

**GRAND JUNCTION REGIONAL AIRPORT AUTHORITY**  
**FRAUD PREVENTION AND WHISTLEBLOWER PROTECTION POLICY**  
(Revised March 19, 2014)

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1. Purpose The Grand Junction Regional Airport Authority (the "Authority") is committed to the highest standards of moral and ethical behavior by its employees and Board Members. The purpose of this policy is to discourage and prevent dishonest acts and/or fraudulent activity, and to advise employees and Board Members of their responsibility to report suspected fraudulent activity. This policy also assigns responsibility for the development of adequate internal controls and performance of investigations relating to fraud.
  
2. Scope of Policy This policy applies to any fraud or suspected fraud involving Authority employees and Board members, as well as consultants, vendors, contractors, outside agencies, and/or any other parties having a business relationship with Authority.
  
3. Policy Statement The Authority and all levels of its management are responsible for the prevention and detection of fraud, misappropriations, and other inappropriate conduct. Any fraud that is detected or suspected will be reported immediately, and an objective and impartial investigation will be conducted into the alleged fraudulent activity. The investigation shall be conducted in concert with applicable law enforcement or other agencies, if deemed necessary or appropriate. Any individual found to have engaged in fraudulent activity, as defined by this policy, is subject to disciplinary action which may include dismissal, prosecution by appropriate law enforcement authorities and/or civil remedies allowed by law.
  
4. Actions Constituting Fraud Fraud is defined in this policy as a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit for the actor, the Authority or any other person or entity. Fraud as defined in this policy may or may not rise to the level of a criminal offense. As used in this policy, the term "fraud" includes, but is not limited to, the following:
  - Any dishonest or fraudulent act;
  - Forgery or alteration of a check, bank draft, or any other financial document or account;
  - Theft or misappropriation of funds, securities, supplies, or other assets;
  - Making false statements or other impropriety in the handling or reporting of money or financial transactions;
  - Accepting or seeking anything of material value from vendors, contractors, or other persons providing services/materials to the Authority, sometimes known as kickbacks;
  - Using Authority funds to make unauthorized purchases;
  - Authorizing or receiving compensation for hours not worked;
  - Inappropriate use of Authority vehicles or equipment;
  - Any similar or related inappropriate or unlawful conduct.

5. Other Inappropriate Conduct Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct, which do not involve fraud, as defined above, should be resolved by the Airport Manager and/or Human Resources Manager rather than under this policy. If there is a question as to whether an action constitutes fraud, contact the Investigator and/or Authority Attorney for guidance.

6. Duties and Responsibilities Employees and Board Members are responsible for setting the appropriate tone of intolerance for fraudulent acts by complying with all laws, rules, regulations and policies. Supervisors should be aware of the types of fraud that could occur within their area of responsibility and be alert for any indication of fraud. Supervisors are responsible for establishing and maintaining proper internal controls that will provide for the security and accountability of the resources entrusted to them.

## 7. Reporting Procedures

7.1 Any Authority employee or Board Member who has a reasonable basis for believing a fraudulent act has occurred, or is occurring, has a responsibility to promptly report such activity to their supervisor, a Board Member or to the Investigator via the Ethics/Fraud Hotline. Supervisors and Board Members have a responsibility to immediately report fraudulent activity reported to them to either the Authority Board Chairman or the Investigator. Authority contractors, tenants or vendors and the public at large are also encouraged to report suspected fraud.

7.2 Reporting options are as follows: (1) to the Investigator via the Ethics/Fraud Hotline at 1-844-GO-ETHIC (1-844-463-8442) or (2) via written notice sent to the attention of the Authority's designated ethics investigator, Quimby & Associates LLC, at P.O. Box 31137, Grand Junction, CO 81502 (the "Investigator"). If the Authority Board changes designated fraud investigators, contact information will be updated and distributed to Authority employees in a timely manner.

7.3 Any person reporting a suspected fraudulent activity will have the option of three levels of anonymity. Those levels are: (1) complete anonymity – the reporting party may elect to notify no one of their identity; (2) partial anonymity – the reporting party may elect to have their identity disclosed only to the person to whom they report the activity; (3) no anonymity – the reporting party may elect to have their identity exposed completely.

## 8. No Retaliation

8.1 No person acting on behalf of the Authority shall:

- Dismiss, or threaten to dismiss, any employee;
- Discipline, suspend, or threaten to discipline or suspend any employee;
- Impose any penalty upon an employee;
- Intimidate or coerce an employee; or
- Retaliate in any way against any contractor, tenant, vendor or member of the public because they have acted in accordance with this policy.

8.2 It shall also be a violation of this policy for any informant to make a baseless allegation of fraudulent activity that is made with reckless disregard for truth and that is intended to be disruptive or to cause harm to another individual. Any violation of this Section 8.2 will result in disciplinary action which may include dismissal of any complainant who is also an employee.

8.3 Persons reporting suspected fraudulent activity should refrain from confrontation with the suspect and should not discuss the matter with others unless specifically asked to do so by the Investigator.

## 9. Investigative Procedures

9.1 The Investigator shall have the primary responsibility for investigating the reported fraudulent activity. However, the Investigator may contact Authority employees, Board members or the Authority outside attorneys as deemed appropriate to establish a team to investigate the suspected fraudulent activity. Members of the investigative team will have:

- Free and unrestricted access to all Authority records and premises, whether owned or rented, as permitted by law; and
- The authority to examine, copy, and/or remove all or any portion of the contents of Authority files, desks, cabinets, and other storage facilities on the Authority premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

9.2 In instances where the investigation indicates possible criminal activity, the investigation will be turned over to the appropriate law enforcement agency.

9.3 The results of the investigation conducted by the Investigator will be communicated orally and/or in writing to the Authority Board Chairman, the Board's Special Litigation Committee, the audit firm engaged to perform the Authority's annual audit, and/or other appropriate designated personnel, as appropriate under the circumstances of the case.

10. Confidentiality Except as provided herein, all participants in a fraud investigation shall keep the details and results of the investigation confidential. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, in order to protect the reputations of persons suspected of fraudulent activity, but subsequently found innocent of wrongdoing, and to protect the Authority from potential civil liability. Any employee or Board member contacted by the media with respect to an ongoing investigation into fraudulent activity shall refer the media to the Airport Manager or Board Chairman. The suspected fraud or audit investigation shall not be discussed with media by any person other than the Investigator, the Board Chairman or the Airport Manager.

11. Sanctions Fraudulent activities in connection with transactions involving the Authority may result in the following sanctions:

11.1 Authority employees suspected of committing or participating in fraud may be suspended without pay during the course of the investigation. Employees found to have committed or participated in fraud will be subject to disciplinary action, in accordance with the Employee Handbook, up to and including termination from employment and possible criminal prosecution or civil action. Employees found to have knowledge of fraudulent activity and who knowingly failed to report the activity will be subject to disciplinary action up to and including termination from employment. If disciplinary action is warranted, such action will be taken after consultation among the Airport Manager, the Human Resources Director, the Authority attorney, and/or other offices as deemed necessary and/or appropriate.

11.2 If a Board member is found to have committed or participated in fraud, the remaining members of the Board will request the removal of such Board member by the appointing agency.

11.3 The relationship of consultants, vendors, contractors, outside agencies and any other parties associated with the Authority found to have committed or participated in fraud will be subject to review, with the possible consequence of modification or termination of the relationship. If such action is warranted the Authority attorney, the Board Chairman and/or other appropriate offices will be consulted prior to the action being taken. Criminal or civil action may be initiated or sought against such individuals or entities.