

Purpose

The purpose of this policy is to ensure high standards of accountability and transparency, and to demonstrate Medair's commitment to a culture of integrity, honesty, and openness. This policy provides a clear organisational standard for preventing and responding to fraud and corruption. It sets out the responsibilities of all Medair representatives with regard to protection of Medair's resources and assets, and provides for the safe and confidential reporting of potential fraudulent or corrupt activity by people inside and outside of Medair.

Who we are

Medair is a Swiss-based international humanitarian organization dedicated to relieving human suffering in some of the world's most remote and devastated places. We reach people in underserved communities that have been damaged by natural disasters, conflicts and other crises. In doing so, we help people recover with dignity and develop skills to build a better future.

Who must follow this policy

This policy applies to all Medair employees, trustees, board members, consultants, contractors, volunteers, interns, individuals or organisations under short or long term contractual obligations such as third parties, suppliers, agents, and implementing partners, and any other persons acting on behalf of Medair ("representatives"). Representatives are expected to read, understand and comply with all aspects of this policy.

What is the policy

Consistent with Medair's core values of accountability and integrity, Medair has zero tolerance for fraud and corruption. Countering these persistent threats requires an organisational commitment to a culture of honesty and transparency, as well as constant vigilance from all Medair representatives.

Medair's management is dedicated to preventing, detecting, and investigating all instances of fraud and corruption. This means we commit to:

- supporting a culture of honesty and transparency;
- protecting resources and assets from misuse, and from fraud- and corruption-related loss, by developing, maintaining, and consistently applying effective controls at all levels of the organisation;
- ensuring that resources and assets are used solely for their intended purposes;
- protecting beneficiaries, and especially vulnerable populations, from financial exploitation;
- providing systems for Medair representatives, beneficiaries, and other stakeholders both inside and outside of Medair to safely and confidentially report concerns about potential fraudulent or corrupt activities;
- thoroughly and promptly investigating reports of alleged or suspected fraudulent or corrupt activities;
- taking appropriate and reasonable steps to recover financial losses; and

- maintaining accountability and transparency with stakeholders.

What are Fraud and Corruption?

Fraud is obtaining money, property, or information by dishonesty or by intentionally deceiving someone. **Corruption** is dishonest or illegal behaviour, especially by people in positions of power, and usually involves the misuse of power for private gain.

Below are some types of fraud and corruption, along with examples of each:

Embezzlement: *taking money or property that has been entrusted to you but belongs to someone else, and using it for yourself.*

- An employee responsible for managing accounts steals money from the organisation, and covers it up by entering false expenses into the accounting system.

Theft: *taking property that belongs to someone else without that person's freely-given consent.*

- Employees responsible for delivering Plumpy'Nut to a project site keep some for themselves to sell on the side, and cover it up by claiming the missing items fell off of the truck.

Forgery: *producing fake documents, falsely and fraudulently altering documents, or putting a false signature on a document, in order to deceive.*

- An employee falsifies receipts or personal expense claims, to get larger reimbursement payments than she is entitled to. She then signs her own Payment Disbursement Form in place of the budget holder, copying the Project Manager's signature from another document.
- An employee falsifies a time sheet to claim more overtime than he actually worked.

Abuse of power: *misuse of power by someone in a position of authority for personal gain, to oppress others, or to force others to commit wrongful acts.*

- An employee working on a construction project withholds support from beneficiaries unless they agree to give him some of the construction materials to fix his own house.
- A Human Resources manager tells an interviewee that he will only hire her if she pays him some money.
- An employee uses his position with Medair to convince a local community leader to give him some land to build a house, threatening that otherwise he will make sure the community does not receive help from the Medair project.

Influence peddling: *using one's influence with people in authority to obtain favours or preferential treatment for someone else, in exchange for payment.*

- A Nutrition Advisor offers to arrange to get a friend a well-paid job as a driver for the Nutrition Cluster Coordinator, if the friend pays him to make this happen.

Exploitation: *treating someone unfairly in order to benefit from their work; using someone unfairly for your own advantage.*

- An employee forces local children to put together the hygiene kits that he is responsible for preparing, under threat of withholding medical care for their family members.
- The health facility supervisor forces a cleaner to work at his own house as well as at the health facility, without paying her for the extra hours.

Extortion: *using threats of force, violence, or other kinds of harm to obtain money, property, or services from someone.*

- An employee who stole from Medair's supply of Plumpy'Nut to sell on the side forces another employee to help him, and threatens to falsely accuse the other employee of having committed a serious crime if he does not comply.

Bribery: *offering someone money or something of value (a bribe) to persuade them to do something for you or to influence their judgment; receiving or soliciting bribes in exchange for favourable treatment.*

- An employee pays money to a customs official to persuade them to quickly clear a shipment of medicine without actually reviewing the paperwork.
- A community member offers payment to a Medair employee in return for receiving aid ahead of other beneficiaries.

Kickbacks: *favouring a specific supplier in return for a personal reward or payment from the supplier.*

- A Medair procurement manager awards a contract to a supplier who pays the manager a percent of their profits in return.
- A local supplier provides a discount to a Medair staff member, to encourage that staff member to persuade Medair to give business to their shop.

Nepotism and favouritism: *favouring friends, relatives or members of one's tribe or other group one belongs to in recruitment, procurement, aid delivery, or other situations.*

- A Medair employee hires a friend to fill a position instead of a more qualified candidate.

Accepting benefits: *receiving substantial gifts, entertainment, or bribes from suppliers or partners, in return for expected favourable treatment.*

- An employee involved in a water tank distribution project accepts a gift from a neighbour. In return, the neighbour's family is given priority over other families who are in greater need.

Waste: *the careless, excessive, or extravagant use of resources in a manner that does not further project objectives or Medair's mission. (This is not technically fraud or corruption, but is also an unethical use of Medair's resources.)*

- After the successful completion of a project, the project staff get approval for a celebration. The employee planning the event doesn't confirm who will be able to attend, and buys twice the amount of food that is actually needed.
- A Medair driver repeatedly takes the scenic route on his way to a project site, using an unnecessary amount of fuel.
- Trucks are loaded with aid supplies in an inefficient manner, not making good use of the available space. Four trips are needed to complete the delivery of the supplies, when it should only have taken two trips.
- Due to poor oversight of warehousing practices, newly arrived shipments of medicines are shelved in front of older ones. While the newer medicines are being used, the older ones sit out of sight and expire, and eventually have to be thrown out.

Roles and Responsibilities

Responsibilities of All Medair Representatives

All Medair representatives are expected to:

- act with integrity at all times;
- comply with the Medair Code of Ethics, this policy, the Medair Conflict of Interest Policy, and all other associated policies, procedures, and guidelines;
- declare potential conflicts of interest at the earliest opportunity;
- support an anti-corruption culture;
- safeguard the resources and assets they have been entrusted with and/or are responsible for;
- be alert for situations that may create an opportunity for fraud or corruption, and communicate any concerns to their manager or Medair point of contact; and
- assist and support investigations by providing all requested and otherwise relevant information.

Medair representatives who fail to comply with this policy will be subject to disciplinary action up to and including termination of employment, contracts, or relationships with Medair, as well as referral to local law enforcement or other appropriate authorities.

Responsibilities of Medair Managers

Managers are responsible for:

- identifying risks and performing risk assessments;
- developing and maintaining effective procedures and controls specific to their area of responsibility, including delegation of roles and responsibilities;
- ensuring that controls are implemented and procedures followed;
- ensuring that their staff are aware of and have been trained on this policy;

Managers receiving reports of suspected fraud or corruption must promptly follow local procedures for responding to complaints. Proper follow up is required to ensure that suspected incidents of fraud or misconduct are handled rapidly, seriously and with discretion.

Duty to Report

All representatives have a duty to report suspected violations of this policy. If you suspect a violation, report it to your manager or Medair point of contact. If you do not feel comfortable speaking to your manager, report your concerns to another or more senior manager at your location. You may also send a confidential report to the Global Support Office online at <https://www.medair.org/reporting-misconduct> or via e-mail to notify@medair.org.

Confidentiality

All information pertaining to a known or suspected incident of fraud is to be treated as confidential and not disclosed or discussed with any other individual, except for those who have a legitimate "need to know" for purposes of inquiry, investigation, management or employee-related matters.

Protection against retaliation

Medair and its senior management are committed to protecting any person who reports suspected fraudulent or wrongful activity from retaliation or harassment. No one who reports suspected misconduct in good faith will be at risk of losing his/her job, of being transferred or demoted, or other negative consequences. Any retaliation or harassment against reporting persons will be investigated thoroughly, and anyone engaging in retaliation or harassment will be subject to disciplinary action up to and including termination of employment, contracts, or relationships with Medair.