



BOY SCOUTS OF AMERICA FRAUD POLICY

BACKGROUND

The corporate fraud policy is established to facilitate the detection and prevention of fraud against Boy Scouts of America. It is the intent of Boy Scouts of America to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as volunteers, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Boy Scouts of America and its affiliates and subsidiaries.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Boy Scouts of America.

POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact to the detriment of Boy Scouts of America and may include the inducement of others. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be reported. Reports may be made to the Director of Internal Audit, General Counsel or by way of Ethics Point. The Director of Internal Audit and General Counsel are responsible for investigating and reporting on allegations of violations of this policy to the Audit Committee.

ACTIONS CONSTITUTING FRAUD

The terms fraud, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Misappropriation of funds, securities, supplies, or other assets;

- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering from insider knowledge of company activities;
- Disclosing confidential or proprietary information to outside parties;
- Disclosing to other persons confidential activities engaged in or contemplated by the company;
- Failure to disclose accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Boy Scouts of America. Exception: Aggregate gifts less than \$50 within a calendar year;
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and the Employee Relations team of the Legal Department.

If there is any question as to whether an action constitutes fraud, contact the Director of Internal Audit for guidance.

CONFIDENTIALITY

Internal Audit treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Internal Audit team immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Boy Scouts of America from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Individuals engaged in the investigation of fraud will have:

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

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Internal Audit immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Legal Department. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss the matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Legal Department or Internal Audit.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from the Legal Department and, if necessary, by outside counsel, before any such action is taken. Internal Audit does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Internal Audit or Legal Department believe the management decision inappropriate for the facts presented, the facts will be presented to executive level management for a decision.

ADMINISTRATION

The Director of Internal Audit is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.