



# Fraud, Bribery, and Corruption Prevention Policy<sup>1</sup>

## Foreword

RUSI is committed to conducting its business according to all relevant laws and regulations, as well as ensuring it complies with its obligations and manages the risks it is exposed to adequately. RUSI is committed to conducting its activities following the strictest ethical standards and preventing all forms of fraud, bribery, and corruption (“FBC”) in all its endeavours.

RUSI has a zero-tolerance policy when it comes to FBC. This includes both active bribery (the offering, promising, or giving of a bribe) and passive bribery (the requesting, agreeing to receive or accepting of a bribe). Furthermore, RUSI believes that action against FBC is in the broader interests of society. As a charity deriving a significant proportion of its income from charitable giving, RUSI is concerned with protecting its operations and reputation as well as its funders, donors and Staff from the detriments associated with FBC.

Where FBC is known to have occurred, RUSI will take firm action, which may include dismissal, termination of an agreement and/or legal action. FBC committed by Staff will be treated as a serious disciplinary offence, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

Therefore, this policy is meant to clearly establish the principles which shall guide RUSI’s Staff in any business relationship they are involved in, as well as provide guidelines on what can be considered an act of FBC, how to detect and respond to situations of FBC and how to report them.

## Application

This policy is mandatory for all RUSI’s employees and workers, whether in the London office, in other RUSI offices overseas or working remotely. It also applies to trustees, interns and other voluntary workers, visiting fellows, part-time and fixed-term workers, seconded workers, and casual and agency staff. Unless explicitly stated otherwise, it also includes other non- employees such as independent contractors and sub-contractors and other persons acting on behalf of or providing services for RUSI who perform work for RUSI under an

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<sup>1</sup> This policy does not form part of any employee's contract of employment, and it may be amended at any time.

agreement. RUSI employees, part time and fixed-term workers, trustees, voluntary workers, visiting fellows, seconded workers, casual and agency staff and independent contractors and sub-contractors will collectively be defined as “Staff”. This policy should be abided by even if there are contractual obligations, policies or procedures which contradict the guidelines established herein.

## Definitions

**Bribery:** offering, promising, giving, or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

- a) An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.]
- b) A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

It is a criminal offence to offer, promise, give, request, or accept a bribe. In the UK, individuals found guilty can be punished by up to ten years' imprisonment and/or a fine and employers that fail to prevent Bribery can face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation.

**Bribery of Foreign Public Officials:** the act of giving or promising to give anything of value to a Foreign Public Official with the intention of influencing their official capacity, to either obtain business, retain business, or be given an unfair advantage in the conduct of business<sup>2</sup>.

**Corruption:** any form of conduct by which a person dishonestly obtains a benefit or uses a position of authority unfairly.

**Facilitating Payments:** the act of giving or promising to give anything of value to a public official to expedite an administrative process. Although in some jurisdictions, facilitating payments are not illegal, they are prohibited under the Bribery Act of 2010. RUSI strictly prohibits any of its Staff from giving Facilitating Payments regardless of whether they are allowed in other jurisdictions.

**Foreign Public Official:** any individual who either by election or appointment (a) holds a legislative, administrative, or judicial position of any kind in a country or territory outside the United Kingdom; (b) exercises a public function or (c) is an official or agent of a public international organisation.

**Fraud:** the act of making a false representation to make a gain for oneself or another, or cause loss, or exposure to loss to another.<sup>3</sup>

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<sup>2</sup> The Bribery Act 2010 (c.23). Section 1. Article 6.

<sup>3</sup> UK Fraud Act 2006. Chapter 35. Article 1.

## Standards

Staff and associated persons who act on behalf of or provide services to RUSI are expected to always act in a manner that is fair, impartial, and without favouritism or bias. They are expected to conduct the activities of RUSI to the highest standards of integrity, in accordance with RUSI's Values (contained in the [Code of Conduct](#)) relevant legislation, and to ensure that there can be no suspicion or appearance of FBC. Staff are expected to abide by the following standards:

- No member of Staff or person acting on behalf of or providing services for RUSI shall seek a financial or other advantage for RUSI through Bribery; nor shall they offer, promise or give a bribe for any purpose. All forms of Bribery are strictly prohibited including conduct which could constitute Bribery of Foreign Public Officials.
- No member of Staff or person acting on behalf of or providing services for RUSI shall request, agree to receive, or accept any form of Bribery for any purpose.
- No member of Staff or person acting on behalf of or providing services for RUSI shall engage in any form of Fraud.
- No member of Staff or person acting on behalf of or providing services for RUSI shall engage in any form of Corruption.
- The payment or acceptance of Facilitation Payments is unacceptable and will not be tolerated. Specifically, Staff must not:
  - o give or offer any payment, gift, hospitality, or other benefit in the expectation that a business advantage will be received in return, or to reward any business received.
  - o accept any offer from a third party that you know, or suspect is made with the expectation that we will provide a business advantage for them or anyone else.
- Staff must not threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible FBC.
- RUSI does not make donations to political parties. Staff who choose to donate to a party must make it clear they are doing so in their own name.

## Preventing Fraud – Travel, Expenses and Advances

The following are some guidelines (as examples, but not an exhaustive list) that RUSI Staff should follow to effectively prevent and detect fraudulent operations.

- Any expenses to be claimed will have to be fully supported by proper invoices and/or receipts.
- All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness.
- Any attempts to claim expenses which appear excessive (i.e., lavish dinners, paying for luxurious hotels and/or tickets to events, etc) will constitute a red flag and should be reported to the Risk and Compliance Manager at [compliance@rusi.org](mailto:compliance@rusi.org) so that further inquiries can be made and a course of action can be determined.

- All Staff shall ensure that all cyber security protocols and other relevant guidance is followed at all times, in order to reduce the risk of Fraud from unauthorised access to systems and data.
- Independent contractors and subcontractors should always refer to their contracts to determine the types of expenses which can be claimed and if any special procedures or exceptions apply.
- Other financial measures undertaken by RUSI to prevent and detect Fraud can be found in RUSI's [Financial Controls Policy](#).

The following applies to RUSI Employees only:

- If you travel on RUSI business to a destination which is considered to be away from your normal place of work, you must travel by whatever means of travel is appropriate, taking into account the cost of time spent travelling and the destination. Whichever means you choose should be agreed in advance with your Line Manager.
- Whenever an employee requests an advance to pay for travel, accommodation, and the like, said request must be approved by the line manager. Approval must be forwarded to Accounts who will then pay the advance.
- All advances will be included in the requester's upcoming salary payment so long as the advance has been adequately authorised by the 20<sup>th</sup> of the month. A maximum amount of £1,000 may be given as an advance. Any advances above that amount must be approved by the Head of Finance or Chief Operating Officer.
- All expense claims or advances which have not been duly supported will be rejected and will have to be covered directly by the requester. Prior approval of the line manager Employees may be exempt from providing adequate invoices or receipts when travelling in countries where use of cash is more prevalent.
- RUSI employees using their own cars to travel to business meetings or other events may claim the HMRC approved mileage allowance of 45p per mile. Evidence of miles travelled should be provided (e.g., extract from Google Maps).
- Employees travelling by train or by air should normally travel economy class, except in the following circumstances:
  - Where the cost of the travel is being picked up directly by a client (not from core funding), and it has been specifically agreed with the client that the travel will be first class or business.
  - Where the flight is long haul (9 hours or more), travel may be by business class, at the discretion of the Director General or the Chief Operating Officer. When travelling to and from the airport, staff are asked, where possible, to take public transport. However, where the budget allows it, a taxi may be taken instead. All travel expenses claimed must be supported by an original copy of a (VAT) receipt.
- If Employees are required to stay overnight, they will stay at a reasonably priced hotel. Reasonable subsistence expenses may also be claimed. RUSI will reimburse Staff for food and soft drinks, but not for alcoholic beverages. RUSI does not pay per diems, unless instructed to do so by a funder, and all subsistence expenses claimed must be supported by an original copy of a (VAT) receipt, including cases where a cash advance is provided. Where a restaurant meal is claimed for, please note on the restaurant bill the names of those who attended the meal.

## Preventing Bribery and Corruption

The following are some guidelines RUSI staff should follow to effectively prevent and detect Bribery and Corruption:

- Staff should avoid giving gifts to people outside the organisation, especially public officials (both national and foreign) as these can be misconstrued as attempts to exert improper influence.
- Branded items such as notebooks, pens and tote bags can be provided to individuals outside of RUSI e.g., at a RUSI conference, as it is understood that promotional gifts are unlikely to influence the recipient in any way due to their nominal value.
- Staff are prohibited from hosting lavish dinners or events as in many jurisdictions these can be considered as a form of Bribery.
- Reasonable refreshments and meals may be provided during events and conferences where appropriate.
- It is recognised that the location of a meeting may not be at the discretion of the RUSI Staff member and logistics may determine the location of the meeting, however, where possible, Staff should meet with public officials in RUSI's office or at the office of said public official. All meetings should be openly scheduled in a calendar and whenever possible there should at least be two of RUSI staff in attendance where there are financial arrangements under discussion. Finally, when discussing bids, contracts, grants and the like, a written summary of the main points of discussion should be circulated amongst attendees<sup>4</sup>.

## Gifts and Hospitality

At times, Staff may be given gifts by people outside the Institute. This policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining our image or reputation, or marketing our products and services. A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment (for example, during contractual negotiations or a tender process). When giving or receiving gifts or entertaining guests the following guidelines apply:

- Any gifts which appear to exceed a total value of £50 should be politely turned down and/or returned to the sender. If refusal or return is not an option, the gift shall be [declared and](#) registered as established in Annex 1 of this policy. The Risk and Compliance Manager will keep the register and decide whether the gift can be kept, shared amongst staff, displayed at the offices, or be made part of a raffle. Under no circumstances shall any member of staff accept any form of cash or cash equivalent as a gift.
- Staff may receive and retain promotional gifts without need for registration, as well as receive reasonable meals and refreshments when attending events. Hospitality

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<sup>4</sup> An email describing the main points addressed should suffice.

which goes further, for example formal dinners at conferences, or drinks receptions organised by a stakeholder, and which are reasonable and proportionate in the circumstances, can be accepted, but need to be included in the register.

- When RUSI hosts an event, reasonable food and beverage may be provided to attendees. Branded items may also be given to those in attendance.
- In limited circumstances, when providing hospitality for clients/conference guests, alcohol may be claimed for, but in such cases a note must be made on the invoice of those being entertained and there must be Line Manager's approval.
- Whenever a third party offers to cover travel expenses (including speaker fees) these must be registered as per Annex 1.
- Whenever in doubt, Staff should avoid accepting a gift or invitation.

## Extraordinary Circumstances

Given that some Staff travel to territories under conflict, or which might be facing difficult public order circumstances, it may sometimes happen that bribes are requested by public officials or members of the armed forces. In these instances, the following guidelines should be abided by:

- If a bribe is requested and Staff fear for their safety, the sum of money should be paid, and the situation should immediately be reported to the Risk and Compliance Manager. Examples of this include:
  - Requests for money by customs or immigration agents who threaten to illegally retain individuals or deny them access/exit from a country.
  - Requests for money by police or army checkpoints threatening to send members of staff to detention facilities.
  - Officials who are retaining documents, such as passports, and asking for bribes in exchange.
- Any fines which have been legally imposed, will not be considered a bribe, shall be paid by whomever committed the offence, and will be non-refundable.

## Raising Concerns

Any suspected violations of this policy will require immediate reporting to the Risk and Compliance Manager at [compliance@rusi.org](mailto:compliance@rusi.org). Potential violations which require reporting include:

- Witnessed or suspected instances of FBC;
- If you are offered a bribe, or are asked to make one, or if you suspect that any FBC or other breach of this policy has occurred;
- Allegations of FBC from someone outside of RUSI, including reports made by government employees.

All reports will be subjected to the strictest confidentiality, as established in the [Whistleblowing Policy](#). All potential acts of FBC will be investigated and if necessary, reports will be filed before the corresponding authorities.

All concerns raised should describe the suspected violation to this policy in as much detail as possible, including the people involved, the reasons why a concern is being raised and the date, time, and place where the potential violation occurred.

Upon receiving a report, the Risk and Compliance Manager will investigate and determine, in consultation with Senior Management, if:

- a) Any authorities need to be informed
- b) Disciplinary action or termination of contract is required
- c) Whether the report is linked to a project funded by the FCDO and therefore requires reporting to the Anti-Fraud & Corruption Unit (AFCU) - [afcu@fco.gov.uk](mailto:afcu@fco.gov.uk) or +44(0)7771 573944 / +44(0)7881 249938.

## Staff Involvement and Suspension

Where an allegation of FBC concerns a member of Staff, the Human Resources Director must be consulted. Subject to their advice, any member of Staff suspected of Fraud, Bribery or Corruption may be suspended (without deduction of pay) pending a full investigation. The suspension of a member of Staff does not constitute a finding of misconduct against him or her.

Individuals suspended for suspected FBC, and individuals suspended to enable a proper investigation to be carried out, will normally be required to leave RUSI premises immediately and will be denied access to RUSI's physical and IT facilities. During the period of suspension, they will not be permitted to contact staff or witnesses, or to act on behalf of RUSI, unless given express permission to do so by the Director General. Any infringement of this requirement may be treated as a disciplinary offence.

## Version control

<b>Author</b>	<b>First drafted</b>	<b>Approval date and approving body</b>	<b>Latest update</b>
Andrea Plazas	05/2023	Approved by SMT on 12-12-2024	01-02-2024

## Annex 1: Gifts and Hospitality Register

<b>Name of Staff Member</b>	<b>Date of reception</b>	<b>Gift/Hospitality Description</b>	<b>Sender</b>	<b>Accepted</b>	<b>Destination</b>