



Office of the Governing Board
VIRGIN ISLANDS WATER AND POWER AUTHORITY

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March 1, 2021

Lawrence Kupfer
Executive Director
Virgin Islands Water and Power Authority
PO Box 1009
Christiansted, VI, 00802

RE: **Zero Tolerance Anti-Corruption Policy**

Dear Mr. Kupfer,

As you are aware, “the powers of the Authority shall be exercised by a Governing Board.” 30 V.I.C. § 104(a). I take this opportunity as Chair of the Virgin Islands Water and Power Authority’s (“VIWAPA”) Governing Board to share with you the Governing Board’s efforts to address all allegations of misconduct and malfeasance within the Authority. Every member of the VIWAPA family—from management to frontline employees—have a responsibility to report and expose all instances of corruption and malfeasance, real or perceived. Only together will we be able to address inappropriate conduct in the day-to-day business operations of the Authority.

As the saying goes, “the buck stops” **with the Governing Board**. The Governing Board is charged with transforming the VIWAPA, earning the public’s trust, and creating the perception of an accountable, transparent, and honest Authority. Let me be clear—the Governing Board will not tolerate any form of corruption from any VIWAPA employee. Further, corrupt activity in any form will be dealt with swiftly; participants will be immediately terminated from the Authority once such conduct is verified. The Governing Board will also refer matters to federal and local law enforcement agencies as appropriate.

As Executive Director, you are charged with the overall responsibility for the implementation, adherence, and management of the zero-tolerance policy across the Authority and are accountable to the Governing Board for instituting measures that further prevent corruption relating in any way to the VIWAPA. Accordingly, the VIWAPA management team—specifically, the Executive Director, General Counsel, and Director of Human Resources are directed to, within **45 business days** from the issuance of this correspondence, ensure that all VIWAPA policies are consistent with the Governing Board’s Zero Tolerance Anti-Corruption Policy.

Further, the Executive Director has the responsibility for fostering through the Authority’s leadership effective management controls, processes, training and awareness of bribery, fraud, and corruption within their areas of responsibility. Additionally, you are responsible for implementing a 1-800 hotline so that any employee can anonymously report any inappropriate behavior. The Internal Audit Division must be enhanced as necessary to support the Governing Board’s policies

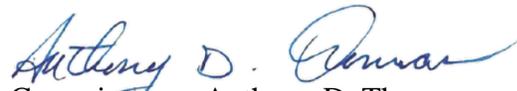
and expectation regarding corruption.

As the Governing Board works to develop an ethical work environment, it is important that every VIWAPA employee realize that this cannot be done overnight, nor can it be done without the support of every member of the VIWAPA family. The Board expects the executive leadership team to ensure that at all reported allegations be investigated by the Internal Audit Division and to ensure that no retaliation be exacted against any employee. Once an investigation is conducted and the final report issued, the Governing Board will act immediately on the investigatory findings to address the inappropriate behavior.

The Governing Board recognizes that the vast majority of VIWAPA employees are genuinely hard-working, law abiding, honest, and committed to excellence.

This letter should not be construed as a comment on the guilt or innocence of any current or former VIWAPA employee.

Respectfully,

A handwritten signature in blue ink that reads "Anthony D. Thomas". The signature is fluid and cursive, with the first name being the most prominent.

Commissioner Anthony D. Thomas
Chair, Governing Board

cc: Sharnelle Samuel, Esq. General Counsel
Sabrina King-Leonce, Director of Human Resources

Zero Tolerance Anti-Corruption Policy

In this policy, the references to ‘Company’, ‘we’, ‘our’, ‘us’, refer to the Virgin Islands Water and Power Authority (“VIWAPA”).

In this policy, the references to ‘Corruption includes all forms **bribery**, extortion, **cronyism**, **nepotism**, parochialism, **patronage**, influence peddling, graft, and **embezzlement**.

Director of Risk and Assurance/Compliance Manager means “Mr. Leslie Smith,” or the Director of Internal Audits who is responsible for the day-to-day functioning of this Anti- Corruption Policy (the ‘Policy’) and the monitoring of its use and effectiveness.

Objective

To reduce and deter the risk of corruption including bribery and fraud within the VIWAPA, three key objectives must be met.

These are:

- **Prevention:** Reducing the risk of corruption in any form in the first place;
- **Detection:** Uncovering corruption including bribery, and fraud at the earliest opportunity if it occurs and providing effective options to report, manage and respond;
- **Response:** Taking immediate corrective action and remedying the harm caused by corruption, including the preservation of crucial evidence to achieve a successful outcome.

Scope

Corruption including fraud and bribery are ever-present threats to the VIWAPA and all employees should be mindful of this.

Corruption in any form may occur due to the actions of employees, suppliers, or other persons that the VIWAPA has dealings with. This could be an individual or a group of individuals acting in collusion, companies, partnerships, trusts or any other entity.

This policy applies to all corruption incidents i.e., bribery, fraud etc., whether suspected or proven, that are either:

- Committed against the VIWAPA by any person; or
- Committed by VIWAPA employees against any third party (including another VIWAPA employee in a private capacity).

This policy applies to all VIWAPA employees and for the purposes of this policy, the following are also included the definition of ‘any person’:

- Former employees;
- Persons seconded to the Authority;
- Contractors (individuals, contractor staff, sub-contractors or affiliated persons with third parties);

1. Policy statement

- 1.1. The Virgin Islands Water and Power Authority has a zero-tolerance approach to corruption in any form.
- 1.2. The Virgin Islands Water and Power Authority Governing Board has a moral and ethical responsibility to act with integrity in how we conduct our business. We owe this duty to the People of the Virgin Islands and their communities in which we operate, and we take this duty seriously. For this reason, it is the policy of the VIWAPA to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to corruption in any form and we are committed to acting fairly and with integrity in all our business dealings and relationships wherever we operate. We are also committed to implementing and enforcing effective systems to counter corruption, bribery, and fraud.
- 1.3. In addition to our ethical responsibilities, the VIWAPA is subject to local laws that prohibit fraud, bribery, and corruption and that require us to take certain steps to prevent bribery within the Company and by our business partners. The consequences of any violation of these laws can be severe, including unlimited fines for the Company, exclusion from public tenders, and imprisonment of the individuals involved and their managers. Moreover, failures to follow applicable laws can result in irreparable damage to the VIWAPA's brand and reputation.
- 1.4. The purpose of this Policy is to:
 - 1.4.1. Set our responsibilities, and of those working for us, in observing and upholding our position on ethics, and any form of corruption.
 - 1.4.2. Provide information and guidance to those working for us on how to recognize and deal with unethical practices i.e., corruption through bribery, and fraud.
- 1.5. This Policy will be made available to all workers, agents, and consultants. The compliance manager/Director of Risk and Assurance has been tasked with ensuring that agents and distributors are subject to a regular review and verification process.
- 1.6. In this Policy, "third party" means any individual or organization you come into contact with during the course of your work for us, and includes, without limitation, actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, joint ventures and government and public bodies, (including their advisers, representatives and officials, politicians and political parties).

2. Who is covered by the Policy?

- 2.1. This Policy applies to all individuals working at all levels and grades, including directors, senior managers, officers, employees (whether temporary, fixed term or permanent), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of

our subsidiaries or their employees, wherever located (collectively referred to as ‘you’ in this Policy).

- 2.2. Violation of this policy constitutes a reason for disciplinary action up to and including immediate termination.

3. Policy

- 3.1. The Virgin Islands Water and Power Authority Governing Board does not accept or allow corruption in any form, whether by our personnel or by any third party who acts on our behalf. In addition, we will seek to influence the policies and actions of our other business partners so that they too meet the VIWAPAGB standards. We desire to do business with business partners that share in our commitment to compliance, and have policies and procedures reflecting that commitment.
- 3.2. This Policy applies to private and commercial bribery, as well as bribes given to public officials.
- 3.3. A public official is an employee, official, or any individual acting on behalf of: any government bureau, department, or agency of any level; a political party; or any company owned or controlled in whole or in part by a government. Public officials may also include candidates for political offices.

4. Your responsibilities

- 4.1. You must ensure that you read, understand, and comply with this Policy. If you have any doubts or concerns, contact your Line Manager and the Compliance Manager, and General Counsel.
- 4.2. You must notify your line Manager and the Compliance Manager as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage with us or indicates to you that a gift or payment is required to secure their business.
- 4.3. Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with you if you breach this Policy.

5. Who is responsible for this Policy?

- 5.1. The governing board has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

- 5.2. The Compliance Manager has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training/instruction on how to implement and adhere to it.
- 5.3. The Director of Human Resources is responsible for identifying and aligning all areas of policy to reflect the overarching intent of this zero-tolerance policy ensuring that all policies within the VIWAPA are updated and aligned within 30 days of the implementation of the Zero Tolerance Policy from the VIWAPAGB.
- 5.4. The General Counsel is responsible for identifying all areas of policy that conflicts with current bargaining agreements and policy norms reflective of the overarching intent of this zero-tolerance policy and ensures that the Governing Board is briefed of the solutions within 30 days of the implementation of the Zero Tolerance Policy from the VIWAPAGB.
- 5.5. You are responsible for the success of this Policy and should ensure you use it to disclose any suspected danger of wrongdoing.

5.6. Chief Executive

The Executive Director has overall responsibility for the implementation, adherence, and management of the zero-tolerance policy across the Authority and is accountable to the Governing Board for instituting measures that further support and prevent corruption within the VIWAPA scope of conducting business.

Chief Executives, Executive Directors and General Managers / Directors

Chief Executives, Executive Directors, General Managers and Directors are responsible for fostering effective management controls, processes, training and awareness of bribery, fraud, and corruption within their areas of responsibility.

Where required, Executives, General Managers and Directors must seek support from and engage specialist resources such as, but not limited to, Finance, Legal, Procurement or Risk and Assurance to ensure the effective prevention, detection and response for fraud and corruption.

All General Managers and Directors must ensure that this policy and related processes are followed within their business areas, discussed on a regular basis, and that a high level of understanding is maintained relating to prevention and detection techniques.

All General Managers and Directors are required to attest to this as part of their quarterly Compliance statement that is submitted to Risk & Assurance, and Human Resources.

5.7. Managers

Managers are responsible for ensuring the consistent and correct application of management control processes in their area of responsibility.

Managers must ensure any persons captured by this policy involved in their business units are made aware of their management control procedures, and that they are aware of their obligations under the VIWAPA's Code of Conduct. Managers are also responsible for ensuring that a culture of honesty and openness exists in their workplace such that employees are not discouraged from questioning events or processes and reporting suspected fraud or corruption.

Specifically, managers are responsible for:

- Ensuring all employees and contractors are aware of the zero-tolerance Corruption Policy and that they maintain an understanding of their obligations;
- Ensuring all persons who have dealings with the VIWAPA, captured by the definitions included in this policy, are aware of the Authority's zero-tolerance stance on corruption Policy and that they maintain an understand of their obligations to the Policy;
- Identifying the risks (including but not limited to risk of fraud or corruption) to which the VIWAPA's systems, operations and procedures are exposed;
- Developing and maintaining effective controls to prevent and detect VIWAPA related fraud and corruption, within business as usual and/or programs or projects of work;
- Ensuring that controls and processes in place are actively complied with;
- Facilitating an effective fraud and corruption awareness and detection culture;
- Ensuring employees are supported when making allegations of fraud or corruption to Risk and Assurance.

5.8. Employees

All employees, including managers, are responsible for:

- Being aware of, and complying with, this Policy;
- Acting honestly, fairly and with integrity in undertaking VIWAPA tasks and activities;
- Acting in a manner that is beyond reproach;
- Being aware of, and complying with, their obligations under the Authority's Code of Conduct;
- Reporting any suspected fraudulent or corrupt behavior;

- Reporting fraud or corruption control failures or breaches as soon as they become aware of them;
- Reporting any incident where they suspect any person or employee is aiding and abetting some other person to defraud the VIWAPA.

5.9. Director, Risk and Assurance

The Director, Risk & Assurance, is responsible for ensuring that:

- All reported allegations of fraud or corruption are investigated appropriately on a timely basis. The Director will authorize a Lead Investigator to carry out any required investigation as set out in the Suspected Fraud and Corruption, Reporting & Investigation Process;
- Where an allegation of suspected fraud or corruption involves an employee subject to the Authority's Disciplinary Process Policy, the Director, Risk & Assurance, must provide the General Manager, People and Performance (or delegate) with the opportunity to participate in the investigation;
- The fraud and corruption framework is reviewed on biennial basis, updated and communicated;
- The fraud and corruption framework (Prevention, Detection and Response) is promoted within the Authority;
- Periodic fraud and corruption risk assessments are performed to identify potential areas of fraud and corruption weakness.

5.10. General Counsel & Director of Human Resources

The General Counsel and Director of Human Resources (or delegate) is responsible for providing appropriate input and guidance into suspected fraud and corruption investigations to help ensure that employees are fairly treated and that the requirements of the Authority's Disciplinary Process Policy are followed.

Persons other than VIWAPA employees

Responsible business units must ensure all agreements for or with all agency staff, seconded personnel, contractors, consultants, or any other person as defined in this policy that has a business involvement with the Authority, contain an express obligation on them to understand and comply with this policy.

6. What is bribery?

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

A bribe is an inducement, payment, reward, or advantage offered, promised, or provided in order to gain any commercial, contractually, regulatory or personal advantage. It is illegal to offer a bribe directly or indirectly or receive a bribe. It is also a separate offence to bribe a government official.

Remember that a bribe may be anything of value and not just money, such as:

- a) gifts;
- b) corporate hospitality or entertainment;
- c) payment or reimbursement of travel expenses charitable donation or social contribution;
- d) offer of employment for a government official or a relative of the government official; and/or
- e) offer of a scholarship to a relative of a government official.

Examples of bribery:

Offering a bribe:

You offer a potential client tickets to a major sporting event, but only if they agree to do business with you.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. It may also be an offence for the potential client to accept your offer. Providing clients with hospitality is acceptable provided the requirements set out in **Section 7** are followed.

Receiving a bribe:

A supplier gives your nephew a job but makes it clear that in return they expect you to use your influence in our organization to ensure we continue to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage. You must decline the job offer.

Bribing a government official:

You are asked to arrange for an additional payment to a custom official to speed up an administrative process.

The offence of bribing a government official has been committed as soon as the arrangement is made. This is because it is made to gain a business advantage for us. It is illegal to make a facilitation payment and such payment must not be made even if doing business is made more

difficult for the Company if we refuse. You must never make such an offer, more guidance is provided in **Section 8**.

7. Gifts and hospitality

7.1. This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure such as calendars, diaries, meals, and invitations to arts and sporting events (given and received) to or from third parties.

7.2. The practice of giving and hospitality is recognized as an established and important part of doing business. However, they can be used as bribes. Giving gifts and hospitality varies between countries and regions and what may be normal and acceptable in one may not be in another. To avoid committing a bribery offence, the gift or hospitality must:

7.2.1. Be reasonable and justifiable in all the circumstances; and

7.2.2. Have the intention to improve the image of the commercial organization, better present its products and services, or establish cordial relations.

7.3. Giving or receiving gifts or hospitality is acceptable if all the following requirements are met:

7.3.1. It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits or for any other corrupt purpose;

7.3.2. It complies with local law;

7.3.3. It is given VIWAPA's name, not in your name;

7.3.4. It does not include cash or cash equivalent (such as gift certificates/vouchers);

7.3.5. It is appropriate in the circumstances. For example, in some countries it is customary for small gifts to be given at Christmas time;

7.3.6. Taking into account the reason for the gift or hospitality, it is of an appropriate type and given at an appropriate time;

7.3.7. It is given openly, not secretly and is given in a manner that avoids the appearance of impropriety; and

7.3.8. Gifts and hospitality must not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior written approval of the Compliance Manager.

7.4. If the gift or hospitality given or received is more than a token of gift or modest meal in the ordinary course of business, you must obtain the prior written approval from your Line Manager and it must be recorded in the Gift and Hospitality Register (see Appendix to this Policy) and forwarded to the Compliance Manager within 14 days of giving or receiving the gift or hospitality.

Examples of token gifts:

- a) corporate calendars, pegs, mugs, umbrellas, etc.;
- b) modest bottle of wine;
- c) a bunch of flowers.

8. Facilitation payments and kickbacks

8.1. We do not make, and will not accept, facilitation payment or ‘kickbacks’ of any kind. Facilitation payments are typically small, unofficial payments (sometimes known as a ‘grease’ payment) made to secure or expedite a routine government action by a government official.

8.2. Kickbacks are typically payments made in return for a business favor or advantage. You must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the Company.

8.3. We are committed to our Policy of not making facilitation payments. The only limited exception to this is in circumstances where you or third parties are left with no alternative but to make payments in order to protect against loss of life, limb or liberty. In the event that you experience such circumstances and make a payment it is your responsibility to contact your Line Manager and the Compliance Manager as soon as possible after the event, so that it can be properly recorded, reviewed and accounted for.

9. Donations

We do not make contributions to political parties, political party officials or candidates for political office. We only make charitable donations that are legal and ethical under local laws and practices. All charitable donations must be made in accordance with the Company Donations Policy, all of which require the prior approval of the Managing Director. You are not allowed to make any offer or donation for charitable purposes without the prior written approval of the Compliance Manager.

10. What is fraud?

The term 'Fraud' refers to the deliberate practice of deception in order to receive unfair, unjustified or unlawful gain. For the purposes of the policy this includes all forms of dishonesty. Within this definition, examples of fraud and dishonesty may include, but are not limited to:

Knowingly providing false, incomplete or misleading information to the VIWAPA for unfair, unjustified or unlawful gain;

Unauthorized possession, use or misappropriation of funds or assets, whether the VIWAPA's or a third party's;

Deliberate mishandling of or misreporting money or financial transactions;

Unauthorized access and misuse of Ministry systems and information for unfair, unjustified or unlawful gain;

Misuse of or obtaining insider knowledge of organizational or judicial activities without implied or expressed consent (this may also be considered corruption);

Destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment for unfair, unjustified or unlawful gain;

Deliberate misuse of VIWAPA resources (including work time, internet, cell phones, photocopiers, fax machines, computers, vehicles, mail services, VIWAPA addresses and phone numbers) for unfair, unjustified or unlawful gain;

Forgery or alteration of any financial instrument;

Forgery or alteration of any document or computer file or record belonging to the VIWAPA; where any person who has a business involvement with the VIWAPA acts dishonestly or unfairly or breaches public trust.

11. What is Corruption?

'Corruption' is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain. It includes foreign and domestic bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct.

Examples of corrupt conduct include, but are not limited to:

- Any person who has a business involvement with the VIWAPA, improperly using, or trying to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others, for example, fabrication of business travel requirement to satisfy personal situations;

- Knowingly providing, assisting or validating in providing false, misleading, incomplete or fictitious information to circumvent VIWAPA procurement processes and procedures to avoid further scrutiny or reporting;
- Disclosing private, confidential or proprietary information to outside parties without implied or expressed consent;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to the Ministry (also refer to the VIWAPA's Gifts Policy);
- A member of the public influencing or trying to influence, a public official, employee, contractor, person seconded to, or any other party that has a business involvement with the VIWAPA to use his or her position in a way that is dishonest, biased or breaches public trust.

12. What is not acceptable

12.1. It is not acceptable for you (or someone on your behalf) to:

12.1.1. Accept an offer of a gift of any size from a company which is in negotiation with, or is tendering for a contract with us;

12.1.2. Give, promise to give, or offer, any payment, gift or hospitality or advantage with the expectation or hope that a business advantage will be given or received or to reward a business advantage already given;

12.1.3. Give, promise to give, or offer, any payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure;

12.1.4. Accept or solicit any payment or advantage from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

12.1.5. Accept or solicit a gift or hospitality from a third party of which you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;

12.1.6. Threaten, or retaliate against, another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or

12.1.7. Engage in any activity that might lead to a breach of this Policy.

13. Red flags

13.1. The following is a list of possible red flags that may rise during the course of you working for us and which may raise concerns under various anti-bribery and corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you have the responsibility to report them promptly to your Line Manager and the Compliance Manager as set out in 'How to raise a concern' in **Section 14**.

- a) You suspect or become aware that a third party engages in, or has been accused or engaging in, improper business practices;
- b) You learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a 'special relationship' with foreign government officials;
- c) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- d) A third-party requests payment in cash and/or refuses to sign a form commission or fee agreement, or to provide an invoice or receipt for a payment made;
- e) A third-party request that payment is made to a country or geographic location different from where the third party resides or conducts business;

14. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery, or corruption, or if you have any other queries, these should be raised with your Line Manager in the first instance. Alternatively, you can contact the Compliance Manager.

15. What to do if you are a victim of bribery and corruption.

It is your responsibility to tell your Line Manager and the Compliance Manager, and General Counsel as soon as possible if you are offered a bribe by a third party, you are asked to make one, suspect this may happen in the future or believe that you are a victim of another form of unlawful activity. You must refuse to accept or make the payment from or to a third party, explain our Policy against making such payment, and make it clear that the refusal is final and non-negotiable because of our Policy. If you encounter any difficulty in making this refusal, you should seek assistance from your Line Manager.

16. Protection

- 16.1. Those who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- 16.2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform your Line Manager or the Compliance Manager immediately. If the matter

is not remedied, and you are an employee, you should raise it formally using the Company Grievance Procedure.

16.3. Detrimental treatment includes dismissal, discrimination, disciplinary action, threats, or other unfavorable treatment connected with raising a concern.

17. Training and communication

17.1. Training on this Policy forms part of the induction process of all new employees. All existing employees are required to adhere to any relevant training/instruction on how to implement and adhere to this Policy.

17.2. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them and as appropriate thereafter.

18. Record Keeping

18.1. For all hospitality or gifts accepted or given other than token gestures and modest meals, you must obtain the prior written approval of your Line Manager and record the hospitality or gift in accordance with **Section 7**.

If you are in any doubt whether an item should be recorded, you should record it anyway.

18.2. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses Policy and specifically record the reason for expenditure.

18.3. All accounts, invoices, memoranda and other documents and records relating to dealing with third parties, such as clients, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept 'off-book' to facilitate or conceal improper payments.

19. Monitoring and Review

19.1. The Compliance Manager will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

19.2. You are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions, and queries should be addressed to the Compliance Manager.

19.3. This Policy does not form part of any employee's Contract of Employment and it may be amended at any time.

Distinction from the Code and Conduct and Privacy breaches

It is important to distinguish between the Fraud and Corruption Policy and other VIWAPA policies (e.g. Privacy) which involve or invoke the Authority's Disciplinary Process Policy. The difference is the element of dishonesty for an unfair, unjustified, or unlawful gain.

For example:

- Using VIWAPA systems to access private information for self-interest is a Code of Conduct breach captured by the Disciplinary Process Policy.
- Using VIWAPA systems to access private information and providing that information to another person or using that information for illegitimate use, including an unfair, unjustified, or unlawful gain is behavior captured by the Bribery, Fraud and Corruption Policy.

The policies are closely aligned and often overlap and may operate concurrently.

Where Privacy breaches are the result of a fraudulent or corrupt act, the Bribery, Fraud and Corruption Policy applies.

If you are unsure as to which policy applies, contact Risk and Assurance or your HR representative.

Errors

This policy distinguishes between fraud and error. Within this definition, 'error' refers to an unintentional misstatement of information (e.g. financial information), including the unintentional omission of an amount or a disclosure.

In order to assess whether a potential issue should be investigated under this policy, contact Risk and Assurance or your HR representative.

Penalties on conviction

Proven offences of fraud or corruption maybe prosecuted under both local and federal law and could result in significant periods of incarceration.

Reporting and Investigating

Requirements for Reporting, Investigation and Management Action

All persons captured by this policy must immediately report all suspected incidents of fraud and corruption that they become aware of.

The VIWAPA's 'Suspected Bribery, Fraud and Corruption, Reporting & Investigation Process' explains how these incidents will be investigated.

Employees must cooperate with and not impede any investigation of suspected bribery, fraud, or corruption.

Free and unrestricted access must be granted to the Investigation team to access and review VIWAPA records and premises.

Employees will not undertake investigations into suspected bribery, fraud, or corruption unless they are the Lead Investigator assigned to do this by the Director, Risk & Assurance. Specialist fraud and corruption investigation and/or forensic expertise must only be engaged by the Director, Risk & Assurance on behalf of the impacted business unit(s).

Where an allegation of suspected bribery, fraud or corruption involves a person subject to the Authority's Disciplinary Policy, the General Counsel and Director of Human Resources must be notified, and the requirements of the Disciplinary Process Policy must be complied with.

If the activity was not initiated by the Audit Division the General Counsel and Director of Human Resources must notify the Director, Risk and Assurance of all suspected incidents of bribery, fraud and corruption which involve a person subject to the Authority's Disciplinary Policy.

Fraudulent or corrupt activity must be reported to the Department of Justice ("DOJ"), Fraud Office or any other enforcement agency by the Governing Board on advice from the Director, Risk & Assurance, or the Lead Investigator. This action will occur where the Suspected Fraud and Corruption, Reporting and Investigation Process confirms that a fraud or corrupt act has been committed, or in the absence of information there is reasonable belief an incident of fraud and corruption has occurred.

Employees or managers may send emails to [Fraud@viwapa./](mailto:Fraud@viwapa/) call **1-800 anonymous hotline** communicating their concerns.

Protected Disclosures

As an alternative to using the Suspected Fraud and Corruption Notification Form, employees may instead make a protected disclosure under the Protected Disclosures Act 2000. Please refer to the VIWAPA's Protected Disclosure Policy.

Responsibilities

Code of Conduct

The VIWAPA Code of Conduct requires all employees, at all times, to act honestly and with integrity. Also, Title 3, section 1100, *et seq.* of the Virgin Islands Code requires that all persons "involved in governmental transactions and decisions" perform their functions ethically.