



UNITED NATIONS OFFICE FOR PROJECT SERVICES

Headquarters, Copenhagen

O.D.No.10

1 November 2005

First Revision: 1 December 2008

ORGANIZATIONAL DIRECTIVE No. 10 (Revision 1)
“UNOPS POLICY TO ADDRESS FRAUD”

I. INTRODUCTION

1. This Organizational Directive supersedes and replaces Organizational Directive OD/05/0010 of 1 November 2005.

2. The UNOPS policy to address fraud is established to facilitate controls to prevent, detect, report and investigate fraud. It is intended to promote consistent organizational behaviour by providing instructions and assigning responsibilities for developing these controls and conducting investigations. It is also intended to ensure compliance with the *Financial Regulations and Rules applicable to UNOPS*, the *United Nations Staff Regulations and Rules*, and the *Standards of Conduct for the International Civil Service*.

II. SCOPE OF POLICY

3. This policy applies to any fraud or presumptive fraud, involving UNOPS staff members, other UNOPS personnel, vendors or contractors by themselves or in collusion with any other party in a business relationship with UNOPS.

III. POLICY

4. UNOPS is committed to preventing, identifying and addressing all alleged acts of fraud or attempted fraud against UNOPS. To this effect, UNOPS will enforce this policy by raising awareness of fraud risks, implementing controls aimed at preventing fraud and establishing procedures for the detection, investigation and reporting of fraud.

IV. DEFINITION

5. For the purposes of this policy, fraud is hereby defined as the intentional act by one or more individuals involving the use of deception to obtain an unjust or illegal advantage.

V. CATEGORIES OF FRAUDS

6. To help UNOPS personnel to identify and report fraud, possible frauds are grouped into three broad categories as follows:

- Fraud committed to obtain undue financial benefits or entitlements under the United Nations Staff Regulations and Rules e.g. rental subsidies, education grant, travel entitlements, etc.
- Fraud involving third parties, in particular in the area of procurement or contracting, e.g. collusion with contractors, bribery, preferential treatment, or provision or acceptance of any undue or unjust advantage, etc.
- Fraud committed to induce the Organization to act in a manner other than it would have acted with the knowledge of the genuine information e.g. false curriculum vitae, false credentials, falsified appraisal reports or certificates, nepotism or other acts of concealment.

7. Attempted fraud shall be treated as fraud even if there is no direct financial loss to the Organisation.

8. Fraud involves the use of intentional deception such as manipulation, falsification or alteration of records or documentation, misrepresentation or omissions of events or intentional misapplication of rules, disclosure of confidential and proprietary information to outside parties, forgery or alteration of any document or account belonging to UNOPS, misappropriation of assets, etc.

VI. RESPONSIBILITIES AND RESULTS OF INVESTIGATIONS

9. All parties involved in UNOPS activities have responsibilities in dealing with fraud as follows:

- *Organization:* in enforcing staff and other personnel obligations, the Organization will act consistently and undertake the required investigative activity regardless of the length of service, position, title or relationship with UNOPS of the suspected offender. The organization will, in all instances, guarantee due process and confidentiality.
- *Managers:* managers must use their best endeavours to prevent and detect fraud. They are expected to put in place preventive controls. They should identify the risks to which assets, programmes, activities and interests are exposed. They should assess the identified risk, select avoidance options, design and implement cost effective prevention along with control processes and establish and implement measures to prevent recurrence. In addition, the management of the office in which fraud or attempted fraud has occurred

should take action on recommendations made in the investigation report, intended to improve internal control.

- *Staff Members:* fraud constitutes misconduct for which a staff member (i.e. personnel appointed under the 100, 200 or 300 series of the United Nations Staff Regulations and Rules) may be subject to disciplinary measures including summary dismissal, in line with applicable policies and procedures. In addition, with the prior clearance of General Counsel, individual cases may be referred to national authorities for criminal investigation.
- *Other UNOPS personnel:* individuals under other personnel arrangements such as contractors under the Individual Contractor Agreements (ICA) who are found to be the perpetrators of fraud may be terminated under the provisions of their contracts. In addition, with the prior clearance of General Counsel, individual cases may be referred to national authorities for criminal investigation.
- *Vendors or contractors:* individual independent contractors and employees of companies or firms doing business with UNOPS shall be informed of this fraud policy through the UNOPS internet site. They shall be obligated to interact honestly in the provision of their services and to report allegations of fraud to UNOPS.

VII. REPORTING FRAUD

10. Any staff member or other personnel who has a reasonable basis for suspecting that fraudulent acts have occurred has a duty to report immediately their findings to her/his supervisor, to the Internal Audit Office (IAO) or directly to the UNOPS General Counsel. In addition a Fraud Hotline may be used (E-mail: fraudhotline@unops.org; or the telephone number(s) posted on the intranet: <https://intra.unops.org/Practices/Legal/Pages/ReportingFraud.aspx>). If a staff member or other personnel is found having knowledge of a possible fraud and not reporting it, he/she could be subject to disciplinary action.

11. Confidentiality is essential to secure due process and to avoid damaging the reputation of suspects who may later be found innocent. All reports shall be treated with the utmost discretion. Information related to any particular case shall not be shared with anyone other than those who need to be acquainted with them to conduct the investigation. However, if the person who has reported the alleged fraud is found to have acted with malice or deceit, he/she may be subject to disciplinary action.

12. All cases reported will be referred to the UNOPS General Counsel for review.

VIII. INVESTIGATION RESPONSIBILITIES



19. The Executive Director will report cases of fraud or presumptive fraud in the financial statements, providing a brief description of each occurrence and the amounts of financial losses sustained by the Organization, if any.

XI. DISCIPLINARY ACTION

20. Investigation and disciplinary measures shall be carried out in accordance with the UNOPS policy on "Disciplinary and Other Measures Relating to Misconduct of Staff while in the Service of UNOPS" (see UNOPS/ADM/97/01-A issued on 22 April 1997) or any subsequent Directive that the Executive Director may issue. The United Nations Staff Regulations and Rules outline the requirements of due process to be afforded to a staff member who is the subject of an allegation of misconduct.

XII. PROTECTION AGAINST RETALIATION FOR REPORTING FRAUD

21. UNOPS personnel may seek protection against retaliation for reporting fraud from the Ethics Officer for UNOPS under the Secretary-General's Bulletin of "Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations" (reference ST/SGB/2005/21).

XIII. ADMINISTRATION

22. Documents and records relating to investigations shall be subject to UNOPS Records Retention Policy (see Organizational Directive 12), as may be amended from time to time.

23. The General Counsel is responsible for the administration of this policy which will be reviewed periodically and revised as needed.

XIV. FINAL PROVISIONS

24. This revision of OD 10 is effective immediately.

A handwritten signature in black ink, appearing to read "J. Mattsson", written over a horizontal line.

Jan Mattsson
Executive Director,
UNOPS

APPENDIX

Reporting Fraud

Note: If you are utilizing any means of providing information, please review your submission to ensure that it contains all the information you have, and in particular it includes, to the extent possible the following:

1. WHO is engaged in the alleged act/acts of fraud? Provide name, functional title, contact details etc.
2. WHAT happened? Please provide the details of the alleged act of fraud. Be as precise as possible.
3. WHEN was the fraud committed?
4. WHERE was the fraud committed?
5. HOW was the fraud perpetrated? For example, were any checks, procedures or safeguards circumvented or violated to perpetrate the fraud?
6. To your knowledge, WHY were the acts undertaken by the person who allegedly committed the fraud.
7. Is there any specific evidence (e.g. documentation, witnesses) that you are aware of?

Please provide contact details, if you wish to be contacted by UNOPS.