

**London Legacy Development Corporation**

# **Anti-Fraud, Bribery and Corruption Policy**

**April 2025**

Organisation this policy applies to	London Legacy Development Corporation and its associated entities
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# 1 Introduction

This policy covers fraud and its associated risks; the need for appropriate safeguards against fraud, the need for effective and robust internal controls, collective responsibility for the prevention and detection of fraud and subsequent procedures for dealing with fraud. When referring to the London Legacy Development Corporation (LLDC) in this policy we are also referring to bodies owned, controlled or funded by LLDC, and including the following LLDC entities and subsidiaries unless stated otherwise:

- Stratford Waterfront Management Company Ltd<sup>1</sup>
- Stratford East London Developments Ltd
- Stratford Waterfront Retail Management Company Ltd
- Pudding Mill Legacy Development Ltd

The impact of fraud on the LLDC could include the following:

- Loss of resources (including financial, staffing and/or other assets)
- Reputation and brand damage, or other damage to our relationships with our staff, partners and stakeholders
- Failure to deliver outputs or other disruption to service delivery and associated costs.

## 1.1 Fraud

Fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. It includes corruption and bribery. Fraud is a criminal offence under the Fraud Act 2006 and includes fraud by false representation, fraud by failure to disclose information, fraud by abuse of position. For a more detailed definition please refer to Appendix 1.

## 1.2 Aims

- 1) The aim of this policy is to promote an anti-fraud culture and communicate the approach to fraud prevention and detection by covering working practices and business processes.
- 2) This policy is also intended to provide guidance to ensure all cases of fraud: attempted, suspected or proven are immediately reported and appropriately dealt with.
- 3) LLDC has a comprehensive system of internal controls designed to reduce the opportunity for fraud and increase the likelihood of detection. LLDC is committed to creating an anti-fraud culture, raising awareness across the entire organisation to the impact of fraud and the likely consequences on operations and reputation.
- 4) LLDC will not tolerate any level of fraud or deception. It has a zero tolerance approach towards bribery and corruption. Any such cases will be thoroughly investigated and appropriate action taken. LLDC is committed to ensuring that opportunities for fraud in all its forms are kept to a minimum by effective governance, efficient internal controls and organisations procedure at all levels. This policy outlines LLDC's commitment to creating an anti-fraud culture.
- 5) This policy applies to all board members or directors within the LLDC group, full and part-time colleagues at all levels, temporary workers including contractors, secondees, trainees,

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<sup>1</sup> No longer a subsidiary of LLDC; LLDC is a member of the company. Until 31 March 2025, E20 Stadium LLP, London Stadium 185 Ltd and Stratford East London Holdings were LLDC subsidiaries and were covered by this policy.

interns, volunteers and consultants working on behalf of or associated with LLDC. Failure to comply with these policies may result in disciplinary action, termination of commercial contracts and in extreme cases police involvement and criminal proceedings.

## **2 Responsibilities**

Fraud prevention should be a collective and cohesive effort at all levels of the organisation. LLDC will strive to communicate its anti -fraud, -bribery and -corruption policies through making new colleagues aware of the policy at the point of induction, implementing regular fraud awareness workshops for key colleagues, updates on the LLDC intranet, through the People and Organisational Development team and heads of departments. It is everyone's responsibility to ensure they keep up to date with current developments.

For a more detailed analysis of this structure and how it affects you, please see below.

### **2.1 Chief Operating Officer**

The LLDC Chief Operating Officer has the overall responsibility for ensuring the risk of fraud is minimised. This includes ensuring appropriate fraud prevention and detection measures are in place, championing an anti-fraud culture and the integrity of the risk assessment process. More detailed responsibilities are highlighted in Appendix 2.

### **2.2 Senior Management**

The LLDC CEO and Chief Operating Officer have the overall responsibility for ensuring that a sound system of internal controls is in place. With the assistance of Board Members and Senior Management (Executive Directors and Directors), they need to examine the likelihood of fraud risk, assess whether existing detective, directive, preventative and control measures are sufficient for the level of risk exposure LLDC is currently facing. They need to ensure the process for identifying, evaluating and managing any significant risks is thorough and ongoing.

### **2.3 Mid-Level Management**

Mid-Level Management (Heads of Service) are responsible for the prevention and detection of fraud ensuring that adequate internal controls are in place within their areas of responsibility and that controls operate effectively. They are responsible for risk assessments ensuring compliance with existing policy, implementing new policy and continuously testing the systems.

### **2.4 Colleagues and other persons associated with the LLDC**

All colleagues and all temporary workers including contractors, secondees, trainees, interns, volunteers and consultants, are expected to familiarise themselves with this policy and be alert to the possibility of fraud and be vigilant where unusual events or transactions take place. Where there is an ongoing fraud exercise all colleagues are expected to cooperate fully with any checks, reviews or investigation.

## **3 Reporting suspected fraud**

LLDC is committed to conducting all dealings with the strictest confidence and will do its utmost to protect an individual's identity if they do not wish to have their name disclosed.

However, if the report suggests criminal activity, and the case is pursued by external investigative bodies, the identity of the person may be disclosed to assist the investigation and subsequent legal proceedings.

LLDC takes a zero-tolerance to harassment and victimisation and will pursue all possible channels to protect those who raise genuine concerns. Therefore, individuals should feel free to voice their concerns without fear of reprisals.

To that effect, individuals are encouraged to put a name to any allegations as this greatly increases the weight of investigations.

### 3.1 What you must not do

- Discuss it with colleagues or contacting the perpetrator in an effort to establish facts.
- Contact the press, or discuss with other external parties any case facts, suspicions or allegations unless specifically asked to do so by the LLDC Chief Operating Officer.
- Venture to investigate, interview or question anyone unless specifically asked to do so by the LLDC Chief Operating Officer.

Malicious, frivolous or vexatious allegations may result in disciplinary action against the person making the allegations in order to maintain the integrity of the process. However, an allegation made in good faith which is not confirmed by investigation, will not result in action being taken against the individual.

### 3.2 Guidance for Line Managers

- All colleagues' concerns should be taken seriously. If there is a potential case of fraud a full investigation will need to take place led by the LLDC Finance Director or a member of the People and Organisational Development team under the relevant Disciplinary Policy.
- Record all relevant details such as nature of your concerns, the names of parties involved, names, details, times and witnesses.
- A colleague who receives a report of an attempted, suspected or proven fraud should immediately contact the LLDC Chief Operating Officer. In their absence, you can contact the LLDC Finance Director with your concerns, or for LS185 colleagues, the LS185 Director of Health Safety and Compliance.
- The LLDC Chief Operating Officer will liaise with the LLDC Director of People and Organisational Development to appoint suitably trained and experience individuals to investigate the concerns brought forward at the earliest possible opportunity, which may include external agencies including the police.

## 4 Money Laundering

Money laundering is a process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.

Legislation defines money laundering as 'concealing, converting, transferring criminal property or removing it from the UK; entering into or becoming concerned in an arrangement, which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; and/or acquiring, using or possessing criminal property.'

The Money Laundering Regulations 2007 apply to cash transactions in excess of €15,000. However, the Proceeds of Crime Act 2002 applies to all transactions and can include dealings with agents, third parties, property or equipment, cheques, cash or bank transfers.

Offences covered by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 may be considered and investigated in accordance with this Policy.

LLDC believes that some small risk of money laundering could arise as it engages in the following:

A) Treasury Management

B) Sale of land and property

## **Treasury Management**

LLDC can only borrow with the consent of the Mayor of London. If consent is given, LLDC proposes to accept loans only from the GLA itself, the Public Works Loan Board or from authorised institutions under the Banking Act 1987. The Financial Control Authority (FCA) maintains a register of authorised institutions which can be accessed through their website at [www.fca.org.uk](http://www.fca.org.uk).

## **Sale of land and property**

Where LLDC is proposing to sell either land or property, or an interest in land or property with a value in excess of £10,000, client identification will be sought before business is conducted.

Evidence of the identity of the prospective client should be obtained as soon as practicable after instructions are received unless evidence of the client has already been obtained. This requirement applies to both new and existing clients.

Evidence obtained from an individual should confirm proof of identity and proof of their current address. Evidence obtained with regard to an organisation should allow LLDC to be fully identified in terms of registered office, registration number, trading record, directors and other key information. If satisfactory evidence of identity is not obtained at the outset then the sale should not be progressed.

Evidence should be annotated 'Evidence re Money Laundering', placed on LLDC's client file and retained for at least five years from the end of the business relationship or one-off transaction(s). This is to ensure that it could be used in a future investigation into money laundering. Care must be taken to ensure compliance with the Data Protection Act when storing individuals' personal data.

## **Customer Due Diligence and Know Your Customer (KYC)**

When engaging with customers, LLDC needs to understand who it is engaging with and the structure of any corporate entity involved.

To comply with money laundering regulations, the key requirements of KYC are:

- identify the customer, i.e. obtain its identity documents so we know exactly who they are and that they are who they say they are
- for anyone except a natural person, identify the person representing that customer, i.e. the individual director, trustee or similar
- identify each Ultimate Beneficial Owner (UBO) of the customer. The UBO is a concept defined in the Money Laundering Regulations as any individual who owns or controls 25 per cent or more of a customer.

Usually LLDC will instruct its lawyers to perform the KYC checks ahead of any significant transfers of cash. Where this approach is not appropriate or feasible, officers should contact the LLDC finance team to perform these checks.

## 5 Bribery

Bribery is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward them for having already done so.

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

The Bribery Act 2010 creates four offences:

- Offering, promising or giving a bribe.
- Requesting, agreeing to receive or accepting a bribe.
- Bribing a foreign public official to obtain or retain business.
- Failure of commercial organisations to prevent bribery by those acting on their behalf.

The offences carry criminal penalties for individuals (maximum prison sentence of ten years and/or an unlimited fine) and organisations (an unlimited fine).

In relation to the last offence, LLDC could be prosecuted if a person “associated with” it bribes another person with the intention to obtain or retain business or an advantage in the conduct of business, for the organisation. A person is “associated with” a commercial organisation if he or she carries out services for it, or on its behalf, for example, colleagues, agents or contractors.

The only defense to the last offence is for LLDC to show that it had adequate procedures in place to prevent bribery. This policy forms part of these procedures.

LLDC’s zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

### What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

### Facilitation payments and kickbacks

LLDC does not make, and will not accept, facilitation payments or “kickbacks” of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.

If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should

always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your Executive Director.

Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## What to do if you are a victim of bribery or corruption

It is important that you tell your line manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity. Line managers should notify the LLDC Chief Operating Officer if a member of their team has become a victims of bribery and or corruption. In the absence, of the LLDC Chief Operating Officer you can contact the LLDC Finance Director with your concerns.

## Gifts and hospitality

This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Please refer to the Gifts and Hospitality policy for further information.

## 6 Documentation and review process

All cases will be recorded for the purpose of reference, training, investigations and audit trails. The Anti-Fraud, Bribery and Corruption policy will be reviewed regularly in order to reflect the dealings at LLDC at any one time.

## 7 Conclusion

The Anti-Fraud, Bribery and Corruption policy will mitigate the risk of fraud, bribery and corruption. This includes internal capacity to detect and investigate allegations internally and to seek to recover losses where appropriate.

In line with the Local Government Counter Fraud & Corruption Strategy 2016-2019 LLDC will always seek to:

- Acknowledge and understand fraud risks
- Commit to prevent and detect fraud in all circumstances
- Collaborate with the authorities to punish fraud and recover losses



*(Source: Fighting Fraud & Corruption Locally, The Local Government counter fraud and corruption strategy)*

## Appendix 1

### Definition

Fraud is the deliberate deception, omission, misstatement resulting in dishonest gain and/or loss to another party.

Fraud encompasses activities such as theft, corruption, forgery, misappropriation, conspiracy, embezzlement, extortion and bribery, concealment of material facts.

Fraud is a criminal offence under the Fraud Act 2006 and includes:

- fraud by false representation
- fraud by failure to disclose information
- fraud by abuse of position

### Classifications

Broadly speaking, for the purposes of this policy, fraud can be classified into the following categories:

- Asset misappropriation
- Removal or misuse of Legacy Corporation funds, assets or cash
- Corruption and bribery
- Abuse of office, conflicts of interest, extortion, kickbacks and illegal gratuity
- False Accounting (financial and non-financial)
- Dishonestly falsifying, defacing, concealing, or destroying accounting records or documents.

## Appendix 2

### Responsibilities

The Chief Operating Officer is responsible for:

- Creating an effective control environment encompassing attitude, awareness, and corporate culture and shared values to prevent and discourage fraud
- Developing and implementing a fraud prevention plan which incorporates the fraud risk assessment. Developing an integrated strategy for both fraud prevention and control while actively promoting these policies throughout the organisation
- Introducing fraud education, training and awareness programmes, a fraud response plan proportionate to the identified level of fraud risk, identify anti-fraud targets and constantly review all anti-fraud policies and procedures
- Establish appropriate mechanisms for reporting fraud issues; introduce a whistle-blowing policy and an ethics statement; liaising with various concerned bodies on fraud policies
- Constantly monitor adherence to controls and procedures, making sure all staff are aware of their responsibilities in relation to combating fraud
- Where fraud has occurred or is suspected, ensuring a prompt and thorough investigation is conducted, putting in place necessary means to recover any lost assets, launch disciplinary action against perpetrators
- Where supervisory failures contribute to the commission of fraud, recommend appropriate disciplinary actions.

## Appendix 3

### Fraud Response Plan

This plan sets out guidelines and procedures for reporting suspicions or allegations of fraud and subsequent actions. The plan is intended to be implemented where attempted, suspected or proven fraud has been identified.

#### Guidelines for reporting suspected fraud

- All cases of Fraud must be immediately reported to your line manager. All cases will be treated with the utmost caution and discretion
- All colleagues' concerns should be taken seriously. If there is a potential case of fraud a full investigation will need to take place led by the People and Organisational Development team under the Disciplinary Policy. The LLDC Chief Operating Officer will liaise with the Head of People and Organisational Development to appoint suitably trained and experience individuals to investigate the concerns brought forward at the earliest possible opportunity, which may include external agencies including the police.
- LLDC has a Whistle Blowing Policy for colleagues who wish to discuss or submit information about wrongdoing outside the management chain or those who wish to do so anonymously
- If for some reason, a colleague is unable to raise the issue with their immediate line manager, they should contact an alternative manager, or a manager more senior to their immediate line manager.
- If these channels have been followed and the colleague still has concerns, or if the colleague still feels they are unable to discuss the issue with any of the above people, they can then contact the LLDC Chief Operating Officer or the LLDC Director for People and Organisational Development.
- If all these channels have been exhausted, the issue can be raised with one of the non-executive members of the LLDC Board. This could be the Chair of the Audit Committee who is listed as a contact in the Whistle Blowing policy.

## Appendix 4

### Possible Indicators of Fraud Risk

The following warning signs may indicate the presence of fraud risk:

- Unusual colleague behavior, dissatisfied employees with access to desirable assets, employees working long unsocial hours unsupervised, or refusal to take annual leave or taking up a promotion
- Personal financial pressure on key colleagues, discrepancy between earnings and lifestyles
- Lack of job segregation and independent checking of key transactions, poor senior management supervision, overriding set procedures
- Poor management accountability and reporting, poor documentation of internal controls
- Alteration of documents, photocopies replacing originals, missing key records or vital information, missing authorisations, poor documentation to support transactions
- Poor physical security of assets, lack of identification of assets, large cash transactions
- Preferential relationships with contractors or suppliers or the insistence to deal with only certain individuals
- Overriding the tendering process, vague or ambiguous process for selecting suitable contractors. Single vendor selection, lowest tender selection, or bias towards a particular vendor, large discrepancy to budget.

## Appendix 5

### Potential bribery risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly to your line manager OR use the procedure set out in the whistleblowing policy:

1. you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
2. you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
3. a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
4. a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
5. a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
6. a third party requests an unexpected additional fee or commission to "facilitate" a service;
7. a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
8. a third party requests that a payment is made to "overlook" potential legal violations;
9. a third party requests that you provide employment or some other advantage to a friend or relative;
10. you receive an invoice from a third party that appears to be non-standard or customised;
11. a third party insists on the use of side letters or refuses to put terms agreed in writing;
12. you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
13. a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
14. you are offered an unusually generous gift or offered lavish hospitality by a third party.