

**Mimico  
Co-op Homes Inc.**

**Board Policy No. 8**

---

**FRAUD POLICY**

---

**Approved by the  
Board of Directors on  
March 2, 2011**

## **Fraud and Other Similar Irregularities**

### **Statement of Policy Principals**

Mimico Co-operative Homes Inc. is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees, to gain by deceit, financial or other benefits.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for investigation of fraud and other similar irregularities.

### **Definitions**

Fraud and other similar irregularities include, but is not limited to:

1. Forgery or alteration of cheques, drafts, promissory notes and securities.
2. Any misappropriation of funds, securities, supplies or any other asset.
3. Any irregularity in the handling or reporting of money transactions.
4. Misappropriation of furniture, fixtures and equipment.
5. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the Mimico Co-operative Homes Inc in violation of the conflict of interest provisions of section 4 of O. Reg. 339/01 under the Social Housing Reform Act, 2000
6. Unauthorized use or misuse of Mimico Co-operative Homes Inc. property, equipment, materials or records.
7. Any computer related activity involving the alterations, destruction, forgery, or manipulation of data for fraudulent purposes or misappropriation Mimico Co-operative Homes Inc.-owned software.
8. Any claim for reimbursement or expenses that are not made for the exclusive benefit Mimico Co-operative Homes Inc.
9. Provision of an unauthorized benefit to a member including, but not limited to, an unauthorized reduction of the housing charge payable by a member, unauthorized internal transfers to another unit or unauthorized determination of eligibility for rent-geared-to-income assistance.
10. Any similar or related irregularities.

## **Applicability**

This policy applies to members of the Board of Directors and all employees of Mimico Co-operative Homes Inc.

## **General Policy and Responsibilities**

1. It is the Board of Directors intent to fully investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with Mimico Co-operative Homes Inc. of any party who might be or becomes involved in our becomes/is the subject of such investigation.

All directors, officers and employees of Mimico Co-operative Homes Inc. will cooperate fully with the Board of Directors to ensure that any suspected acts of fraud, misappropriation or other similar irregularity are investigated to the satisfaction of the Board of Directors and City of Toronto's Social Housing Unit.

2. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the Board of Directors, subject to the advice of its legal counsel, will contact is insurance company, the City of Toronto Police Service and City of Toronto's Social Housing Unit.
3. Upon conclusion of the investigation, the results will be reported to the Board of Directors. The Board of Directors will provide a copy of the results to City of Toronto's Social Housing Unit.
4. The Board of Directors will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the corporation's losses form the offender, or other appropriate sources.

## **Procedures**

### **1) Reporting**

#### **a) All Employees**

Any employee who has knowledge of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall immediately notify the Board of Directors.

Employees shall not attempt to investigate a suspected fraud or discuss the matter with anyone other than a person to whom the fraud was reported, staff of the City of Toronto's Social Housing Unit and the police.

An allegation of fraud is a serious matter. Employees who knowingly make false allegations will be subjected to discipline up to an including dismissal.

## **b) Supervisors**

Upon notification from an employee of suspected fraud, or if the supervisor has reason to suspect that a fraud has occurred, the supervisor shall immediately notify the President. The supervisor shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the Board of Directors, staff of the City of Toronto's Social Housing Unit and the police.

## **c) Board of Directors**

Upon notification or discovery of a suspected fraud, the Board of Directors, will in consultation with City of Toronto's Social Housing Unit, promptly conduct an initial review and make a determination whether or not the suspected fraud warrants additional investigation. In all circumstances where there appears to be reasonable ground for suspecting that a fraud has taken place, the Board of Directors, in consultation with Mimico Co-operative Homes Inc. legal counsel, will contact the City of Toronto Police Service. The Board of Directors shall coordinate the investigation with City of Toronto's Social Housing Unit and appropriate law enforcement officials. The Board of Directors shall investigate any suspected fraud to the satisfaction of City of Toronto's Social Housing Unit.

## **2) Security of Evidence**

- a) Once a suspected fraud is reported, the Board of Directors, in consultation with the corporation's legal counsel and City of Toronto's Social Housing Unit, shall take immediate action to prevent theft, alteration, or destruction of relevant records.
- b) Such actions may include, but are not limited to, removing the records and placing them in a secure location, limited access to the location where the records currently exist, and preventing any individual(s) suspect of committing the fraud from having access to the records. The records must be adequately security until the investigator engaged to conduct the investigation or the police take control of the records to begin the audit investigation.

### **c) Confidentiality**

All participants in a fraud investigation shall keep the details and results of the investigation confidential.

## **3) Personnel Action**

- a) If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the Board of Directors in consultation with the corporation's legal counsel.
- b) Unless exceptional circumstances exist, a person under investigation for fraud shall be given notice in writing of the essential particulars of the allegations following the conclusion of the audit investigation and prior to

final disciplinary action being taken. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Board of Directors no later than seven calendar days after the notice is received. This requirement is subject to any collective agreement provisions respecting the rights of employees during disciplinary proceedings.

**4) Whistle-Blower Protection**

No person acting on behalf of Mimico Co-operative Housing Inc. including the Board of Directors, shall:

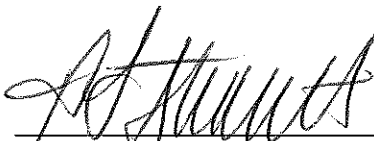
- a) dismiss or threaten to dismiss an employee;
- b) discipline or suspend or threaten to discipline or suspend an employee;
- c) impose any penalty upon an employee, or
- d) intimidate or coerce an employee

because the employee has acted in accordance with the requirements or the policy. Violation of this section will result in discipline up to and including dismissal.

**5) Media Issues**

Any staff person or member of the Board of Directors contacted by the media with respect to an audit investigation shall refer the media to the President. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the President in consultation with the corporation's legal counsel.

Passed by the Board of Directors of Mimico Co-operative Homes Inc. at a meeting duly held March 2, 2011

  
\_\_\_\_\_  
Secretary

c/s

