



North American Export Grain Association

# **NAEGA Operations Policies and Procedures**

**October 2016**

*“Working Together to Make Trade Work”*

North American Export Grain Association  
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# **NAEGA Operational Policies and Protocols**

## **INDEX**

**Page 1 – Procurement Policy** (June 2016)

**Page 3 – Fraud Prevention Policy** (June 2016)

**Page 7 – Senior Advisor Operating Protocols** (January 2015)

**Page 9 – Document Retention and Periodic Destruction Policy**  
(February 2009)

**Page 10 – Whistleblower Policy** (February 2009)

**Page 12 – Anti-trust Legal Guidelines** (September 2006)

## **North American Export Grain Association (NAEGA) procurement policy with unique and mandatory requirements for contracts exceeding \$35,000 per year.**

To provide for competitive, fair and compliant contracting practices NAEGA implements the following guidelines for all contracts, purchase orders, service fees and reimbursements. Unique and mandatory requirements for contracts exceeding \$US35,000 per year are included. This and all NAEGA expenditures that are subject to reimbursement under USDA programs are intended to provide for compliance with USDA Market Access Program (MAP) regulation 7 CFR Section 1485.29.

NAEGA procurements are conducted under these Guidelines:

1. **Decision Criteria** – All NAEGA procurements will be with the firm or individual that offers the best total value as determined by NAEGA. Best value will be measured on a case by case basis. Decisions will be based on evaluation of:
  - a. Proposed Total Project Cost
  - b. Best plan to carry out deliverables
  - c. Experience and ability
  - d. Transparency in all aspects of the project
  - e. Interview or evaluations of Staff or assigned representatives.
  
2. **Solicitation of Requests for Proposals** – This policy will apply to all contracts valued \$35,000 and above per year that NAEGA enters into, regardless of the use of MAP funding. For each contract for \$US35,000 and above:
  - a. NAEGA, or its assigned representative, will issue a Request for Proposals (RFP). The project RFP will: identify project goals and deliverables, as well as the requirements for each proposal and the work experience needed for the proposal to be considered. In the case of MAP contracts, the requirements will include a stipulation that the applicant agree to abide by all relevant U.S. Department of Agriculture and MAP regulations.
  
  - b. In the case of a contract for representation, NAEGA will prepare a RFP that lays out the expectations for the contractor, deliverables, payment terms and expected experience and other requirements necessary for the Bid to be considered. In the case of MAP contracts, the requirements will include a stipulation that the applicant agree to abide by all relevant U.S. Department of Agriculture and MAP regulations.

NAEGA will publish all RFPs in the appropriate locations as determined by the requirements for each contract. There will be a 30-day open submission period for all new contracts. All proposals/bids will be sent directly to the NAEGA President & CEO.
  
3. **Execution** – Upon the agreement of terms, NAEGA and the selected contractor agree to a Memorandum of Understanding (MOU) that describes:
  - a. Purpose of the MOU and any resulting contract(s),
  - b. Activity the contractor is expected to perform,
  - c. Deliverables, including due dates for all parties,
  - d. Fees and term.
  - e. Provisions that he contractor will abide by all relevant U.S. Department of Agriculture and MAP regulations.
  
4. **Extension/Re-Bidding** - The extension or re-bidding of a contract is subject to these conditions:
  - a. All contracts must be re-bid after three years.

**North American Export Grain Association (NAEGA) procurement policy with unique and mandatory requirements for contracts exceeding \$35,000 per year.**

- b.** Contracts of any amount with in-country representatives in any foreign country will not need be re-bid for a second year extension if the NAEGA Director of Operation and President & CEO agree that the contractor has performed the original contract as expected and, if the contract used MAP funding, in compliance with all MAP regulations.
  - c.** A third year for contracts with in-country representatives in any foreign country must be re-bid.
  - d.** All contracts with non-U.S. based contractors that are not for representation must be re-bid each year.
  - e.** Contracts valued at \$US35,000 per year and above for U.S.-based contractors must be re-bid every year.
- 5. Retention of records** – All documents related to the project, including the contract, receipts, deliverables, and record of payment, are retained by NAEGA for 7 years or until NAEGA's MAP compliance review, whichever is longest, as described in NAEGA's document retention and periodic destruction policy, adopted on February 25, 2009. That policy can be found in the Appendix.

All NAEGA personnel must review the above guidelines upon employment by NAEGA and acknowledge (in writing) and observe to follow the above procedures.

## **North American Export Grain Association (NAEGA) Fraud Prevention Policy**

The North American Export Grain Association observes the following policy comprised of administrative process and guidelines for expenditures related Market Access Program (MAP) reimbursed expenses.

### **ADMINISTRATIVE PROCESS:**

- I.** Prior to any MAP-based travel or contracting, NAEGA staff first identifies the goals and expected costs for the project. Volunteer participants are given a MAP engagement letter and contractors a contract that lays out what the project is, what the expected deliverables on the project are, and what the reimbursement rates and allowed expenses are under the MAP regulations. These documents are filed in a MAP project folder. A pro forma engagement letter and contract are attached in the Appendix.
- II.** During the activity, the participant is required to notify and receive approval from NAEGA staff of any significant (over 5%) change in expected reimbursement.
- III.** Subsequent to the activity, the participant will submit a NAEGA MAP reimbursement analysis along with an expense report or invoice to request reimbursement (reimbursement request). Prior to approval for reimbursement request a NAEGA employee or contractor not directly involved in the request or approval for reimbursement (NAEGA Official) will review for compliance with applicable guidelines and rules and the following policies. That third party reviewer will report on the compliance review as part of the submission of the request to the NAEGA official approving the reimbursement. Once the analysis and expense report are approved, the reimbursement request will be included in NAEGA files pending request for reimbursement from USDA FAS. A pro forma copy of the NAEGA MAP reimbursement analysis form is included in the Appendix.

### **GUIDELINES FOR EXPENDITURES:**

- I. Air travel** - For air travel, NAEGA classifies two types of travelers: U.S.-based travelers and Foreign-based travelers. Both types, U.S. and Foreign Based, act as either industry volunteers or contract consultants to carry out NAEGA Unified Export Strategy activities.

For all air travel and whenever practical NAEGA policy is to contract and pay directly from NAEGA for air travel of all travelers whether U.S. or Foreign Based contractors, NAEGA employees or industry volunteers. When NAEGA pays directly for air travel no expense reimbursement request is made and each ticket is accounted for to ensure that the flight booked is the one that is used and that no adjustments are made to the class of ticket without NAEGA approval and recordkeeping.

In all cases NAEGA travelers are advised, via a NAEGA MAP Engagement Letter for volunteers and employees or NAEGA MAP Memorandum of Understanding (MOU) for contractors, of federal travel regulations and that NAEGA will only reimburse up to a full-fare economy ticket. Upon acceptance of the applicable document the NAEGA traveler and agrees that:

## **North American Export Grain Association (NAEGA) Fraud Prevention Policy**

1. U.S. Federal travel regulations must apply to all travel expenses.
2. The traveler is required to provide receipts and ticket stubs to prove the flight and fare purchased and or approved by NAEGA that they booked is the flight they took.
3. Unless exceptions are explicitly agreed to, reimbursement will be provided for at up to a full-fare economy ticket costs incurred.
4. Flights may be upgraded to higher class at the traveler's expense, provided the traveler or NAEGA provides documentation sufficient to demonstrate the original and reimbursable portion of the air travel fare was in compliance with USDA MAP guidance and federal travel regulations.

Some unique guidelines for air travel apply to each of the two traveler types. The guidelines specific to traveler type are:

### A. U.S-based Traveler:

1. Contractor – Standard NAEGA Contract language includes that requirement that a U.S.-based traveler who is a NAEGA Contractor must have their flight paid for directly by NAEGA. Exceptions to standard contract provisions must be approved by senior management and require additional notification and recordkeeping to ensure compliance the MAP regulation. If applicable, the NAEGA MAP MOU also requires the traveler to provide receipts and ticket stubs to prove the flight and fare they informed NAEGA that they booked and paid is the flight they took. In cases where they book a higher class of ticket, they are asked to provide us with documentation laying out the cost of a full-fare economy ticket on that flight, and NAEGA will only reimburse them for that amount.
2. Volunteers - NAEGA volunteers may at their discretion purchase air travel tickets on their own. The MAP Engagement Letter advises them of federal travel regulations and that NAEGA will only reimburse up to a full-fare economy ticket. In the event the volunteer arranges for their own travel, the traveler is required to provide receipts and ticket stubs to prove the flight and fare they informed NAEGA that they booked is the flight they took. In cases where they book a higher class of ticket, they are asked to provide us with documentation laying out the cost of a full-fare economy ticket on that flight, and NAEGA will only reimburse them for that amount.

### B. Foreign-based traveler:

For contractors, employees and industry volunteers, NAEGA policy is for NAEGA staff to arrange for and make direct payment for air travel by Foreign Based NAEGA travelers. If direct payment is impractical or circumstances dictate that direct payment is not possible NAEGA requires:

1. Prior to travel commencing, the traveler provides advance notice and documentation of planned travel, and
2. Within 10 days after travel is complete, the traveler invoice NAEGA for the reimbursable portion of the fare. The invoice documentation must provide verifiable proof of payment and receipts or ticket stubs proving travel took place and that appropriate portion of fare is reflected on the invoice. NAEGA Staff consults verbally with Foreign based travelers

## **North American Export Grain Association (NAEGA) Fraud Prevention Policy**

and explains the applicable MAP Engagement Letter or MOU which advises the Foreign based traveler of federal travel regulations and that NAEGA will only reimburse up to a full-fare economy ticket.

- II. Hotels & Lodging:** NAEGA policy is to arrange for and track all travel accommodations. Whenever possible, NAEGA requests direct billing from the provider of accommodations. As well as with prior agreement travelers may be allowed to arrange for their own hotels and lodging when travelling with the assistance of NAEGA MAP funding. In the event accommodations are arranged for by the traveler, NAEGA requires that the traveler forward the booking information for the hotel to our office before the travel and that they provide a copy of the bill and their credit card statement showing payment for that amount if they book the room themselves.
- III. Meals & Incidental Expenses:** All NAEGA contractors and volunteers are informed before travel is started of the total reimbursable amount they are allowed per day for Meals & Incidental Expenses (M&IE), and what incidental expenses are reimbursable. NAEGA requires that all M&IE expense reimbursement requests include receipts for the amount requested Sales & Trade Related Events: NAEGA arranges for payment for any Sales & Trade Related Events (STRE) before any contractor or volunteer travel takes place. STRE events are only allowed to be paid with a NAEGA credit card or a NAEGA check that comes directly from the NAEGA office for the amount due for the STRE. The check is never made out to the contractor or volunteer, only the vendor, and a contractor or volunteer is never allowed to pay for an STRE event themselves, unless they are carrying a NAEGA credit card that is in their name that we control.
- IV. Contracting Fees:** NAEGA pays a flat daily rate to all our contractors, so during travel for NAEGA as long as the above information is presented, we are as certain as we possibly can be that the work they are being paid for was completed. The maximum amount of time that NAEGA will reimburse for is also laid out in each NAEGA MAP contract. Any work that takes place before or after a trip requires the contractor to account for the time for which they request reimbursement.

### **ACTIONS IN CASE OF SUSPECTED FRAUD**

NAEGA staff or assigned third party reviewer (NAEGA official) is responsible for assessing the traveler's actions, report and claim for sufficiency and compliance with NAEGA Policy.

If the NAEGA official has any concern about compliance related to the actions or reimbursement claim of the NAEGA traveler, they are to first contact the participant and discuss the issue with them to ensure any possible errors are addressed. This consultation should be used gather additional information and make a determination if additional or corrective action should be taken.

When the consultation is complete the NAEGA official may:

1. Recommend the reimbursement claim be approved;
2. Require additional information or reporting for additional consideration.

## **North American Export Grain Association (NAEGA) Fraud Prevention Policy**

Ultimately an authorized NAEGA representative must approve the traveler's reimbursement request as well as execute payment.

If at any time during assessment, approval or execution of payment NAEGA or its assigned representative suspects fraudulent reimbursement request or activity related the underlying contract or volunteer activity, that person must notify a superior or failing the availability of a superior proceed with notification under NAEGA's whistle blower policy. Subsequent to the notice of suspicion of fraud from the NAEGA official, the notified entity will proceed to make a final and legal determination of the validity and compliance. If necessary, NAEGA staff will contact NAEGA's legal counsel to consult on how to proceed.

If an involved NAEGA official reports suspicion of fraud and the requested payment has not been made NAEGA will not proceed to execute payment and NAEGA will not include the activity in a claim for reimbursement with USDA/FAS.

If NAEGA staff are made aware of fraud that involves NAEGA's MAP allocation after a payment had been made and a MAP claim has been submitted, NAEGA pursuant to Section 1485.31 of the MAP Regulations, will, within five business days of receiving an allegation or information giving rise to a reasonable suspicion of misrepresentation or fraud that could give rise to a claim by the Credit Commodity Corporation (CCC), shall report such allegation or information in writing to FAS personnel as dictated in the MAP program agreement.

Ultimately NAEGA will cooperate fully in any USDA investigation of such allegation or occurrence of misrepresentation or fraud and shall comply with any directives given by CCC or USDA for the prompt investigation of such allegation or occurrence.

NAEGA's whistleblower policy also ensures that any employee of NAEGA who thinks funding is being abused or fraud has been committed has an avenue to report their concerns. That policy is attached with this document.

All new NAEGA personnel must review the above guidelines upon employment by NAEGA and agree to follow the above procedures.

NAEGA rigorously follows the above reimbursement guidelines to ensure that all NAEGA and Market Access Program funding is legitimately used and accounted for.

## **NAEGA Senior Advisor Operating Protocols**

### **Income - Contracting**

- Senior advisors are only compensated via project and international travel mission contracts. Most project contracts and all international travel missions are funded in part by NAEGA's Market Access Program funding.
- All contracts and activities undertaken by NAEGA are compliant with USDA requirements.
- NAEGA will always provide Senior Advisors with a contract before any type of travel or project that includes a payment begins.
- Daily reimbursement for time spent is the maximum allowable daily government rate: Currently \$503.04/day <http://www.opm.gov/oca/10tables/indexGS.asp>
- NAEGA provides a 1099-MISC form to single individual contractors who are not incorporated.

### **Travel**

#### **1. Utilizing Market Access Program (MAP) Funds:**

- While on MAP travel for NAEGA, senior advisors will be reimbursed for airfare, hotel costs, per diem and daily non-per diem expenses. All non per-diem expenses must be itemized and receipts for all expenses must be provided to NAEGA. Per-diem rates can be found at [http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)
- MAP travel should always be booked on a fully refundable ticket
- NAEGA prefers to pay directly for all MAP travel.
- NAEGA will only reimburse MAP travel airfare booked at the full-fare economy rate on an American Flag or Code-Share aircraft, unless no alternative is available. If no alternative is available, you MUST document why that flight was the only one you could take. You may upgrade to a higher class at your own expense.
- When on overseas MAP travel, senior advisors must submit an expense report and a trip report to the NAEGA office within 10 days of returning to the United States.
- Domestic travel is also subject to per-diem limits and NAEGA will only reimburse economy-class airfare. Per-diem rates for domestic travel are provided by the GSA and can be found at [http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA\\_BASIC&contentId=17943](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=17943)

#### **2. Non-MAP travel is considered on a case by case basis.**

#### **3. All Travel**

- All reimbursement checks will be issued from the NAEGA office, and are subject to approval by the NAEGA President.

### **Communication and Information Management**

#### **1. Access**

- a. Senior advisors are free to dialog with NAEGA members and others in industry at their discretion.
- b. NAEGA Member's Only Website access is provided to senior advisors.
- c. Time for dialog with NAEGA members and others, unless covered under contracts, will not be reimbursed by NAEGA.

**2. Information creation sharing and retention**

- a. NAEGA provides senior advisors with a Laptop PC for creation of content for NAEGA use. PC's must be returned when a senior advisor discontinues work with NAEGA.
- b. Senior advisors are invited to submit for consideration articles for communication to NAEGA members whenever they like.
- c. Posting to Committee web pages. When you have created a relevant document, the Director of Operations will post it to the appropriate web page.
- d. Capacity Building Modules:
  - The NAEGA Capacity Building modules have been designed to be constantly updated. Senior advisors who worked on the modules are asked to assist NAEGA staff in keeping the module's relevant and in adding documents to them.
  - The Modules have 4 sections:
    - Written Reports
    - Power Point Presentations
    - Multimedia Presentations
    - Background Materials

If you come across any material that you think belongs in one of those four categories, please let the NAEGA office know so that it may be included in the module. The modules are designed to be a sort of file cabinet for each of the three topics.
- e. Unless otherwise noted, all content created for NAEGA by senior advisors is considered NAEGA's intellectual property.

## NAEGA document retention and periodic destruction policy February 25, 2009

The intent of this policy is to eliminate accidental or innocent destruction and to insure compliance with all applicable requirements. NAEGA has established this written, mandatory document retention and periodic destruction policy in accordance with the Sarbanes-Oxley Act. The act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored. NAEGA also must be in compliance with USDA contractor requirements. It is very important for administrative personnel to know and implement this policy.

**Policy - The following table list NAEGA requirements for Document retention. All documents are retained in well marked files organized chronologically and alphabetically. Documents marked “Permanently” must be retained. Documents created prior to the listed retention requirement may be destroyed. Documents marked with an asterisk (\*) must be shredded if they are to be destroyed. Note: disposal of waste must be in accordance with applicable building and official recycling mandates. When no longer in use all paper should be recycled.**

| <b>Type of Document</b>  | <b>Retention Requirement</b>                   |
|--|--|
| *Accounts payable ledgers and schedules                                    | 7 years  |
| <b>Audit reports</b>   | <b>Permanently</b>                             |
| *Bank Reconciliations  | 2 years  |
| *Bank statements   | 3 years  |
| <b>Checks (for important payments and purchases)</b>                       | <b>Permanently</b>                             |
| *Contracts, mortgages, notes and leases (expired)                          | 7 years  |
| <b>Contracts (still in effect)</b>   | <b>Permanently</b>                             |
| *Correspondence (general)  | 2 years  |
| <b>Correspondence (legal and important matters)</b>                        | <b>Permanently</b>                             |
| Correspondence (with members and vendors)                                  | 2 years  |
| <b>Deeds, mortgages, and bills of sale</b>                                 | <b>Permanently</b>                             |
| <b>Depreciation Schedules</b>  | <b>Permanently</b>                             |
| *Duplicate deposit slips   | 2 years  |
| *Employment applications   | 3 years  |
| *Expense Analyses/expense distribution schedules                           | 7 years  |
| <b>Year End Financial Statements</b>                                       | <b>Permanently</b>                             |
| *Insurance Policies (expired)  | 3 years  |
| <b>Insurance records, current accident reports, claims, policies, etc.</b> | <b>Permanently</b>                             |
| *Internal audit reports  | 3 years  |
| *Inventories of products, materials, and supplies                          | 7 years  |
| *Invoices (to customers, from vendors)                                     | 7 years  |
| <b>All MAP Records</b>   | 7 Years, or until Audited, whichever is longer |
| <b>Minute books, bylaws and charter</b>                                    | <b>Permanently</b>                             |
| <b>Patents and related Papers</b>  | <b>Permanently</b>                             |
| *Payroll records and summaries   | 7 years  |
| *Personnel files (terminated employees)                                    | 7 years  |
| <b>Retirement and pension records</b>                                      | <b>Permanently</b>                             |
| <b>Tax returns and worksheets</b>  | <b>Permanently</b>                             |
| *Timesheets  | 7 years  |
| <b>Trademark registrations and copyrights</b>                              | <b>Permanently</b>                             |
| *Withholding tax statements  | 7 years  |

# North American Export Grain Association (NAEGA)

## Whistleblower Policy

### 1

**General** - NAEGA requires directors, officers and staff members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As staff and representatives of the NAEGA, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

**Reporting Responsibility** - It is the responsibility of all directors, officers and staff members to report ethics violations or suspected violations in accordance with this Whistleblower Policy.

**No Retaliation** - No director, officer or staff member who in good faith reports an ethics violation shall suffer harassment, retaliation or adverse employment consequence. A staff member who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable staff members and others to raise serious concerns within NAEGA prior to seeking resolution outside NAEGA.

**Reporting Violations** - NAEGA has an open door policy and suggests that staff members share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, a staff member's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with a Member of the Board of Director's, NAEGA's outside council or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected ethics violations to the NAEGA's President, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following NAEGA's open door policy, individuals should contact NAEGA's outside council or Secretary Treasurer directly.

**Compliance Officer** - The NAEGA's President is designated the Compliance Officer and is responsible for investigating and resolving all reported complaints and allegations concerning violations and, at his/her discretion, shall advise the Chairman of the Board of Directors. In the event the NAEGA outside counsel receives a report, outside counsel will serve as Compliance Officer. The Compliance Officer has direct access to board of directors and is required to report to the Board at least annually on compliance activity.

**Accounting and Auditing Matters** -The board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the board of directors of any such complaint and work with the committee until the matter is resolved.

**Acting in Good Faith** - Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the

# North American Export Grain Association (NAEGA) Whistleblower Policy

## 2

information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

**Confidentiality** - Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

**Handling of Reported Violations** - The Compliance Officer or others will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The NAEGA President (Compliance Officer) is:

Gary C. Martin

He may be contacted at

NAEGA office:

1400 Crystal Drive, Suite 260

Arlington, VA 22202

Ph.: 202-682-4030

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The NAEGA Secretary Treasurer is:

Holly Womack

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Phone: 303-740-4169

Fax: 720-528-6289

NAEGA outside council:

Marc L. Fleischaker

Arent Fox

1717 K Street

Washington, DC

Phone: (202) 857-6053

Fax: (202) 715-8483

## North American Export Grain Association (NAEGA) Antitrust Legal Guidelines

NAEGA activities and events bring company representatives together to share information and ideas that help each company to compete more effectively in its marketplace.

Some of the companies that participate in NAEGA compete with each other. Whenever competitors meet, antitrust guidelines have to be kept clearly in mind. That is because, even in a legitimate industry forum like NAEGA, suspicion may arise that some participants could misuse the opportunity to agree on anticompetitive actions. As one antitrust authority puts it, “The risk is that people will come for breakfast and stay for dinner.”

Antitrust enforcers take a keen interest in trade associations because they have been accused of providing competitors with pretext to:

- Fix prices
- Allocate customers
- Allocate sales territories
- Allocate products or production volumes
- Collectively refuse to deal with targeted suppliers or customers
- Formulate standards that favor participants, but effectively exclude non-participants.

During NAEGA interaction it is essential to avoid discussing prices, promotions, refusals to deal, terms and conditions of sale, market allocation, customer allocation, discriminatory standards, or other subjects that could lead any participant to agree to coordinate its competitive activity with one or more other participants. This caution applies not just to general and breakout sessions, but also to less formal small-group and one-on-one discussions (for example, at receptions and dinners).

**Remember:** Antitrust violations do not require a written or oral agreement. A violation may be charged based just on the appearance of unlawful activity. For example, a discussion of pricing, followed by parallel price increase on the part of the competitors present, could be enough to show a price-fixing conspiracy. The message is clear: NAEGA, its members and guests must always conduct themselves in a manner that avoids even the slightest suspicion that antitrust laws are being disregarded.

Disregarding these precautions could lead to severe consequences. Criminal prosecution for price-fixing and customer allocation is commonplace. Heavy fines and treble damages are routinely imposed on companies. Individuals are fined and imprisoned.

Whenever you are uncertain about the legality of any conduct, be sure to obtain legal advice. And always consult with counsel during any NAEGA Event if any doubt arises as to whether a particular topic should or should not be discussed.