



FRAUD POLICY

Revised: December 14, 2022

Background

This fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Clark County Land Reutilization Corporation (“CCLRC” or “Land Bank”). It is the intent of CCLRC to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy

This policy applies to any irregularity, or suspected irregularity, involving employees and Board Members as well as consultants, vendors, contractors, and/or any other parties with a business relationship with CCLRC.

Definition of Fraud and Fraudulent Activities

Fraud is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

A fraudulent act may be an illegal, unethical, improper, or dishonest activity, and may result in monetary losses for the Land Bank. The following non-exhaustive list includes examples of the type of activities that would be considered fraudulent and in violation of this policy:

- Misappropriation or theft of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiting as a result of insider knowledge of CCLRC activities.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to CCLRC. Exception: Accepting gifts less than maximum valued amount, set by The Ohio Ethics Commission and set by The Clark County Commissioners.
- Disclosing confidential and proprietary information to outside parties.
- Disclosing to other person(s) securities activities engaged in or contemplated by CCLRC.
- Unauthorized destruction or unauthorized removal, or inappropriate use of records, furniture, fixtures, and equipment (including computers).



- Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. If there is any question as to whether an action constitutes fraud, contact the Executive Director for guidance. Any irregularity that is detected or suspected must be reported immediately to the Executive Director or Board Chairman. As appropriate, the Executive Director and the Board Chairman will determine how to proceed with investigations.

Investigation Responsibilities

- A Fraud Committee, made up of 3 nominated members, including the Board Chairman as the head of the Committee, a representative from the Clark County Department of Human Resources, and an additional Land Bank Board Member. The Executive Director that will serve in an ex-official capacity. The Fraud Committee's primary responsibility for the investigation of suspected fraudulent activity as defined in the policy. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to CCLRC. If the investigation substantiates that fraudulent activities have occurred, the Committee can request additional information and review input from the financial and additional staff perspective.
- Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Fraud Committee, as will final decisions on disposition of the case.

Confidentiality

- All information received in the course of an investigation will be treated as confidential.
- Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect CCLRC and Clark County Ohio from potential civil liability.

Authority of Investigators

- Members of the Fraud Committee, under the guidance of the Board Chairman and Executive Director, when within the scope of an investigation, will have:
 - Unrestricted access to all CCLRC records and premises, whether owned or rented; and the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities.



- The Committee will work with necessary Clark County authorities to access additional information required that is not in the immediate CCLRC possession.

Reporting Procedures

- Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.
- Any employee or Board Member who suspects dishonest or fraudulent activity should notify the Executive Director immediately. Employees should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act. An employee or other complainant may remain anonymous.
- All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the CCLRC's legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is, "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Fraud Committee or CCLRC's legal counsel.

Disciplinary Action

- If an investigation results in a determination that an employee or Board Member has engaged in fraudulent activity, the Fraud Committee reserves the right to make the recommendation to refer the case to the Clark County Prosecutor and Clark County Human Resources department, to take appropriate disciplinary action against the individual, up to and including termination. Any recommendation to terminate an employee or end a Board Member's term will be handled in accordance with CCLRC Policies and The Clark County Board of Commissioners' Personnel Policies and Procedures.

Administration

- The Executive Director is responsible for the administration, revision, interpretation, and application of this policy.