



MAZAZEF'S POLICY ON FRAUD AND CORRUPTION: PREVENTION, AWARENESS, REPORTING, AND RESPONSE



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1. POLICY STATEMENT

Ma3azef Has Zero Tolerance for Fraud And Corruption

Fraud and corruption awareness, prevention, reporting, and response are critical parts of the accountability and compliance culture at Ma3azef and are of great importance to our impact, employees, partners, donors, counterparts, and other Ma3azef stakeholders. We aim to conduct all our activities abiding by the highest ethical standards.

This policy sets out the minimum standards and procedures that all Ma3azef is obliged to follow.

This policy addresses the awareness, prevention, identification, reporting, investigation, and handling of fraud and corruption at Ma3azef.

In addition to upholding legal and contractual obligations towards donors, Ma3azef is keen to adhere to rigorous ethical standards and to demonstrate commitment to preventing fraud and corruption.

Ma3azef staff are required to be watchful for fraud, bartering services, corruption, or any suspicious behavior, and report it to competent management. All reported incidents will be appropriately investigated, disclosed to competent management, governance body, and the donor, and remediated and closed out.

2. SCOPE OF APPLICATION

This policy and related procedures apply to all Ma3azef entities, personnel, and board members, and volunteers involved in Ma3azef financed/implemented projects wherever it may be located inside or outside Jordan.

This policy also applies to Ma3azef related third parties, which include any of Ma3azef's freelancers, service providers, agents, consultants, vendors/suppliers, partners, investors, board members, and all counterparts.

This policy places the ultimate responsibility for managing fraud and corruption on Ma3azef's employees, management, directors, and board of directors.

3. DEFINITIONS

Fraud and corruption encompass deliberate acts aimed at deceiving others to achieve an unjust or unlawful advantage, whether in terms of financial gain, gaining undue influence, or other benefits. Such acts also involve the exploitation of entrusted authority for personal profit.

Ma3azef will be using the following definitions for this policy:¹

1. **Conflict of Interest:** When an individual - a public official or beneficiary- is in a position to exploit their professional or official capacity in some way for their personal benefit, or for the benefit of someone they know. This may occur during the application and project selection process, the project implementation phase, or the project closure and evaluation process.
2. **Bribery:** Obtaining or soliciting favors - for example the award of a project - in exchange for financial gain. This may occur during the application and project selection process, the project implementation phase, or the project closure and evaluation process.
3. **Collusive Bidding:** When bidders agree to cooperate in order to defeat the competitive bidding process by inflating prices to artificially high levels. This occurs during the project implementation phase.
4. **Influence Peddling:** Using connections with officials to gain favors or preferential treatment for a third party, usually in return for money. This may occur during the application selection process.
5. **Creating Fictitious Companies:** Creating a fake company to win contracts and channel stolen funds through. This may occur during the project implementation phase.
6. **Manipulating or Forging Documents:** Creating and submitting false documents to hide fraudulent or corrupt activity or theft of funds. This may occur during the application and project selection process, the project implementation phase, or the project closure and evaluation process.

¹ OECD, Fraud and corruption in European Structural and Investment Funds, 2019.

4. EXAMPLES OF FRAUD AND CORRUPTION

A corrupt practice is any act of a person who uses their position for dishonest gain. These include offering, giving, receiving directly or indirectly to influence improper actions of another party for their or another person's benefits. Examples of Corrupt Practices may include, but are not limited to:

1. Persuading someone to give up a valuable possession or relinquish a lawful entitlement
2. Nepotism
3. Bribery, kickbacks and/or gratuities
4. Collusive behavior with vendors/suppliers
5. Embezzlement, and theft
6. Receiving or providing financial and non-financial favors with the intent of facilitating activities that the person may not normally receive

A fraudulent practice is any dishonest act that leads to misrepresentation or misleading of material facts to obtain a financial or other benefit or avoid an obligation. Examples of fraudulent practices may include, but are not limited to:

1. Forgery or alteration of any document or account (including, but not limited to timesheets, payroll, accounts, travel and expense reports, procurement documents or inventory/asset registers)
2. Forgery or alteration of a cheque, bank draft, or any other financial documents
3. Misappropriation of funds, commodities, securities, supplies, equipment, or other assets
4. Impropriety in the handling or reporting of money, financial transactions, or bidding procedures
5. Destruction or misappropriation of records, furniture, fixtures, or equipment
6. Diversion, alteration, or mismanagement of documents or information, and/or any similar or related irregularity
7. Any malicious use of internet and IT documents or messages
8. Any commission or omission of action or behavior motivated by personal or financial interests which frustrate or hinder professional obligations or fiduciary responsibilities.
9. Intentional concealment, omission, falsification or perversion of truth
10. Keeping false records
11. False claims (e.g. requesting payment for goods, services or activities not actually performed)
12. Unauthorized Access and/or withholding access to Ma3azef's digital platforms and tools
13. Withholding account information from Directors and upper management
14. Email Impersonation and spoofed emails
15. False signatures and titles on emails, business cards, or any formal communication

5. COMPLAINTS AND WHISTLEBLOWING MECHANISM:

Ma3azef is dedicated to the prevention, detection, and resolution of various forms of misconduct, including fraud, collusive bidding, bribery, influence peddling, creating fictitious companies, manipulating and forging documents, misappropriations of funds, discrimination, exploitation and abuse, support of terrorism, sexual misconduct and other wrongful behaviors.

For more information on sexual misconduct and Protection from Sexual Exploitation, Abuse and Harassment, kindly visit our PSEAH Policy found on Ma3azef's website under the page entitled institutional reports (<https://ma3azef.com/institutional-resources/>)

We value your input and encourage you to report any suspicions, observations, or personal experiences related to such misconduct. By promptly identifying issues within our organization, we can take swift action to address them. Your concerns are important to us, and we are committed to creating a safe and ethical environment.

All aspects of a complaint are confidential, namely the fact and nature of the complaint, the identity of the key participants (the complainant, the survivor, the Subject of Complaint, and witnesses) and the investigation. Unless indicated otherwise by the will of the person filing the complaint.

5.1. Reporting Responsibility and the Right to Complain

Any Ma3azef employee or volunteer, partner, vendor/supplier, programme participant, or other outside party, shall report wrongful conduct or a suspicion of wrongful conduct. Ma3azef highly encourages reporting in a timely fashion which facilitates prompt investigation and efficient response.

5.2. What to include in the reporting

In the report, when possible, include information on WHAT was the indication of fraud/corruption, WHERE was the location, WHEN it happened, WHO was involved and HOW it happened (method, mode, etc). Kindly visit section 7 below, entitled "Submitting a Complaint or Report" for a detailed breakdown of the mechanism of submission and the organizational response timeline.



5.3. Confidentiality, No Harassment or No Retaliation

All reports of wrongful conduct within Ma3azef will be treated with utmost seriousness. In all instances, upon receipt of identified reporting, Ma3azef shall exert every effort to maintain confidentiality and protect the complainant while ensuring a thorough investigation.

Upon receipt of a report, an initial investigation will be promptly conducted to assess its seriousness and determine the need for further investigation.

We are committed to taking disclosures of wrongful conduct seriously and providing protection to individuals who raise concerns in good faith. Ma3azef maintains a strict non-retaliation policy. No employee will face harassment or adverse consequences as a result of their reporting.

6. ANTI-CORRUPTION AND FRAUD CLAUSE FOR AGREEMENTS WITH THIRD PARTIES

Fraud and Corruption.

Ma3zef Publishing Ltd. (Ma3azef) does not tolerate fraud and corruption, and expects the same from all third parties with whom Ma3azef collaborates.

All third parties shall maintain and comply with written codes of conduct and policies and procedures that protect against any form of fraud and corruption, bribery, kickbacks, conflicts of interest, and others.

Ma3azef Reserves the right to conduct due diligence on the third party's applicable policies, codes of conduct, and procedures. This is to ensure proper risk management and shared accountability measures are in place.

Third parties shall inform Ma3azef immediately and in writing of any instance of actual or suspected fraud or corruption related to its work hereunder and shall respond promptly to and fully cooperate with any investigation Ma3azef or any donor, in their discretion, may require.

Third parties shall make all staff aware of and encourage reporting of any suspected or actual fraudulent or corrupt behavior to Ma3azef's complaints and whistleblowing mechanisms. The form in ANNEX 1 must be filled out and submitted electronically to Ma3azef Directors.



7. SUBMITTING A COMPLAINT OR REPORT

In accordance with Ma3azef's Policy on Fraud and Corruption Prevention, Awareness, Reporting, and Response, it is mandatory for Ma3azef management, partners, collaborators, and employees to promptly complete and submit this report upon recognizing misconduct or receiving an allegation of fraud or corruption.

The submission must take place immediately, within a maximum time period of 72 hours starting from the allegation of fraud or corruption. Irrespective of the donor, amount, or materiality involved, the report should be submitted prior to commencing a comprehensive investigation. It is the responsibility of the complainant to transmit the filled report to the Executive Directors.

When completing the report, concise responses consisting of one or two sentences for each item are sufficient for the purpose of this initial report. In cases where the answers are not yet known at the time of submission, it is acceptable to indicate "Not known yet." **The report template is included in ANNEX 1 below.**

8. MA3AZEF ANTI-FRAUD AND CORRUPTION GUIDELINES

Definitions

Responsible	The person or entity within Ma3azef that is 'Responsible' for performing relevant Activity. The 'Responsible' need not be accountable for that task, even though in some cases the same person can be 'Responsible' and 'Accountable'.
Accountable	The entity/entities who have the final authority to decide on an Activity and the final accountability for the performance of a given Activity. For any given task, there can be a single or multiple entities accountable.
Consulted	Entities/individuals whom Ma3azef consults and gets advice from before and during performance of Activity.
Informed	Entities/individuals informed by Ma3azef after completion of Activity.
Allegation	An assertion that fraud or corruption has been intended or materialized.
Department	The department within Ma3azef which is initially notified of a suspicious activity



Whistle Blowing	To report concerns or suspicions of misconduct by colleagues. The reports may concern individuals at other organizations and individuals at various levels within the organization's hierarchy.
Internal Investigation	<p>Internal Investigations are the initial processes of interrogating any and all reported instances of fraud and corruption with Ma3azef's operations. This investigation is conducted internally by the Finance Manager, The Director of Operations, and the Director of Content. The results of the internal investigation will be included in a preliminary report, along with recommendations for further development. This report will be shared with the Board of Directors and the affected Donor entity.</p> <p>Internal investigation will suffice to verify or investigate a reporting of fraud. In certain cases, where criminal activity or attempts to commit criminal activity are uncovered, the results of the Internal Investigation might prompt an External investigation.</p>
External Investigation	<p>If the outcomes of the internal investigation uncover evidence of criminal activity or evidence of an attempt to commit criminal activity an External investigation will be contracted. The External Investigation will entail third party involvement and assessment of the fraudulent or corrupt behavior. This third party is externally contracted in order to ensure the integrity of the investigation and the proper accountability measures that ensue.</p> <p>This report must be submitted to the Board of Directors and all Donors of Ma3azef at the time of the incident.</p>



9. ACCOUNTABILITY MATRIX

	Function	Activity	Responsible	Accountable	Consulted	Informed
1	Prevention and awareness within Ma3azef's departments	Onboarding and educational sessions for newly hired personnel, collaborators, and periodic refresh trainings	Direct Manager	Head of Department Operations Manager		
		Systems review, spot-checks, internal audits.	Head of Department	Finance Manager		
			Finance Manager	Operations Department		
			Operations Department			
Donor regulations, policies and reporting procedures,	Business Dev. and Funding Manager	Finance Manager Business Dev. and Funding Manager Director of Operations				
Regular verification of updated policies, Standard Operating Procedures, and guidelines upon any changes made. Signed and dated documentation must be provided by all staff and implementing partners	Business Dev. and Funding Manager Director of Operations Direct Managers	Operations Department Direct Managers				



2	Violation Alert (Tip-off, verbal or written report)	Report made through any channel, email, verbal, local feedback and accountability mechanism, etc) received and shared to entities responsible for handling and investigation.	Complainant Director of Operations	Complainant Finance Manager Executive Directors		
		Report made through any channel, received and shared to affected entities.	Executive Directors Finance Manager	Executive Directors Finance Manager		
3	Internal Investigation	Allegations received via any channel are backlogged and case managed.	Executive Directors Finance Manager	Executive Directors Finance Manager		
		Conduct initial investigation.	Executive Directors Finance Manager	Executive Directors Finance Manager	Board of Directors	Board of Directors
		Results of initial investigation are shared in a preliminary report with recommendations for further action, if need be.	Executive Directors Finance Manager	Executive Directors Finance Manager		Board of Directors
		Reporting back to complainant if necessary.	Executive Directors Finance Manager	Executive Directors Finance Manager		
		Initial donor report.	Executive Directors Finance Manager	Executive Directors Finance Manager	Board of Directors	Donor Board of Directors
4	Reporting and corrective actions	Action / corrective action plan developed and shared.	Executive Directors	Executive Directors	External Party	

			Finance Manager	Finance Manager		
		Donor report.	Executive Directors Finance Manager Bus. Dev. and Funding Manager	Executive Directors Finance Manager	External Party	Donor Board of Directors
		Implement appropriate sanctions and corrective measures	Executive Directors Finance Manager	Executive Directors Finance Manager	External Party Board of Directors	Donor
5	Major Investigation	Sourcing external assistance if needed (e.g., TOR, cost, etc.)	Executive Directors Finance Manager Board of Directors	Executive Directors	External Party	Donor Board of Directors
		Draft report and recommendations produced and shared	External Party	Executive Directors	External Party	Donor Board of Directors
		Feedback for report finalization	External Party Executive Directors Finance Manager Board of Directors	Executive Directors	External Party	Donor Board of Directors



ANNEX 1 - REPORTING TEMPLATE, TO BE COMPLETED BY COMPLAINANT

Inquiry	Complainant Response
Ma3azef Department pertaining to the issue	
Name of Personnel	
Donor(s) and project(s) involved	
Date of discovery	
Method of discovery	
Date reported to management	
Details	
Amount or value (estimate if necessary)	
Initial internal control weaknesses or systems failures identified	
Initial remedial actions taken	
Potential for additional related fraud or corruption losses:	
Initial determination of fraud/corrupted amount	
Initial determination if donor reporting is required	

[Attach additional pages or attachments if necessary]