Operational Instruction Ref. OI.ED.2018.01
Policy to Address Fraud and Corruption

Authority:

This Operational Instruction (OI) is promulgated the Executive Director.

Purpose:

The purpose of this OI is to facilitate controls to prevent, detect, report and investigate fraud and corruption. It is intended to promote consistent organizational behaviour by providing instructions and assigning responsibilities for developing these controls and conducting investigations. It is also intended to ensure compliance with EOD.ED.2017.04: UNOPS Financial Regulations and Rules, the United Nations Staff Regulations and Rules, and the Standards of Conduct for the International Civil Service.

This OI applies to any fraud, presumptive fraud or corruption, involving UNOPS staff members, other UNOPS personnel, vendors by themselves or in collusion with any other party in a business relationship with UNOPS.

Effective Date:

This OI shall become effective **immediately.**

Promulgation Date:

15 Mar 2018

Consequential changes:

This OI shall abolish and supersede OD 10 (rev.2): UNOPS Policy to Address Fraud of 26 August 2010.

[signature redacted]

Grete Faremo
Executive Director

1. Introduction

1.1. UNOPS is committed to preventing, identifying and addressing all alleged acts of fraud or corruption against UNOPS and/or its activities, as it may impact its clients and/or partners. To this effect, UNOPS will enforce this policy by raising awareness of fraud and corruption risks, implementing controls aimed at preventing fraud and corruption, as well as establishing procedures for the detection, investigation and reporting of fraud and corruption.

2. Definitions

2.1. For the purposes of this OI, the following definition shall apply:

- **Fraud** is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her or another person's detriment.
- **Corruption** is the offering, giving, receiving or soliciting, directly or indirectly of anything of value to influence improperly the actions of another party.

2.2. Examples of fraud and corruption include, but are not limited to, the following actions:

- Forging documents, preparing false entries in UNOPS systems or making false statements to obtain a financial or other benefit for oneself or another/others;
- Collusion or other anti-competitive scheme between suppliers during a procurement process;
- Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false;
- Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate UNOPS processes or cause the approval or denial of actions;
- Misrepresenting UN employment status to obtain a benefit from a government or private sector entity;
- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party;
- Processing the cost of personal travel as part of an official travel;
- Making misrepresentations, including educational credentials or professional qualifications, in the context of a job application

2.3. Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud and corruption.

2.4. When a person certifies a statement, that person accepts responsibility for the truth of that statement. Certifying a statement that is not true is misconduct, even if the person did not know that the statement is not true. Nothing in this policy is to be interpreted in a manner inconsistent with the foregoing.

3. Responsibilities and Results of Investigations

3.1. All parties involved in UNOPS activities have responsibilities in dealing with fraud and corruption as follows:

- **Organization:** in enforcing staff and other personnel obligations, the Organization will act consistently and undertake the required investigative activity regardless of the length of service, position, title or relationship with UNOPS of the suspected offender. The Organization will pursue rigorously disciplinary and other actions against perpetrators of fraud and corruption, including recovery of financial loss suffered by UNOPS. The Organization will, in all instances, guarantee due process and confidentiality.
- **Managers:** managers must use their best endeavours to prevent and detect fraud and corruption. They are expected to put in place preventive controls. They should identify the risks to which assets, programmes, activities and interests are exposed. They should assess the identified risk, select avoidance options, design and implement cost effective prevention measures along with control processes and establish and implement measures to prevent recurrence. In addition, the management of the office in which fraud or attempted fraud has occurred should take action on recommendations made in the investigation report, intended to improve internal control. Managers who fail to take appropriate action or who tolerate or condone fraudulent or corrupt activities will be held accountable.
- **Staff Members:** fraud and corruption constitute misconduct for which a staff member (i.e. personnel appointed under the United Nations Staff Regulations and Rules) may be subject to disciplinary measures including dismissal, in line with applicable policies and procedures. In addition, individual cases may be referred to national authorities for criminal investigation (see OI.IAIG.2018.01: Investigations and Measures Relating to Misconduct Allegations against UNOPS Personnel).
- **Other UNOPS personnel:** individuals under other personnel arrangements such as contractors under Individual Contractor Agreements (ICA), interns and volunteers who are found to be the perpetrators of fraud or corruption may be terminated under the provisions of their contracts. In addition, individual cases may be referred to national authorities for criminal investigation (see OI.IAIG.2018.01: Investigations and Measures Relating to Misconduct Allegations against UNOPS Personnel).
- **Vendors:** actual and potential UNOPS vendors and their employees shall be informed of this policy through the UNOPS internet site. They shall be obligated to interact honestly in the provision of their services and to report allegations of fraud and corruption to UNOPS. Sanctions against vendors are governed by OI.PG.2017.02: Vendor Sanctions. In addition, UNOPS may seek recovery of financial loss and refer cases to national authorities for criminal investigation.

4. Reporting of Fraudulent and Corrupt Acts

4.1. Any staff member or other personnel who has a reasonable basis for suspecting that fraudulent or corrupt acts have occurred has a duty to report immediately his/her suspicions to his/her supervisor, to

the Internal Audit and Investigations Group (IAIG). Vendors and other third parties may also report their suspicions to UNOPS. Suspicions of fraudulent or corrupt act may be reported to IAIG through the Fraud Hotline (E-mail: fraudhotline@unops.org[1]; or the telephone number(s) posted on the intranet: https://intra.unops.org/g/legal/reporting-disclosing-legal-issues/Pages/Reportingfraud.aspx).

4.2. If a staff member or other member of personnel is found having knowledge of a possible fraud or corruption and not reporting it, he/she could be subject to disciplinary or administrative action(s).

4.3. Confidentiality is essential to secure due process and to avoid damaging the reputation of subjects of suspected wrongdoing who may later be found not guilty. All reports shall be treated with the utmost discretion. Information related to any particular case shall not be shared with anyone other than those who need to be acquainted with them to conduct the preliminary assessment, investigation and disciplinary/administrative actions. However, if the person who has reported the alleged fraud or corruption is found to have acted with malice or deceit, he/she may be subject to disciplinary or administrative action(s). Any action(s) taken by UNOPS is without prejudice to UNOPS' right to refer matters to local authorities for legal recourse in accordance with applicable national law.

4.4. All cases against UNOPS personnel will be administered in accordance with OI.IAIG.2018.01: Investigations and Measures Relating to Misconduct Allegations against UNOPS Personnel. All cases against vendors will be administered in accordance with OI.PG.2017.02: Vendor Sanctions.

5. Investigations Responsibilities

5.1. The Director, IAIG will make an initial assessment of the reported incident and may, at his/her discretion, decide that a preliminary assessment be conducted. Based on the preliminary assessment, if any, and/or IAIG's initial assessment, the Director, IAIG shall determine whether a formal investigation should be conducted and if so, to refer the case to:

- IAIG personnel or outsourced professional investigator(s) working on behalf of the IAIG;
- an ad-hoc investigation committee consisting of two or more UNOPS or other UN personnel (with at least one person employed by UNOPS under the United Nations Staff Regulations and Rules) appointed by the Executive Director; or
- the Investigation Unit of UNDP Office for Audit and Investigations (UNDP-OAI), the United Nations Office of Internal Oversight Services (OIOS) or any other UN entity.

5.2. In all cases, the final investigation report will be sent to the Human Resources Legal Officer in accordance with OI.PCG.2017.01: Personnel Management Framework and OI.IAIG.2018.01: Investigations and Measures Relating to Misconduct Allegations against UNOPS Personnel or to the Vendor Review Committee in accordance OI.PG.2017.02: Vendor Sanctions.

6. Reporting to and by the Executive Director

6.1. The Director, IAIG will provide the Executive Director on an annual basis a list of all investigations completed, with a summary of their conclusions, recommendations and the status of actions undertaken. The Director, IAIG will also report on the activities of the investigative function of IAIG

1. mailto:fraudhotline@unops.org

annually to the Executive Board. It is important to note that, to secure due process, an on-going investigation cannot be reported to anyone nor commented upon before its conclusion.

6.2. The Executive Director will report cases of fraud and corruption or presumptive fraud and corruption in the financial statements, providing a brief description of each occurrence and the amounts of financial losses sustained by the Organization, if any.

7. Investigation and Disciplinary or Other Administrative Measures

7.1. Investigation and disciplinary or other administrative measure(s) shall be carried out in accordance with OI.IAIG.2018.01: Investigations and Measures Relating to Misconduct Allegations against UNOPS Personnel or OI.PG.2017.02: Vendor Sanctions, as applicable.

8. Protection against Retaliation for Reporting Fraud and Corruption

8.1. UNOPS personnel may seek protection against retaliation for reporting fraud or corruption from the Ethics Officer under OI.Ethics.2018.01: Protection against retaliation for reporting misconduct and for cooperating with duly authorised audit and investigations.

9. Document Retention and Policy Administration

9.1. Documents and records relating to investigations shall be subject to OI.LG.2018.03: Document Retention.

9.2. The Director, IAIG is responsible for the administration of this policy, which will be reviewed periodically and revised as needed.

Annexes

- Annex I - When Reporting Fraud
