

9100. BANK BRIBERY ACT POLICY

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Bank Bribery Statute

It is the policy of Resource One Credit Union to comply with the provisions of the Bank Bribery Act (BBA) and the general prohibitions included therein, and specifically those sections contained in Section 215, which deal with corrupt intent.

As amended, Section 215 provides:

Whoever “(1) corruptly gives, offers, or promises anything of value to any person, with intent to influence or reward any officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or (2) as an officer, director, employee, agent, or attorney of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of such institution; shall be [guilty of an offense].”

Definitions

- **Bribery** — Receiving or soliciting a thing of value for personal use.
- **Corrupt Intent** — May be established by circumstantial evidence beyond a reasonable doubt, need not exist in the minds of both parties, and using the “reasonable man” approach must be knowledgeable, willful intent.
- **Thing of Value** — Exists in the state of mind of the person who receives it; given to influence an act or future act.

General Prohibition

The Board of Directors and management of Resource One Credit Union prohibit the acceptance, solicitation or demand of anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction by credit union staff, officials, agents, attorneys and volunteers.

Exceptions

The BBA specifically accepts the payment of bona fide salary, wages, fees, or other compensation paid or expenses paid or reimbursed in the usual course of business.

The following are appropriate exceptions to the general prohibition regarding the acceptance of things of value in connection with credit union business. These exceptions include:

- Acceptance of gifts, gratuities, amenities, or favors based on obvious family or personal relationships (such as those between the parents, children, or spouse of a credit union employee, official, or volunteer) where the circumstances make it clear that it is those relationships rather than the business of the credit union which are the motivating factor;
- Acceptance of meals, refreshments, or entertainment, all of reasonable value and in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions, provided these expenses would be paid for by the credit union (as a reasonable business expense) if not paid for by the other party as a reasonable business expense;
- Acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities such as home mortgage loans, except where prohibited by law;
- Acceptance of advertising or promotional material of nominal value, such as pens, note pads, key chains, calendars, or similar items;
- Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other credit union members;
- Acceptance of gifts of reasonable value that are related to commonly recognized events or occasions, such as a promotion, wedding, or retirement;
- Acceptance of civic, charitable, educational, or religious organizational awards in recognition of service and accomplishment;
- Acceptance, on a case-by-case basis, of things of value not identified above; provided that such approval is made in writing by the President & CEO for employees and by the board of directors for directors and committee members.

Conflict of Interest

Officials and employees must recognize that the interests of the credit union and its members have priority over personal interests. Credit union positions may not be used to gain personal profit or advantage. Credit union bylaws state that no official, employee, or agent may in any way act on any matter affecting that person's monetary interest or that of an entity in which he/she is interested.

Prohibitions Prescribed by NCUA *Rules and Regulations*

Section 701.21(c)(8)

Refer to Lending Policy

Section 701.21(d)(5)

Refer to Lending Policy

Section 701.36(e)

Resource One Credit Union may not buy or lease premises (with the exception of an informal lease maturing in less than a year) from any of the following without the prior written approval of NCUA:

- an official or senior management employee or immediate family member of such person;
- a corporation in which any of the above-named persons is an officer or director or has a stock interest of ten percent or more;
- a partnership in which any of the above-named persons is a general partner or a limited partner with an interest of ten percent or more.

Section 703.120

Resource One Credit Union's officials, senior management, employees, or their immediate family members, may not receive anything of value in connection with its investment transactions. This also applies to any other employees, such as an investment officer, if the employee is directly involved in investments, unless the board of directors determines that the employee's involvement does not present a conflict of interest. This prohibition does not include compensation for employees.

All officials and employees of Resource One Credit Union must conduct all transactions with business associates or family members that are not specifically prohibited at arm's length in the credit union's best interest.

Section 712.8

When Resource One Credit Union has invested in or made loans to a credit union service organization, the credit union's officials, senior management employees, or their immediate family members may not receive any salary, commission, investment income, or other compensation from the organization either directly or indirectly, or any person being served through the organization. The official or senior management employee may assist in

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operating the organization if compensation is not involved; the organization may, however, reimburse the credit union for services provided by the individual.

Section 721.7

No official, employee, or their immediate family member may receive any compensation or benefit, directly or indirectly, in connection with the credit union's engagement in an activity incidental to the credit union's business. Resource One Credit Union can pay salaries, incentives, and bonuses in accordance with applicable laws and regulations.

The prohibitions in Sections 701.36(e), 703.120, 712.8, and 721.7 apply to any employee not otherwise covered in the regulations unless the board of directors determines that no conflict of interest is involved in the respective cases. Where prohibitions are not specifically stated regarding transactions with business associates or family members, officials should exercise care that such transactions are conducted at arm's length and in the best interest of the credit union.

Section 723.2

Refer to Lending Policy

Disclosure of Interest

Any employee, board or committee member, or anyone associated with the operation of the credit union, having an interest in those organizations with which the credit union does business, shall promptly disclose such activity to the internal auditor, the chair of the supervisory committee, or to the officer responsible for that person's division/department.

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