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# ANTI-CORRUPTION POLICY

## **AMA Association**

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**ASOCIACIÓN AMA**

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*Petén, Guatemala, Central America*

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# **ANTI-CORRUPTION POLICY**

## **I. Introduction**

AMA Association as part of the human rights defense organizations in the region seeks for combating fraud and corruption through its humanitarian social work. Any act of fraud or corruption in AMA activities diminishes the funds, assets and other resources necessary to fulfill the organization's mandate. Fraudulent and corrupt practices can seriously damage the credibility of AMA and the non-governmental organization movement, and undermine donor confidence in publishing results in a responsible and transparent manner. In addition, it can affect the effectiveness, motivation and morale of the team and staff, and impact the organization's ability to attract and retain the talent level of its work team.

## **II. Scope and application**

AMA has a policy of zero tolerance for fraud and corruption, which applies to all its activities and operations, and which includes its members, non-affiliated staff (consultants and volunteers). All incidents of fraud and corruption must be reported, then evaluated and investigated accordingly. AMA will take action against those who perpetrate fraud actions. AMA is committed to preventing, identifying and addressing all acts of fraud and corruption against it or among the beneficiaries of the projects, by raising awareness of the risks involved, implementing control systems to prevent and detect cases of fraud and corruption and reinforce the anti-corruption policy.

This Policy applies to all AMA activities and operations, including projects and programs funded by AMA, as well as those implemented by AMA. This Policy aims to prevent, detect and address acts of fraud and corruption that include: a). Team members; b). Non-affiliated personnel (consultants, volunteers and interns) c). Goods and service suppliers; d) Organizations subsidized by AMA.

## II. Frame conceptual

The definition of fraud and corruption varies by country and jurisdiction, and the terms are commonly used to describe a wide variety of dishonest practices. The following definitions apply in the context of this Policy:

Fraud is an intentional misinterpretation of the truth or a concealment of facts that are detrimental to other facts. Corruption is the act of doing something with the inappropriate intention of taking advantage of official obligations to obtain benefits, to cause harm, or to inappropriately influence the actions of other parties. Actions taken to investigate, assist, incite, conspire or cooperate in a fraudulent or corrupt act are also cases of fraud or corruption.

Instances of fraud and corruption include, but are not limited to, the following actions:

- ✓ Falsifying documents, including false entries in the administration software or making false statements to obtain financial benefits for oneself or others;
- ✓ Falsification of financial receipts, submission of false data in narrative reports and financial;
- ✓ Use of funds for purposes other than those declared in the approved projects;
- ✓ Anti-competitive scheme between suppliers and professionals during the acquisition process;
- ✓ Theft of banking information from individual donors who contribute to the work of the AMA through credit/debit cards for personal benefit;
- ✓ Forgery of signature of the Executive Director or other member of the AMA team, party outside of AMA;
- ✓ Creation of false identities or passwords, without consent or authorization, to manipulate AMA processes or cause actions to be approved or denied;
- ✓ Failure to disclose financial or family interests in a company or external party while participating in the management of contracts for the benefit of said company or external party;
- ✓ Processing personal travel costs as if they were official trips;

- ✓ Misinterpretations such as the inclusion of educational credentials or professional qualifications on personal forms in the context of job application;
- ✓ Forgery of documents, making false statements, including false income in programs of administration or other deceptive acts that are detrimental to what someone is trying to achieve to disfavor or discredit a person, a Program or an organization;
- ✓ Use benefits granted to AMA (such as travel discounts, among others) for personal benefit;
- ✓ Obtaining money, goods or other forms of rewards from potential organizations/beneficiaries during an extensive selection process in exchange for the benefit of being selected for financing;
- ✓ Favoritism or conflicts of interest in the process of choosing beneficiaries;
- ✓ Disclosure of confidential information to other organizations by former employees or volunteers for personal benefit.

#### **IV. Prevention and mitigation measures**

The main sanctions for team members and external staff are disciplinary measures and administrative, non-renewal or cancellation of their contracts or other actions that are considered necessary. For other organizations that are subsidized by AMA, the sanctions are termination of the cooperation agreement, referral to the authorities to request a criminal investigation and initiate legal proceedings (for severe cases), recovery of financial losses and/or assets of AMA, and return of recovered funds to the respective funding sources. Cases are documented to enable necessary actions and strengthen internal controls.

##### *Awareness:*

Team members, external staff, and AMA-funded organizations must be aware of their responsibility to prevent fraud and corruption. In this sense, those who manage the programs and the administration must report on this Policy and reiterate the

information about the obligation of all parties to report instances of fraud and corruption.

Suppliers of goods and services and organizations subsidized by AMA are warned that they are subject to sanction procedures via approved projects, accepted signed offers and cooperation agreements.

*Prevention in Project Design:*

When developing a new program or project, those managing the Programs must ensure that the risks of fraud and corruption are considered at the design stage. This is especially important for those programs/projects that involve risk, such as those carried out in complex, high-risk environments. These potential risks should be communicated to stakeholders, including donors and AMA-granted organizations, along with an assessment of how they can be reduced.

*Risk minimization:*

Those who manage programs and administration must be aware of monitoring irregularities and the risk of fraud and corruption. If levels of fraud or corruption are found within a program, project or service management activity, the Executive Director and the Board of Directors must be consulted for consideration and a proactive investigation must be carried out by AMA if there is any. appropriate justification. Proactive investigations should identify and control a risk of fraud (yet unidentified) or financial irregularity. When high-risk fraud is identified in the overall program/project evaluation process, an additional, specific risk assessment may be required. This in-depth assessment should be carried out to identify fraud risks and develop effective measures to address them. Measures to prevent and mitigate cases of fraud and corruption must be monitored to achieve greater effectiveness over time. The fraud risk assessment process should be repeated periodically using lessons learned, especially for long-term programs.

### *Integrity:*

Integrity is a primary consideration in the selection of internal and external personnel. In this context, Asociación AMA must ensure that the organization selects/hires people who meet the standards of conduct expected of the team, both for internal and external personnel. This may be achieved, for example, through interviews with specific integrity assessment tools, professional experience and academic history. Also, regarding the hiring of personnel.

### *Codes of conduct:*

Standards and codes of conduct must be established for team members and external staff. In addition, service contracts and cooperation agreements stipulate requirements for personnel, with the implementation of partners and suppliers in the context of their contractual relationships with AMA. Compliance with such standards of conduct and contractual obligations prevents fraud from occurring and encourages high standards of professional behavior.

## **V. Sanction measures**

Disciplinary and/or administrative measures (such as suspension of the contractual relationship withAMA) are defined on a case-by-case basis after due investigation. Mediation measures will be taken into account. The Board of Directors must hear from the representatives of the relevant person/organization and provide them with the opportunity to defend themselves, and then determine the type and severity of the sanction. This includes disciplinary actions, civil and/or legal proceedings, disciplinary warnings and administrative penalties. In some cases more than one type of sanction is applied. In the event of fraud or corruption by a team member, it constitutes an offense for which disciplinary action, including dismissal, must be imposed. Contracts must end once staff become involved in proscribed mechanisms. AMA may refer certain cases to national authorities for criminal

investigation and prosecution in serious cases. Non-renewal or termination of the contractual relationship with AMA should be applied when necessary. Disqualification from making agreements and/or developing cooperation activities with AMA or other sanctions and recovery of financial losses and/or assets of AMA, and the return of funds to the respective funding sources will be considered potential sanctions.

## **VI. Roles and responsibilities**

All AMA team members and external staff have critical roles and responsibilities to ensure immediate prevention, detection and treatment of fraud and corruption. They are encouraged and obliged to raise concerns about any indicators of fraud or corruption at the earliest possible stage of program delivery. They have the responsibility to preserve the resources entrusted to AMA and defend and protect its credibility.

They must foster a culture of zero tolerance for fraud and corruption, and ensure that any practices that are not aligned with this Policy are dealt with expeditiously. Likewise, the highest standards of ethical behavior must be imposed, and any acts of fraud or corruption must be reported to AMA.

## **VII. Confidentiality**

Requests for confidentiality from those who present a claim will be taken into account to the extent possible within the legitimate needs of the investigation. All investigations carried out by AMA are confidential. Information will be disclosed in case of legitimate research needs.