


Policy 030-01	<h1 style="margin: 0;">Anti-Fraud Policy</h1>		
Date of Issuance:	Supersedes Policy No. 030-01 dated	Originated by:	
10/23/2017	01/18/2013	Chief Compliance Officer	
Date last reviewed by CEO direct report: 10/20/2017			

1. Purpose

The Company's policy is to ensure its employees, officers, and directors are committed to the highest standards of moral, legal and ethical behavior, refrain from engaging in Fraud, and act with honesty and integrity at all times.

The Company's intent is to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls.

2. Scope

Applies to CITGO Petroleum Corporation (i.e., "Company" or "CITGO") and to subsidiaries and affiliates operated by CITGO employees.

3. Definitions

3.1 Fraud. Fraud and related misconduct prohibited by this Policy generally involves a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit. The determination by a criminal justice authority as to whether something can be criminally prosecuted will not be necessary for the Company to make a determination as to whether something is Fraud or dishonest under this Policy. All of the Company's business units, corporate departments, activities, and facilities are at risk for Fraud and acts of dishonesty.

3.1.1 Such acts include but are not limited to:

- (a) Embezzlement;
- (b) Forgery or unauthorized alteration of any company document;
- (c) Unauthorized alteration or manipulation of or pertaining to the Company's information, including computer files;
- (d) Fraudulent financial reporting;
- (e) Intentional misrepresentation of Company information;
- (f) Misappropriation or misuse or personal use of Company resources;
- (g) Theft, disappearance or destruction of Company property;
- (h) Improprieties in the handling or reporting of financial or money transactions;
- (i) Authorizing or receiving payments for goods not received or services not performed;
- (j) Authorizing or receiving payment for hours not worked;
- (k) Charging time or expenses to the wrong place intentionally;

- (l) Any apparent violation of Federal, State or local laws related to dishonest activities or fraud;
- (m) Theft or other misappropriation of assets of customers, suppliers or others with whom the Company has a business relationship;
- (n) Misstatements and other irregularities in the Company's records, including the intentional misstatement of the results of operations, health, safety, security, and environmental incidents, or investigations.

3.1.2 Areas of the Company's business may be particularly susceptible to high risk of Fraud include:

- (a) managing external contracts;
- (b) handling cash, checks, gift cards, invoices, receipts, or accounts;
- (c) expense reports;
- (d) payroll timesheets, including the reporting of flexible hours;
- (e) handling sensitive information;
- (f) overseeing high volume, high value, or high risk assets;
- (g) receiving, transferring and/or disposing of Company assets including both hydrocarbon and non-hydrocarbon items;
- (h) use of the Company's corporate procurement card.

- 3.2 Employee.** The term "Employee" means any person employed by CITGO to perform work for CITGO in exchange for compensation, and subject to the supervision and control of CITGO, including contractors, directors and officers.
- 3.3 Management; Managers.** Any administrator, manager, account holder, director, supervisor, approver or other individual who manages or supervises funds or other resources, including human resources.
- 3.4 Company Officer ("Officer").** Refers to the President and CEO, any Vice President of the Company, the General Counsel, Chief Compliance Officer, General Auditor, Corporate Controller, and the Corporate Treasurer.
- 3.5 Company Hotline.** Refers to the Integrity Hotline that can be accessed through the CITGO Intranet home page, contacting the General Auditor, or calling 1-800-252-4846.
- 3.6 CITGO Compliance Committee.** The term "CITGO Compliance Committee" means the group of individuals appointed by the President and CEO who are responsible for carrying out the duties identified in the CITGO Compliance Committee Charter, in order to enable CITGO to

continue to operate ethically and in accordance with the applicable laws and regulations.

4. Procedure

4.1 Policy Statement. Employees, Officers and directors of the Company shall not engage in Fraud, other fraudulent activities, or dishonesty. The Company will investigate any reported alleged fraudulent activities or dishonesty and those related to the misuse of Company resources or property involving Employees as well as consultants, vendors, contractors, outside agencies doing business with employees and/or any parties with a business relationship with the Company. The Company is committed to the deference, detection, and correction of any fraudulent activity and dishonesty.

4.1.1 Employees, officers and directors shall not engage in Fraud. Employees, Officers and directors of the Company shall not engage in Fraud or other fraudulent activities. The Company will investigate any reported alleged fraudulent activities and those related to the misuse of Company resources or property.

4.1.2 Third Parties, including but not limited to consultants, vendors, contractors, and outside agencies, doing business with Employees and/or any parties with a business relationship with the Company shall not engage in Fraud either in behalf of the Company, and/or conducting business with the Company.

4.1.3 Disciplinary action. Those Employees, Officers or directors of the Company found to have engaged in Fraud or otherwise deemed to have acted in a fraudulent or illegal manner shall be disciplined appropriately, which may include termination.

4.1.4 Management Responsibilities.

4.1.4.1 All levels of Management are responsible for preventing and detecting instances of Fraud and related misconduct in their respective areas of responsibility and for establishing and maintaining proper internal controls that provide security and accountability for the resources entrusted to them. Managers are also expected to recognize risks and exposures inherent in their area of responsibility and to be aware of indications of fraud or related misconduct.

4.1.4.2 Management should contact the Chief Compliance Officer or Internal Audit as soon as Fraud or related misconduct is detected or suspected. Management should also inform the Chief Compliance Officer or the General Counsel if he or

she feels the situation warrants involvement of law enforcement.

4.1.4.3 After reporting suspected activity involving fraud or related misconduct, Managers shall:

- (a) Not attempt to conduct individual investigations, interviews, interrogations or contact the suspected individual unless done in coordination with Legal, Compliance and/or Internal Audit Department. There should be no communication with the suspected employee about “what you did”, “the crime”, “the fraud”, “the forgery”.
- (b) Not discuss the case with any third party other than employees with a need to know such as Internal Audit, Legal, Human Resources, Finance or Compliance Department.
- (c) Direct all inquiries from the suspected individual, or his or her representative, law enforcement or any other person to Legal or Compliance Department and respond that he or she is not at liberty to discuss any part of that matter.
- (d) Take appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of the same improper actions and report those actions to the Chief Compliance Officer and the Internal Audit Department.
- (e) Fraud risks should be mitigated in proportion to the risks faced. Where significant risks are identified as having inadequate levels of mitigation, measures must taken to improve the situation and progress monitored accordingly. Management is expected to adopt a range of prevention, detection, and response measures, but with a focus on prevention and detection.

4.1.4.4 Management is responsible to ensure effective fraud prevention and detection programs are in place. Management may contact Internal Audit to obtain guidance for effective fraud prevention and detection programs and to conduct audits to detect any fraudulent activities or weaknesses in the processes.

4.1.5 Employee Responsibilities. An Employee with a reasonable basis to believe that fraudulent or other dishonest behavior has

occurred is required to report the suspected activity in a timely manner by one of the following methods:

- (a) Reporting the issue to the Chief Compliance Officer;
- (b) Reporting the issue to a Company Officer;
- (c) Reporting the issue to Internal Audit;
- (d) Reporting the issue to the Company's Hotline;
- (e) Reporting the issue to the Business Ethics Conflict of Interest Questionnaire; and/or
- (f) Quarterly Management Questionnaire.

Through day-to-day work, Employees are in the best position to recognize any specific risk within their areas of responsibility. All Employees also have a duty to ensure that those risks are identified and mitigated. Where an Employee believe the opportunity for Fraud exists, whether because of poor procedures or oversight, the Employee should discuss it with his or her Manager, other members of Management, or Internal Audit.

The identity of the Employee who is reporting the matter shall be kept confidential to the extent possible and within the needs of the investigation and applicable law.

4.1.6 Non Retaliation. Employees who report suspected or known fraudulent activity or other improper activity will be protected from retaliatory action by the Company. Reports by Employees must be made in good faith. Those Employees making reports with a disregard for accuracy and reasonableness will be subject to disciplinary action as deemed appropriate.

4.1.7 Investigations. The results of investigations conducted by the appropriate personnel shall be reported as determined by the Chief Compliance Officer and/or the CITGO Compliance Committee with persons and departments inside the Company with a need to know and to the Board of Directors, outside auditors and government agencies to the extent deemed appropriate.

There is no expectation of privacy of Employees with regard to Company owned and provided equipment and the investigation may include search of company facilities, equipment and other Company owned assets.

4.2 Remedial Actions. If a fraud investigation substantiates that a violation has occurred, the following remedial actions shall be taken as appropriate:

4.2.1 Recovery of Losses. Appropriate action will be taken by the Human Resources, Legal, and Controllers departments to

recover assets lost as a result of Fraud or an act of dishonesty. Full recovery will constitute the value of benefits gained by an Employee or beneficiary other than Company or the documented loss, whichever is larger, and, if appropriate, the cost of the investigation, recovery and other costs. All reasonable means, consistent with applicable law, will be sought to recover losses, including voluntary repayments, withholding from salary or wages, insurance proceeds, and legal action.

- 4.2.2 Referral to Law Enforcement.** Employees shall consult with the Legal Department before disclosing any private or confidential data about Employees to law enforcement authorities.
- 4.2.3 Internal Control Deficiencies.** Internal Audit shall consider whether evidence of possible fraudulent or other dishonest acts reveals areas or practices in the Company's internal controls needing modification. A report of this review shall be made to the Controller and Compliance Committee for proper handling.
- 4.2.4 Employee Disciplinary Actions.** Employees who have been deemed to have participated in fraudulent or other dishonest acts, or any Employee who hinders a Fraud investigation by making false or misleading statements or failing to cooperate, or who fails to report ongoing Fraud or dishonest conduct of which he or she is aware shall be subject to disciplinary action, including termination, as deemed appropriate by management in coordination with the Human Resources team.
- 4.3 Accounting for loss, restitution and recovery.** The Controllers department will determine the proper account impacted by the fraudulent activity. Normally, the account will contain a loss until any restitution is made. The Controller will determine the proper accounting treatment.
- 4.4 Cost of recovery.** The Controllers department shall determine the reasonable cost center to charge for costs involved in investigation and recovery related to the matter.
- 4.5 Reports to the Government.** If a matter is determined to be Fraud or a violation of criminal law in connection with a United States government contract or project, the Company shall timely report in alignment with Procedure 30-00 Disclosure Control and Procedure and consultation with both the Legal and Government & Public Affairs departments, the matter to the appropriate government entity.



5. Related Policies and Procedures

Policy 20-00	CITGO Assets and Funds
Policy 30-00	Compliance with Law
Policy 30-02	Trade Compliance
Policy 31-00	Compliance with Customs and Border Protection
Policy 100-00	Business Ethics and Conflicts of Interest
Policy 100-01	Business Ethics and Conflicts of Interest for Specified Officers
Policy 150-00	Travel
Procedure 20-04	Travel Card
Procedure 20-07	Employee Business Expense
Procedure 20-11	Petty Cash Funds
Procedure 20-14	Systems of Authority
Procedure 20-15	Employee Cash Advance
Procedure 20-21	Agents Funds
Procedure 21-01	Energy Price Risk Management—Hedging
Procedure 30-00	Disclosure Control and Procedure
Procedure 60-05	Time Off (Exempt)
Procedure 60-06	Time Off (Non-Exempt)
Procedure 60-07	Relocation
Procedure 60-02	Educational Assistance Plan
Procedure 70-01	Procurement
Procedure 70-02	Procurement Card
Procedure 70-03	Warehouse and Inventory Control
Procedure 70-30	Purchase Requisitions—Non-Hydrocarbons
