

FRAUD

106: POLICY:

SENIOR FRIENDS AND SERVICES, INC. goal is to establish and maintain a business environment of fairness, ethics and honesty for its employees, customers, and anyone else with whom we have a relationship and to prevent fraud, financial loss, damaged reputation and litigation. To maintain such an environment requires the active assistance of every employee and manager every day.

Therefore, it is the policy of SENIOR FRIENDS AND SERVICES, INC. to deter, detect and correct misconduct and dishonesty. In concert with federal and state mandates SENIOR FRIENDS AND SERVICES, INC. shall adhere to whistleblower rights and protection. The discovery, reporting and documentation of fraudulent or illegal acts provides a sound foundation for the protection of innocent parties, the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets by any and all lawful means.

PROCEDURES:

1. For purposes of this policy, misconduct and dishonesty include but are not limited to:
 - theft or other misappropriation of assets, including assets of SENIOR FRIENDS AND SERVICES, INC., our customers, suppliers or others with whom we have a business relationship
 - misstatements and other irregularities in SENIOR FRIENDS AND SERVICES, INC. records, including the intentional misstatement of the results of operations
 - wrongdoing
 - forgery or other alteration of documents
 - fraud and other unlawful acts
 - any similar acts

The SENIOR FRIENDS AND SERVICES, INC. specifically prohibits these and any other illegal and inappropriate activities in the actions of its employees, managers, executives, directors and all others responsible for carrying out SENIOR FRIENDS AND SERVICES, INC.'s activities.

2. It is the responsibility of every employee, supervisor, manager and executive to immediately report suspected misconduct or dishonesty to the Chief Executive. Managers, when made aware of such potential acts by subordinates, must immediately report such acts to the Chief Executive. Any reprisal against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.

3. Due to the important, yet sensitive nature of the suspected violations, effective professional follow up is critical. Managers should not in any circumstances perform any investigative or other follow up steps on their own. Concerned but uninformed managers represent one of the greatest threats to proper incident handling. All relevant matters, including suspected but unproved matters, should be referred immediately to those with follow up responsibility.
4. Employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. Specifically, personnel with supervisory or review authority have three additional responsibilities.
 - First, you must become aware of what can go wrong in your area of authority.
 - Second, you must put into place and maintain effective monitoring, review and control procedures that will prevent acts of wrongdoing.
 - Third, you must put into place and maintain effective monitoring, review and control procedures that will detect acts of wrongdoing promptly should prevention efforts fail.

Authority to carry out these three additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with the managers.

5. Investigations when warranted will have:
 - free and unrestricted access to all records
 - the authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities (whether in electronic or other form) without the 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 investigative or related follow up procedures

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and SENIOR FRIENDS AND SERVICES, INC. procedures.

6. Care must be taken in the follow up of suspected misconduct and dishonesty to avoid acting on incorrect or unsupported accusations, to avoid alerting suspected individuals that follow up and investigation is underway, and to avoid making statements, which could adversely affect the SENIOR FRIENDS AND SERVICES, INC., an employee, or other parties. Accordingly, the general procedures for follow up and investigation of reported incidents are as follows:
 - Employees and others must immediately report all factual details to the Chief Executive.
 - All records related to the reported incident will be retained wherever they reside.
 - Do not communicate with the suspected individuals or SENIOR FRIENDS AND SERVICES, INC.s about the matter under investigation.

- Neither the existence nor the results of investigations or other follow up activity will be disclosed or discussed with anyone other than those persons who have a legitimate need to know in order to perform their duties and responsibilities effectively.
 - All inquiries from an attorney or any other contacts from outside of the SENIOR FRIENDS AND SERVICES, INC., including those from law enforcement agencies or from the employee under investigation, should be referred to the Chief Executive.
7. Investigative or other follow up activity will be carried out without regard to the suspected individual's position, level or relationship with the SENIOR FRIENDS AND SERVICES, INC.