

**CRIME QUESTIONNAIRE**

**Company Name:**

**Company Address:**

1. Does Applicant have formal procedures in place requiring segregation of duties, so that no single transaction can be fully controlled from origination to completion by one person? Yes No
2. Does Applicant prohibit employees who reconcile monthly bank statements from:

Signing Checks Yes No

Making Withdrawals Yes No

Handling Deposits Yes No

1. Is countersignature of checks required? Yes No

If “Yes”, what is the dual signing limit? $

If “No”, please complete questions below:

Does Applicant have an approved Positive Pay program in place with all of the banks that handle the company’s money? Yes No

If “No”, disregard remainder of “C” and provide details on Applicant’s current controls to prevent individuals from issuing, signing, withdrawing or depositing fraudulent checks:

If “Yes”, please complete the following:

1. Name/Title of person responsible for sending check register to the bank:

2. Does the person responsible for sending the list of issued checks to the bank have

check writing authority? Yes No

3. Does the person responsible for sending the list of issued checks to the bank perform

a thorough review of each transaction and confirm the proper approval process was

performed for all checks written? *(If “No”, provide details regarding review processes)* Yes No

4. Does the Positive Pay Schedule contain the following data and does the Bank confirm

the following data to the positive pay schedule prior to releasing funds to the payee?

Check all that apply:

Company Schedule Bank(s) Confirmation

Payee Yes No Yes No

Date Yes No Yes No

Amount Yes No Yes No

Account Number Yes No Yes No

Check Number Yes No Yes No

1. Can any one individual perform the following functions without the requirement of a second

person’s verification?

Process and authorize new vendors to aid in detecting payments to fictitious vendors

and/or suppliers Yes No

Process and make payments or transfers (by check, wire transfer or otherwise) Yes No

*If “Yes” to either of the above, attach a detailed explanation.*

1. Does the company require that all employees verify, via a telephone call to an established contact at the original source, that any change to delivery or wire instructions is legitimate?

*If “No”, attach a detailed explanation.* Yes No

Please confirm that a second employee’s signoff is required for all changes to delivery or wire transfer instructions, and that the appropriate documentation is obtained.

*If “No”, attach a detailed explanation.* Yes No

1. Is a physical count of inventory performed? Yes No

N/A *(no inventory)*

*If “No”, attach a detailed explanation.*

If “Yes”, is physical count of inventory performed by persons other than those who have

care, custody and control of this property and the records associated with it?

Yes No

If “Yes”, is such physical count performed: Quarterly? Annually?

1. Check this box if an owner is the sole individual responsible for all of the above duties

referenced in items A-E above.

1. Are all internal control procedures, including but not limited to controls for purchasing,

inventory and payable procedures and controls, consistent for all domestic and foreign

locations (foreign if applicable) and employees? Yes No

*If “No”, attach a detailed explanation.*

1. Does Applicant perform unannounced audits of all domestic and foreign locations (foreign if

applicable) where performed by a dedicated internal audit staff, outside auditor or otherwise? Yes No

*If “No”, attach a detailed explanation.*

1. Does Applicant perform criminal and credit history checks on all Finance employees? Yes No

Does Applicant conduct background checks on all other employees inclusive of the following:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Prior employment verification: | Yes | No | Drug testing: | Yes | No |
| Personal references: | Yes | No | Criminal history: | Yes | No |
| Highest education verification: | Yes | No | Credit history: | Yes | No |

1. Do your employees have access to a fraud hotline? Yes No

1. What is the maximum amount of money and/or securities at any one location:

The Applicant declares that the information in this Application and in the materials submitted herewith is true, accurate and complete. Signing this Application does not bind the Applicant to purchase insurance, but it is agreed that this Application shall be the basis of any insurance policy issued. The information requested in this Application does not constitute notice under any policy of a claim or potential claim. All such notices must be submitted pursuant to the terms of the policy under which coverage is sought. If there is any material change in the answers to the questions in this Application before the policy inception date, the Applicant must immediately notify the Insurer in writing. In such case, any outstanding quotation may be modified or withdrawn.

NOTICE: ANY PERSON WHO, KNOWINGLY OR WITH INTENT TO DEFRAUD OR TO FACILITATE A FRAUD AGAINST ANY INSURANCE COMPANY OR OTHER PERSON, SUBMITS AN APPLICATION OR FILES A CLAIM FOR INSURANCE CONTAINING FALSE, DECEPTIVE OR MISLEADING INFORMATION MAY BE GUILTY OF INSURANCE FRAUD

**NOTICE TO ARKANSAS, LOUISIANA AND NEW MEXICO APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an Insurance Company for the purpose of defrauding or attempting to defraud the Company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any Insurance Company or agent of an Insurance Company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony in the third degree.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

**NOTICE TO MAINE APPLICANTS:** It is a crime to provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any Insurance Company or other person files an application for insurance or statement of claims containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with the intent to defraud any Insurance Company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO PUERTO RICO APPLICANTS**: Any person who knowingly and with the intent to defraud, presents false information in an insurance request form, or who presents, helps, or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars ($5,000) nor more than ten thousand dollars ($10,000); or imprisonment for a fixed term of three (3) years, or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

**NOTICE TO TENNESSEE & VIRGINIA APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an Insurance Company for the purpose of defrauding the Company. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

**This Application must be signed by any one of the following officials of the Applicant:**

*Chief Executive Officer; President; Chief Operating Officer; or Chief Financial Officer*

Date:

Signature:

Title:

NOTICE: A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED.