

FRAUD PREVENTION POLICY

SAHA enacts this policy to address any irregularity or suspected irregularity involving employees, participants in all housing assistance programs, consultants, vendors, contractors, resident contractors, outside agencies doing business with SAHA, and/or any other parties with a business relationship with SAHA.

Definition of Fraud

For purposes of this policy, fraud is simply defined as a willful deception, misrepresentation or concealment, by statement or conduct or deliberate inaction, in order to gain a benefit or to cause a benefit that is due another to be denied. SAHA wishes to eliminate fraud and conduct that could potentially lead to fraud, including acts of malfeasance, misfeasance, and/or nonfeasance as defined below.

"Malfeasance" is the doing of an act which a person ought not to do at all.

"Misfeasance" is the improper doing of an act which a person might lawfully do but which makes it possible for others to engage in malfeasance.

"Nonfeasance" is the omission of an act which a person ought to do and which makes it possible for others to engage in malfeasance.

Commitment to Fraud Prevention

Fraud prevention and the fight against fraud cannot be left to auditors and investigators alone. SAHA is determined to prevent and/or detect fraud and to take the appropriate action if fraud is detected.

Each member of SAHA's management team will be familiar with the types of improprieties that might occur, and be alert for any indication of irregularity.

Fraud or Related Improper Conduct

SAHA wishes not only to eliminate fraudulent activities but also to prevent the threat of fraudulent activities by prohibiting malfeasance, misfeasance and nonfeasance in the form of questionable conduct and irregularities. Improper conduct refers, but is not limited, to:

- a) Committing any dishonest or fraudulent act that harms SAHA's interests or creates an undue personal benefit;
- b) Forging or altering any document or account belonging to SAHA, including check, bank draft or any other financial document;
- c) Misappropriating funds, securities, supplies, or other SAHA assets;
- d) Committing any impropriety in the handling or reporting of money or financial transactions;
- e) Profiteering as a result of insider knowledge of company activities;
- f) Disclosing confidential and proprietary information to outside parties;
- g) Accepting or seeking anything of material value in exchange for any favorable treatment. Unsolicited gifts of nominal value, i.e. any items of \$50 or less in cumulative value per calendar year from contractors, vendors or persons providing, or seeking to provide, services and/or materials to SAHA; (This excludes meals in an individual expense of \$50.00 or less at any occurrence, and that total no more than \$500 in a single calendar year from a single source.);

- h) Destroying, removing or using records, files, furniture, fixtures and equipment inappropriately and/or without regard to established policies, procedures and protocols;
- i) Deliberately providing incorrect information or failing to provide information as required for participation in housing programs;
- j) Intentionally withholding information as required for participation in housing programs;
- k) Claiming reimbursement of expenses that are not job-related or authorized by the current administrative policy;
- l) Willfully misrepresenting or providing false statements or claims on reports or to any authorities;
- m) Offering, giving, soliciting or accepting a bribe or kickback (Note that an item of value does not have to exchange hands for a crime to have been committed. The mere offer or solicitation is a criminal activity);
- n) Authorizing or receiving payment of goods not received or services not performed.
- o) Committing theft by cash or checks;
- p) Committing theft of Section 8 Housing Assistance Payments (HAPs);
- q) Committing fraud in the procurement and/or contract management systems;
- r) Committing fraud in the accounting financial management systems, travel and/or utilizing credit or purchasing cards;
- s) Engaging in computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data, or misappropriation of SAHA-owned software; or
- t) Intentionally committing any violation of federal, state or local laws.

Reporting Suspected Fraud

Any person who suspects fraudulent or related improper activity must report the suspected activity immediately, and such reports should be directed either to the Human Resources Department or the Fraud Hotline below. No one should attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent or related improper act.

To assist in the reporting of suspected fraudulent or related improper activities, SAHA has established a Fraud Hotline. The Hotline is connected to 24-hour-a-day voice mail; which will allow the caller to leave information. The Hotline number is (210) 477-6287. All reported information will be received confidentially, and the employee or other complainant may remain anonymous. However, SAHA reserves the right to disclose any information it considers necessary to prevent future fraudulent or related improper acts.

Investigation Responsibilities

SAHA will promptly investigate any credible or substantiated acts of fraud or related improper conduct. The President and CEO will authorize and/or delegate the responsibility to: a) investigate any and all reported/suspected activity involving employee fraudulent acts as described in this policy; and b) determine if the matter should be submitted to the appropriate law enforcement agency for investigation.

No employee may disclose information concerning the status of an investigation. The proper response to any inquiries will be: "I am not at liberty to discuss this matter." Under no circumstances will any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the organization.

Termination

Fraud or other related improper conduct that is detected may result in termination of employees, removal of residents from housing assistance, or termination of business relationships with outside agencies, contractors, vendors, etc. SAHA may also pursue prosecution or may refer the evidence to the appropriate law enforcement and/or regulatory agencies for independent investigation.

Administration

The President and CEO is responsible for the administration, interpretation, and application of this policy. The President and CEO will make periodic reports to the Board of Commissioners of cases occurring under the Fraud Prevention Policy.