



HUMAN RIGHTS WATCH

Anti-Fraud Policy

Introduction

This document sets out the policy and procedures of Human Rights Watch against fraud and other forms of dishonesty, together with the steps that must be taken where any of these practices is suspected or discovered.

It applies to directors, employees, consultants, interns and volunteers of Human Rights Watch (for purposes of this policy, "HRW personnel").

In any case where local law imposes any requirements above and beyond the requirements of this policy, the local operations manager or equivalent officer, in consultation with the HRW Finance Department, shall be responsible for developing and maintaining policies and controls to comply with such requirements and providing copies of such procedures and a written report of measures taken to ensure compliance with such procedures to the General Counsel of Human Rights Watch. Moreover, if there is any conflict of law between the requirements set forth in this policy and local law, local law shall govern.

Statement of intent

Human Rights Watch will continually strive to ensure that (1) all its financial and administrative processes are carried out and reported honestly, accurately, transparently and with accountability, and (2) all decisions are taken objectively and free of personal interest. Human Rights Watch will not condone any behavior that falls short of these principles.

The management and Board of Directors of Human Rights Watch are collectively responsible for creating a culture of compliance with laws and establishing high ethical standards in connection with the conduct of the organization's business. The management and Board of Directors of Human Rights Watch are similarly responsible for preventing and detecting fraud and misappropriations to ensure the accuracy of the reported financial statements and tax filings of Human Rights Watch and any of its affiliated entities.

Fraud Prevention and Control

Fraud is defined as a deliberate, improper action that leads to financial loss for an organization.

Fraudulent or suspicious activities may include, but are not limited to: physical theft of cash or property or services of Human Rights Watch; falsifying receipts or expense reporting; lying about the use of funds of Human Rights Watch; misusing Human Rights Watch assets; abusing administrative authority, such as misapplying the procurement process; and colluding with vendors or bank employees to perpetrate fraud.

All HRW personnel are encouraged to communicate concerns regarding fraud, theft, or suspicious activity. Human Rights Watch has an official "Whistleblower Policy" which states that "Any HRW employee and others may submit, on a confidential, anonymous basis if that person so desires, any such concern or complaint." For details, see the HRW Whistleblower Policy.

Internal Controls

In relation to the prevention of fraud, theft, misuse of equipment and abuse of position, Human Rights Watch strives to establish and maintain a sound system of internal controls that supports the achievement of the policies, aims and objectives of Human Rights Watch.

The system of internal controls is based on an on-going process designed to identify principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk is seen in the context of the management of this wider range of risks.

Human Rights Watch's system of internal controls is set forth in more detail in its Global Finance Manual.

Responsibilities

Deputy Executive Director for Operations:

The Deputy Executive Director for Operations has overall responsibility for the prudent management of the assets of Human Rights Watch. His/her responsibilities include:

- Undertaking a regular review of the fraud risks associated with each of the key organizational objectives;

- Establishing an effective anti-fraud response plan, in proportion to the level of fraud risk identified;
- The design of an effective control environment to prevent fraud;
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues
 - reporting significant incidents of fraud or attempted fraud to the Board of Directors;
- Making sure that all HRW personnel are aware of the this anti-fraud policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate anti-fraud training is made available to HRW personnel as required; and
- Ensuring that appropriate action is taken to minimize the risk of any frauds occurring.

The Finance Staff:

The Finance Staff is responsible for:

- Ensuring that an adequate system of internal controls exists within Human Rights Watch and that controls operate effectively;
- Preventing and detecting fraud as far as possible;
- Assessing the types of risk involved in the operations of Human Rights Watch;
- Reviewing the control systems of Human Rights Watch on a regular basis;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place; and
- Liaising with the auditors of Human Rights Watch.

HRW Personnel:

All HRW personnel play a role in preserving the financial integrity of Human Rights Watch. HRW personnel are responsible for:

- Acting with propriety in the use of the resources of Human Rights Watch and the handling and use of funds, whether they are involved with cash, receipts, payments or dealing with suppliers;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Alerting their manager when they believe the opportunity for fraud exists, *e.g.*, because of poor procedures or lack of effective oversight;
- Reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events; and
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

Detection and Investigation

Taking action to prevent fraud is part of the culture of Human Rights Watch. If any HRW personnel observes possible unethical or illegal conduct, he/she is encouraged to report his/her concerns. As noted above, Human Rights Watch has an official “Whistleblower Policy,” which sets forth the procedures for making any report or complaints on a confidential basis.

Reporting of suspected irregularities is essential as it:

- Facilitates a proper investigation by experienced staff, and ensures the consistent treatment of information regarding fraud.
- Requires the person notified pursuant to HRW’s Whistleblower Policy to alert the Executive Director to instigate an investigation and, where appropriate, triggers consultation with outside advisors.

Human Rights Watch will take the necessary steps, including legal action and notification to law enforcement authorities, to recover any losses arising from fraud or attempted fraud. This may include action against third parties involved in the fraud whose negligence contributed to the fraud. Management is responsible for taking the appropriate corrective action to ensure adequate controls exist to detect and prevent recurrence of fraudulent activities.

Sanctions

To the extent permitted by applicable law, any employee of Human Rights Watch who commits fraud is subject to disciplinary or other appropriate action up to and including termination of employment and forfeiture of benefits.