



## Fraudulent Activity

### **1.0 Purpose**

To define the actions that are taken when allegations, self-disclosures, or Customer notifications, which negatively impact products or services and/or the reputation or status of the organisation, are received.

### **2.0 Scope**

This procedure applies to allegations, self-disclosures, or Customer notifications of violations, fraudulent activity, or unethical behaviour (including personal code of ethics complaints) received by T&R against a customer requirement and to define the Potential consequences of fraudulent activity actions upon discovery at the individual level, company level, or in purchased goods and services (e.g., counterfeit or misrepresented goods or services and its applicability to all employees?

### **3.0 Fraudulent Activity - definition**

Deceit, trickery, dishonest practice, or breach of confidence, intentionally perpetrated for profit or to gain some unfair or dishonest advantage. This includes but is not limited to falsification of information, intentional omission, false presences, and deliberate misuse of qualified resources or certification/qualification/authorization.

### **4.0 Procedure**

4.1 Written allegations submitted with contact information, acknowledged media reports, or self-disclosures of program violations, fraudulent activity, or unethical behaviour shall be processed using the company non-conformance procedure.

4.2 It is the responsibility of all parties to avoid the slightest possibility or appearance of impropriety or malpractice and to report known or suspected occurrences to the proper authorities.

4.3 All personnel working within the organisation must be aware of malpractice and fraud & falsification, pitfalls that could lead to malpractice and fraud & falsification methods to eliminate potential situations, and Purchaser expectations of supplier's, their employees, and subcontractors.

4.4 Consequences of malpractice and fraud & falsification could involve functional failure of product in operation on land or at sea, causing loss of equipment and life.

4.5 Consequences also include severe fiscal loss to the Purchaser, the customer, and the Supplier due to lengthy investigations, possible disqualification from future contracts, production shutdown, and loss of employment. Acts of malpractice or fraud & falsification will result in purchase order contractual action.

4.6 Suppliers must ensure that employees and sub-tier suppliers are provided documentation and information necessary to perform assigned and contracted work correctly. Employees and sub-tier suppliers must follow established work procedures and contract documents to perform best possible effort within the organisation.

### **5.0 Examples of malpractice and fraud & falsification (f&f)**


a) Issuing a procedure or instructions known to contain unauthorized deviation(s) to contractual requirements.

- b) Knowingly waiving or eliminating a contractual requirement without authority to do so.
- c) Deliberately accepting unsatisfactory work.
- d) Intentionally performing unacceptable work.
- e) Failing to report problems or unsatisfactory conditions in one's own workmanship.
- f) Verifying by signature that an action was taken, knowing in fact the action was not taken, or not performing the required checks or verifications to assure the action was taken.
- g) Verifying performance of action based on hearsay, not personal observation.
- h) Tampering with calibrated instruments to avoid rejection of work.
- i) Falsifying dates on records to comply with frequency or deadline requirements.
- j) Falsifying data to cover-up a procedure or drawing deviation.
- k) Falsifying data to have work accepted, thereby avoiding further work or rework.
- l) Concealing or not reporting information on malpractice, fraud, or falsification known to have been committed by others.

**6.0 Contract compliance**

To demonstrate contract compliance with this procedure, T&R is required to perform, and maintain records for, the following:

- a.) Alert all employees to this (Contract Compliance and Awareness of Malpractice Prevention) during new hire indoctrination.
- b.) Provide training to this (management procedure for all employees.
- c.) Company notice boards should provide a visible reminder notice and provide contact information should malpractice or fraud & falsification be observed or suspected, and to post this reminder notice in conspicuous and prominent locations throughout the facility,
- d.) Include verification during internal quality audits that malpractice and F&F training is performed, also reminder notices are posted.
- e.) Include an awareness in audit requirements that auditors be alert for malpractice and F&F during internal and external quality audits.
- f) Perform periodic and independent over checks of final inspections and testing.) Alert all sub-tier Suppliers of malpractice and F&F by flow down of this requirement in T&R purchase orders terms and conditions.
- h.) While performing on-site quality audits at sub-tier Supplier's facilities, confirm and verify sub-tier awareness of malpractice prevention.

<b>Reviewed By:</b>	<b>Signatures Managing Director &amp; Process Owner</b>	<b>Date:</b>
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