

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. NAEGA also observes the

ADMINISTRATIVE PROCESS:

1. 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.
2. During the activity, the participant is required to notify and receive approval from NAEGA staff of any significant (over 5%) change in expected reimbursement.
3. 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:

1. **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:

- i. U.S. Federal travel regulations must apply to all travel expenses.

- ii. 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.
- iii. Unless exceptions are explicitly agreed to, reimbursement will be provided for at up to a full-fare economy ticket costs incurred.
- iv. 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 provide 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 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.

2. **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.
3. **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.
4. **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:

Recommend the reimbursement claim be approved;

Require additional information or reporting for additional consideration.

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.