

Federal Reserve Bank of Chicago Anti-Fraud Policy and Procedures (Redacted Version for Contractors)

The Federal Reserve Bank of Chicago ("Bank") requires its independent contractors, and companies that do business with or seek to do business with the Bank to act with honesty and integrity in their dealings with the Bank. This policy defines fraud, sets forth the responsibilities that we have to prevent and report fraud or suspected fraud, and sets forth the procedures the Bank will follow in the event it becomes aware of or is made aware of fraud or suspected fraud.

Definition

Fraud is the intentional use of deception to obtain unlawful gain or unfair advantage. Fraud can be used to achieve personal gain or to give the Bank an unfair advantage. Fraud includes but is not limited to falsification of Bank records, falsification of information the Bank relies on in its operations and the intentional omission of information material to a decision or operation. Examples include, but are not limited to, an employee intentionally making incorrect financial entries, an employee intentionally recording incorrect data, the submission of false reimbursement requests, submission of phony invoices by a vendor and making a false claim, and embezzlement. The term "fraud" as used in this policy includes fraud and suspected fraud.

Applicability

This policy applies to all independent contractors, and persons or companies who do business with the Bank or seek to do business with the Bank.

Reporting Responsibilities

Companies and Independent Contractors that do business with or seek to do business with the Bank

Any company or independent contractor that does business with or seeks to do business with the Bank who has knowledge of an occurrence of fraud or has reason to suspect that a fraud has occurred related to the Bank, shall immediately report the suspected activity. The company or contractor may report the activity to any member of Bank management or through the Bank's anonymous hotline (888-898-4091).

Confidentiality

In order to avoid damaging the reputations of innocent persons initially suspected of wrongful conduct and in order to protect the Bank from potential civil liability, all participants in a fraud investigation shall keep the details and results of the investigation confidential, disclosing information only to those individuals with a business need to know the information.

Investigation Policy and Procedures

a. Policy to Investigate

The Bank shall fully investigate suspected acts of fraud which are brought to its attention or of which it is otherwise aware. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with the Bank of any person or party who might be or becomes involved in or is the subject of such investigation.

b. Actions Resulting from Investigations

If an investigation reveals that a company or independent contractor doing business with or seeking to do business with the Bank has participated in a fraud, the Bank will take appropriate action to terminate the relationship. The Bank will refer matters to and cooperate with law enforcement authorities where appropriate.

Media Inquiries and Inquiries from Suspects

a. Media Issues

The media shall not be contacted regarding suspected Bank fraud or a fraud investigation at the Bank. Media inquiries regarding an alleged fraud or fraud investigation shall be referred to the media relations staff in Public Affairs.

b. Inquiries from Suspects

All inquires from any individual suspected of fraud, including his/her representatives or attorneys, shall be directed to the Bank's General Auditor.