****FRAUD POLICY

**template**

How to use this template

This fraud policy template contains five sections that can be edited, rewritten, replaced or adapted to meet the needs of your company. Each section contains a brief instruction, which you can delete, followed by an example of the text you may wish to include in the section. The table of contents can be updated to reflect any changes you make in the document. New sections headers should be designated as “Heading 2” to ensure they are included in the table of contents when you update it.

The footer in the document contains the Case IQ logo. This is editable and can be replaced with your own company logo, alternate text, or nothing at all.

writing your fraud POLICY

Before you begin writing your fraud policy, read the following articles:

* [how to write a fraud policy](https://www.caseiq.com/resources/how-to-write-a-fraud-policy/)
* [41 Types of Workplace Fraud + Top Prevention and Detection Tips](https://www.caseiq.com/resources/41-types-of-fraud-and-how-to-detect-and-prevent-them/)

Also, download our free eBook, [**Conducting Fraud Investigations with Case Management Software**](https://www.caseiq.com/resources/conducting-fraud-investigations-with-case-management-software-ebook/) **eBook** to learn how case management software can help you manage risk and prevent workplace fraud.

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## Purpose & Scope

Outline the purpose and scope of the fraud policy. List the policy’s goals and objectives. Elaborate on the company’s commitment to an ethical workplace. Explain why this document has been created and what you hope to achieve with it.

*For example:*

*The purpose of this fraud policy is to provide behavioral guidelines for preventing, detecting and responding to potential fraud incidents at [Company Name]. This policy applies to fraudulent activity involving current, former and prospective employees of [Company Name], as well as vendors, clients, customers, contractors and any other persons who hold business relationships with [Company Name].*

*All appropriate measures will be taken to prevent, detect and deter fraud. Suspected wrongdoing of any kind will be investigated and reported to the appropriate authorities. This fraud policy will be applied consistently to fraud suspects regardless of position or length of tenure at [Company Name]. [Company Name] will make all efforts to recover assets lost to fraud.*

## Definition & Examples

One way to effectively define workplace fraud is to include both its formal definition and examples of fraudulent behavior. Outline different types of fraud and specific examples of each.

*For example:*

*“Fraud” is defined as a deliberate act of deception with the objective of personal gain through unfair, unjust or unlawful means. Examples of fraudulent behavior include but are not limited to:*

* ***Asset misappropriation:*** *check forgery, theft of cash or inventory, benefits fraud, expense reimbursement fraud, worker’s compensation fraud, etc.*
* ***Vendor fraud:*** *kickbacks, overbilling, price fixing, billing schemes*
* ***Accounting fraud:*** *embezzlement, accounts payable fraud, accounts receivable fraud, personal purchases*
* ***Payroll fraud:*** *timesheet fraud, paycheck theft, ghost employee schemes, advance fraud*
* ***Data theft:*** *trade secret theft, theft of personal identifiable data of customers, employees, or business contacts*
* ***Bribery and corruption:*** *bribes, accepting gifts over $50 in value, shell company schemes, product substitution*

## How to Report Fraud

In this section, give instructions on how to report suspected fraud. Describe the different reporting channels and how to use them. Include contact information for each channel.

*For example:*

*Any person who falls under the scope of this fraud policy who suspects fraudulent behavior must immediately report it to [Relevant Department or Investigative Team] or their manager. Reporters have the right to remain anonymous. To report suspected fraud or other wrongdoing, use the following channels:*

* *Ethics hotline [Phone Number]*
* *Webform [Website URL]*
* *Ethics concerns email [Email Address]*
* *Report in person—see [Investigative Team Head or another relevant team member]*

## Roles & Responsibilities

Outline the roles and responsibilities for employees of all levels when a potential fraud emerges. Describe what employees, managers and members of the investigative team should do during the investigation. Include a list of formal procedures that employees will follow if fraud is suspected.

*For example:*

*[Company Name]’s CEO has the overall responsibility for preventing fraud within the organization. Along with upper management, they will perform immediate risk management measures and work towards fund recovery. They are also responsible for reporting the suspect to the appropriate authorities when required and for disciplining the suspect if the investigation finds them guilty of fraudulent behavior.*

*[Public Relations or other relevant team] is responsible for handling media communications following a fraud investigation, if applicable.*

*The Investigation Team is responsible for preserving evidence, interviewing witnesses and the suspect and other investigative activities.*

*Managers of all levels are responsible for knowing the risks of fraud in their area of work and for detecting wrongdoing. In addition, managers must promote a culture of ethics to their employees. To do so, they must implement appropriate and effective fraud prevention processes and awareness. Annual anti-fraud training workshops are mandatory for all employees and will be organized by their managers.*

*Employees are responsible for reading and understanding this fraud policy. They must also act in a fair, just and lawful manner when performing business activities for [Company Name]. In addition, employees must report suspected fraud or other wrongdoing without delay. Employees must not engage in their own investigations or press suspects or witnesses for information regarding a fraud investigation.*

*In the event of a fraud investigation at [Company Name] all employees must refrain from discussing the investigation’s details either at work or outside of the workplace. Details and investigation results will only be disclosed on a need-to-know basis. Both of these procedures are important measures in protecting the reputation of fraud suspects.*

## Disciplinary Action

In this section, explain that employees may be subject to disciplinary action if an investigation finds evidence that they engaged in fraudulent behavior. Explain the procedures surrounding discipline in this situation.

*For example:*

*Though the Investigation Team is responsible for carrying out fraud investigations, they do not have the authority to discipline an employee. The team will present the facts of the investigation to management in an objective and thorough manner. At the team’s recommendation, management, the Legal Department and Human Resources may choose to take disciplinary action up to and including termination. Depending on the severity and nature of the fraudulent behavior, management may report the employee to the appropriate authorities in addition to disciplining them or terminating their employment at [Company Name].*

*Cover-ups and retaliation against witnesses, reporters or members of the media are strictly forbidden and will be met with disciplinary action independent of that taken in response to fraudulent behavior.*