



CalPERS Fraud Prevention Policy

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Background

The CalPERS Fraud Policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against CalPERS. It is the intent of CalPERS to promote consistent organizational behavior by providing guidelines and assigning responsibility for reporting fraud and conducting investigations.

Policy Scope

This policy applies to any fraud, or suspected fraud, involving employees as well as CalPERS members, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with CalPERS.

Policy

CalPERS management is responsible for the implementation of procedures and controls designed to prevent, detect or deter fraud, misappropriations, deception, wrongdoing, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the CalPERS management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Chief Risk, Compliance, and Ethics Officer, who coordinates both internal and external investigations, or reported to the CalPERS Ethics Helpline.

The terms ***fraud, misappropriation, deception*** or ***wrongdoing*** refer to, but **constituting** are not limited to: **fraud**

- The use of one's employment or business relationship with CalPERS either for improper or unauthorized personal or third party (including CalPERS) enrichment or advantage, or for the improper or unauthorized detriment to CalPERS, through the deliberate misuse or misapplication of CalPERS processes, resources, or assets.
- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Disclosing confidential and proprietary information to outside parties
- Forging or altering any document or accounts belonging to CalPERS
- Forging or altering a check, bank draft, or any financial document
- Destroying, removing or inappropriately using records, furniture, fixtures, and equipment; and
- Taking steps intended to hinder the detection of any of the above activities.

Investigations

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position, title, or relationship with CalPERS.

For more details on CalPERS investigation, please refer to the CalPERS Investigations Policy and practices.

Confidentiality

CalPERS intends to maintain the confidentiality, to the extent that it is possible, of any employee reporting any detected or suspected fraudulent activity of the type described in this policy.

For more details on CalPERS investigation, please refer to the CalPERS Investigations Policy and practices.

Reporting Procedures

All CalPERS managers will be familiar with the opportunities for improprieties **Procedures** that exist in his or her area of responsibility, and be alert for any indication of irregularity of the type described in this policy.

For more details on CalPERS investigation, please refer to the CalPERS Investigations Policy and practices.

Reporting Hotline

If the complainant chooses, a report can be submitted to the CalPERS Ethics **Hotline** Helpline which provides a safe way for employers, employees, contractors, and the general public to report concerns about potential misconduct or inappropriate activities. The Ethics Helpline reinforces CalPERS efforts to ensure transparency, accountability, fairness, and integrity in the workplace. The Ethics Helpline is monitored by an external party, with a dedicated staff of call center specialists trained in handling reports from 120 countries. Reports can be submitted by calling toll-free (866) 513-4216 or TTY at (866) 294-9572. Reports can also be submitted through a secure website 24 hours a day, 7 days a week, and 365 days a year. If your concern involves possible disability fraud, call CalPERS at (888) CalPERS or (888) 225-7377. The employee or other complainant may remain anonymous.

As an alternative, the California Whistleblower Protection Act authorizes the California State Auditor to receive complaints from State employees and members of the public who wish to report an improper governmental activity. You may call the State Auditor's Whistleblower

Hotline at (800) 952-5665 to file a complaint or you may file a complaint in the form of a letter to the State Auditor addressed as follows:

Investigations

Bureau of State Audits

555 Capitol Mall, Suite 300

Sacramento, California 95814

Administration

The Office of Enterprise Risk Management is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed periodically and revised as needed.