

## ANTI-FRAUD, ANTI-CORRUPTION AND MISCONDUCT POLICY

### SCOPE AND OBJECTIVE

For Ärzte der Welt e.V. / Doctors of the World Germany (hereinafter MdM Germany), every advancement in transparency and accountability is a step towards the ultimate goal of sharing with our stakeholders and society at large how our organizational reality and our way of doing things responds and contributes to achieving our mission.

In this sense, it is necessary to define a procedure that provides those related to the organization with clear guidelines for preventing, detecting, reporting and managing fraud, corruption and misconduct in order to reduce these cases and minimize their effects, thereby contributing to maximum transparency and accountability.

MdM Germany has a **zero-tolerance policy towards fraud, corruption and misconduct** and requires that all those related to the organization act honestly and with integrity at all times and protect the assets for which they are responsible.

The scope of this policy extends to everyone who forms part of the organization's decision-making and management as well as the partners, volunteers and staff contracted by MdM Germany. The principles and definitions of this policy also extend to the relationships MdM Germany has with other national and international organizations and external organizations (including, but not limited to partners who implement programs, contractors and donors).

The reporting mechanism for incidents is laid down in a separate document. A specific policy on Prevention from Sexual Exploitation, Sexual Abuse and Sexual Harassment (PSEAH) has been developed for MdM Germany, based on similar principles. The structures and procedures of the reporting mechanism apply to all forms of misconduct.

## DEFINITIONS

**The term fraud** is used here to describe illegal activities including deceit, bribery, forgery, extortion, robbery, theft, misappropriation, embezzlement, misrepresentation, concealment of material facts. It involves the act of dishonesty with the organisation for personal or collective benefit, to avoid an obligation or to cause harm.

**Corruption and misconduct** is the practice of using the organisation's functions and resources and the misuse of entrusted power for personal, financial or other gain. It is a broader concept related to breaches of policy, ethical codes, standards, etc.

Neither fraud nor corruption and misconduct are limited to monetary or material gain but can also include intangible benefits such as status or information.

**Examples** of Fraud, Corruption and Misconduct may include:

- Use of the MdM logo for personal use.
- Lying on a CV and/or during the selection processes.
- Register an employee to the social security system who is not actually contracted.
- Neglecting cases of conflict of interest in purchases, service contracting and hiring personnel.
- Fraudulent fundraising: falsifying street collection, appropriation of anonymous cash (or checks made out to cash) donations.
- Unauthorized fuel consumption or use of MdM vehicles or other goods for personal use.
- Purchase of equipment in the field or HQ for personal use.
- Appropriation of goods that should be donated, sold or returned to MdM (or money earned from its sale).
- Appropriation of funds of any kind: forged checks, unauthorized self-loans from registers, reporting false expenses, appropriation of cash funds through false invoices.
- False invoices or other documents that accredit the implementation of project activities.
- Fraud and manipulation of financial and accounting statements.
- Falsifying signatures.
- Undeclared or illicit gifts.
- Abuse of authority.
- Nepotism and favouritism.

## CORE PRINCIPLES AND RELATION TO EXISTING POLICIES

### The core principles provide that:

- MdM Germany considers any attempt to commit an act of fraud, corruption or misconduct by members of the decision-making and management bodies, contracted staff, partners, volunteers, contractors, and agents acting on behalf of MdM Germany a very serious matter.
- Those involved in fraud, corruption or misconduct of any kind are subject to disciplinary actions determined by the organisation and may be reported to the authorities in order to initiate civil or criminal proceedings, if the case so warrants.
- For MdM Germany the intent to commit an act of fraud, corruption or misconduct, if duly established, is as serious as actually committing said act and will be handled accordingly.
- MdM uses – in its current setting in international projects – an internal security and risk monitoring tool and mechanism to analyse the risks specific to each of the countries in which it works or has offices, the risks inherent in each function / profession exercised by staff and the risks related to each sector of activity in its intervention setting.

### Relation to existing policies and regulations

This policy is in line with and should be read jointly with the following MdM documents in effect:

- Code of Conduct - MdM Network
- Vision, Mission and Values – MdM Germany
- Policy on Prevention from Sexual Exploitation, Sexual Abuse and Sexual Harassment (PSEAH)
- Logistics Guidelines – MdM Germany
- Freizeichnungsregelung / Signatory authorization process – MdM Germany
- Dienstliche Regelungen/ Rules of Procedure – MdM Germany

Strict enforcement of MdM regulations will help prevent problems with fraud, corruption and misconduct.

Furthermore, MdM takes into account data and guidelines of specialized bodies such as Transparency International (in particular: “) and our Donor Standards.