

Executive Summary

Internal Investigation Report

Background

On May 28, 2024, the Compliance Department received an anonymous report alleging possible violations of the company's Code of Conduct within the Procurement Division. The report specifically cited concerns related to improper vendor selection and potential conflicts of interest.

Scope & Methodology

The investigation focused on the activities between January 1, 2023, and March 31, 2024, reviewing procurement contracts, email correspondence, and expense records. Interviews were conducted with 13 employees and associated vendors.

Key Findings

- Evidence confirmed that procurement policies were not consistently followed in three major contracts totaling \$420,000.
- One employee held undisclosed personal relationships with two vendors under review.
- No evidence of bribery or kickbacks was identified.
- Recordkeeping procedures were insufficient, hindering the ability to verify compliance with all internal controls.

Recommendations

- Immediate review and update of procurement protocols and conflict of interest disclosures.
- Mandatory refresher training for all Procurement Division staff in compliance and ethical sourcing.
- Enhanced recordkeeping and periodic internal audits to ensure adherence to policies.

Conclusion

The investigation identified areas where compliance processes failed, though no criminal activity was uncovered. Swift implementation of recommendations will mitigate risk and help restore procedural integrity.

Important Notes

- This document is a confidential executive summary for management review.
- Findings are based on available records and interviews as of the report date.
- Further legal analysis may be warranted based on ongoing developments.
- Distribution should be limited to authorized personnel.