



Western Bid, Inc.
3410 Winnetka Ave N #105
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Fraud and Corruption Response Policy

This policy outlines the company's principles with respect to maintaining a fraud free environment, details procedures for employees to report suspected fraud and describes actions to be taken by the company.

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Approved By: Michael Birman
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1. INTRODUCTION

- 1.1 Western Bid (e.g. The Company) is committed to the highest possible standards of openness, probity and accountability in all its affairs. It is determined to maintain a culture of honesty and opposition to fraud and corruption.
- 1.2 In line with that commitment, the Company's Anti-Fraud Policy outlines the principles we are committed to in relation to preventing, reporting and managing fraud and corruption.
- 1.3 This Fraud Response Policy reinforces the Company's approach by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption. It also outlines how the Company will deal with such complaints.

2 IMPLEMENTATION

- 2.1 This plan is to be implemented where suspicions of fraud or corruption have been raised.

Fraud is defined as:

"The intentional distortion of financial statements or other records by persons internal or external to the company which is carried out to conceal the misappropriation of assets or otherwise for gain".

Corruption is defined as:

"The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person".

2.2 Fraudulent or corrupt acts may include:

- **Systems Issues** - Where a process/system exists which is prone to abuse by either employees or public.
- **Financial Issues** - Where individuals or companies have fraudulently obtained money from the Company.
- **Equipment Issues** - Where the Company's equipment is used for inappropriate personal use.
- **Resource Issues** - Where there is a misuse of resources, (e.g. theft of materials)
- **Other Issues**- Activities undertaken by officers of the Company which may be: unlawful; against the Company's policies, falls below established standards or practices; or amounts to improper conduct.

2.3 This is not an exhaustive list. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the Internal Audit Director.

3 SAFEGUARDS

- 3.1 **Harassment or Victimization** - The Company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Company will not tolerate harassment or victimization and will take action to protect those who raise a concern in good faith.
- 3.2 **Confidentiality** - The Company will do its best to protect an individual's identity when he or she raises a concern and does not want their name to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by the individual may be required as part of the evidence.
- 3.3 **Anonymous Allegations** - This policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Company. In exercising this discretion, the factors to be taken into account would include: the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.
- 3.4 **Untrue Allegations** - If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious or vexatious allegations, action may be considered against the individual making the allegation.

4. EMPLOYEE ACTIONS

- 4.1 Employees are often the first to realize that there is something seriously wrong within the Company. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear harassment or victimization. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion.
- 4.2 The Company's Fraud Response Policy is intended to encourage and enable staff to raise serious concerns within the Company rather than overlooking a problem or blowing the whistle to the media or other external bodies.
- 4.3 In essence, employees should approach the Internal Audit Director. If the claim is substantiated, the Internal Audit Director will be notified and consulted. The nature of the complaint will determine the Company's course of action.
- 4.4 Internal Audit Director can be contacted by phone at 1(763)545-1768

5 PUBLIC ACTIONS

- 5.1 The Company encourages members of the public who suspect fraud and corruption to contact the Internal Audit Director.
- 5.2 The Internal Audit Director operates independently of all other Company processes and departments, and works to establish procedures with the following aims:
- Develop an anti-fraud culture.
 - Determine, prevent, detect and investigate fraud and corruption.
 - See appropriate actions against those who commit or seek to commit some sort of fraud or corruption.
 - Obtain compensation in respect of any losses to the Company.
- 5.3 The possible courses of action taken by the Company are outlined below.
- 5.4 Internal Audit Director can be contacted by email *Michael@westernbid.com*, or by phone at 1(763)545-1768 or by writing to Internal Audit Director, *Michael Birman, 3410 Winnetka Ave N #105, New Hope, MN 55427*

6 HOW WILL ALLEGATIONS OF FRAUD OR CORRUPTION BE DEALT WITH BY THE COMPANY?

6.1 For issues raised by employees or members of the public, the action taken by the Company will depend on the nature of the concern. The matters raised may:

- be investigated internally
- be referred to the Police

6.2 Within 5 working days of a concern being received, the Internal Audit Director will write to the complainant:

- acknowledging that the concern has been received;
- indicating how it proposes to deal with the matter;
- giving an estimate of how long it will take to provide a final response;
- telling them whether any initial enquiries have been made; and
- telling them whether any further investigations will take place, and if not, why not.

6.3 Where the loss is substantial, legal advice should be obtained without delay. Legal advice should also be obtained about prospects for recovering losses, where the perpetrator refuses repayment. The Company would normally expect to recover costs in addition to losses.

The Company accepts that those people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will receive information about the outcomes of any investigation.

7 REVIEW

7.1 This policy will be reviewed at least annually or after each use. Any need for change will be reported to the audit committee for approval.