



Policy Number: GV2.060	Policy Section: Board Governance	Effective: March 31, 2007 Amended: November 24, 2009
Title: Theft, Fraud and Corruption		Executive Sponsor: VP, Corporate Services

1. PURPOSE

1.1 The purpose of this policy is to:

- a. Define what CLBC would consider as theft, fraud and corruption, and clearly state the organisational principles with respect to all forms of such conduct and activities;
- b. Impose a duty on CLBC employees and others who work within or with the organization to report known or suspected theft, fraud and corruption and impose a duty on the organisation to protect such individuals from retaliation, reprisal or harassment; and
- c. Establish the framework for the administration and control of activities which would aid in the detection and prevention of and ensure a consistent response to theft, fraud and corruption.

1.2 This policy applies to all employees and others who work within and with CLBC to the extent that CLBC's resources are involved or impacted by known or suspected theft, fraud and corruption.

1.3 This policy also applies to all employees and others who work within and with CLBC to the extent that the resources of the people CLBC supports are involved or impacted by theft, fraud and corruption perpetrated by employees or contractors of CLBC.

2. DEFINITIONS

Fraud is a deliberate act of deception, manipulation or dishonesty, with the specific intent of gaining an unfair or dishonest advantage or injuring another person or organization.

Theft is the act of stealing, taking or removing corporate or personal property, including intellectual property, monetary or other physical goods, without appropriate authorization.

Corruption is the offering, giving, soliciting or acceptance of an improper inducement or reward, which may influence the decision, decision-making process, or action of any person.

Baseless allegations are allegations made with reckless disregard for their truth or falsity.

False or malicious allegations are allegations deliberately and knowingly false or made with the sole intention to do injury to another party.

Whistleblower is an individual reporting a known or suspected case of fraud, theft and corruption.

3. POLICY

3.1 CLBC must establish a process to enable confidential submission of the allegations of theft, fraud and corruption by whistleblowers and procedures to receive, investigate and resolve such allegations, including a method for confidentially directing any allegations about senior management to the Board.

Reporting Theft, Fraud and Corruption

3.2 All employees and others who work within and with the organization must report known or suspected theft, fraud and corruption.

3.3 A whistleblower may remain anonymous.

3.4 Allegations of fraud theft or corruption must be reported to the Finance and Audit Committee as follows:

- at the first meeting following initial notification of the allegation;
- quarterly in the event the matter continues to be unresolved; and
- at the first meeting following resolution of the matter.

Investigation and Resolution of Allegations

3.5 CLBC must oppose all forms of theft, fraud and corruption and investigate all reported cases in a timely, thorough and objective manner.

3.6 Employees or contractors proven to have engaged in theft, fraud and corruption will be subject to disciplinary action up to and including termination of employment or cancellation of contract.

3.7 Decisions on disposition of cases and disciplinary actions will be made by the CEO or, where directors and officers are implicated, by the Finance and Audit Committee of the Board.

3.8 Decisions to prosecute or refer the internal investigation results to the appropriate law-enforcement agency for independent investigation will be made by the CEO or, where directors and officers are implicated, by the Finance and Audit Committee of the Board. Where a proposed legal action is in excess of \$25,000 or of public interest, this decision requires authorization by the Board.

3.9 Managers or directors who failed to take appropriate actions or who directly or indirectly tolerated or condoned theft, fraud and corruption, will be subject to disciplinary action up to and including termination of employment or cancellation of contract.

3.10 CLBC must use its best efforts to obtain restitution and recover any misappropriations made in the conduct of, or as a result of, theft, fraud and corruption from the individuals proven to have engaged in such activities.

3.11 A confidential record of reported theft, fraud and corruption, relevant documents regarding the investigations, their outcomes and decisions made will be maintained and retained.

Standards of Care and Confidentiality

3.12 Reasonable care must be taken in dealing with suspected theft, fraud and corruption to avoid:

- a. baseless allegations;
- b. premature notice to persons suspected of theft, fraud and corruption and/or disclosure of suspected theft, fraud and corruption to others not involved with the investigation; and
- c. violations of a person's rights under law.

Whistleblower Protection

3.13 The identity of a whistleblower must remain confidential except as necessary to conduct an investigation, to take any required corrective or remedial action, or as required by law.

3.14 Retaliation, reprisal or harassment of any kind against a whistleblower, who in good faith reported suspected theft, fraud and corruption, will not be tolerated. Best efforts must be used to protect whistleblowers against such retaliation, reprisal or harassment.

3.15 Whistleblowers who believe that they have been retaliated against may file a written complaint with the Director, Human Resources. A proven complaint of retaliation will result in a proper remedy for the person harmed and the initiation of disciplinary action, up to and including dismissal, against the retaliating person.

3.16 Whistleblowers must avoid baseless, false or malicious allegations. Individuals making such allegations may be subject to disciplinary action, up to and including termination of employment or cancellation of contract, and/or legal claims by individuals accused of such conduct.