

Ethics, Standards and Compliance Office (ESCO)

Anti-Corruption and Ethics Compliance Handbook for ISKCON Mayapur



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Key Messages

- ISKCON Mayapur has zero tolerance for fraud and misconduct.
- You must know when it is appropriate to give or receive a benefit or service and when a benefit or service is a fraud.
- You must assess whether your actions or others' actions are misconduct.
- You must be a whistleblower, if you become aware of fraud or misconduct by raising the issue or reporting the infringement directly to the Ethics Standard Compliance Office (ESCO).

Corruption comes in many different forms. The most common forms include:

- **Fraud:** Fraud is a false representation of a matter of fact—whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed—that deceives and is intended to deceive another so that the individual will act upon it to her or his legal injury.
- **Misconduct:** Misconduct is a violation of law, regulation or ISKCON policy or unethical business conducts for personal benefit, which causes or may cause economic harm, violation of Vaisnava standard and may damage ISKCON's reputation. It includes for the purposes of this Policy: abuse, failure to act with independence and failure to act with honesty and integrity.
- If you are in doubt as to whether the action you are about to do is compliant with ISKCON Mayapur's Code of Conduct, you shall contact your immediate superior for clarification. If your immediate superior considers this a minor issue, which does not need the direct involvement of ESCO, he will simply document such inquiries and clarifications and send to ESCO for filing.
- If you, or your immediate superior, are in doubt as to the legality of an action, or how to interpret the handbook, you shall seek advice from ESCO.

Policy Statement

Corruption undermines Srila Prabhupada's desire to see Sri Mayapur as the world headquarters of ISKCON where millions of visitors will come to receive the blessings of their Lordships Sri Sri Radha Madhava and Sri Panca Tattva. The diversion of funds and misuse of resources intended for development of Sri Mayapur undermines the provision of basic services and discourages further aid and investments. It is a waste of Krsna's money and resources. It creates bad faith from the mass of devotees for the management system. Thus, there is a general agreement that corruption is a major issue, which negatively impacts the development of Sri Mayapur Dham.

Below are important aspects of the policy:

- The policy of ISKCON Mayapur on corrupt practices and the misuse of funds—be it by devotees, employees or third parties—is one of a zero tolerance policy.
- Management (i.e. individuals or entities as defined or approved by the GBCom) is responsible for the prevention and detection of fraud and misconduct as defined above.
- Each member of the management team will be familiar with the types of irregularities that might occur within his or her area of responsibility and be alert for any indication of irregularity.
- Any irregularity that is detected or suspected must be reported either in person, phone or e-mail, immediately to the Director of Ethics, Standards and Compliance, or his representative, who will provide oversight to all investigations, and consult, when needed, with the Legal Department and other affected areas, both internal and external. Employees can also report to a Mayapur manager, deputy, director or GBC.
- The Director of Ethics, Standards and Compliance will be appointed directly by the GBCom and will report directly to them.
- The Director of Ethics, Standards and Compliance appoints the Operations Manager. Whenever needed, the Director will appoint an investigator, or investigation team, and that investigator or investigation team would report back to the Director.

Introduction

Scope

This policy applies to any irregularity (i.e. any fraud or misconduct), or suspected irregularity, involving employees/devotees as well as consultants, vendors, contractors, outside agencies doing business with representatives of such agencies, and/or any other parties with a business relationship with ISKCON. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship within ISKCON.

This handbook concentrates on preventing corruption within ISKCON Mayapur. To achieve our anti-corruption objectives, ISKCON focuses on fixing clear rules for any kind of dealings that involves the development of Sri Mayapur. The present handbook forms part of a constant training commitment for those in ISKCON Mayapur with a goal to raise awareness, foster understanding, help detect malpractices and provide the right incentives on how to deal with malpractices or the misuse of funds.

Certain situations may arise that are not covered by this handbook, or appear to be ambiguous. Neither this handbook nor any code of conduct can provide clear and exhaustive answers for every possible situation. Therefore, each situation must be considered carefully and on an individual basis. In case of any questions or doubts concerning the legality or appropriateness of an action, the concerned staff should make immediate contact with the head of ESCO.

Definition

As corruption has many forms and faces there is no single, comprehensive or universally accepted definition of corruption. But generally speaking it can be defined as any abuse or misuse of a position of trust, funds, or power for private benefit or in order to gain an undue advantage. There are always at least two actors involved in corrupt practices: A demand as well as a supply oriented side.

Levels of corruption

A difference can also be seen between levels of corruption. Grand corruption is corruption on a large scale, involving senior members of ISKCON whereas administrative corruption is on a smaller, petty scale typically involving lower-level managers or employees of ISKCON. It is also useful to differentiate between systemic corruption, which permeates an entire level of management, and individual corruption, which is more isolated and sporadic.

Starting from the top

Anti-corruption starts at the top. Integrity is a prime element of leadership. Leaders should not be corrupt and leaders should not protect corrupt employees.

Unless the top sets up accountability for corruption, corruption will always exist, as there are always some that will want to abuse the system. Strong leaders determined to fight corruption by any means possible can stop the vicious cycle of corruption.

Fraud and Misconduct Explained

It is prohibited for any devotees, employee or third party to carry out or undertake any act, which constitutes Fraud or Misconduct against ISKCON.

Fraud

Fraud is an intentional act committed to secure an unfair or unlawful gain to him/herself or another person or to wrongfully deprive ISKCON of their financial interests and includes for the purposes of this Policy:

Fraud

- The willful misrepresentation or deception with the intention of inducing a person to act thereon to ISKCON's financial detriment. The detriment may either be direct (such as in the case of money that is stolen or embezzled) or indirect (such as in the case of the improper use of valuable information or misrepresentation in financial and other reports and statements). Fraud may also result in someone exerting position/power to influence others for reasons beyond finances

Corruption

- Giving an advantage to a third party in a way inconsistent with one's official duties or the interests of ISKCON in exchange for some personal benefit. This normally occurs in the acceptance of a bribe.

Misconduct

Misconduct is a violation of law, regulation or ISKCON policy or unethical business conduct for personal benefit which causes or may cause economic harm or loss to ISKCON and includes for the purposes of this Policy:

Abuse

- Consists of the excessive or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources owned or operated by ISKCON; or extravagant or excessive use so as to abuse one's position or authority. Extreme cases of abuse may amount to instances of fraud.

Failure to Act with Independence

- Devotees and employees must be and act at all times in a manner which is independent of the interest of third parties. This means that devotees and employees must not (among other things) align their interest with that of a contractor unless such interest is clearly and demonstrably for the benefit of ISKCON. Devotees and employees are expected to demonstrate in their every-day actions and attitudes such independence. While devotees and employees are expected and encouraged to build and support development of good long-term relationships and partnerships with third parties, such relationships should not lead to or create an environment where such independence is or may not be maintained or compromised.

Failure to Act with Honesty and Integrity

- Every devotee and employee is required to act honestly, with integrity and otherwise in accordance with the Standards of Conduct in his or her activities with any other devotee, employee, contractor or person in relation to and within the scope of his or her responsibilities.

Participation

Any individual who participates in Fraud or Misconduct shall be considered to have carried out or undertaken such Fraud or Misconduct for the purposes of this Policy. Such participation shall include (a) knowingly lending any assistance to such prohibited acts and (b) knowledge of such prohibited act without reporting it in accordance with this Policy.

Management

ISKCON management—particularly GBCs, Co-Directors, Deputy Directors, Divisional Heads and Department Heads—are expected to act as leaders and promoters of this Policy and will be held to a generally accepted standard of conduct relative to his or her position in relation to the employees.

Below is a list of examples of fraud or misconduct:

- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.

- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of ISKCON's activities.
- Disclosing confidential and proprietary information to outside parties.
- Disclosing to other persons' confidential activities engaged in or contemplated by ISKCON.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to ISKCON. (Exception: Gifts less than Rs 5,000.00 in value – such gifts should be dealt with by the local management, be that department head, divisional head etc.)
- Destruction, removal, or inappropriate use of records, furniture, fixtures, equipment and other assets.
- Any similar or related irregularity.

Whistleblowing

There will always be some who plan to abuse the system. As a family, together we must protect Srila Prabhupada's heritage and mission. If you become aware of such individuals, let us know at ESCO. Do not worry. We will protect you.

What is a Whistleblower

When someone exposes actual or possible corruption, fraud and mismanagement he is identified as blowing a whistle and therefore is called a whistleblower.

Why be a Whistleblower

A key challenge in preventing and fighting corruption is to detect and expose bribery, fraud, theft of public funds and other acts of wrongdoing. One of the most direct methods of shining the light on corruption is whistleblowing.

Early disclosure of wrongdoing or the risk of wrongdoing can protect our Mayapur project from serious loss of money, loss of time, serious public scandal, preserve spiritual sanity and even the loss of life. Whistleblowing is necessary in preserving the law and achieving Sri Caitanya Mahaprabhu's mission.

Your Protection as a Whistleblower

In Mayapur we do not want to be the norm. Unfortunately, in general, whistleblowers around the world commonly face retaliation in the form of harassment, firing, blacklisting, threats and even physical violence, and their disclosures are routinely ignored.

ESCO is dedicated to introduce clear and strongly protected mechanisms for internal reporting. And reprisals against whistleblowers should be seen as another form of corruption. In addition, false whistleblowing will also be seen as another form of corruption.

Who Can Be a Whistleblower

- Any employee—either ISKCON devotee or a non-ISKCON devotee worker of Mayapur
- Any third party of Mayapur
- Any guest or friend of Mayapur

Whistleblowing in Mayapur

Although anyone is legally allowed to approach the law and press a case against any corrupt individual, we ESCO Mayapur, the Ethics, Standards and Compliance Office branch of the GBCom promise to deal quickly, confidentially and fairly to anyone who helps us in uprooting any actual or possible fraud or corruption.

We need you to just tell us, and we will investigate. Even if there is a slim chance of corruption, we want to know about it. ESCO wants to make sure everyone is following the rules.

Reporting Whistleblowing

See section on Procedure for Handling Complaints page 11.

Making False Accusations

Making false accusations will be considered in the same category as corruption and will result in the same type of consequences. See section on sanctions page 14.

Education – De-stigmatizing Whistleblowing

Public education is also essential to de-stigmatize whistleblowing so that Mayapur employees, third parties and friends understand how disclosing wrongdoing benefits the public good. When witnesses

of corruption are confident about their ability to report it, corrupt individuals cannot hide behind the wall of silence.

Procedure for Handling Complaints

The prime function of ESCO will be to ensure that proper standards of administration and integrity are upheld throughout all Mayapur departments and office holders. Additionally, ESCO will process credible complaints as and when they are brought to their attention, and will handle them as per the process described below.

- 1) ESCO will only consider formal written complaints giving concise and clear evidence as to why the complaint made should be formally investigated. ESCO prefers no anonymous tips, but should any be received, they would still be accepted. However, ESCO would not be able to protect the anonymous party.
- 2) The process of determining whether or not a complaint is sufficiently substantive to merit an investigation shall be, chronologically: (a) The complainant will submit to the ESCO their full complaint with whatever facts, supportive documents, etc. they may have. (b) The person/s to whom the complaint is directed will receive the said complaints and be invited to respond to them in writing. (c) The complainant will have an opportunity to provide their final response to the above-mentioned rebuttal. (d) The subject of the complaint will have the final right of response if they so choose. From the outset, reasonable time limits will be given by the ESCO for each of the above four steps.
- 3) Criteria for establishing merit shall be that “prima facie” (at first glance) there is a reasonable possibility of truth to the complaint.
- 4) If the ESCO determines that the complaint merits an investigation, they will assign an investigator or a team of investigators to conduct a formal investigation to study all the evidence, interview all relevant witnesses, etc.
- 5) The submissions mentioned in # 2 above shall also form part of the body of material for the investigators to consider prior to their concluding the investigation.
- 6) Generally the subject of the complaint will know who is making the complaint against them. However, on occasions and at the discretion of the ESCO head, he may choose to not disclose the name of the complainant.
- 7) Once the investigation is complete the investigator/s will compile and submit their report to the head of the ESCO. The ESCO will then, in conjunction with at least two others, adjudicate the case and present their binding judgment.

- 8) If a complaint is found to be deliberately false, the complainant shall be held accountable for abuse of the ESCO process and penalized accordingly. The ESCO, however, may determine that a complaint, although deficient in evidence, may possibly be true and therefore allow for further investigation regarding the same.

If the judgment is not acceptable to the defendant, they can formally appeal the decision. The appeals panel will consist of the ESCO head, a member of the GBCom, a Co-Director, a Deputy Director and a member of the MCS. Only appeals with compelling and exceptional reasons will be heard, such as:

- If the Mayapur management determines that there were serious flaws in following the stated procedure of how the ESCO cases should be processed.
- If the defendant can provide new evidence that would call into question the validity of the original decision.

Investigation

Reporting of Fraud and Misconduct

Irregularities, other than fraud and misconduct, concerning an employee's or devotee's moral, ethical, or behavioral conduct should be resolved by departmental management. But if it remains unresolved, then it may be forwarded to the ESCO for further review and action. If there is any question as to whether an action constitutes a fraud or misconduct, then contact the Director or Operations Manager of the Ethics, Standards and Compliance Office, or any Mayapur Manager for guidance.

All suspected or proven fraud, corruption and misconduct must be immediately reported to the ESCO for further review.

The employee or other complainant may choose to remain anonymous. Although no anonymous tips are preferred, should any be received, they would still be accepted. However, ESCO would not be able to protect the anonymous party. Reporting fraud may be done through the following sources:

- Through an immediate superior
- Through a Mayapur deputy or director
- Through a GBCom member
- Through the Director of ESCO

All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Director of ESCO. No

information concerning the status of an investigation will be disclosed without the prior written approval of the Director.

Investigation Responsibilities

The ESCO has the primary responsibility for the investigation of all suspected fraud and misconduct as defined in the policy. In the event an investigation substantiates that misconduct has occurred, the Investigation Unit will conduct investigations as appropriate and issue reports to the Director of ESCO, who will present it to the GBCom. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with internal legal counsel and the GBCom, as will all final decisions on the disposition of the case.

Authorization for Investigation

Members of the Investigation Unit will have:

- Free and unrestricted access to all pertinent records and premises, whether owned or rented, once permission has been granted from the relevant authority such as the Deputy Directors, Co-Directors and/or the GBCom.
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on ISKCON premises without prior knowledge or consent of any individuals who might use or have custody of any such items or facilities when it is within the scope of their investigation—again once permission has been granted from the relevant authority such as the GBCom.

Confidentiality

The Investigation Unit treats all information received confidentially. Any employee/devotee who suspects dishonest activity will immediately notify either his direct manager, a Mayapur Deputy or Director, a GBCom member or the Director of ESCO, and should not attempt to personally conduct investigations or interviews related to any suspected act of misconduct (see Procedure for Handling complaints section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

Sanctions

Once the report and recommendations from the Investigation Unit has been discussed and presented to the GBCom, the GBCom will be responsible for taking appropriate action to address said recommendations and for implementation of necessary remedial actions up to and including appropriate legal action.

- If an investigation results in a recommendation to cease the employment/service of an individual (devotee or otherwise), that recommendation will be reviewed for approval by the GBCom, in consultation with the Director of Ethics, Standards and Compliance, the internal Legal Department and, if necessary, by outside counsel, before any such action is taken.
- The Investigation Unit does not have the authority to cease an employee's work or a devotee's service. Should the Investigation Unit believe the management decision inappropriate with regard to the facts presented, or inconsistent with this Anti-Fraud and Misconduct Policy; the facts will be presented to GBCom for arbitration.

Retaliations against persons reporting in good faith are not tolerated and will be sanctioned. However should it later emerge that the person reporting had acted maliciously, intentionally distorting reality, consequences will be taken.

Conflict of Interest Policy:

Whereas a clear policy is required to insure that there will be no conflict of interest for any officer of ISKCON regarding land sales or property development.

Whereas all land sales and property development executed by ISKCON officer should be clearly and solely for the benefit of ISKCON.

It is resolved that:

“Officers and managers of ISKCON Mayapur shall not engage in land sales and property development in Mayapur, including land both inside and outside the master plan, when the profits will personally benefit the individual. Rather, all profits and proceeds from land sales and property development that ISKCON officer and managers are involved in must go directly to ISKCON Mayapur.”

This resolution extends also to family members of the aforementioned officers and managers.

Those serving within ISKCON must discontinue involvement in such sales and development in order to maintain their service position without conflict.

Dissemination of Information

Dissemination of Information has two parts:

- Clear promotion of what is corruption and its consequences
- Indicating who was caught breaking the anti-corruption laws

Clear Promotion of What is Corruption and Its Consequences

It is the duty of ESCO to organize regular classes and seminars reminding everyone of the laws of anti-corruption and proper ethics. It is also the duty of ESCO to promote anti-corruption through the use of slogans, advertisements and newsletters available to be seen by all devotees, employees and third parties.

- All new employees or devotees involved in ISKCON Mayapur are mandated to follow a training seminar and sign an agreement to follow the anti-corruption policies for ISKCON Mayapur.
- All new third parties, contractors or vendors will be given the anti-corruption handbook and will sign that they have understood the ISKCON anti-corruption laws and will follow them to the letter.
- At least once a year all employees/ devotees will be mandated to follow a refresher course and re-sign the agreement to follow the anti-corruption laws.
- Once a year all third parties, vendors or contractors will be asked to re-sign the agreement to follow the ISKCON Mayapur anti-corruption agreement.

In addition:

- All new managers will be trained on how to deal with corruption and sign the manager agreement, stating that they will never allow corruption to go on in their departments.
- All managers must, annually, follow a refresher course on how to deal with corruption, and re-sign the agreement to never allow any kind of corrupt behavior in their department.

Indicating who was Caught Breaking the Anti-corruption Laws

Transparency is vital for a thriving organization. It is the right of the devotees to know when the law was broken and who broke it. It increases faith in the management of ISKCON Mayapur.