, or other appropriate sources.

Confidentiality

The Board of directors is receptive to receiving relevant information on a confidential basis from an employee, tenant/member or other individual who suspects dishonest or fraudulent activity. The information may be conveyed to relevant organizations, (i.e. NRP, NRH).

Board members should not discuss or disclose the details of the investigation contemplated or underway with anyone other than those people associated with the housing provider who have a legitimate need to know. This is important in order to avoid damaging the reputations of people suspected but subsequently found innocent of wrongful conduct, and to protect the housing provider from potential civil liability.

Reporting Procedure

1. Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.
2. An employee or other individual who discovers or suspects fraudulent activity should not attempt to personally conduct investigation, interviews or interrogations on his or her own. Rather, he or she should contact the board of directors immediately and not discuss the case, suspicions, or allegations with anyone unless specifically asked to do so by the board.
3. All inquiries from the suspected individual and his or her attorney or representative should be directed to the board of directors or the housing provider solicitor. Proper response to an inquiry is “I am not at liberty to discuss this matter”. Under no circumstances should any reference be made to “what you did”, “the crime”, “the fraud”, “the forgery” or any other specific reference.
4. The President of the board must not attempt to investigate the suspected fraud or discuss the matter with anyone other than the board of directors, the housing provider solicitor, staff of Niagara Regional Housing, and the police.

Security of Evidence

1. Once a suspected fraud is reported, the board of directors, in consultation with the corporation’s legal counsel and NRH shall take immediate action to prevent the theft, alteration, or destruction of relevant records.
2. Such actions may include, but are not limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing any individual(s) suspected of committing the fraud from having access to the records. The records must be adequately secured until the investigator engaged to conduct the investigation or the police take control of the records to begin the investigation.

Personnel Action

1. If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal shall be taken by the board of directors in consultation with the corporation’s legal counsel.
2. Unless exceptional circumstances exist, a person under investigation for fraud shall be given notice in writing of the essential particulars of the allegations following the conclusion of the investigation and prior to final disciplinary action being taken. Where notice is given, the person against whom allegations are being made may submit a written explanation to the President of the board of directors no later than seven (7) calendar days after the notice is received.

Media

Any staff person or member of the board of directors contacted by the media with respect to an investigation shall refer the media to the President. The alleged fraud or investigation shall not be discussed with the media by any person other than the President in consultation with the corporation’s legal counsel.