



ACFE

Association of Certified Fraud Examiners

DISCIPLINARY PROCEDURES

August 1, 2016

Section I: Initiation of Complaint

If a formal complaint is received by the ACFE against a Certified Fraud Examiner, Associate Member, or member in any other membership category (collectively referred to as “Members”), the General Counsel’s office shall initiate the complaint procedure described below. A “formal complaint” is defined as a written statement from an identified individual or entity alleging conduct which, if proven, would constitute a violation of the ACFE Code of Professional Ethics, CFE Code of Professional Standards, or By-Laws (collectively referred to as “a violation”). The General Counsel’s office may also initiate a formal complaint on its own authority if it otherwise receives credible evidence that a Member has committed a violation.

Section II: General Counsel Evaluation

The General Counsel shall evaluate the complaint to determine if it is supported by credible evidence. In order to conduct the evaluation, the General Counsel is authorized to: (1) require the complainant to supply additional information; (2) independently seek out information to support or refute the complainant’s allegations; or (3) take any other steps deemed necessary to determine if there is credible evidence of a violation. The General Counsel shall have the authority to dismiss the complaint if no credible evidence is found. The General Counsel may take into consideration, but shall not be bound by, any prior ruling on the matter made by any governmental, regulatory, or professional body.

If the General Counsel determines that there is credible evidence of a violation, he or she shall notify the Member of the charges and provide copies of the evidence in support thereof, afford the Member sixty days to respond to the charges, and conduct any other investigation deemed necessary to reasonably evaluate the complaint, including but not limited to: (1) requiring either party to supply additional information; or (2) independently seeking out information pertaining to the complaint or the Member’s answer.

Once the General Counsel has completed the evaluation, he or she shall deliver the evidence that has been gathered in evaluation of the complaint, including the original complaint and the Member’s answer, to each Board of Review member.

If at any time during the evaluation of the complaint, the General Counsel finds compelling evidence that the nature of the alleged actions by the member poses a serious threat to the reputation of the ACFE, the General Counsel may recommend that the Board of Regents temporarily suspend the member pending the outcome of the disciplinary process. This sanction, if ordered, shall not be published in *Fraud Magazine*.

If, because of the identity of the person against whom the complaint was lodged or for any other reason, the General Counsel has a conflict of interest in the case or there is the appearance of a conflict of interest, the General Counsel shall recuse him/herself from the case and if necessary an Independent Counsel may be appointed by the Board of Regents with consultation from the Board of Review. If an

Independent Counsel is appointed, he or she will operate in the same capacity as would the General Counsel under these Disciplinary Procedures.

Section III: Board of Review Deliberation

Each member of the Board of Review will independently review the materials provided by the General Counsel. The members of the Board of Review will then consult and reach a consensus on what action the ACFE should take. The Board of Review may, without limitation, conduct such inquiry or investigation as it deems necessary on a case-by-case basis in making its determination. Any expenses incurred in the investigation are subject to approval of the Board of Regents.

The Chairperson of the Board of Review will prepare a letter which reports the Board of Review's recommendation in the case. The letter of recommendation shall include a complete statement of the findings of fact and conclusions reached by the Board of Review in the case. The letter of recommendation will be sent to the Board of Regents for action as set forth in Section IV.

If a member of the Board of Review determines that he or she has a conflict of interest in the case, or if there is the appearance of a conflict of interest, that member shall recuse him/herself from the case as soon as practicable. If a member recuses him/herself, the Board of Regents may appoint a Temporary Member for the case who otherwise meets the qualifications for service on the Board of Review. If a majority of the members of the Board of Review recuse themselves from the case, the Board of Review shall cease its deliberation and refer the case directly to the Board of Regents. The Board of Regents may choose to conduct a deliberation on the case pursuant to Section III of these Disciplinary Procedures, or it may choose to appoint Temporary Members of the Board of Review, who otherwise meet the qualifications for service on the Board of Review, to take the place of those members who have recused themselves. If Temporary Members are appointed, the case shall be referred back to the provisional Board of Review for deliberation in accordance with Section III of these Disciplinary Procedures as set forth above.

Section IV: Authority and Action of the Board of Regents

As further specified in the Bylaws of the Association, the rights and privileges of all Members are subject to qualifications and requirements determined from time-to-time by the Board of Regents, within its exclusive control and authority. All of the Members accept the exclusive control and authority of the Board of Regents as a fundamental condition of the rights and privileges of membership. All disciplinary actions are within the exclusive authority and discretion of the Board of Regents.

When the Board of Regents receives the recommendation letter from the Board of Review pursuant to Section III, it will examine the recommendation and decide on the action, if any, to be taken. The procedures for such examination, including without limitation review of the original case file and the conduct of further investigation, will be at the discretion of the Board of Regents as it may deem appropriate on a case-by-case basis. The Board of Regents may order expulsion, suspension for up to two years, probation, public or private reprimand, or any other disciplinary, remedial, or corrective action it deems appropriate. The decision of the Regents shall become effective at the time it is made.

The decision of the Regents is final and non-appealable. Any decision by the Board of Regents will be promptly communicated to the President of the ACFE to be carried out. The General Counsel will notify the Member and the complainant of the Regents' decision without undue delay. Notice of sanctions will be published in *Fraud Magazine*, except as provided in paragraph four of Section II. In the case of a private reprimand, the Member in question shall not be identified in the published notice of sanction.

Section V: Cases not Requiring General Counsel Evaluation or Board of Review Deliberation

If a member is found guilty by a court of competent jurisdiction of a crime punishable by imprisonment of more than one year, a felony, or any crime involving moral turpitude (as that term is defined in Section 5.07 of the By-Laws), a complaint against that member may be presented directly to the Board of Regents without regard for Sections II and III of these procedures, except: (1) the General Counsel shall conduct such evaluation as is necessary to verify that the member was, in fact, found guilty of such a crime; (2) the Member shall be notified of the complaint; and (3) the Member shall be afforded seven (7) days to respond. In such circumstance, the Board of Regents may expel the member, suspend the member pending an investigation of the complaint, or take any other disciplinary, remedial, or corrective action it deems appropriate.

Section VI: Status Reports

The General Counsel and the Board of Review shall provide the Board of Regents with a written status report at each of the Regents' bi-annual meetings. The report shall include a list of complaints currently pending, including the name of the member who is referenced in the complaint, the person(s)/entity submitting the complaint, a brief description as to the nature of the complaint, and the current status of the complaint. The Board of Regents may request the General Counsel and the Board of Review to provide an interim status report at any time, as deemed necessary.

Section VII: Retention of Records

The General Counsel will retain in a confidential and secure manner all pertinent records regarding the complaint. All documents pertaining to disciplinary investigations are the property of the ACFE. Other than the publication of the Regents' decision as set forth in Section IV, no disclosure or dissemination of any such documents shall be made except by a specific directive from the Board of Regents or pursuant to an order of a legal authority with competent jurisdiction.