

Reference : EXECUTIVE
Section : GOVERNANCE
Title : FRAUD HOTLINE 855-7401
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Revision Date :

I PURPOSE

To establish required procedures for the receipt, retention, investigation and/or referral to the New York State Inspector General of complaints received by the authority.

II POLICY

A fraud hotline has been established so all employees and vendors may report allegations of questionable accounting, internal controls and auditing issues. Employees and vendors may also report any information concerning violations relating to public health or safety, allegations of corruption, fraudulent or dishonest conduct, criminal activity, conflicts of interest or abuse by the commissioners, officers or employees of the Niagara Frontier Transportation Authority or any persons having business dealings with the Authority.

The Fraud Hotline telephone number is 855-7401. This is a telephone line located in the Internal Audit Department in which an individual may leave a confidential message to report such allegations. The Internal Audit Department is charged with the responsibility to document, retain, investigate and/or refer to the New York State Inspector General complaints received via the hotline. Substantiated complaints will be reported to the Audit and Governance Committee of the Board of Commissioners.

Anyone who reasonably believes that any of the above-referenced actions has occurred should report such action. Please refer to the NFTA's [Whistleblower Policy](#) for the protections afforded employees for making such a report.

Employees are cautioned that making baseless allegations as defined in the Whistleblower Policy may subject the employee to disciplinary action by the company and/or legal claims by individuals accused of wrongful conduct.

PROCEDURE

To report the aforementioned allegations the employee or vendor can call the fraud hotline (855-7401) and leave a voice message. It is very important that the individual leave as much information as possible so the issue may be investigated. Individuals are encouraged to leave a telephone number so the Director of Internal Audit can contact them to gather additional information when required.

The Internal Audit Department is available to receive relevant information on a confidential basis and may be contacted directly whenever a fraudulent activity is suspected. The Director of Internal Audit's telephone number is 855-7257.

The Internal Audit Department is charged with the responsibility to document, retain, investigate and/or refer to the New York State Inspector General complaints received via the hotline and may investigate any suspected dishonest or fraudulent activity, which, in its opinion, may represent risk of significant loss of assets or reputation to the NFTA. The Internal Audit Department may work with, or refer the

investigation to, internal or external departments, such as the General Counsel's Office, and Human Resources Department, NFTA Police Department, NYS Inspector General, and NYS law enforcement agencies, as circumstances may require.

Note: This item was reviewed and approved during the Executive Committee meeting held on July 22, 2004.