



7331-1 (CFMWS/CFO)

5 April 2023

Distribution List

NON-PUBLIC PROPERTY
(NPP) FRAUD PREVENTION POLICY

1. The attached Non-Public Property (NPP) Fraud Prevention Policy was approved on 21 February 2023 and is in effect upon receipt.

2. This policy has been established as part of NPP Management's controls to assist in the prevention and detection of fraud and provides a framework within which NPP can meet the following objectives:

- a. take appropriate measures to prevent, detect and investigate fraudulent activities;
- b. provide staff, CAF, and the public, with a reporting channel when fraud is suspected through implementation of a fraud hotline; and
- c. provide guidelines and delineate responsibilities for investigations.

7331-1 (SBMFC/SCF)

Le 5 avril

Liste de distribution

POLITIQUE DE PRÉVENTION
DE LA FRAUDE AU SEIN
DES BIENS NON PUBLICS (BNP)

1. La Politique de prévention de la fraude au sein des Biens non publics (BNP) ci-jointe a été approuvée le 21 février 2023 et est en vigueur dès la réception.


2. La présente politique a été établie dans le cadre des contrôles de la direction des BNP pour aider à la prévention et à la détection de la fraude et fournit un cadre au sein duquel les BNP peuvent satisfaire les objectifs suivants :

- a. prendre les mesures appropriées pour prévenir et détecter les activités frauduleuses et pour y faire enquête;
- b. mettre à la disposition du personnel, des membres des Forces armées canadiennes (FAC) et du public un moyen de dénonciation en cas de soupçon de fraude, grâce à la mise en place d'une ligne d'assistance téléphonique;
- c. fournir des directives et délimiter les responsabilités en matière d'enquête.

3. Questions may be referred to Greg Mackenzie, Senior Manager Financial Policies, at 902-430-5348, mackenzie.greg@cfmws.com.

3. Pour toute question, veuillez communiquer avec Greg Mackenzie, gestionnaire supérieur des politiques financières, au 902-430-5348 et à mackenzie.greg@sbmfc.com.

Le directeur général des Biens non publics,



on behalf of
Ian C. Poulter
Managing Director Non-Public Property

Distribution List

Liste de distribution

Attachments: 1

Pièce jointe : 1

Action

Exécution

External

Externe

All Base/Wing/Unit Commanders

Tous les commandants
des bases/escadres/unités

Internal

Interne

COO
Snr VP PSP
Snr VP CANEX
Snr VP SISIP
CHRO
CFO
VP Info Svcs/CIO
Snr VP MFS
CXO
CCS

CO
VP Sup PSP
VP Sup CANEX
VP Sup Financière SISIP
CRH
CSF
VP SI/CSI
VP Sup SFM
CX
Sec Gén

Information

External

VCDS

Comd RCN

Comd CA

Comd RCAF

CMPC

Comd CJOC

Comd CANSOFCOM

Comd CFINTCOM

ADM(RS)

Information

Externe

VCEMD

Cmdt MRC

Cmdt AC

Cmdt ARC

CCPM

Cmdt COIC

Cmdt COMFOSCAN

Cmdt COMRENSFC

SMA(Svcs Ex)

Non-Public Property (NPP) Fraud Prevention Policy

Date of Issue: February 21, 2023
Revision date: N/A



APPLICATION

1. For clarity; this policy applies to any fraud, or suspected fraud, involving any person or party operating in a NPP capacity and/or doing business with NPP. This policy represents the Chief of Defence Staff direction, referred to in QR&O: Volume I - Chapter 21, Article [21.72](#) (Loss Of, Or Damage To Non-Public Property) and [21.73](#) (Investigation Into Loss, Overage Or Damage Due To A Service Or Criminal Offence) on the loss or damage to Non-Public Property due to fraud.

APPROVAL AUTHORITY

2. The Non-Public Property (NPP) Fraud Prevention Policy is established on the authority of the Managing Director Non-Public Property on behalf of the Chief of Defence Staff.

ENQUIRIES

3. Enquiries should be forwarded through normal channels to the Canadian Forces Morale and Welfare Services Chief Financial Officer (CFO) at finance@cfmws.com.

DEFINITIONS

4. **Fraud** is defined as a wrongful, dishonest or criminal act that results in actual loss or risk of loss, deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity.
5. **Fraudulent actions** include but are not limited to:
 - a. The theft, misuse or misappropriation of money or other assets by the party who was entrusted with those funds or other assets; and
 - b. Misappropriation, and other fiscal wrongdoings such as:
 - i. Any dishonest or fraudulent act;
 - ii. Forgery or alteration of any document or account belonging to NPP;
 - iii. Forgery or alteration of a cheque, bank draft, or any other financial document;
 - iv. Misappropriation of funds, securities, supplies, or other assets;
 - v. Impropriety in the handling or reporting of money or financial transactions;
 - vi. Using NPP documents, licenses, discounts, tax exemption status for personal gains/benefits;
 - vii. Profiteering as a result of insider knowledge of company activities;
 - viii. Disclosing confidential and proprietary information to outside parties;
 - ix. Disclosing to other persons investment activities engaged in or contemplated by the company;
 - x. Breach of trust, conflict of interest, bribery, and other improprieties in the contracting or procurement process;

- xi. Accepting or seeking anything of material value (i.e. above allowed limits) from contractors, vendors or persons providing services/materials to NPP;
- xii. Deception of destruction, removal or inappropriate use of records (information/data), furniture, fixtures, and equipment;
- xiii. Time theft (when an employee is paid for work time during which they did not actually work); and/or
- xiv. Any similar or related inappropriate conduct.

OBJECTIVES

- 6. This policy has been established as part of NPP Management's controls to assist in the prevention and detection of fraud. The policy sets out responsibilities for reporting of suspected fraud and provides guidelines for the conduct of investigations. This policy provides a framework within which [NPP] can meet the following objectives:
 - a. Take appropriate measures to prevent, detect and investigate fraudulent activities and other acts of misconduct;
 - b. Provide staff, CAF, and the public with an anonymous reporting channel when fraud or corruption is suspected, by implementing a fraud hotline; and
 - c. Provide guidelines and delineate responsibilities for investigations.

RESPONSIBILITY

- 7. All members of the Staff of the Non-Public Funds (SNPF) and Base/Wing/Unit (B/W/U) Commanders and their delegates are directly responsible for preventing, assessing, detecting and [reporting](#) fraud. SNPF, and B/W/U Commanders and their delegates, may be required to complete online courses to be educated on the potential for fraud and controls that are in place to prevent fraud. Each member of the management team shall be aware of the types of fraudulent risks that are inherent within their area of responsibility and in turn must educate their delegates on how to prevent, detect, and [report](#) suspected or known fraudulent acts.

REPORTING

- 8. Anyone (SNPF, CAF members, Volunteers, Military Family Resource Centre staff, DND Civilians, Customers/Clients, Contractors, etc.) can and must report fraud, waste, abuse, and/or mismanagement of NPP when suspected or witnessed. All reports shall be treated confidentially.
- 9. When loss, theft or damage to NPP is suspected to be the result of a criminal offence, the Military Police shall be engaged, in addition to the NPP investigation being conducted.
- 10. Reports shall be sent to the Fraud hotline at fraud@CFMWS.com via email. Senders/reporters will receive acknowledgement of receipt and may be contacted to provide further details and, dependent upon the nature of the reported incident, may be advised of the outcome of their report.

Note: If anonymity is preferred, reports can be sent from an external email account that does not identify the sender or submitted through the fillable form found [here](#);
- 11. Reports should include, at a minimum:
 - a. A description of the alleged incident;
 - b. The identity of the person, company, or organization purported to have been involved;
 - c. The NPP entity, funds or program(s) affected;

- d. The availability of supporting evidence and/or documentation;
 - e. Date(s) of alleged wrongdoing(s);
 - f. How you were made aware of the incident; and
 - g. The identity of any potential witnesses and/or other persons who are aware of the fraud or suspected fraud.
12. **Confidentiality:** All participants in an internal investigation shall keep the details and results of any investigation confidential. Particulars of the investigation with potential witnesses may be disclosed only if such disclosure would further the investigation, and only after consultation with legal services and labour relations (as applicable). Throughout the investigation, senior NPP and CAF officials who have a legitimate need to know will be informed of pertinent investigative findings. To the extent possible by law, the identity of individuals involved in an investigation including the identity of an individual alleging fraud and the identity of the individual alleged to have committed fraud will be protected.
13. Once Reported:
- a. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the assigned investigators;
 - b. Do not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act; and
 - c. No contact should be made with the suspected individual(s) in an effort to determine facts or demand restitution.

Note: Other NPP **non-financial/property** wrongdoings should be reported through the chain of command, or to the office of Conflict Management and Values & Ethics via PSPDA-Disclosures@cfmws.com.

BAD FAITH STATEMENTS

14. There may be occasions where a complaint is put forward in bad faith, meaning that the complaint was put forward under false pretenses. False accusations and statements are not acceptable. Employees, members, volunteers, contractors, consultants and other stakeholders are expected to act with integrity and honesty. Any individual making a report that is found to be in bad faith may be subject to applicable disciplinary action and/or severing of business arrangements.

INVESTIGATION

15. An administrative investigation appropriate to the scale and scope of the suspected or witnessed fraud reported shall be conducted by an Investigation Team appointed by the Chief Financial Officer and include representatives of the affected NPP organization(s).
16. Commanding Officers who have initiated a preliminary military investigation must also notify the NPP fraud hotline at fraud@cfmws.com and inform that an investigation is in progress. Members of the CFMWS investigation team will assist the military investigation as needed.
17. Members of the Investigation Team shall have:
- a. Free and unrestricted access to all NPP entity records and premises;
 - b. When it is within the scope of their investigation, 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 or individuals who may use or have custody of any such items or facilities; and shall

- c. Identified themselves as the assigned investigator prior to requesting additional information from fraud reporters.
18. Any required investigative activity shall be conducted without prejudice and shall not be duly influenced by the suspected wrongdoer's length of service, position/title, or relationship to NPP.

CONSEQUENCES AND DISCIPLINARY ACTION

19. Any individual or organization who willfully or negligently causes, permits or contributes to damage to or the loss, deficiency, theft, destruction, deterioration or improper expenditure of any non-public property is liable to reimburse the non-public property organization concerned for the financial loss incurred and may be subject to criminal charges.
20. The consequences for any member of the SNPF engaging in fraud shall include disciplinary action up to and including termination of employment in accordance with the employer's policies on disciplinary action.

REFERENCES

- A. QR&O: Volume I - Chapter 21, Article [21.72](#) (Loss Of Or Damage To Non-Public Property) and [21.73](#) (Investigation Into Loss, Overage Or Damage Due To A Service Or Criminal Offence).