

## **Fraudulent or Dishonest Financial Conduct & Whistleblower Policy Statement**

The Archdiocese of San Francisco is committed to maintaining the highest standards of financial conduct and ethics. This Fraudulent or Dishonest Financial Conduct & Whistleblower Policy (the “Policy” or “Fraud Policy”) reflects the practices and principles of behavior that support this commitment.

The Archdiocese will investigate any possible fraudulent or dishonest use, misuse or intentional misstatement of Archdiocesan resources or property by management, staff, or volunteers. The Archdiocese will take appropriate action against anyone found to have engaged in fraudulent or dishonest financial conduct, including disciplinary action by the Archdiocese and/ or civil or criminal prosecution when warranted.

All Archdiocesan employees, volunteers, officers, parishioners and other interested parties are encouraged to report reasonable suspicions of possible fraudulent or dishonest financial conduct (i.e., to act as a “whistleblower”), pursuant to the procedures set forth in the next section.

### **How to Report**

To facilitate the reporting of these matters, the Archdiocese of San Francisco has contracted with an independent company to receive reports of concern about potential fraudulent or dishonest financial misconduct through written form, on its website or hotline telephone number. The independent firm will then provide a report of all credible allegations which seem to support a reasonable suspicion of fraudulent or dishonest financial conduct, to either the Archdiocese’s Chief Financial Officer or the Chair of the Archdiocese’s Audit Committee. These individuals will pursue such further investigation as is warranted to determine whether an allegation has, in fact, credibility. Anonymous phone calls and unidentified email letters relating to possible fraudulent or dishonest financial conduct will be acted upon if determined to be credible. NOTE: This independent company has not been contracted to receive complaints of other types of misconduct (e.g., sexual misconduct or unlawful harassment etc.) For information concerning complaint procedures pertaining to non-financial matters, please refer to the Policies and Procedures index on the Archdiocesan website at <https://www.sfparishconnect.com/policy-index>”

### **Definitions**

Reasonable Suspicion: facts or circumstances which would cause a reasonable person with similar experience and/or training to suspect fraudulent or dishonest financial conduct.

Fraudulent or Dishonest Financial Conduct: a deliberate act or failure to act with the intention of obtaining an unauthorized benefit by management staff or volunteers. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents
- unauthorized alteration or manipulation of computer files
- fraudulent financial reporting
- pursuit of a benefit or advantage in violation of the Foundation’s conflict of interest policy

- misappropriation or misuse of Archdiocesan resources, such as funds, supplies, or other assets
- authorizing or receiving compensation for goods not received or services not performed
- authorizing or receiving compensation for hours not worked

Whistleblower: an individual who reports a misuse of resources which that individual believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

### Managers or Supervisors

Managers or supervisors are required to report suspected fraudulent or dishonest conduct to the outside service. In addition, managers or supervisors are responsible for maintaining a system of management controls to detect and deter fraudulent or dishonest conduct. Failure by a manager or supervisor to establish management controls or report misconduct within the scope of this policy may result in adverse personnel action against the manager or supervisor, up to and including dismissal. The Archdiocesan Finance Office is available to advise management in establishing management systems and recognizing improper conduct.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
- violations of a person's rights under law

Accordingly, a manager or supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution
- should not discuss the case with anyone
- should not report the case to an authorized law enforcement officer without first discussing the case with the Archdiocesan legal counsel
- should direct all inquiries from any attorney to the Archdiocesan legal counsel
- should direct all inquiries from the media to the Archdiocesan Office of Communications.

### Whistleblower Protection

The Archdiocese will protect whistleblowers as defined below.

- The Archdiocese will use its best efforts to protect whistleblowers against retaliation, as described below. Whistleblowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistleblower complaints will only be shared with those who have a need to know so that the Archdiocese can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken or contemplated against a person or persons as a result of a whistleblower complaint, such persons may also have the right to

know the identity of the whistleblower.) In some instances where a criminal charge is made against the accused, the whistleblower may be required to testify as to the misconduct in court.

- Employees of the Archdiocese may not retaliate against a whistleblower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. Whistleblowers who believe that they have been retaliated against may file a written complaint with the Archdiocesan Human Resources Office. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistleblowers must be cautious to avoid baseless allegations

### **Contacts**

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### **Effective Date**

September 1, 2008

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