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Association of Clinical Research Professionals Finance Committee Policy 4.5

Fraud & Whistleblower

PURPOSE

The Fraud & Whistleblower Policy is established to facilitate the development of controls which will aid in the detection and prevention of any suspected fraudulent or dishonest use or misuse of resources and/or property belonging to ACRP. It is the intent of ACRP to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

SCOPE

This policy applies to any fraud, or suspected fraud, involving employees as well as volunteers, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with ACRP. Suspected, fraudulent, or dishonest conduct should be reported pursuant to the policy set forth below.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to ACRP.

POLICY

ACRP management, employees and Trustees are responsible for the prevention and detection of fraud, misappropriations, and other inappropriate conduct. ACRP management, employees and Trustees will be familiar with the types of improprieties that may occur within his or her area of responsibility and be alert for any indication of irregularity. It is understood that ACRP management, employees and Trustees cannot be aware of every type of impropriety that may occur within his or her area of responsibility.

Any fraud that is suspected or detected must be reported immediately to the Executive Director, who coordinates all investigations with ACRP legal counsel. This group will access the resources necessary for each particular investigation. In the event the suspected or detected fraud involves the Executive Director, the report of suspected or detected fraud should be made to the ACRP Board Chair. The ACRP Board Chair will contact ACRP legal counsel and the Chair of the Finance Committee, who will inform the Executive Committee of the investigation.

Actions Constituting Fraud

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

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to ACRP
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties



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- Disclosing to other persons securities activities engaged in or contemplated by ACRP
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to ACRP that are not reported to the Executive Director. Exception: Gifts less than \$100 in value and complimentary visits to potential Global Conference sites.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment and/or
- Any similar or related inappropriate conduct

Other Inappropriate Conduct

ACRP has an open-door policy and suggests that volunteers and employees share their questions, concerns, suggestions, or complaints with the appropriate person who can address them properly. Suspected improprieties concerning a volunteer or employee's moral, ethical, or behavioral conduct should be reported. Employees of ACRP shall follow reporting procedures as outlined below. If there is any question as to whether an action constitutes fraud, contact the Executive Director for guidance. Trustees should contact the ACRP Board Chair or Executive Director of ACRP with complaints or concerns, and volunteers may contact the ACRP Board Chair, Governance Committee Chair, or the Executive Director.

Investigation Responsibilities

The Executive Director has the primary responsibility for the investigation (with the involvement of ACRP legal counsel as appropriate) of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent acts have occurred, the Executive Director will issue a report to the Association Board of Trustees (ABoT), as appropriate, for each particular investigation. In the event the investigation involves suspected fraudulent acts of the Executive Director, the investigation will be led by the ACRP Board Chair and ACRP legal counsel as appropriate. All reference to the 'Executive Director' in the policy outlined below will be replaced with 'ACRP Board Chair' in the event the investigation involves the Executive Director.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the Executive Director, the Executive Committee and ACRP legal counsel, as will final decisions on disposition of the case.

Confidentiality

The Executive Director treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Executive Director immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedure section below).

Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect ACRP from potential civil liability.

The Executive Director may share the results of the investigation with appropriate law enforcement and/or regulatory agencies if ACRP believes it either has an obligation to do so, or it is in the best interest of ACRP.

Authorization for Investigating Suspected Fraud



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The Executive Director and ACRP legal counsel will have:

- Free and unrestricted access to all ACRP records and premises, whether owned or rented; AND
- The authority to examine, copy, and/or remove all or any portion of the contents of electronic data, files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact *the* Executive Director immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Executive Director and/or ACRP legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." *Under no circumstances* should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by ACRP legal counsel or the Executive Director.
- No Trustee, volunteer, or employee who in good faith reports a violation shall suffer harassment, retaliation, or adverse employment consequence. Retaliation in any form will not be tolerated. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Executive Director and, if necessary, by ACRP legal counsel, before any such action is taken. The decision to terminate an employee is made by the Executive Director, and the employee's management.

DEFINITION

Fraud – the intentional, false representation or concealment of a material fact for the purpose of inducing another individual and/or organization to act upon it to their injury or to the gain of the individual perpetuating the fraud.

MONITORING AND REVIEW SCHEDULE

The Executive Director is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

DATES REVIEWED BY COMMITTEE

September 12, 2012
September 15, 2015
August 25, 2017
November 6, 2018
July 16, 2019

DATES MODIFIED BY COMMITTEE

September 12, 2012
September 15, 2015
August 25, 2017
July 16, 2019

DATES APPROVED BY COMMITTEE

September 12, 2012
September 15, 2015
August 25, 2017
November 6, 2018
July 16, 2019

DATES REVIEWED BY BOARD

May 26, 2011
December 13, 2012
October 15, 2015
September 13, 2017
November 17, 2018
November 16, 2019

DATES APPROVED BY BOARD

May 26, 2011
December 13, 2012
October 15, 2015
September 13, 2017
November 17, 2018
November 16, 2019 (no changes)