

**American Legion Auxiliary**  
**Department Policy**  
**FRAUD AND WHISTLEBLOWER**

Reviewed by: Department President    Reviewed On: 01/14/2023

Approving Body: Department Executive Committee    Date Approved: 3-23-2023

**Policy Statement**

It is the national policy of the American Legion Auxiliary (ALA), a national public benefit 501 (c) (19) not-for-profit Veterans Service Organization, National Headquarters, Indianapolis, Indiana, to provide a culture and process that encourages, receives, retains and resolves complaints arising from “whistleblower” communications concerning any questionable accounting or auditing matters, potential fraud or illegal or irregular activities suspected or committed by members of the governing board, national officers, national chairs, members of a committee with governing board delegated powers, national appointees, and national headquarters staff.

**Policy Definitions**

Fraud is defined as a willful or deliberate act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical or illegal means. Fraudulent acts covered under this policy include, but are not limited to:

- Forgery or illicit alteration of documents (checks, promissory notes, time sheets, expense reports, independent contractor agreements, purchase orders, budgets, etc.)
- Misrepresentation of information on documents.
- Misappropriations of funds, inventory, securities, supplies, or any other asset.
- Theft, disappearance, or destruction of any asset.
- Improprieties in the handling or reporting of money or financial transactions.
- Issuing false or misleading financial statements, tax returns or other forms of financial information whether for internal or external use.
- Authorizing or receiving payments for goods not received or services not performed.
- Authorizing or receiving payment for hours not worked.
- Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

**Employee:** In this context, Employee is defined as any individual who receives compensation, either full or part time, from the ALA. The term also includes any consultant or independent contractor who provides services to the ALA through a contractual arrangement with the ALA. Management: In this context, Management is defined as any officer, administrator, manager, director, supervisor, or other individual who manages or supervises employees, funds, or other resources.

**Volunteers:** In this context, Volunteers are defined as national officers, national board members and national committee members providing non-compensated services to the ALA.

**Whistleblower:** In this context, Whistleblower is defined as one who raises a concern about or reveals suspected misconduct or wrongdoing occurring in the organization to those in positions of authority.

## **Policies**

1. Members of the ALA's governing board, department officers, department chairs, members of a committee with governing board delegated powers, department appointees, and department headquarters staff shall follow the ALA Fraud and Whistleblower Procedures and report any suspected fraudulent activity to the ALA Department Risk and Compliance Committee and Department President.
2. Members of the ALA's governing board, Department officers, department chairs, members of a committee with governing board delegated powers, department appointees, and department headquarters staff shall exercise due care when reporting suspected fraudulent activities.
3. The ALA shall promptly investigate any suspected fraudulent or dishonest activity against the ALA. The ALA Department Risk and Compliance Committee shall determine the nature, scope, timing and extent of all investigative activities.
4. When appropriate, based on a finding of fraud, the ALA shall take appropriate disciplinary actions and pursue legal remedies available under the law against members of the governing board, department officers, department chairs, and members of a committee with governing board delegated powers, department appointees, and department headquarters staff including, but not to be limited to, the possibility of termination of employment, restitution, and forwarding information to appropriate authorities for criminal prosecution or other legal remedies.
5. Members of the governing board, department officers, department chairs, members of a committee with governing board delegated powers, department appointees, and department headquarters staff shall be protected from retaliatory actions in accordance with federal and Georgia laws.
6. The ALA Department Risk and Compliance Committee is empowered to undertake its own investigation or solicit the assistance of its independent auditors, legal counsel or other resources to investigate suspected fraud.
7. All ALA assets shall be subject to inspection when reasonable suspicion of fraudulent

activity exists that makes such inspection appropriate. The ALA Department Risk and Compliance Committee shall have full and unlimited access to all of ALA's contents and possessions including but not limited to furniture and equipment, electronic devices, digital devices, telephonic devices, and all information stored on said devices.

8. There shall be no assumption of privacy during the performance of an investigation of fraud.