

Policy name: Anti-Fraud and Restricted Parties’ Financing Policy
Responsible unit: Contracts, Grants & Compliance
Responsible person: Mauro Cabrera, Director of Contracts, Grants & Compliance
Effective date: 15 February 2020
Last updated: January 2023

Applies to:

- All offices
- All offices other than Ipas NC
- Ipas NC only

Purpose

Ipas strives to conduct itself according to the highest standards of lawful and ethical conduct. In line with this commitment, Ipas recognizes fraud as a criminal act and a diversion of funds away from Ipas’s mission. Ipas also prohibits funding identified restricted parties, including by our partners. This document outlines Ipas’s policy to prevent and avoid fraud and the financing of restricted parties, globally.

Definitions

Ipas representatives are non-employees and other entities who are acting or could reasonably be understood by others to be acting as agents of Ipas. Ipas representatives include Ipas’s independent contractors or consultants, suppliers, subawardees, partners, agents, interns, volunteers, and Board members.

Fraud is the act of intentionally deceiving someone—Ipas, our donors, beneficiaries, and/or the public—in order to gain an unfair or illegal financial, political, or other advantage.

Bribery is the act of offering or receiving a gift, money, or other advantage (entertainment, hospitality, services, donations, etc.) as an inducement to do something which is dishonest, illegal, or a breach of trust. Bribery is a form of fraud.

Corruption is the abuse of power for personal gain. Corruption is a form of fraud.

Embezzlement is stealing money entrusted to you as part of your work. Embezzlement is a form of fraud.

Extortion is the act of utilizing one’s access to a position of power or knowledge, either directly or indirectly, to demand unmerited cooperation or compensation as a result of coercive threats.

Facilitation payments are payments given or received to increase the speed at which the recipient does their job.

A gift is money or other advantage (entertainment, hospitality, services, donations) that could affect involved parties' impartiality, influence a business decision, or lead to the improper performance of a job duty. Offering and accepting gifts can create the appearance of a bribe, which is a form of fraud.

A kickback is payment from a third party's fees to the person who gave them the business. Kickbacks are a form of fraud.

A public official is any person holding legislative, executive, administrative, or judicial office, whether appointed or elected, permanent or temporary, paid or unpaid.

Restricted parties are those countries, individuals, and entities that have been publicly identified by government or multilateral regulatory agencies worldwide as forbidden from conducting business with that government's money. Restricted parties' lists are publicly available and include those identified as supporting or engaging in crimes including but not limited to terrorism, money laundering, and the proliferation of weapons, as well as those affected by government sanctions and embargos.

Responsibilities

Employees and representatives of Ipas are responsible for conducting Ipas business ethically, for using all reasonable tactics to avoid and resist paying bribes, kickbacks, and facilitation payments, and for reporting suspected instances of fraud in compliance with the Ethics Hotline Policy.

Managers are responsible for reducing opportunities for fraud and corruption by establishing processes for preventing and detecting fraud by:

- Identifying the risks to which Ipas operations and assets are exposed.
- Developing effective prevention controls and ensuring compliance with controls.
- Ensuring that suspected, alleged, attempted, or actual instances of bribery, fraud, or corruption are reported and investigated.
- Taking disciplinary action in all substantiated cases of attempted or actual fraud.

Policy Statements

Ipas strictly prohibits fraud and all corrupt business practices and upholds laws relevant to fighting fraud and the financing of restricted parties, globally.

A. Fraud

Ipas is committed to a zero-tolerance policy for financial, programmatic, and data fraud. This means that Ipas will investigate every fraud allegation and if confirmed, the employee will be subject to disciplinary action up to and including termination of employment, and in accordance with local law.

B. Bribery, Kickbacks, and Facilitation Payments

Ipas strictly prohibits employees, representatives, or other third-party acting on Ipas's behalf from offering, soliciting, or accepting a bribe, kickback, or facilitation payment to and from any private or public official or entity.

Employees should not put themselves or others at risk of personal harm by resisting bribery and facilitation payment demands. A payment under such circumstances is considered extortion and should be immediately reported to the employee's director or the ethics hotline.

C. Gifts

Ipas acknowledges that giving and receiving small gifts is an appropriate way to express gratitude and respect among professional colleagues. Ipas permits the following practices if they are customary, proportionate, properly recorded, and utilize unrestricted funds:

- Giving/receiving a ceremonial gift at a festival, holiday, or another special time.
- Covering the costs of a site visit of a non-Ipas employee or representative for the purpose of efficient decision-making.

Accepting gifts can create the appearance of a conflict of interest, so those valued at over US\$25 must be disclosed to Ipas in accordance with the Conflict of Interest and Disclosure Policy, using the Disclosure Form.

D. Donations and Event Sponsorship

Ipas prohibits donations to political parties or candidates, as well as to individuals.

Donations and event sponsorship on Ipas's behalf are permitted in compliance with the Donation and Sponsorship Policy.

Giving a donation to—or sponsoring an event of—an entity with which an Ipas employee is affiliated can create the appearance of a conflict of interest. Employees must disclose their affiliations to Ipas in accordance with the Conflict of Interest and Disclosure Policy, using the Disclosure Form, and will be distanced from the donation or sponsorship process.

E. Fraud Reporting

Suspicious and instances of attempted or actual fraud and corrupt business practices must be reported to Ipas in accordance with the Ethics Hotline Policy and Hotline Reporting and Investigations Procedure.

F. Restricted Parties' Financing

Ipas prohibits our funding, including Ipas money spent by and through Ipas subawardees, consultants, and other downstream representatives, from being directed to restricted parties. Ipas conducts daily checks of all employees and suppliers in Workday against up-to-date global restricted parties lists and requires similar diligence by our downstream partners.

Resources

- [Code of Business Ethics and Conduct](#) and [Ethics Hotline Policy](#). These outline Ipas's standards of conduct and misconduct allegation reporting requirements to support compliance with legal, ethical, and other requirements that govern Ipas programs and business operations.

- [Hotline Reporting and Investigations Procedure](#). This procedure describes how to report concerns of misconduct in accordance with the Ethics Hotline policy and how Ipas manages investigations.
- [Donation and Sponsorship Policy](#). This policy sets Ipas's parameters for donations and event sponsorships in Ipas's name.

Appendix A: Illustrative Examples of Fraud

Fraud covers acts varying from theft to false accounting, from the vendor who conducts unnecessary repairs to the employment candidate who falsely claims qualifications on their CV. It may involve not telling the truth, failing to say something when you should, or abusing your position.

The following circumstances are examples of fraud. This list is not exhaustive.

- Unauthorized use of Ipas property, equipment, or other resources.
- Intentional improper use or disclosure of confidential or proprietary Ipas, employee, donor, or partner information.
- An employee requires or accepts kickbacks, gifts, or favors from partners, vendors.
- An employee submits fake receipts in an expense claim.
- A manager requires a payment for authorising an expense claim.
- An employee or board member fails to disclose a conflict of interest.
- An employee bribes an auditor to ignore or fail to report an audit finding.
- An employee conspires with a supplier to get a kickback on goods or services, even on occasions in which Ipas's payment is not overpriced in the market.
- An employee records a transaction they know to be false.
- An employee knowingly posts entries incorrectly to conceal fraudulent payments.
- An employee driving on Ipas business makes a cash payment to a traffic officer to avoid a traffic fine, even if the expense is not charged to Ipas.
- An unofficial payment is made to a public official so Ipas is allowed to work in a particular district.
- An unofficial payment is made to the police or public official to facilitate the release from detention or dropping of charges against an Ipas employee or board member.