



*Session Leader Guide*

*Last Updated: June  
2019*

## ETHICS AND ANTI- HARASSMENT TRAINING 2019



This document and any attached materials are the sole property of DAI Global, LLC and are to be used solely for illustrative, educational, and training purposes. This document and any attached materials are not to be disseminated, distributed, or otherwise conveyed without the permission of DAI Global, LLC.

# Overview

A common bond that holds DAI together is our commitment to doing what is right. It is important to our success in development, and it represents DAI and how we see ourselves – and how others see us. We accomplish this by increasing our awareness of possible ethics and harassment issues and our willingness to raise these concerns and quickly address them. The annual ethics and anti-harassment training are essential to meeting this expectation.

## New Employees:

All new employees should complete the online Ethics training (*Ethics Training for New Employees*) and the online Anti-Harassment training (*Harassment Prevention*) in iLearn within 30 days of employment. Staff without access to iLearn, can complete a workbook version of the training. To request a workbook, contact Dorota Preysnar ([Dorota\\_Preysnar@DAI.com](mailto:Dorota_Preysnar@DAI.com)).

## All Staff:

All staff must participate in the annual Ethics and Anti-Harassment training. To receive credit for completing these trainings, all employees must sign the sign-in sheet. For projects, completed sign-in sheets should be emailed to their home office support contact. For home office departments, sign-in sheets should be saved to the Ethics Training Tracker SharePoint site (see the *2019 How to Track Ethics & Anti-Harassment Completions* quick reference guide for directions).

Please note that new employees who completed the online version in 2019 have met the requirement for this annual Ethics training. However, we encourage them to participate in this exercise. New supervisors are not exempt.

# How to Use this Guide

This guide includes information you will need to conduct the 2019 Ethics and Anti-Harassment Training.

## This guide contains:

- Information on how to conduct the session. (*page 3*)
- Case studies on ethical violations and harassment concerns. (*page 5*)
- Session leader versions of each case study with possible responses to the discussion questions.

## Not included in this guide but needed to conduct the session:

- PowerPoint (*2019 All Employee Ethics and Harassment Training*) to kick-off the session, review the Code of Business Conduct and the Anti-Harassment Policy, and conversation starters.
- Sign-in Sheet (*print out 1 per session*)
- Certificates of Completion (*print out 1 per participant*)

Prior to conducting the session:

1. It is important that the session is led by the Team Leader or Chief of Party in the field or by a Manager if the audience is in the home office. We also encourage relying more on direct supervisors to facilitate the discussions, if necessary and appropriate in the judgment of the Team Leader, Chief of Party or home office manager. DAI employees must hear directly from their leaders and supervisors the messages in this training about the importance of ethics and harassment prevention. Leading the discussion of the case studies will also increase their staff's comfort level in raising issues to supervisors, Team Leaders, Chiefs of Party or managers, as they have been trained.
2. Select the case studies you believe reflect the kinds of risks and vulnerabilities most likely on your project(s). Note that the case studies can be edited for your purposes to make them more culturally sensitive or relevant to your context.
3. The case studies are kept intentionally short to make them easier to translate if necessary.
4. Print out enough copies of the case studies for a small group to be able to review the case studies (*recommendation is that groups be no fewer than 3 staff and no more than 7*). **You must select at least two Sexual Harassment case studies for the harassment portion of this training.**
5. Review the PowerPoint slides before the session and **select only a few of the "Conversation Starters"** slides most relevant to your activities. You may edit these slides as necessary.
6. Print out the corresponding session leader version for each case study that you choose for your reference in facilitating the discussion.
7. Print out the sign-in sheet for people to sign in and receive credit for completing the session.
8. Print out 1 certificate per attendee.

During the session:

1. Ensure that everyone signs the sign-in sheet.
2. Follow the below table as a guide for timing and explanation of activities:

| Topic / Activity   | Materials     | Est. Time (mins)             |
|--|---------------|------------------------------|
| Objective and importance of the training   | PPT           | 5                            |
| Review of Code of Business Conduct and Anti-Harassment Policy  | PPT           | 10                           |
| Conversations Starters (select only a few)   | PPT           | 15                           |
| Small group facilitation of case studies   | Session Guide | 15                           |
| 1. Split larger group in to smaller groups (between 3-7 in a group)  |               | 5                            |
| 2. Provide 1-2 case studies per group ( <i>printed out from this guide</i> )   |               | 5                            |
| 3. Participants review the Case Study and use the questions at the bottom of each Case Study to discuss                                    |               | 15                           |
| 4. Each group reports back to the larger group on their discussion ( <i>highlights of Case Study, group responses to questions, etc.</i> ) |               | 40                           |
| 5. Repeat step 4 until all case studies have been discussed.   |               | (total for all case studies) |

|                                    |              |                 |
|------------------------------------|--------------|-----------------|
| Wrap up /Take-Aways/ Session close | Leader       | 10              |
|                                    | <b>TOTAL</b> | <b>120 mins</b> |

3. Use your session leader version of the case study to add to any points the small groups make about their case studies.
4. Consider summarizing any Take-Aways for your staff, including how any lessons learned or mitigating measures may be incorporated into your project activities and oversight.
5. Hand out the completion certificates.

## After the session:

1. **For project staff**, email the scanned sign-in sheet to a member of your home office support team.
2. **For home office departments**, save the scanned sign-in sheet to the Ethics Training Tracker SharePoint site (see the 2019 *How to track Ethics & Anti-Harassment Completions* quick reference guide for directions).
3. **All sessions need to be completed no later than July 31, 2019.**

## Additional Tips

- Individuals and people who are not able to participate in group discussions can complete the online version of the Ethics training and the Harassment Prevention training in iLearn or request a workbook version from Dorota Preysnar ([Dorota\\_Preysnar@dai.com](mailto:Dorota_Preysnar@dai.com)) to complete on their own.
- If you have questions about any of the case studies included in this guide, please contact the Ethics and Compliance Officers, Mike Walsh ([Mike\\_Walsh@dai.com](mailto:Mike_Walsh@dai.com)) or Jeremy Finch ([Jeremy\\_Finch@dai.com](mailto:Jeremy_Finch@dai.com)).
- Subcontractors and consultants working on our projects may also participate in the training and should sign-in and receive a certificate of completion. Exceptions can be made for subcontract employees who receive annual ethics training through their own firms and for consultants working less than 90 days on the project.
- Given the nature of the material – case studies based on actual incidents –, DAI considers the material to be proprietary, therefore if the Chief of Party, Team Leader or home office manager is asked to convey our annual ethics material to the client, you are authorized to do so with the understanding that it is proprietary, not a contract deliverable, and is not to be distributed further beyond the client.
- ***Please note that discussing sexual harassment scenarios in a mixed gender audience may be difficult in some cultures. You may choose to separate men and women for this portion of the discussion. Use your best judgment based on what you know of the culture where you work.***
- As additional resource material for supervisors, we have included **Ethics for Supervisors - Guide for Receiving Reports**. The guide includes suggestions for nurturing a positive ethical culture and what to do when an employee reports an ethical issue to you.

# Ethics for Supervisors

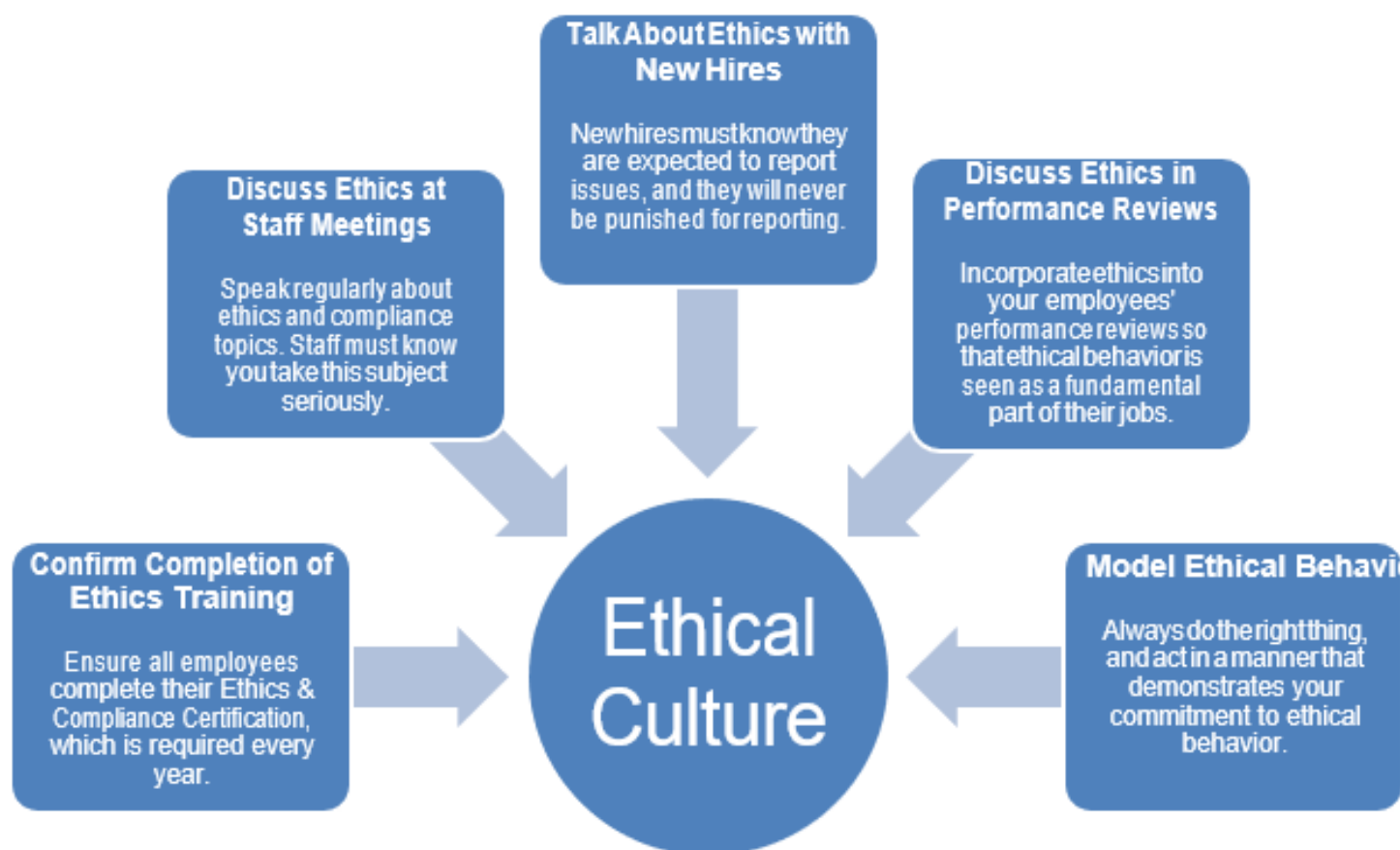
## Guide for Receiving Reports

### Create an Ethical Culture That Encourages Reporting



We want our employees to know they can safely discuss any potential ethical issues they encounter. Encourage a culture where employees feel responsible for reporting any violations they see, and comfortable doing so. They should know they will never face retaliation for reporting ethical issues.

Here are some suggestions for nurturing a positive ethical culture:





# Listen to the Employee

When an employee first approaches you to talk about an ethical issue, be sure to listen carefully and considerately. Receive the employee's report in a professional manner, so he or she feels safe and supported.



## **MEET PRIVATELY**

When an employee is initially reporting an issue, find a private, socially comfortable location where other employees won't overhear the conversation and where suspicions will not be aroused. You may need to schedule a formal meeting to hear all the details. Meet with the employee as soon as possible – delaying might allow a violation to grow worse or make the employee feel that his or her concerns are unimportant.

## **SHOW RESPECT**

- Give the employee your full attention and thank him or her for coming forward. Be sympathetic.
- Do not allow any non-emergency interruptions or phone calls during the meeting.
- Avoid expressing doubt, either through words or body language, about the employee's story.
- Bring the meeting to a conclusion – show the employee that you understand the issue and explain that you will investigate without putting him or her at risk.

## **COLLECT FACTS**

- Take detailed notes and remain objective.
- Ask the employee for relevant supporting information, such as documents or emails on hand. Actual investigations must be done under Internal Audit supervision or direction.
- Ask good questions to get as much detail as possible – who, what, where, why, and how.

## **STAY CONFIDENTIAL**

- Ask the employee not to speak about the issue or share information.
- Keep the employee's name as confidential as possible while you investigate and consult with others.

## **MAKE NO PROMISES**

Do not promise any specific actions to the employee during the meeting. You'll likely need to get all the facts and consult with others before making any decisions.

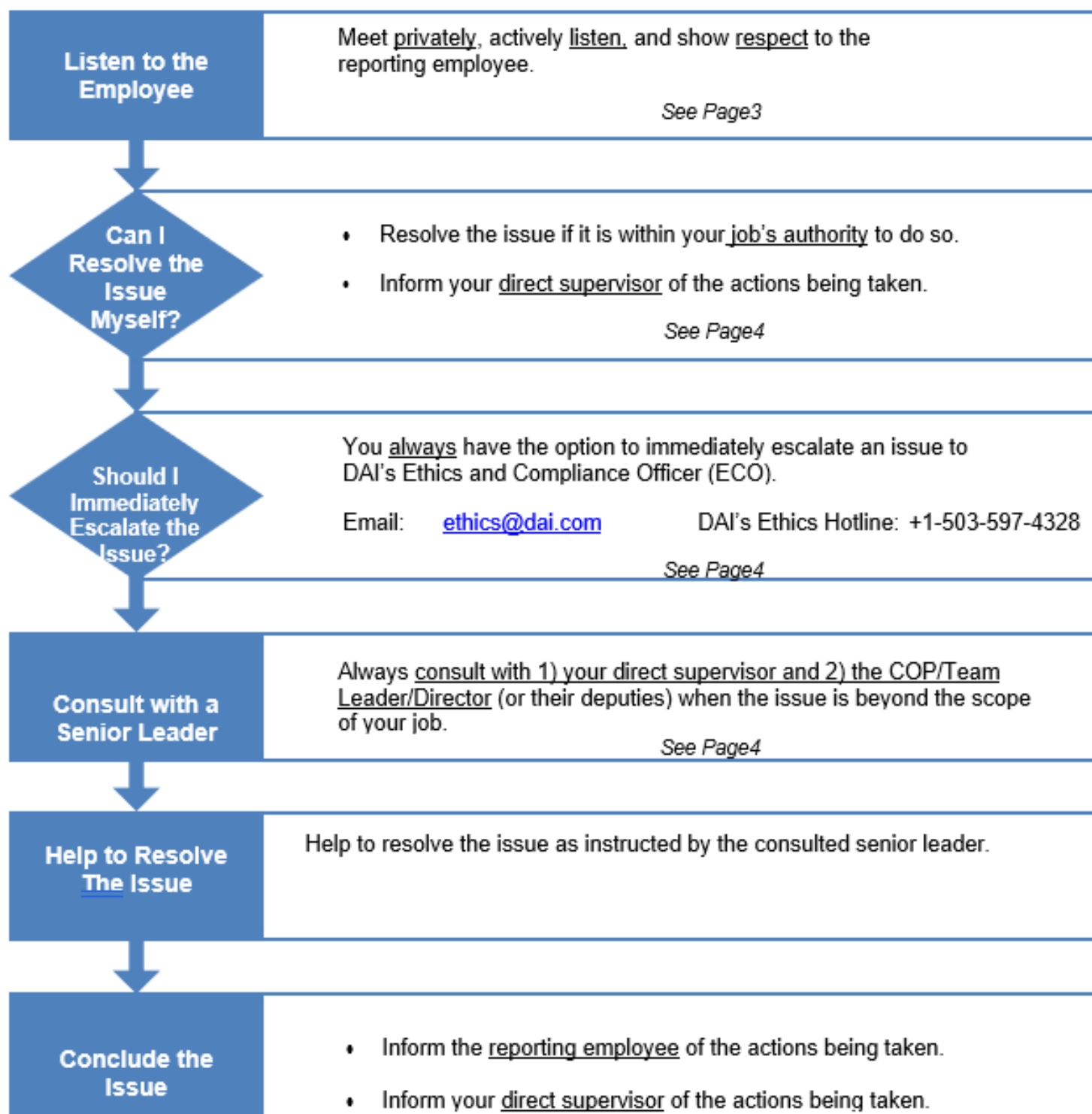
## **NEVER RETALIATE**

Never retaliate against an employee for reporting an ethical issue. DAI has a strict no-retaliation policy.

# When an Employee Reports an Ethical Issue...

The chart below outlines how supervisors should receive ethics reports from employees. Please remember:

- The employee should feel safe in reporting allegations, and confident that DAI will respond appropriately.
- You can –and should – make decisions and take action on issues when it falls within your authority to do so.
- You must consult with your Chief of Party, Team Leader or the Ethics and Compliance Officer (ECO) when you suspect an ethical violation has occurred.



## Can I Resolve the Issue Myself?

Sometimes, an issue can be resolved directly by you if it falls within the authorities of your job. For example:

- Someone complains that an employee who reports to you directly is late to work or has poor team skills). These are performance-based issues, not ethical – and you have the power to address them with your employee.
- If you are a Recruiter, it is your responsibility to identify and avoid conflicts of interests during interviewing; if you are a Procurement Officer you are empowered to investigate suspicious bid documents.
- The alleged violation may in fact be a misunderstanding, where no ethical violation occurred. You can clarify the matter directly with the reporting employee.
- The alleged violation might be a *potential* issue rather than an actual one (for example, a relative asks you to help him or her get a job at DAI). You can prevent the violation from occurring by communicating effectively with your team and referring to DAI's policies.

## Should I Immediately Escalate the Issue?

You should always feel comfortable immediately escalating an issue to DAI's Ethics and Compliance Officer (ECO), regardless of its severity. The ECO can offer guidance for all issues, big and small. Some reasons you might escalate:

- The issue is urgent, involves large sums, or is a clear ethical violation.
- The issue directly involves a local senior leader (such as the COP), so you should not consult with him or her.
- You simply have doubts on how to proceed with a questionable issue.

## Consult with a Senior Leader

Even after a thorough meeting with the reporting employee, an issue may not be fully clear. You should consult with your supervisor as well as the Chief of Party / Team Leader / Director (or their deputy) to determine what additional information is needed, who else must be involved, and plan actions to take.

Be prepared to discuss the following factors when consulting with a senior leader:

Does it violate a regulation?

Does it violate a DAI policy?

Does it violate the terms of a contract?

Is it an ethical violation?

Does it simply "feel wrong?"

Is more than one employee involved?

Do you have all the facts?

Has it occurred multiple times?





# Case Studies

|   |    |
|---|----|
| Case Study 1: Travel Fraud .....  | 11 |
| Case Study 2: Travel Fraud .....  | 19 |
| Case Study 3: Timesheet Fraud .....   | 21 |
| Case Study 4: Program Performance Fraud .....   | 23 |
| Case Study 5: Program Performance Fraud .....   | 26 |
| Case Study 6: Program Performance Fraud .....   | 29 |
| Case Study 7: Procurement Fraud .....   | 31 |
| Case Study 8: Procurement Fraud .....   | 38 |
| Case Study 9: Procurement Fraud .....   | 41 |
| Case Study 10: Procurement Fraud/Personal Conflict of Interest .....                                    | 44 |
| Case Study 11: Procurement Fraud/Collusion .....  | 46 |
| Case Study 12: Recruitment Fraud .....  | 48 |
| Case Study 13: Recruitment Fraud .....  | 51 |
| Case Study 14: Bribery/Kickback .....   | 53 |
| Case Study 15: Bribery/Kickback .....   | 56 |
| Case Study 16: Kickback/Performance Fraud .....   | 58 |
| Case Study 17: Bribery/Facilitation Payment/Political Activity .....                                    | 61 |
| Case Study 18: Personal Conflict of Interest (Favoritism) .....   | 64 |
| Case Study 19: Personal Conflict of Interest .....  | 67 |
| Case Study 20: Personal Conflict of Interest .....  | 70 |
| Case Study 21: Respect in the Workplace/Organizational Conflict of Interest .....                       | 73 |
| Case Study 22: Organizational Conflict of Interest/Handling Proprietary and Sensitive Information ..... | 76 |
| Case Study 23: Respect in the Workplace .....   | 78 |

## Sexual Harassment

|  |    |
|--|----|
| Case Study 24: Sexual Harassment ..... | 80 |
| Case Study 25: Sexual Harassment ..... | 83 |
| Case Study 26: Sexual Harassment ..... | 85 |
| Case Study 27: Sexual Harassment ..... | 87 |
| Case Study 28: Sexual Harassment ..... | 90 |

## Case Study 1

The DCOP's tracking of lodging expense on the project revealed a pattern in which employees were consistently claiming higher lodging expenses in guesthouses and hotels in rural areas, often at the reimbursement ceiling of \$50/night. A close examination of the receipts led to a broader verification effort.

### **Discussion:**

#### 1. What are your concerns?

- Please examine the two Palm Bush and Gibson Yasiah Guest House receipts. What irregularities do you find?
- Please examine the three Richel Sarabih Community Guest House receipts. What irregularities do you find?
- What actions should be taken?
- What could be done to limit the risks?

# Case Study One

Gibson Yashah Guesthouse



Bopulu City, Gbarpolu County Republic of Liberia  
0888658932

**OFFICIAL**

**RECEIPT**

Receipt from: [REDACTED] date: 09-19, 2017

| No.   | Description                    | Price       | # OF Days | Total. Cost |
|-------|--------------------------------|-------------|-----------|-------------|
| 1     | Accommodation<br>for one night | \$50.00 USD | 1 day     | \$50.00     |
|       |                                |             |           |             |
|       |                                |             |           |             |
| TOTAL |                                |             |           | \$50.00 USD |

Management signature: [REDACTED]

Case Study One

PALM BUSH GUEST HOUSE, BALLAH TOWN COMMUNITY  
GRAND CAPE MOUNTCOUNTY



RECEIPT FOR LODGING

Received from: DAI/LAYE/I [redacted] Date: 09/18/17 Room #: 06

| No. | Description  | Rate    | # of Days | Total Cost |
|-----|--|---------|-----------|------------|
|     | Lodging for one night. Room contains AC & self-contained | \$50.00 | 01        | \$50.00    |
|     | Grand Total  |         |           | \$50.00    |

Signed: J. J. 10888658932  
VERED

PALM BUSH GUEST HOUSE, BALLAH TOWN COMMUNITY  
GRAND CAPE MOUNTCOUNTY



RECEIPT FOR LODGING

Received from: DAI/LAYE/I [redacted] Date: 07/18/17 Room #: 03

| No. | Description  | Rate    | # of Days | Total Cost |
|-----|--|---------|-----------|------------|
|     | Lodging for one night. Room contains AC & self-contained | \$50.00 | 01        | \$50.00    |
|     | Grand Total  |         |           | \$50.00    |

Signed: J. J. 10888658932  
DELIVER



Case Study One

**RICHEL SARABIH**  
**COMMUNITY GUEST HOUSE**  
**ZOEWINETA CITY, KPAI DISTRICT, BONG COUNTY**  
**TEL.: 0777523676**  
**OFFICIAL RECEIPT**

Date: 05/06/2017

Received from: [REDACTED]

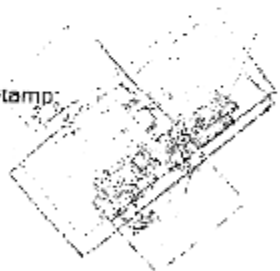
The sum of: Two hundred United States Dollars

For: Four Night accommodation at the Guest house on 05/25, 2017

Amount paid: \$ 200.00 USD

Balance due: \$ 0

Stamp:



Signed: [Signature]

Authorized Signature

Case Study One

SAM Search Results  
List of records matching your search for :  
  
Search Term : richel\* sarabih\* community\* guest\* house\*  
Record Status: Active  
  
No Search Results

**RICHEL SARABIH  
COMMUNITY GUEST HOUSE**  
Zoewineta City, Kpai District, Bong County  
Cell #: 0775-614-010 No.: \_\_\_\_\_  
**Official Receipt** Date: Nov 9 2017  
Received from: \_\_\_\_\_  
The sum of: Thirty-five USD  
For: One night accommodation at the guest house in Zoewineta City in  
Amount Paid \$: 35.00 USD  
Balance Due \$: 0  
Authorized Signature \_\_\_\_\_

**PAID IN FULL  
AND  
DELIVERED**

NOV 20 2017

Case Study One

**RICHEL SARABIH**  
**COMMUNITY GUEST HOUSE**  
Zoewineta City, Kpal District, Bong County  
Cell #: 0775-614-010

**Official Receipt** No.: \_\_\_\_\_ Date: 09/05/2017

Received from: \_\_\_\_\_ Dollars

The sum of: Twenty-five (25) US Dollars

For: Accommodation for two Nights  
from Sept. 3-5, 2017

Amount Paid \$: \$50.00 USD

Balance Due \$: 0

Authorized Signature: \_\_\_\_\_

**PAID IN FULL**

# SESSION LEADER VERSION

## Case Study 1: Travel Fraud

### Case Study:

. The DCOP's tracking of lodging expense on the project revealed a pattern in which employees were consistently claiming higher lodging expenses in guesthouses and hotels in rural areas, often at the reimbursement ceiling of \$50/night. A close examination of the receipts led to a broader verification effort.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

#### 1. What are your concerns?

- Please examine the two Palm Bush and Gibson Yashiah Guest House receipts. What irregularities do you find?
  - The phone numbers are the same, but the guest houses are in different counties, which are very far away from one another.
- Please examine the three Richel Sarabih Community Guest House receipts. What irregularities do you find?
  - The receipts look different. The stamps look different. One was on A4 paper.
  - A visit to the field found that the guest house does not exist.

#### 2. What action should be taken?

- The DCOP should consult with the COP and the ECO given the evidence that receipts have been falsified or inflated.
- In consultation with the ECO and Internal Audit, the DCOP and her team conducted a more extensive review of the lodging expenses. Staff traveled to the rural areas to verify the existence of the hotels/guest houses as well as the rates.

### Outcome

The investigation found fake receipts as well as receipts in which either the employee forged a higher rate, or an employee of the hotel/guesthouse colluded with the employee to record a higher rate than was actually paid. Once it was established that the evidence of possible fraud was credible, the client was informed. The project DCOP also consulted closely with HR in the home office to organize disciplinary hearings and actions. The results of the disciplinary hearing were that of the seven employees were suspended pending the hearing, six were terminated. The seventh had received the fake receipt from a colleague who was one of the terminated employees. This seventh employee had not been able to collect a receipt from the guest house because he had to depart quickly to tend to a family emergency.

A total of \$5,235 associated with fake receipts and \$7,595 in colluded or forged receipts was credited back to the client.

3. What actions can be taken to limit the risks?

- A separate team can make reservations for lodging for all events and local staff travel.
- When possible, the project office pays hotels directly via wire. Investigate the possibility of direct billing to the project office, e.g., monthly.
- All cash lodging receipts are verified by phone. Someone on the project can call to verify and sign-off on the receipt indicating how they verified and the date.
- Whenever possible, occasionally visit hotels that are frequently used to verify existence and lodging rates.
- For large events in the field entailing lodging that cannot be paid via wire, an Operations staff member can accompany the team to manage lodging and M&IE cash payments. However, make sure that these receipts are also verified by phone.
- Lodging and event venues are verified by calling ahead. If the project cannot verify, they will find another option or cancel the event.
- DAI is introducing Mobile Money use for the projects, which some hotels may be able to accept if they cannot use a bank transfer.
- Technical teams are encouraged to arrange large events in towns with established hotels and service providers, so the project office can wire money or issue purchase orders when applicable.

Read more about fraud prevention in the Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#).



## Case Study 2

A recently hired accountant rejected a suspicious receipt for \$5 submitted by another newly hired colleague to liquidate an advance. The colleague did not protest and withdrew the document.

### **Discussion:**

1. What are your concerns?
2. What action should be taken?
3. What could be done to minimize vulnerability to the concerns discussed above?

# SESSION LEADER VERSION

## Case Study 2: Travel Fraud

### Case Study:

A recently hired accountant rejected a suspicious receipt for \$5 submitted by another newly hired colleague to liquidate an advance. The colleague did not protest and withdrew the document.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

4. What are your concerns?

- Attempted fraud, noting that it is still a concern even though no funds were lost, and the document was rejected.
- Concern about the control environment. In this context, even though the accountant had just joined the project and did not have the ethics training yet, she still felt comfortable raising the issue with her supervisor, the Finance Manager.

5. What action should be taken?

- Elevate the issue to supervisor, Team Leader, COP or deputies and then on to ECO.

Outcome:

The accountant raised the concern to the Finance Manager, her supervisor, who then spoke with the Team Leader. The TL then consulted with the ECO to discuss possible next steps. In this case, other irregularities associated with the colleague were identified, such as possible personal use of a project vehicle. The Team Leader met with him to discuss the issue. He claimed it was a misunderstanding. The TL reinforced the ethical standards expected on the project and that she'll be watching him. He received a warning letter.

6. What could be done to limit vulnerability to your concerns?

- Continued training
- Discuss issues on the project to reinforce staff's comfort level in raising issues and concerns.

Additional information about DAI employees' responsibility to report can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com), on the page entitled “[Your Responsibility](#).” You can also learn more about overcoming the challenges of reporting in the March, 2019 quarterly DAI Global Conduct newsletter on [Reporting](#). Read more about fraud prevention in the Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#).

## Case Study 3

In searching for documents to prepare files for close-down, the DCOP checked the emails of the former project accountant. She found documents scanned from an office printer to his DAI email that related to work performed for another company. The documents included various work documents for the other company, 6 months of timesheets for the former project accountant reflecting hours worked for the other company and salary invoices to the firm. The project accountant had recently left DAI to work for the other firm.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 3: Timesheet Fraud

In searching for documents to prepare files for close-down, the DCOP checked the emails of the former project accountant. She found documents scanned from an office printer to his DAI email that related to work performed for another company. The documents included various work documents for the other company, 6 months of timesheets for the former project accountant reflecting hours worked for the other company and salary invoices to the firm. The project accountant had recently left DAI to work for the other firm.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The employee appears to have worked for another company while also working full-time with DAI.
  - The project account would have falsified his timesheet, indicating full-time, while also working for the other company. This is fraud.
2. What should be done?
  - Consult with the COP/Team Leader and ECO on next steps.
  - In this case, the DCOP quickly consulted with the COP, ECO and Internal Audit.
  - A preliminary review suggested that the project accountant was reviewing and approving transactions for the other company while working full-time for the DAI project.

### Outcome

The client was informed of the allegations. A fuller investigation and consultation with the other firm found that the project accountant had not informed or obtained DAI approval for outside activities. The other firm informed DAI that they were aware he was also working for DAI and assumed we agreed to the arrangement. The other firm permitted the project accountant to work part-time, assuming it would not have been during regular office hours with the DAI project. DAI's investigation found that he often worked during regular DAI business hours. The results of the full investigation were reported to the client. The former employee is being considered for suspension and debarment from future employment under the client's programs.

3. What could be done to limit this vulnerability?

The supervisor is required to conduct a thorough review of the timecard requiring his/her approval to ensure that all hours reflect actual work performed and are recorded correctly and comply with DAI policies.

## Case Study 4

DAI gave a grant to a chamber of commerce for \$35,803 to train factory workers in new technology to improve productivity and competitiveness in the regional market. One of the milestone payments was for \$10,641 to train 300 workers. The grantee was to provide the names, addresses and phone numbers of the factory worker trainees as well as pictures of the training and a report.

In response to rumors that the trainings did not take place, the project conducted site visits to locations where the trainings were supposed to have occurred. Project staff interviewed individuals identified in the sign-in sheets submitted by the grantee. Among the findings were the following:

- Site One - An individual listed as a trainee stated that he did not attend the training but signed the sheet at the request of the factory owner whom he is working for as a security guard.
- Site Two - Four individuals listed as trainees said there was no training and three others said there was training. The project team also learned that the grantee asked the workers to state that they had attended the training even though no training took place.
- Site Three - A factory owner stated that there was no training, but at the request of the grantee, he provided a list of trainees who are his employees. He also noted that the grantee told him that they would receive a certain amount of money for signing the list.

The Team Leader contacted the Director of the chamber of commerce to ask about these irregularities. The Director explained that there was a disagreement about the nature of the training with the project team. The grantee wished to conduct longer-term on-the-job training rather than the short classroom training in the grant.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?



# SESSION LEADER VERSION

## Case Study 4: Performance Fraud

DAI gave a grant to a chamber of commerce for \$35,803 to train factory workers in new technology to improve productivity and competitiveness in the regional market. One of the milestone payments was for \$10,641 to train 300 workers. The grantee was to provide the names, addresses and phone numbers of the factory worker trainees as well as pictures of the training and a report.

In response to rumors that the trainings did not take place, the project conducted site visits to locations where the trainings were supposed to have occurred. Project staff interviewed individuals identified in the sign-in sheets submitted by the grantee. Among the findings were the following:

- Site One - An individual listed as a trainee stated that he did not attend the training but signed the sheet at the request of the factory owner whom he is working for as a security guard.
- Site Two - Four individuals listed as trainees said there was no training and three others said there was training. The project team also learned that the grantee asked the workers to state that they had attended the training even though no training took place.
- Site Three - A factory owner stated that there was no training, but at the request of the grantee, he provided a list of trainees who are his employees. He also noted that the grantee told him that they would receive a certain amount of money for signing the list.

The Team Leader contacted the Director of the chamber of commerce to ask about these irregularities. The Director explained that there was a disagreement about the nature of the training with the project team. The grantee wished to conduct longer-term on-the-job training rather than the short classroom training in the grant.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The primary concern is that the grantee may have falsified performance data for payment - fraud.
  - Another point to consider is the possibility that the grant design may have been flawed, or the grantee may not have been up to the standards expected in the grant.
2. What should be done?
  - Contact your supervisor, Team Leader/COP, their Deputies or the ECO for further consideration.
  - Once the ECO has been contacted, and under the guidance of the COP/TL and/or internal audit, continue to investigate the actual work performed.

## Outcome

The client was informed of these allegations. In response, they asked DAI to continue the investigation. A Data Quality Assessment was conducted that confirmed the irregularities of the reporting, concluding that DAI could not rely on the quality of the data for decision-making purposes. The grant was terminated, based on consultation with the client.

### 3. What could be done to limit this vulnerability?

- Verification and documentation of results are essential. Photos of the events that are appropriately stored in the grant/project files. In this respect, an appropriately staffed M&E function is critical, along with appropriate indicators and procedures for monitoring.
- Spot-checks of participants are useful.
- Comprehensive monitoring of the projects, taking into consideration that there is higher risk of fraud for less accessible activities.

To read more about performance fraud, please visit the [Ensuring Quality](#) webpage of the on-line Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the October, 2018 issue of the quarterly DAI Global Conduct newsletter on [Performance Fraud](#).

## Case Study 5

A grant of \$29,803 was made to the Youth Assistance Association (YAA) to provide training to youth in micro enterprise management. YAA was to be paid four fixed milestone payments upon completion and documentation of the work. They met the first milestone when DAI accepted their detailed workplan for the trainings and were paid \$2,000.

The second milestone payment of \$5,000 was for an initial round of a 5-day training for 300 youth. The documentation they submitted had the following difficulties:

- Irregularities in the training attendance sheets regarding date and locations.
- Some of the attendance sheets are in the same handwriting.
- Pre- and post- evaluations were done as report narratives rather than individual response sheets.
- A spot check of the attendees using the phone numbers listed in the attendance sheet found that some of the attendees complained that the training was too short, not the full 5 days, and of poor quality.

### **Discussion:**

1. What are your concerns?
2. What action should be taken?
3. What could be done to minimize vulnerability to the concerns discussed above?

# SESSION LEADER VERSION

## Case Study 5: Performance Fraud

A grant of \$29,803 was made to the Youth Assistance Association (YAA) to provide training to youth in micro enterprise management. YAA was to be paid four fixed milestone payments upon completion and documentation of the work. They met the first milestone when DAI accepted their detailed workplan for the trainings and were paid \$2,000.

The second milestone payment of \$5,000 was for an initial round of a 5-day training for 300 youth. The documentation they submitted had the following difficulties:

- Irregularities in the training attendance sheets regarding date and locations.
- Some of the attendance sheets are in the same handwriting.
- Pre- and post- evaluations were done as report narratives rather than individual response sheets.

A spot check of the attendees using the phone numbers listed in the attendance sheet found that some of the attendees complained that the training was too short, not the full five days, and of poor quality.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?

- The irregularities could be an indication of fraud – that the grantee claimed to have trained 300 youth for 5 days but did not.
- The irregularities could also be an indication of poor performance or limited capacity of the grantee to perform to the standards expected in the grant.
- Or both.

2. What actions should be taken?

- The issue should be elevated to the supervisor, Chief of Party/Team Leader or their Deputies.
- The grantee was informed to stop work.
- Additional information may be needed to understand if there is credible evidence of fraud.
- The Chief of Party/Team Leader may consult with the home office and the ECO to discuss steps to investigate in more detail what happened.

Outcome

In this case, the COP consulted with the home office. The project then sent a staff member to interview community members and youth about the training activities. The received report indicated that the training had taken place but was of poor quality in some cases and in others, the grantee representative may have asked for signatures from youth without providing the training.

A follow-up Data Quality Assessment was also conducted that confirmed the findings of the preliminary investigation.  
DAI terminated the grant.

What could be done to minimize the risk of your concerns discussed above?

- Pre-award assessment of the capacity of the grantee to ramp-up and do the work in accordance with our standards.
- Closer oversight. Spot checks, i.e. DAI staff attending the training events when feasible. Unannounced visits of the training can also be done, if feasible. At least set the expectation on the grantee's part that project staff may show up unannounced during the training.
- Create the expectation of DAI verification/follow-up with the grantee.
- Photos that are filed in a manner, so they are readily accessible for documentation and audit.

To read more about performance fraud, please visit the [Ensuring Quality](#) webpage of the on-line Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the October, 2018 issue of the quarterly DAI Global Conduct newsletter on [Performance Fraud](#).



## Case Study 6

The project's M&E team raised concerns about the levels of participation at meetings conducted by the grantee. Out of 22 participants contacted, two stated that they did not attend the meeting while their attendance, signatures and amount received are marked in the participant list. Eight people maintained that they attended but did not receive any payments, although the grantee claimed expenses for them. Eight others stated that they received amounts less than the amount claimed by the grantee as disbursed. Four people were not sure if they attended the grantee's meeting.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 6: Performance Fraud

The project's M&E team raised concerns about the levels of participation at meetings conducted by the grantee. Out of 22 participants contacted, two stated that they did not attend the meeting while their attendance, signatures and amount received are marked in the participant list. Eight people maintained that they attended but did not receive any payments, although the grantee claimed expenses for them. Eight others stated that they received amounts less than the amount claimed by the grantee as disbursed. Four people were not sure if they attended the grantee's meeting.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The concern is that the grantee may have falsified the documentation for payment related to its performance of meetings. Does 75% negative response warranted not paying for the associated costs to the grantee?
2. What should be done?
  - Elevate the issue.
  - Suspend the grant until the issue could be more fully investigated.

### Outcome

The client was informed of the irregularities. In response, they asked DAI to continue to investigate. The COP met with the director of the grantee who agreed to provide an explanation after further investigation. Shortly after returning to his office, the grantee director sent an email to the client, copying DAI, asserting that he was being treated unfairly. The client representative asserted that the grantee needed to address the irregularities with DAI. At this point, the grantee ceased communicating with DAI, resulting in the termination of the grant. No funds associated with the meetings were paid to the grantee.

3. What could be done to limit this vulnerability?
  - Spot checks
  - Photographs
  - Better preparation of the grantees to know that we will be watching them closely.

To read more about performance fraud, please visit the [Ensuring Quality](#) webpage of the on-line Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the October, 2018 issue of the quarterly DAI Global Conduct newsletter on [Performance Fraud](#).

## Case Study 7

The project was asked to support the Government's ongoing roadshow efforts to generate awareness of a primary health care program. A field manager on the project passed to the project office manager three quotes for the roadshow activities in one of the regions.

### **Discussion:**

**Please examine the attached bids.**

Upon examining the attached bids:

1. What are your concerns?
2. What are your next steps?
4. What could be done to minimize vulnerability to the concerns discussed above?

# PATH COMMUNICATIONS

PO BOX 90197  
MT 9

CELL: 0999087998/08889844352.

## DAI QUOTATION

DATE: 17/05/2019

| Requested by : _____                  |                 |      |          |            |                        |
|---------------------------------------|-----------------|------|----------|------------|------------------------|
| Address : _____                       |                 |      |          |            |                        |
| Requisitioned For : Road Show         |                 |      |          |            |                        |
|                                       |                 |      |          |            |                        |
| Item                                  | Description     | Days | Quantity | Unit Price | Total                  |
| 1                                     | Equipment Hire  | 1    | 1        | 150000     | LC 150,000.00          |
| 2                                     | Vehicle hire    | 1    | 1        | 200000     | LC 200,000.00          |
| 3                                     | Stage hire      | 1    | 1        | 20000      | LC 20,000.00           |
| 4                                     | Team Allowances | 1    | 6        | 18000      | LC 108,000.00          |
| 5                                     | Artist upkeep   | 1    | 4        | 25000      | LC 100,000.00          |
| 6                                     | Fuel            | 1    | 120      | 870        | LC 105,000.00          |
| 7                                     | Contingency     | 1    | 0        | 100000     | LC 100,000.00          |
|                                       |                 |      |          |            |                        |
| Subtotal                              |                 |      |          |            | LC 783,000.00          |
| Agency Fees 15%                       |                 |      |          |            | LC 117,450.00          |
| VAT @16.5%                            |                 |      |          |            | LC 148,574.25          |
| <b>TOAL ACTIVATION BUDGET PER DAY</b> |                 |      |          |            | <b>LC 1,049,024.25</b> |

*Leaving you satisfied!*

## Bid Two



# THANDALA INVESTMENTS

P.O BOX 173, Redacted  
PHONE: +000 999 393 123

DATE: 07-05-2019

## DAI BUDGET PROPOSAL

| Project Personnel |                 |                |              |                   |
|-------------------|-----------------|----------------|--------------|-------------------|
| Item              | Number of Staff | Number of days | Rate Per Day | Total Amount      |
| Team Leader       | 1               | 1              | 20000        | 20,000.00         |
| DJ                | 1               | 1              | 20000        | 20,000.00         |
| Compares          | 4               | 1              | 20000        | 80,000.00         |
| Artist Allowance  | 4               | 1              | 20000        | 80,000.00         |
| Total             |                 |                |              | <b>200,000.00</b> |

| Others       |          |              |                   |
|--------------|----------|--------------|-------------------|
| Item         | Quantity | Rate per Day | Total Amount      |
| Vehicle Hire | 1        | 180000       | 180,000.00        |
| PA System    | 1        | 140000       | 140,000.00        |
| Fuel         |          | 100000       | 100,000.00        |
| Contingency  |          | 50000        | 50,000.00         |
| Total        |          |              | <b>470,000.00</b> |

|                            |           |                   |
|----------------------------|-----------|-------------------|
| Totals                     | LC        | 670,000.00        |
| Agency Fee @ 20 %          | LC        | 134,320.00        |
| Totals                     | LC        | 804,000.00        |
| VAT @ 16.5 %               | LC        | 132,660.00        |
| <b>Grand Total per Day</b> | <b>LC</b> | <b>936,660.00</b> |

## Bid Three



P.O BOX 1873, LILONGWE

**COMFORT ZONE**  
*Leaving you satisfied!*

PHONE: +265 888 725 837

+265 99 2602 415

Email: comfortzon2@gmail.com

### QUOTATION FOR ROAD SHOWS: SUBMITTED TO DAI

#### STAFF COSTS

DATE: 07-05-2019

| DESCRIPTION        | QUANTITY | DAYS | UNIT COST | AMOUNT (LC)       |
|--------------------|----------|------|-----------|-------------------|
| Training allowance |          |      |           |                   |
| Crew Allowances    | 6        | 1    | 15000     | 90,000.00         |
| Artist Allowances  | 3        | 1    | 20000     | 60,000.00         |
| <b>Sub Total</b>   |          |      |           | <b>150,000.00</b> |

#### OTHER COSTS

| DESCRIPTION            | QUANTITY | DAYS | UNIT COST | AMOUNT (LC)       |
|------------------------|----------|------|-----------|-------------------|
| Vehicle hire           | 1        | 1    | 1150000   | 150,000.00        |
| Vehicle Fuel 100liters | 1        | 1    | 869.6     | 87,000.00         |
| P/A System             | 1        | 1    | 100000    | 100,000.00        |
| Assembly Fee           |          |      |           |                   |
| Overheads              | 0        | 0    | 0         | 30,000.00         |
| <b>Sub Total</b>       |          |      |           | <b>367,000.00</b> |

#### Grand Total

|                        |  |                   |
|------------------------|--|-------------------|
| Total Staff Costs      |  | 150,000.00        |
| Other Costs            |  | 367,000.00        |
| Total                  |  | 517,000.00        |
| <b>Agency Fee 20 %</b> |  | <b>103,400.00</b> |

|                       |  |                   |
|-----------------------|--|-------------------|
| Total                 |  | 620,400.00        |
| <b>Vat 16.5%</b>      |  | <b>102,366.00</b> |
| <b>Budget per Day</b> |  | <b>722,766.00</b> |

### DISCRIPTION OF THE QUOTATION ABOVE

On road shows, we will position a nine-member team. The team will include the driver, DJ, Two compares and two dancers/entertainers and three comedians/dramatist. Entertainers help the

## Bid Three

message sink, and they interact with the audience one-on-one regarding the message imparted to them. The vehicle to be used is a truck which will form a stage, and at the same time will be used to transfer the team from one place of activation to another. Picture overleaf shows a staged vehicle.



***We Look Forward in Taking the Next Steps with Your Institution.....***

## *Leaving You Satisfied!*

# SESSION LEADER VERSION

## Case Study 7: Procurement Fraud

The project was asked to support the Government's ongoing roadshow efforts to generate awareness of a primary health care program. A field manager on the project passed to the project office manager three quotes for the roadshow activities in one of the regions.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

Upon examining the attached bids:

1. What are your concerns?

- The format of Bid #1 and #3 look similar – font (Calibri 12) and border
- The bids are not signed or stamped
- The bids were received in Microsoft Word format and not in pdf.
- The terms and conditions were the same although the unit prices differed.
- The "Leaving You Satisfied" tagline can be found on both Bid #1 and #3.

To read more about procurement fraud, please see the on-line Code of Business Conduct and Ethics ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#) as well as the quarterly DAI Global Conduct newsletter from December, 2018 on [Procurement Fraud](#).

2. What are your next steps?

- Contact your supervisor, Chief of Party/Team Leader or their deputies.
- At what point do you investigate further? After contacting the ECO and only under the direction of the TL/COP and/or Internal Audit.
- HR should also be included if a DAI employee is involved with the apparent collusion.

Outcome

- In this case, the project office manager contacted the Team Leader. She asked the office manager to contact each of the bidders and asked them to resubmit their bids.
- In speaking with each of the bidders, the office manager learned that Bidder #1 did not send an earlier bid. A representative of Bidder #2 confirmed that they submitted an earlier bid. The Director of Bidder #3 confirmed that he submitted an earlier bid.
- The email conveying the follow-up bids for #2 and #3 appeared to be from the same individual, although the email addresses were different.
- The bids were reduced by as much as 50%.



- Bid #1 was on a different letterhead and format and included the tagline “The way to achieve positive results.”
  - When the field manager was asked where he got the bids, he explained that he requested from a Government official references for vendors that did their roadshows because he didn’t know who could do the same type of work. He left his contact information with the official so that the firms could forward quotes.
  - Disciplinary measures? The actual case is still under investigation. The project is coordinating with HR to assure adherence to local labor law in considering the facts and possible disciplinary actions.
3. What could be done to minimize vulnerability to the concerns discussed above?
- Quotations should only be requested by appropriately authorized DAI staff. In this case, the office manager should have requested the quotes. If the project has a procurement manager, he/she should make the requests.
  - It is okay to ask around about vendors in the market, but we need to be careful about possible collusion in conducting these surveys.

## Case Study 8

To limit the impact of rolling brown-outs in the regional project offices, six generators were purchased and distributed. During the annual inventory, the office manager was unable to locate the financial and other documents associated with the procurement. There was a request in the system, but no purchase order or bids. To obtain a copy of the purchase order, the office manager reached out to the vendor using contact information on the vendor's invoice. However, the phone number was not valid, there was no response to an email, and the phone number on the website was for a doctor's office, not the vendor. The generators had been delivered along with an invoice from the vendor. The DCOP, who had resigned from the project, had prepared and signed a payment instruction letter to the bank for the payment. In the absence of adequate procurement documentation, project staff conducted market research on the same models and found that the price paid was double the market rate.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit vulnerability to your concerns?

# SESSION LEADER VERSION

## Case Study 8: Procurement Fraud

To limit the impact of rolling brown-outs in the regional project offices, six generators were purchased and distributed. During the annual inventory, the office manager was unable to locate the financial and other documents associated with the procurement. There was a request in the system, but no purchase order or bids. To obtain a copy of the purchase order, the office manager reached out to the vendor using contact information on the vendor's invoice. However, the phone number was not valid, there was no response to an email, and the phone number on the website was for a doctor's office, not the vendor. The generators had been delivered along with an invoice from the vendor. The DCOP, who had resigned from the project, had prepared and signed a payment instruction letter to the bank for the payment. In the absence of adequate procurement documentation, project staff conducted market research on the same models and found that the price paid was double the market rate.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - This may be procurement fraud.

To read more about procurement fraud, please see the on-line Code of Business Conduct and Ethics ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#) as well as the quarterly DAI Global Conduct newsletter from December, 2018 on [Procurement Fraud](#).

2. What should be done next?
  - Elevate the issue to the Chief of Party/Team Leader and/or the ECO.
  - Investigation should be done under the guidance/oversight of Internal Audit to assure independence and thoroughness.

### Outcome

- DAI disclosed the apparent fraud to the client, who then asked DAI to continue with the investigation.
- The investigation confirmed the findings of the office manager. Internal Audit also looked for other procurements with similar issues with documentation but found none.
- The project had already been a victim of fraud by the previous DCOP who resigned. DAI credited the difference between the amount paid and the prices found in the market research, \$5,458.52.
- Note that DAI had already lodged a criminal complaint against the DCOP for the earlier fraud incident. He is being considered for debarment from future work with the client.

3. What could be done to limit vulnerability to your concerns?

- This case highlights the importance of adherence to internal controls. In this case, the DCOP had authority to approve requests and payments.
- Spot checks of procurement files and inventory.
- Ensure that steps in the procurement process are followed as prescribed. Each purchase should have an approved requisition (what we are buying and why), evidence of price competition or market research (how we demonstrate that the price paid is reasonable), purchase order/agreement (with goods/services specifications conforming to those in the approved requisition), invoice and evidence of goods/services delivery.
- Ensure adequate separation of duties. Submitting a requisition should be separated from requisition approval, solicitation/evaluation should be separated from requisition and transaction processing (payment).

## Case Study 9

Field monitors raised concerns when a market survey of vendors revealed that the prices of procured goods in one of the regions were consistently inflated. A significant number of the shopkeepers they spoke with stated that they do not sell the items or services indicated in the receipts they were shown. For example, they may not deal in the spare parts or equipment brand identified in the receipt. Others noted that the daily rates for mechanics or carpenters were often 50% higher than the going market rate. When a baker was asked about a receipt from his shop, he informed the market survey team that he gladly provides blank receipts to his customers, but he has never charged more than \$4 for his cake, even though the receipt indicated \$10.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit vulnerability to these concerns?

# SESSION LEADER VERSION

## Case Study 9: Procurement Fraud

Field monitors raised concerns when a market survey of vendors revealed that the prices of procured goods in one of the regions were consistently inflated. A significant number of the shopkeepers they spoke with stated that they do not sell the items or services indicated in the receipts they were shown. For example, they may not deal in the spare parts or equipment brand identified in the receipt. Others noted that the daily rates for mechanics or carpenters were often 50% higher than the going market rate. When a baker was asked about a receipt from his shop, he informed the market survey team that he gladly provides blank receipts to his customers, but he has never charged more than \$4 for his cake, even though the receipt indicated \$10.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?

To read more about procurement fraud, please see the on-line Code of Business Conduct and Ethics ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#) as well as the quarterly DAI Global Conduct newsletter from December, 2018 on [Procurement Fraud](#).

2. What would you do next?

- Elevate the issue to the supervisor, COP/TL, their deputies and the ECO. Internal audit will be involved with overseeing the investigation in the field. HR will provide support in assuring that any disciplinary actions taken, including separation, are done in accordance with local labor law.

Outcome

Under the direction of Internal Audit, a preliminary review of receipts and transactions revealed approximately \$25,000 in costs that appeared to be inflated above the market survey findings.

Further, several vendors were not regular dealers of the items purchased. For example, five fire extinguishers were purchased from a merchant that rented supplies for events.

A team from the project office made an unannounced visit to the regional office. They found a book of receipts for a petrol station and 35 blank receipts which were stamped or signed for vendors, including hardware, food, stationery, printing and furniture stores.

The three employees working in that regional office were dismissed from the project and their names were provided to the client for consideration of suspension and debarment from future work with the client.

3. What could be done to limit vulnerability to these concerns?

- Spot checks are essential, especially for remote office locations with limited oversight.

- Verify vendors – site visits, check what assortment of products they are offering, ask how satisfied they are with their business relationship with DAI, etc.
- Monitoring prices also useful. We must demonstrate/document price reasonability even for non-competitive purchases.

## Case Study 10

The office manager raised concerns about procurements with a local vendor conducted by the Procurement clerk. Although the purchase documents were in order, the vendor had no website or physical address. A preliminary review found that the vendor's registration listed the procurement clerk's phone number. When asked by the office manager about this, the procurement clerk could not offer a coherent explanation.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What can be done to minimize this risk in the future?



# SESSION LEADER VERSION

## Case Study 10: Procurement Fraud/Personal Conflict of Interest

The office manager raised concerns about procurements with a local vendor conducted by the Procurement clerk. Although the purchase documents were in order, the vendor had no website or physical address. A preliminary review found that the vendor's registration listed the procurement clerk's phone number. When asked by the office manager about this, the procurement clerk could not offer a coherent explanation.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The concern is that the procurement clerk was colluding with the vendor in getting it awards. The clerk may also have committed fraud in covering up her connection to the vendor.
2. What should be done?
  - Elevate issue to the Chief of Party/Team Leader and the ECO. The ECO will coordinate with Internal Audit and HR on response. HR can provide guidance on putting the employee on immediate administrative leave in accordance with local labor law.
  - Inform the client and investigate under the direction of Internal Audit.

### Outcome

Under the oversight of Internal Audit, the Finance and Admin Manager conducted a more thorough investigation. She found over \$7,000 in small transactions made to the local vendor, always using petty cash payments.

An examination of Facebook also connected the procurement clerk to the vendor – who was her brother-in-law. This was also confirmed by witnesses who noted that she often received a ride from the vendor from their family home to the office in the morning.

The procurement clerk was terminated for cause and the funds associated with procurements with the vendor were refunded to the client. She is being considered for debarment by the client.

3. What could be done to limit this vulnerability?
  - Small, non-competitive transactions, often using petty cash, are vulnerable to these issues. More disciplined used of petty cash along with frequent, unannounced may assure closer management.
  - Monitor patters of non-competitive transactions.

To read more about procurement fraud, please see the online Code of Business Conduct and Ethics ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the webpage on [Preventing Fraud](#) as well as the quarterly DAI Global Conduct newsletter from December, 2018 on [Procurement Fraud](#).

## Case Study 11

The IT manager received a call from a project engineer who told him that he accidentally sent an email to the project procurement email box and asked him to delete it. Only the IT manager and the DCOP had access to the procurement email box. When the IT manager downloaded the contents for bids, he found an email from the engineer with proposal documents for two bidders. He also found submissions from these two bidders with their bids.

### **Discussion:**

1. What are your concerns?
2. What should the IT Manager do next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 11: Procurement Fraud/Collusion

The IT manager received a call from a project engineer who told him that he accidentally sent an email to the project procurement email box and asked him to delete it. Only the IT manager and the DCOP had access to the procurement email box. When the IT manager downloaded the contents for bids, he found an email from the engineer with proposal documents for two bidders. He also found submissions from these two bidders with their bids.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The concern is that the DAI project engineer was colluding with one of the firms to help it win the award.
2. What should the IT Manager do next?
  - The IT manager should immediately inform his supervisor, the TL/COP or their deputies on the findings. The TL/COP should then contact the ECO given that the evidence appears to be credible of possible collusion.

### Outcome

The client was informed of the episode. The project employee was immediately placed on administrative leave and his access to DAI systems was suspended.

The client sent an investigator to the project to interview the project engineer and others. The investigator also interviewed the firms involved. He learned of the engineer's connection to one of the firms.

Based on the findings of the investigation, the employee was fired. The client considered suspending and debarring him from future employment.

3. What could be done to limit this vulnerability?
  - The continued use of email boxes with strict handling procedures is essential.
  - Awareness training and an ethical team environment so that staff feel comfortable raising issues and confident DAI will respond appropriately.
  - More explicit messaging in solicitations that DAI does not tolerate fraud, collusion or kickbacks. Be sure to include hotline or contact information for bidders to report irregularities.

To read more about performance fraud, please visit the [Ensuring Quality](#) webpage of the on-line Code of Business Conduct and Ethics website ([www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com)) and the October, 2018 issue of the quarterly DAI Global Conduct newsletter on [Performance Fraud](#).

## Case Study 12

A candidate was being considered for a long-term assignment. DAI's Recruitment Verification Team in the West Bank were not able to confirm the candidate's highest academic credential which was listed as a Master's Degree from Florida State University. The team submitted her degree to the National Student Clearinghouse, but its response was "unable to confirm." The team then followed-up with the candidate who then provided a copy of her diploma. The team submitted the copy of the diploma to the Clearinghouse to re-check their records. Again, they were unable to confirm the degree.

While the degree was being verified, the candidate contacted the project team and pressed them for an offer letter within 24 hours.

### **Discussion:**

1. What are your concerns?
2. What action should be taken?
3. What could be done to minimize vulnerability to the concerns discussed above?

# SESSION LEADER VERSION

## Case Study 12: Recruitment Fraud

A candidate was being considered for a long-term assignment. DAI's Recruitment Verification Team in the West Bank were not able to confirm the candidate's highest academic credential which was listed as a Master's Degree from Florida State University. The team submitted her degree to the National Student Clearinghouse, but its response was "unable to confirm." The team then followed-up with the candidate who then provided a copy of her diploma. The team submitted the copy of the diploma to the Clearinghouse to re-check their records. Again, they were unable to confirm the degree.

While the degree was being verified, the candidate contacted the project team and pressed them for an offer letter within 24 hours.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The difficulty in verifying the degree with the Clearinghouse suggests that the degree may be false.
  - The candidate's pressing for an employment agreement on short notice was a red flag.
2. What action should be taken?
  - Contact your supervisor, Team Leader, Chief of Party or their Deputies.
  - The recruitment process is often time-sensitive. If there are difficulties with a candidate, consult closely with project management so that the team can quickly consider alternative and more suitable candidates.

### Outcome

In this case, the DAI Recruitment Verification Team examined the diploma more closely. The degree was suspicious because the date appeared to be in a different font from the rest of the diploma. Further, the degree was signed by Jeb Bush as Governor of Florida. However, in 2010, he was not Governor.

The team informed the recruiters. The ECO informed the client, and of course, the candidate was not hired.

3. What could be done to minimize vulnerability to the concerns discussed above?
  - It is often difficult to identify irregularities in diplomas.
  - If a University or advanced degree is an important part of the qualifications of a candidate, then effort should be made to assure the authenticity of the degree. In some countries, its

common practice to expect the candidate to provide evidence of authenticity, such as through the Ministry of Education.

- Inform potential incumbents to expect that degree verifications will be done as part of the recruitment process.
- Contacting the university that issued the degree is always an option, although it may take a great deal of time.

If you wish to learn more about the challenges of recruitment, please read the August, 2018 quarterly DAI Global Conduct newsletter on [Recruitment](#).

## Case Study 13

The project proposed an experienced, well-qualified grants manager candidate to the client representative for approval. He had good references from previous employers in the international development sector. When the acting client representative reviewed the request and the candidate's resume, she recognized his name as a former colleague at an international NGO. She also noted that the proposed candidate's resume did not list his work with the international NGO.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 13: Recruitment Fraud

The project proposed an experienced, well-qualified grants manager candidate to the client representative for approval. He had good references from previous employers in the international development sector. When the acting client representative reviewed the request and the candidate's resume, she recognized his name as a former colleague at an international NGO. She also noted that the proposed candidate's resume did not list his work with the international NGO.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - Wrong person? Unlikely. Old resume? No. Possible fraud in falsifying his employment history.
2. What should be done?
  - Elevate the issue to the Chief of Party/Team Leader and then to the ECO.

### Outcome

When informed of the discrepancy, the project team immediately reached out to the international NGO. They were informed that the proposed grants manager had been terminated because he committed fraud. Needless to say, he was not hired.

3. What could be done to limit this vulnerability?
  - It is difficult to discover information when the candidate falsified his employment history. More comprehensive or deeper reference checks may be warranted, such as asking, "When he or she departed your organizations, where did he or she go?"
  - Ask about any gaps or inconsistencies in the resume.

If you'd like to read more, please following this link to the quarterly DAI Global Conduct newsletter for the August 2018 issue on [Recruitment](#).



## Case Study 14

The independent M&E firm informed the Chief of Party of allegations they had heard from a grantee that a DAI employee in the field pressured managers of the grantee to pay him money. When asked about the allegations, the grantee managers described an episode during the first day of training under the grant. The DAI employee became very upset claiming that he got news that his brother was gravely ill and was about to die. He told the grantee managers he had no money to get home and get his brother help, and so four members of the organization each gave him a total of approximately \$200 in cash. He said the money would be repaid to them. One of the grantee managers claimed to record the conversation but his phone has since been lost.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 14: Bribery/Kickback

The independent M&E firm informed the Chief of Party of allegations they had heard from a grantee that a DAI employee in the field pressured managers of the grantee to pay him money. When asked about the allegations, the grantee managers described an episode during the first day of training under the grant. The DAI employee became very upset claiming that he got news that his brother was gravely ill and was about to die. He told the grantee managers he had no money to get home and get his brother help, and so four members of the organization each gave him a total of approximately \$200 in cash. He said the money would be repaid to them. One of the grantee managers claimed to record the conversation but his phone has since been lost.

**Discussion:** *The “Session Leader Version” of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - This could be an isolated episode or the beginnings of a series of tactics to obtain kickbacks from the grantee.
2. What should be done?
  - Elevate the issue to your supervisor, Chief of Party/Team Leader or their deputies, or the ECO.

### Outcome

Under the direction of internal audit, the DCOP arranged to meet with grantee leadership. Here’s what they described to her:

- The DAI project employee approached the grantee team very upset, crying, saying his wife had to go to the hospital and he needed money for her treatment. The grantee staff told him to ask his DAI colleagues for help, but he explained that they don’t like him. The grantee staff pooled their resources and gave him \$88. A receipt was provided. A month later, the grantee management approached the DAI employee and asked when they were going to get their money back. He told them to stop reimbursing the participants under their grant, use that money to pay themselves back and give the remainder of the participant money to him. They did not do this.
- The employee told the grantee that they needed to give him a reasonable amount of the last milestone if they wanted to continue to be funded by the project. He told them if they didn’t give them money, they would not get any more money from the project and that the project would no longer work in their area. He told them he needed more than before because someone else on the team needed a cut.

- The grantee reported the situation on a few occasions to the former DCOP of the project, but he told them to “keep their heads down and follow what was in their grant agreement.” They believe the DCOP confronted the employee because he became angry and told the grantee that they were “dealing with American money” and they should “be quiet and use their heads.” The grantee felt that they tried to alert DAI to the problem but since no action was taken and no changes were made, it appeared that DAI didn’t care about the problem. Note that the former DCOP did not raise the issue with any other members of the Senior Management Team or otherwise report.
- The grantee reported that the employee’s kickback demands, threats and arrogance deeply damaged community level trust in the project.
- DAI informed the client of these allegations. The project also coordinated with HR and local labor counsel to follow local labor law in conducting a disciplinary hearing. The employee was found guilty of soliciting kickbacks and breaking the code of conduct and was discharged. The client is reviewing the case as they consider suspending and debarring him from future work funded by the client.

3. What could be done to could be done to limit this vulnerability?

- Kickbacks and fraudulent performance are high risks in remote, difficult to access regions. The DAI employee in this case was one of the few DAI employees the grantee engaged with. The allegations only came to light when the independent M&E contractor passed them to project leadership.
- In addition to close monitoring and spot checks, grantee should be provided different avenues to report concerns, including contact information for the TL/COP, ethics hotline as well as the client’s hotline.
- Pre-award and regular briefings should also include details on how report concerns and allegations.
- Solicitation documents and emails should clearly include information on reporting.

Read more about [Preventing Bribery and Corruption](#) on the DAI Code of Business Conduct and Ethics website at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com).

Additional information about DAI employees’ responsibility to report can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com), on the page entitled “[Your Responsibility](#).” You can also learn more about overcoming the challenges of reporting in the March 2019 quarterly DAI Global Conduct newsletter on [Reporting](#).

## Case Study 15

A DAI project funds an MBA Corps program which sends recent graduates from business schools to local firms to assess and address means of enhancing business operations and improve revenue. One of the businesses participating in this program was assigned a member of the MBA Corps who resigned after only three days citing personal reasons. The firm was then assigned a second MBA Corps member. The second MBA Corps member reported to the Project Case Officer that on the first day of his work, the owner of firm asked for a portion of his salary, in exchange for which he wouldn't need to show up for work.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit vulnerability to your concerns?

# SESSION LEADER VERSION

## Case Study 15: Bribery/Kickback

A DAI project funds an MBA Corps program which sends recent graduates from business schools to local firms to assess and address means of enhancing business operations and improve revenue. One of the businesses participating in this program was assigned a member of the MBA Corps who resigned after only three days citing personal reasons. The firm was then assigned a second MBA Corps member. The second MBA Corps member reported to the Project Case Officer that on the first day of his work, the owner of firm asked for a portion of his salary, in exchange for which he wouldn't need to show up for work.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The concern is about the request for a kickback from the MBA Corps members.
2. What should be done next?
  - Elevate the issue to the COP/TL, their deputies and ultimately to the ECO for further review and action.
  - Inform the client of the attempted bribe/kickback.

### Outcome

DAI's M&E team interviewed both MBA Corps members. They both stated that the owner and the Vice President of the firm asked for a percentage of their salaries.

In response to these allegations, DAI has excluded the firm from its client list. DAI has also sought other opportunities for the two members of the MBA Corps.

3. What could be done to limit vulnerability to your concerns?
  - Training before fielding.
  - Multiple avenues for reporting concerns and allegations, including a contact person and number on the project dedicated to the activity.

Read more about [Preventing Bribery and Corruption](#) on the DAI Code of Business Conduct and Ethics website at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com).

## Case Study 16

To ensure compliance and quality control, random verification calls were made to interns who were placed as part of the project. One of the interns in the province informed the caller that she resigned from her internship, however two timesheets with her name for stipend payments were uploaded for payment after the date of her resignation. A member of the Monitoring and Evaluation team was sent to the province to verify intern placements but reported no irregularities. An anonymous call to the Intern hotline alleged the following:

1. Interns pay DAI's Provincial Intern Coordinator (PIC) to enroll them in the process for job training and internships.
2. Most of the interns are ghost interns.
3. The PIC only places her favorites and relatives as interns in organizations.
4. Interns could receive internship certificates by paying money and not working.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 16: Kickback/Performance Fraud

To ensure compliance and quality control, random verification calls were made to interns who were placed as part of the project. One of the interns in the province informed the caller that she resigned from her internship, however two timesheets with her name for stipend payments were uploaded for payment after the date of her resignation. A member of the Monitoring and Evaluation team was sent to the province to verify intern placements but reported no irregularities. An anonymous call to the Intern hotline alleged the following:

1. Interns pay DAI's Provincial Intern Coordinator (PIC) to enroll them in the process for job training and internships.
2. Most of the interns are ghost interns.
3. The PIC only places her favorites and relatives as interns in organizations.
4. Interns could receive internship certificates by paying money and not working.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The concerns were that a DAI employee was demanding kickbacks from beneficiaries (interns) and committing fraud in submitting false documentation regarding fake interns and expenses.
2. What should be done next?
  - The issue should be elevated to the COP/TL. Further investigation found the allegations to be credible, so they quickly informed the ECO. Internal audit worked with project staff to conduct a more complete investigation. HR was involved to work with the project to assure the employee was dealt with in a manner consistent with local labor law.
  - The client was informed as soon as it was evident that the allegations had some credibility. DAI consulted with the client's investigators to set out a plan for investigation.

### Outcome

The project was designed so that payments to the interns would only be made after verification by the M&E team. An examination of the records for this province indicated that the M&E field officer confirmed the existence and placement of the interns with no exceptions. The COP mobilized an independent team to investigate the allegations. A visit to many of the firms identified as hosting interns confirmed that very few interns were actually placed and working. Managers of the firms offered various excuses ranging from sickness to intermittent work schedules to explain the absence of interns. The DAI investigation team located women who had paid kickbacks to the PIC for internships and then continued to pay because the PIC had direct access to their mobile money payments. The PIC extracted a significant amount of funds every month from their stipend payments.

The investigation confirmed the earlier allegations. They learned that the PIC negotiated with the firms to inflate the number of interns and split the added amount. For example, if the firm could host three interns, they agreed to request seven and would split the stipends of the four ghost interns with the PIC.

The investigation also discovered fraudulent invoices for rental of venues purported to be for the orientation of the interns. DAI also found evidence that the PIC colluded with the M&E field officer and had accomplices in identifying candidates for internships and shaking them down for kickbacks.

The PIC and M&E field officer were dismissed from the project and their names were provided to the client for consideration for debarment from future work with the client. Funds associated with the fraud were refunded to the client.

3. What could be done to limit this vulnerability?

- The project relied on M&E verification to make payments, but in this case, the M&E team member colluded with the culprit in falsely reporting that the interns existed. The internship program was so large on this project that DAI was also able to field an independent verification team that operated independently from the rest of the project team. They were able to visit the area and conduct a more independent investigation that revealed the scheme.
- Other project may consider spot checks. If a third-party verifier is used, rotate their assigned regions as an added control.
- Train and encourage beneficiaries to report irregularities or dissatisfaction, especially if there's a local avenue for reporting, such as a designated point of contact.

Read more about [Preventing Bribery and Corruption](#) on the DAI Code of Business Conduct and Ethics website at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com).



## Case Study 17

During a courtesy call to the Governor, the Team Leader was informed that a letter of introduction from the Governor to the municipal mayors would facilitate start-up activities in the State. Despite repeated follow-ups, a staff member always provided reassurance that the letter was on the Governor's desk, and that there were no issues and a signature was anticipated soon. After another two weeks, the Deputy Team Leader visited the office of the Governor, who was away on travel. She was informed by the Governor's executive assistant that the Governor was quite busy, but a contribution to his "election fund" would certainly get this attention.

### **Discussion:**

1. What are your concerns?
2. What should be done?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 17 Bribery/Facilitation Payment/Political Party Support

During a courtesy call to the Governor, the Team Leader was informed that a letter of introduction from the Governor to the municipal mayors would facilitate start-up activities in the State. Despite repeated follow-ups, a staff member always provided reassurance that the letter was on the Governor's desk, and that there were no issues and a signature was anticipated soon. After another two weeks, the Deputy Team Leader visited the office of the Governor, who was away on travel. She was informed by the Governor's executive assistant that the Governor was quite busy, but a contribution to his "election fund" would certainly get this attention.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - The request appears to be a facilitation payment or even a bribe. DAI has a strict policy against making facilitation ("grease") payments to expedite approval of an action. These payments are also illegal.
  - It is also against DAI's policy for corporate contributions to political parties.
2. What should be done?
  - The Deputy Team Leader can explain – "That's not the way DAI does business."
  - If the Deputy believes the circumstances would make such a statement difficult, he/she should delay a decision or avoid raising expectations at that point by simply saying something like: "I will consult with the Team Leader and will get back to you." "I've got to talk with the home office first ...". Or: "Let me get back to you on that ...." The request should be elevated quickly to the TL/COP and then on to the ECO to assure a timely and appropriate response is provided to the executive assistant and Governor.
  - The home office should be consulted if the demand for a facilitation payment or bribe is asserted and will have an impact on the project. The home office may wish to engage the client.

### Outcome

In this instance, the Team Leader was able to use his connections to arrange for a meeting with the Governor. He explained the purpose of the project in more details, particularly the benefits to the State, adding that international funding was involved, with strict regulations. The meeting was cordial and the quickly arranged to sign the introduction payments. Note that behind the scene, the Team Leader's connections provided added context to the Governor's staff, particularly that DAI and the client prohibit these payments, including political contributions.

3. What could be done to limit this vulnerability?

- DAI does not pay bribes, kickbacks, or facilitation payments of any kind. Employees should be prepared to simply say “No,” when confronted with such a request. We must be consistent in all activities and projects in denying these payments to avoid an expectation that will be even more difficult to avoid in the future.
- The only exception to saying “No!” is when the employee’s safety or security is being threatened. Safety and security of our staff is our top priority. If threatened with harm, the employee should pay the bribe to get out of the threatening situation. Once safe, the employee should report the matter to the security coordinator and his/her supervisor, TL/COP, or ECO.

Read more about [Preventing Bribery and Corruption](#) on the DAI Code of Business Conduct and Ethics website at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com).

## Case Study 18

Email Received by DAI Project Employee:

**From:** John.Doe@parliament.il

**Sent:** Wednesday, January 18, 2018 11:30 AM

**To:** Employee@dai.com

**Subject:**

Dear \_\_\_\_\_

Please see the attached CV. She is pursuing her Ph.D. She will be here around 4-6 months. Try to place her for a short-term assignment if possible.

Thank you,

Best regards,

**John Doe**

Chief of Staff &

Deputy Secretary-General of Parliament

Parliament of \_\_\_\_\_

Response from DAI Employee

Dear Sir

Thanks. I will discuss and let you about a suitable placement.

Warm wishes

DAI Employee

End of message

### **Discussion:**

1. What are your concerns?
2. What should be done in response to this message?
3. What could be done to limit vulnerability to these requests?

# SESSION LEADER VERSION

## Case Study 18: Personal Conflict of Interest (Favoritism)

Email Received by DAI Project Employee:

**From:** John.Doe@parliament.il

**Sent:** Wednesday, January 18, 2018 11:30 AM

**To:** Employee@dai.com

**Subject:**

Dear \_\_\_\_\_

Please see the attached CV. She is pursuing her Ph.D. She will be here around 4-6 months. Try to place her for a short-term assignment if possible.

Thank you,

Best regards,

**John Doe**

Chief of Staff &

Deputy Secretary-General of Parliament

Parliament of \_\_\_\_\_

### Response from DAI Employee

Dear Sir

Thanks. I will discuss and let you about a suitable placement.

Warm wishes

DAI Employee

End of message.

Discussion:

1. What are your concerns?

- It looks like a senior person with the Parliament is requesting a special favor.
- DAI does not create positions or work as a favor for anyone.
- Applicants for employment and consultant opportunities must be treated fairly and in accordance with DAI's policies and procedures.

- In responding to this request, the DAI employee may be setting expectations that DAI will respond to future special requests as well.
2. What should be done in response to this message?
- The employee should refer the request to his/her supervisor, Team Leader/Chief of Party or their deputy to respond.
  - The Team Leader or COP should respond to such a high level official, explaining that DAI must adhere to its policies and procedures in placing candidates and positions and opportunities are limited to our agreements with the client. If there is a legitimate opportunity for a short-term assignment, then the senior official can be assured that DAI will review her qualifications and will give her fair consideration.
  - The project can also inform the senior official that they will consult with the home office. The home office can then serve to assert DAI's policies/procedures, which may include denying the request. Relying on the home office to convey this message will help preserve the relationship between the project and the senior official.

Outcome – This email was found during an audit. DAI investigated and found no evidence that the woman worked under the project. Smoke, but no fire.

3. What could be done to limit vulnerability to these requests?
- DAI employees should be aware of the vulnerability to conflicts of interest when receiving these kinds of requests.
  - If the employee is asked during a phone call or during a conversation, he/she should buy some time by saying something like, "Let me consult with the TL/COP," or "let me talk with headquarters," or simply, "Let me get back to you on that...." Then consult with DAI management on how to best respond.

Read more about [Preventing Conflicts of Interest](#) in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) and in the quarterly DAI Global Conduct newsletter from [February, 2017 on conflicts of interest](#).

## Case Study 19

Robert was a senior business advisor on a project designed to strengthen the capacity of local businesses. He was recruited because he's well connected in the business community and has long experience providing consulting services. He was highly regarded by his colleagues and the client. Robert had been known to use his connections to help resolve impediments and challenges to the project.

The Team Leader received a message from the client representative who had received an email from the owner of a business that was receiving assistance under the project. The owner forwarded an email she had received from Robert in which he announced that he was now the Regional Director of an established multinational consulting firm. A visit to the firm's website confirmed this information.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
2. What should be done next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 19: Personal Conflict of Interest

Robert was a senior business advisor on a project designed to strengthen the capacity of local businesses. He was recruited because he's well connected in the business community and has long experience providing consulting services. He was highly regarded by his colleagues and the client. Robert had been known to use his connections to help resolve impediments and challenges to the project.

The Team Leader received a message from the client representative who had received an email from the owner of a business that was receiving assistance under the project. The owner forwarded an email she had received from Robert in which he announced that he was now the Regional Director of an established multinational consulting firm. A visit to the firm's website confirmed this information.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

1. What are your concerns?
  - Violated terms of his employment agreement and DAI policy in which he must seek prior approval of outside activities.
  - Possible fraud if he worked for the other firm while during regular DAI working hours and he did not account for it in his timesheet.
  - Possible conflict of interest if he took advantage of his connection to the project for his outside client work.
2. What should be done next?
  - The Team Leader learned of the issue directly from the client. The TL should quickly inform the ECO so that appropriate guidance can be provided on handling the investigation and possible disciplinary measures that can be taken within local labor laws.

### Outcome

The issue was conveyed to the ECO and HR to further investigate.

They found that the employee had violated the Code of Business Conduct and Ethics, DAI policy and the terms of his employment agreement in not seeking prior approval for his outside activities. He had also received regular ethics training that required him to acknowledge that he read and accepted the Code of Business Conduct and Ethics. Further, the TL asserted that if he had requested prior approval, it would have been denied to avoid his association with an outside firm with the project.

The investigation was unable to confirm that he falsified his timesheet and the appearance of a conflict of interest was limited.



He was issued a final warning and was required to complete a disclosure of relationships form and take the ethics and compliance training again.

3. What could be done to limit this vulnerability?

- Assure that employees receive regular training and are fully aware of the terms and conditions of their employment agreements as well as DAI policies and procedures. Remind staff that they certify their understanding and acceptance of DAI's Code of Business Conduct and Ethics when they take the annual ethics training – know what it says!

Read more about [Preventing Conflicts of Interest](#) in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) and in the quarterly DAI Global Conduct newsletter from [February, 2017 on conflicts of interest](#).

## Case Study 20

Family, friends and colleagues were pleased to see the project's Regional Manager's 11-year old son in a television commercial for a local organization that supported students, schools, and technology training. This organization also received a grant from the DAI project to support its technical training.

Shortly after the commercial began to air, a newspaper reporter contacted the Regional Manager to ask about the project activities and the organizations they are working with. The Regional Manager passed the reporter's request to the Team Leader. In preparing the information, the Team Leader learned of the Regional Manager's son's role in the commercial.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 20: Personal Conflict of Interest

Family, friends and colleagues were pleased to see the project's Regional Manager's 11-year old son in a television commercial for a local organization that supported students, schools, and technology training. This organization also received a grant from the DAI project to support its technical training.

Shortly after the commercial began to air, a newspaper reporter contacted the Regional Manager to ask about the project activities and the organizations they are working with. The Regional Manager passed the reporter's request to the Team Leader. In preparing the information, the Team Leader learned of the Regional Manager's son's role in the commercial.

**Discussion:** *The "Session Leader Version" of the scenarios provide some guidance on possible answers. The answers included are not exhaustive of ALL possible answers nor are they the only right answers.*

4. What are your concerns?

- There is an appearance that the project's Regional Manager may have used his influence over the grant-making process to benefit organizations in exchange for personal benefit – personal conflicts of interest.
- Underlying this concern is that nobody raised this issue within DAI, and that the media may also be watching.

5. What should be done next?

- Elevate the issue to the ECO for a more coordinated response involving investigation and possible disciplinary action.
- The notification of the client will also be considered by the ECO given the evidence and the possibility that it may reach the media.

### Outcome

The TL discussed these issues with the Regional Manager. Over the course of the meeting, the TL also learned that the Regional Manager's wife worked as a consultant for another grantee and his brother was the head of another organization. He did not disclose these relationships in the disclosure form.

The TL noted that many people, including the client, were involved in the selection of grantees for the project, so the Regional Manager had limited influence that would be considered favoritism. Nonetheless, the issue was reported to the client. Before any disciplinary measures could be taken, the Regional Manager resigned.

6. What could be done to limit this vulnerability?

- DAI employees are expected to disclose family, economic and close personal relationships with individuals who may be involved with the project. Disclosures should be provided regularly, at least annually, and when there's any changes.
- Supervisors must track these relationships and should regularly discuss with their staff the nature and risks of conflicts of interest. If employees have concerns about the appearance of a possible conflict of interest with a colleague, they should feel comfortable reporting to DAI management through the different means available.
- The best way to deal with the appearance of favoritism, bias or an unfair advantage (conflict of interest) is to disclose so that measures can be taken to limit or avoid the apparent conflict.

Read more about [Preventing Conflicts of Interest](#) in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) and in the quarterly DAI Global Conduct newsletter from [February, 2017 on conflicts of interest](#).

## Case Study 21

The DCOP told the project team that when he took over when the COP departed, there would be changes. He made sure that the team knew that he was close to the client representative who would give him full support in making the necessary personnel changes. Members of the project team expressed their concerns to the departing COP. They also explained that the client representative has been assuring some organizations that they'll get grants once the COP leaves. When asked to provide more details or evidence, they refused because they were worried about working on client projects in the future given the influence of the client representative.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 21: Respect in the Workplace/Organizational Conflict of Interest

The DCOP told the project team that when he took over when the COP departed, there would be changes. He made sure that the team knew that he was close to the client representative who would give him full support in making the necessary personnel changes. Members of the project team expressed their concerns to the departing COP. They also explained that the client representative has been assuring some organizations that they'll get grants once the COP leaves. When asked to provide more details or evidence, they refused because they were worried about working on client projects in the future given the influence of the client representative.

### Discussion:

1. What are your concerns?
  - The workplace atmosphere may not have been respectful given the tension and distrust.
  - There are also allegations of favoritism or bias both by the DCOP for certain employees as well as by the client representative in possibly directing grant awards on the project.
2. What should be done next?
  - Elevate the issue to the ECO and home office management.
  - The allegations related to the client representative are delicate concerns and should be handled by the responsible senior leadership.

### Outcome

The home office sent a project manager to the field to interview staff and try to find any credible evidence of possible collusion between the client representative and potential grantees. None of the employees interviewed by the PM provided any additional information on the allegations. A few admitted that they were not comfortable speaking about the client representative because they were worried about their jobs in development after the project concludes, noting that the client representative had a great deal of influence.

DAI mobilized an expatriate COP for the remainder of the project. In the absence of any additional information, details or credible evidence of possible collusion by the client representative, the ECO decided not to report the allegations to the client.

At the conclusion of the project, the client learned of the allegations against the client representative. DAI was asked to provide the details of its investigation and outcome related to its decision not to inform the client. DAI has since revised its disclosure practice to inform the client under

circumstances in which they should be informed of allegations even in the absence of credible evidence.

3. What could be done to limit this vulnerability?

- Ensure everyone knows the avenue for reporting concerns and allegations – including their right to contact the client hotline at any time.
- Continue to cultivate a workplace environment in which employees feel comfortable reporting concerns and confident that DAI management will respond appropriately.

Additional information about respect in the workplace and no harassment policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the Respect and No Harassment webpage. On that page are links to additional material, including the quarterly DAI Global [Conduct](#) newsletter on [Respect in the Workplace](#) from February, 2017.

Read more about [Preventing Conflicts of Interest](#) in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) and in the quarterly DAI Global Conduct newsletter from [February, 2017 on conflicts of interest](#).

## Case Study 22

In 2018, the following documents were received by DAI employees. They were not requested from the individuals who sent them.

- A DAI recruiter asked a candidate if he had any document to demonstrate that he was designated at the senior level claimed in his resume. The candidate sent the initial technical proposal submitted by the incumbent 5 years earlier for a project to show that he was proposed as a key person on the project. DAI intended to compete for the follow-on project.
- A DAI employee on recon for a follow-on project asked a professional contact in the country if she was aware of any evaluation that may have been conducted of the project. The professional contact said yes, and quickly sent the DAI employee an email with the draft evaluation of a project conducted by a contractor for USAID.
- An advisor to a Ministry received a copy of a draft solicitation for comment. He passed it to a former colleague who now works for DAI. The draft solicitation had not been publicly distributed by the client.

### **Discussion:**

1. What are your concerns?
2. What should you do once you receive these documents?
3. What could be done to limit vulnerability under these circumstances?



# SESSION LEADER VERSION

## Case Study 22: Organizational Conflict of Interest/Handling Proprietary and Sensitive Information

In 2018, the following documents were received by DAI employees. They were not requested from the individuals who sent them.

- A DAI recruiter asked a candidate if he had any document to demonstrate that he was designated at the senior level claimed in his resume. The candidate sent the initial technical proposal submitted by the incumbent 5 years earlier for a project to show that he was proposed as a key person on the project. DAI intended to compete for the follow-on project.
- A DAI employee on recon for a follow-on project asked a professional contact in the country if she was aware of any evaluation that may have been conducted of the project. The professional contact said yes, and quickly sent the DAI employee an email with the draft evaluation of a project conducted by a contractor for USAID.
- An advisor to a Ministry received a copy of a draft solicitation for comment. He passed it to a former colleague who now works for DAI. The draft solicitation had not been publicly distributed by the client.

### Discussion:

1. What are your concerns?
  - Unfair advantage (organizational conflict of interest) in DAI having access to non-public information related to a competitive solicitation.
  - DAI does not seek unfair advantages.
2. What should you do once you receive these documents?
  - Quickly elevate the issue to the supervisor, COP/TL, Manager. Ultimately to the ECO so that the nature of the information can be quickly determined, and the client informed, if necessary and appropriate.

Outcome - In each instance, USAID was informed by the CECO. There was no further action necessary on DAI's part after the disclosure. DAI remained eligible to compete. The candidate who submitted the incumbent's proposal was not hired due to his poor judgement.

3. What could be done to limit vulnerability under these circumstances?
  - Continued awareness training.

Read more about [Handling Non-Public, Procurement Sensitive Information](#) on [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com).

## Case Study 23

Several members of a small team raised concerns that the behavior of a colleague was not warranted, was unprofessional and created a team environment of anxiety and tension. They described “off the cuff” jokey comments, moodiness and rude comments, talking down to individuals or ‘talking with tone’, eye-rolling, non-response to emails or calls, hanging up during phone calls, conflicting feedback, and comments made about personal situations.

### **Discussion:**

1. What are your concerns?
2. What action should be taken?
3. What actions could be taken to limit these issues?

# SESSION LEADER VERSION

## Case Study 23: Respect in the Workplace

Several members of a small team raised concerns that the behavior of a colleague was not warranted, was unprofessional and created a team environment of anxiety and tension. They described “off the cuff” jokey comments, moodiness and rude comments, talking down to individuals or ‘talking with tone’, eye-rolling, non-response to emails or calls, hanging up during phone calls, conflicting feedback, and comments made about personal situations.

### Discussion:

1. What are your concerns?
  - What one person might feel to be harassment or bullying, another might not see in the same way. Harassment is where someone creates an atmosphere that makes you feel uncomfortable - this could be because you feel offended, intimidated or humiliated. DAI encourages open conversations between colleagues to ensure a comfortable work environment is present for all staff.
  - There is also indirect harassment which includes conduct/remarks or malicious gossip about an employee that are not directed at him or her at the time
2. What action should be taken?
  - If you feel comfortable, speak with you colleague to make them aware you are uncomfortable with the workplace environment. Elevate these concerns to your supervisor, Team Leader, Chief of Party or their deputies. The issue can also be conveyed to the Ethics and compliance Officer, HR or through the ethics hotline.

### Outcome

Through the investigation process it emerged that there were other contributing factors of their own perpetuating the situation. While the accuser’s own personality perpetuated the situation, some of the allegations raised were deemed to be valid and were fed in to improvement plans for those who the allegations were made against.

3. What actions could be taken to limit these issues?
  - Some cases are less clear cut, and these are the ones that are sometimes hard to navigate around. However, just because there are exaggerations and additions included in a grievance, it does not diminish the validity of the more substantial complaints. DAI strives to cultivate a supporting nurturing environment where different personalities, different beliefs, different ways of working are accepted.
  - In all cases a reminder of DAI’s non-retaliation policy was enforced.

More information about DAI’s non-retaliation policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the [Non-Retaliation and Whistleblower Protection](#) page.

## Case Study 24

A consultant was assigned to work closely with one of the Directors of a local grantee to fully assess the capacity of the organizations. During the debrief of the consultant, three weeks after she left the country, she informed DAI that the Director persistently asked her to go out with him, showed her very personal videos of him and his wife, and often inappropriately touched her leg. The consultant noted that she did succumb to his invitation to go out “to shut him up.” She wanted to back out but he showed-up at her hotel and insisted on dinner together. In the debrief, she added that the Director worked with adolescent children and felt that “If he is doing this to me, what is he doing to others?”

### **Discussion:**

1. What are your concerns?
2. What should be done in response to these concerns?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 24: Sexual Harassment

A consultant was assigned to work closely with one of the Directors of a local grantee to fully assess the capacity of the organizations. During the debrief of the consultant, three weeks after she left the country, she informed DAI that the Director persistently asked her to go out with him, showed her very personal videos of him and his wife, and often inappropriately touched her leg. The consultant noted that she did succumb to his invitation to go out “to shut him up.” She wanted to back out but he showed-up at her hotel and insisted on dinner together. In the debrief, she added that the Director worked with adolescent children and felt that “If he is doing this to me, what is he doing to others?”

### Discussion:

1. What are your concerns?
  - Sexual harassment and possible exploitation and abuse.
  - Timeliness of informing DAI. Training of Consultants?
2. What should be done in response to these concerns?
  - Elevate to the Team Leader, COP, ECO or HR.

### Outcome

The CEO of the grantee was immediately informed of the allegations. He initiated an inquiry, taking effort to protect the identity of the consultant. The investigation was conducted when the Director was not in country to get full and honest feedback from other employees and beneficiaries. The Grantee undertook a full review of all procedures and code of conduct.

Approximately 6-7 months after the allegations had been made, we were informed that the grantee implemented stronger safeguards across the organization.

Some key aspects implemented as follows:

- Frequent visits by the CEO and Head of Programs to show that the concerns have been taken seriously and ensure that there is evidence of a clear change in approach
- The Director received a caution and future conduct to be reviewed and monitored
- A safeguarding development plan has been developed which includes training for staff and trustees, quarterly reflection meetings with partners on safeguarding issues, development of mechanisms for staff, partners and beneficiaries to raise concerns and a HR working group to oversee safeguarding development.
- DAI hired a local consultant to support partners to strengthen their safeguarding and ensure that measures reflect the new “keeping people safe” approach as well as more traditional child protection.

- They also provided reassurance that concerns were taken seriously and that they have contributed to positive change across the respective initiatives, outlining that the process has been incredibly valuable and had led to important learning for all concerned.

3. What could be done to limit this vulnerability?

- People who work with DAI, including consultants and grantee/subcontractor employees, should also be trained on the importance of reporting unacceptable behavior to DAI so that timely action can be taken to intervene and protect the victim.
- DAI should also create and maintain collaborative work relationships with consultants, grantees and subcontractors so that they are comfortable raising these concerns.

Additional information about DAI's respect in the workplace and no harassment policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the Respect and No Harassment webpage. On that page are links to additional material, including the quarterly DAI Global Conduct newsletter on [Sexual Harassment](#).

Additional information about DAI employees' responsibility to report can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com), on the page entitled "[Your Responsibility](#)." You can also learn more about overcoming the challenges of reporting in the March, 2019 quarterly DAI Global Conduct newsletter on [Reporting](#).

## Case Study 25

During an interview for the office receptionist position, the DCOP told a woman candidate that she “would do fine.” In the discussion of the candidate after the interview, the DCOP expressed his support for the woman based on her looks. The HR assistant reminded the committee that they had three more candidates to interview, and that the qualifications for the position did not include “looks.”

### **Discussion:**

1. What are your concerns?
2. What should be done next? Is this something that needs to be reported to USAID?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 25: Sexual Harassment

During an interview for the office receptionist position, the DCOP told a woman candidate that she “would do fine.” In the discussion of the candidate after the interview, the DCOP expressed his support for the woman based on her looks. The HR assistant reminded the committee that they had three more candidates to interview, and that the qualifications for the position did not include “looks.”

### Discussion:

1. What are your concerns?
  - This may have been a one-time incident and inappropriate action. The HR assistant is correct that “looks” is not a consideration, and the comment was not appropriate.
2. What should be done next? Is this something that needs to be reported to USAID?
  - This matter should be elevated to the COP, the ECO and HR management. While it appears to be harassment, it does not rise to the level of sexual exploitation or abuse that would necessitate disclosure to the client.
  - The COP should be informed so that the DCOP can be appropriately counseled on the inappropriateness of such comments in the DAI workplace in which respect and non-discrimination are essential elements of the work culture.
  - The DCOP should also be instructed that making comments that may lead a candidate to expect an employment commitment is also inappropriate and not professional.
3. What could be done to limit this vulnerability?
  - Project leadership should continue to train and communicate on the issue of sexual harassment. Leadership should also work to assure staff are comfortable with reporting harassment or other violations they may witness.
  - Ultimately, others on the project should feel confident that they can confront these comments or behaviors by objecting to them in the moment. For example, anyone on the project could remind the DCOP that such comments are inappropriate and not welcome.

Additional information about DAI’s respect in the workplace and no harassment policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the Respect and No Harassment webpage. On that page are links to additional material, including the quarterly DAI Global Conduct newsletter on [Sexual Harassment](#).



## Case study 26

A group of Project Managers and Associates lingered after a company happy hour. One of the Project Managers got drunk and started to say rude and suggestive things to one of the Project Associates. On another occasion the same Project Manager was in the field, drank too much one Friday night, and repeated the same behavior but towards a different Associate. Word has spread about these incidents on an Associates' WhatsApp chat group.

### **Discussion:**

1. What are your concerns?
2. What should be done next?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 26: Sexual Harassment

A group of Project Managers and Associates lingered after a company happy hour. One of the Project Managers got drunk and started to say rude and suggestive things to one of the Project Associates. On another occasion the same Project Manager was in the field, drank too much one Friday night and repeated the same behavior but towards a different Associate. Word has spread about these incidents on an Associates' WhatsApp chat group.

### Discussion:

1. What are your concerns?
  - Sexual harassment is the primary concern.
  - While alcohol may increase the risk of harassing behavior, it is never an excuse.
2. What should be done next?
  - Elevate to COP/TL, ECO and HR so that the matter may be addressed on a timely basis.

Sexual harassment generally includes 1) the submission to such conduct which was made either explicitly or implicitly a term or condition of an individual's employment, 2) the submission to or rejection of such conduct by an individual was used as the basis for employment decisions affecting such individual, or 3) the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment. Typically to meet the threshold of creating a hostile work environment the actions must be pervasive and or reoccur.

3. What could be done to limit this vulnerability?
  - Continued awareness training and discussion of sexual harassment will raise the awareness that such behaviors are unacceptable, even outside the workplace. Staff should feel confident confronting such behaviors in the moment, and/or reporting to a supervisor, COP/TL/Manager, ECO or HR.

Additional information about DAI's respect in the workplace and no harassment policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the Respect and No Harassment webpage. On that page are links to additional material, including the quarterly DAI Global Conduct newsletter on [Sexual Harassment](#).

## Case study 27

One of DAI's subcontractor employees inappropriately contacted a woman who was an employee of a grantee organization who was being trained by the subcontractor. Phone calls were made late at night to the woman. The subcontractor employee used terms of endearment that were clearly not professional or respectful. The trainee's husband got on the phone after several of these late calls and insisted that he "stop this foolishness!" The next morning, he reported the incident directly to her employer (the grantee organization), who immediately notified DAI directly.

### **Discussion:**

1. What are your concerns?
2. What should be done next? Is this something that needs to be reported to the client?
3. What could be done to limit this vulnerability?

# SESSION LEADER VERSION

## Case Study 27: Sexual Harassment

One of DAI's subcontractor employees inappropriately contacted a woman who was an employee of a grantee organization who was being trained by the subcontractor. Phone calls were made late at night to the woman. The subcontractor employee used terms of endearment that were clearly not professional or respectful. The trainee's husband got on the phone after several of these late calls and insisted that he "stop this foolishness!" The next morning, he reported the incident directly to her employer (the grantee organization), who immediately notified DAI directly.

### Discussion:

1. What are your concerns?
  - This is sexual harassment but by a subcontractor employee. DAI must act quickly but must rely on the subcontractor to investigate the issue. DAI must also take action to protect the beneficiary under these circumstances.
2. What should be done next? Is this something that needs to be reported to the client?
  - The issue should be elevated immediately to a supervisor, COP/TL, ECO or HR.

### Outcome

DAI immediately reached out to their subcontractor to inform them of the allegation. The subcontractor investigated their employee who was alleged to have made the inappropriate comments. According to their own policies/terms & conditions, the subcontractor ended the employment of the individual accused of harassing behavior. The project checked in with their grantee to ensure the woman was ok. The subcontractor assured DAI of its commitment to not tolerate harassment and would be on the lookout for any retaliation.

The subcontractor is responsible for a report which should be given to the DAI project. The DAI project should document what, who and how we responded.

While it appears to be harassment, it does not rise to the level of sexual exploitation or abuse that would necessitate disclosure to the client. The standards we use are based on the six standards listed in the UN Secretary General's Bulletin – Special Memo for Protection from Sexual Exploitation and Sexual Abuse. These details are in the slides. In short, there was no sexual relationship, exploitation or abuse.

Additional information about DAI's respect in the workplace and no harassment policy can be found in the DAI Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) on the Respect and No Harassment webpage. On that page are links to additional material, including the quarterly DAI Global Conduct newsletter on [Sexual Harassment](#).

3. What could be done to limit this vulnerability?
  - DAI's subcontractors and grantees should also receive ethics and anti-harassment training.
  - They should also be informed of the different avenues they have to report concerns and allegations.

## Case study 28

Shortly after participating in DAI's anti-harassment training, a female employee met with her Team Leader to report that one of her colleagues on the project was experiencing sexual harassment. The Team Leader asked for more details, but the woman said that her colleague asked her not to say anything to anyone because she was afraid of retaliation. The Team Leader pressed the woman for details but respected that her colleague was not ready to report. The Team Leader said that DAI has a strict non-retaliation policy, but the woman said she was not concerned about DAI retaliation, but rather the man's retaliation outside of the office. She was also concerned that if the allegations become public, it may hurt the project.

### **Discussion:**

1. What could be said to the woman that will help her feel more comfortable to report the sexual harassment and more confident that DAI will handle it appropriately?
2. What actions would you take?
3. What are your takeaways?

# SESSION LEADER VERSION

## Case Study 28: Sexual Harassment

Shortly after participating in DAI's anti-harassment training, a female employee met with her Team Leader to report that one of her colleagues on the project was experiencing sexual harassment. The Team Leader asked for more details, but the woman said that her colleague asked her not to say anything to anyone because she was afraid of retaliation. The Team Leader pressed the woman for details but respected that her colleague was not ready to report. The Team Leader said that DAI has a strict non-retaliation policy, but the woman said she was not concerned about DAI retaliation, but rather the man's retaliation outside of the office. She was also concerned that if the allegations become public, it may hurt the project.

### Discussion:

1. What could be said to the woman that will help her feel more comfortable to report the sexual harassment and more confident that DAI will handle it appropriately?
  - Even minor issues can have serious consequences. If something happens and you get that feeling in your gut that something is not right, preemptive rationalizations come in because fear takes over. Common rationalizations include: "It is not a big deal." "I do not have all the information." "This is someone else's responsibility."

Consider the benefits of speaking up against the potential consequences. Consider what is really at risk.

Weigh the pros and cons. What would be the benefit of speaking up? What would be the consequences if you did not?

- Seek to understand your colleague's perspective – why is he/she acting that way? What are they fearful of? Explain the benefits of escalating it, and if you are planning to escalate it, explain to the individual that this is your intent. Do not let them trust in you and then go behind their back. They have confided in you for a reason as they want the situation aired. Explain that there are people within the business who are trained to deal with these situations and will be happy to talk through the situation before any action (if needed) is taken.

2. What actions would you take?

### Actions Taken:

An HR manager messaged the alleged victim through the colleague. She explained the process and that the only way to deal with the continued sexual harassment was to report it, identifying the man and providing details of his behavior. The victim met with the HR manager and provided her with the details. An investigation determined that the allegations were credible. The male supervisor was fired, and the client was informed.

3. What are your takeaways?

- Reporting an allegation can take time as the victim makes a rational decision regarding who she talks to.
- Taking personal responsibility in speaking up is the right thing to do. Stand up and report, rather than stand by and let problems get worse.

DAI has a strict non-retaliation policy, but sometimes a victim is more concerned about retaliation outside of the office. DAI will do its best to protect the identity of victims to insulate them from threats or retaliation in the community.

This case study is from the [Reporting](#) issue of the DAI Global Conduct newsletter. To read more about sexual harassment, visit the Code of Business Conduct and Ethics at [www.DAI-Global-Conduct.com](http://www.DAI-Global-Conduct.com) and select the [Respect and No Harassment](#) webpage. At the bottom you will find links to additional material, including the quarterly newsletters on [Sexual Harassment](#) and [Respect in the Workplace](#).



# **End of Session Leader Guide for Ethics and Anti-Harassment Training 2019**