

# **FRAUD ALERT**

## **SUBSCRIPTION AGREEMENT**

**[Company's Name]**

**VLS FRAUD SOLUTIONS**  
a Professional Service of  
**Vicenti, Lloyd & Stutzman LLP**  
Business Consultants and CPAs  
2210 E. Route 66, Ste. 100, Glendora, CA 91740  
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## VLS FRAUD SOLUTIONS

### FRAUD ALERT SUBSCRIPTION AGREEMENT

It is the intent of VLS Fraud Solutions (“VLS”) to make available certain Hotline services (“*Fraud Alert*”) to assist subscribers in their efforts to detect, deter and investigate fraud and internal abuses.

The undersigned (“the Subscriber”) \_\_\_\_\_ is interested in obtaining the benefits of the *Fraud Alert* on the conditions expressed herein. For good and valuable consideration, VLS and the Subscriber agree as follows:

1. **TERM.** This Agreement shall commence \_\_\_\_\_ and remain in effect until receipt of a 30-day written notice to cancel by Subscriber. Subscriber shall be billed annually on the anniversary date of this Agreement in accordance with the Fee Schedule.
2. **SUBSCRIPTION FEE.** Subscriber shall pay for the services defined below for the term of this Agreement in accordance with the Fee Schedule. Subscriber shall not be billed until the *Fraud Alert Hotline* commences. Subscriber thereafter agrees to pay the Subscription Fee within thirty (30) days after receipt of the invoice.
3. **SERVICES.** The following services will be furnished by VLS in consideration for payment of the *Fraud Alert* subscription fee:
  - a) VLS will provide *Fraud Alert*, a hotline service, to the Subscriber during the term of this Agreement (includes a telephone line and Web site).
  - b) *Fraud Alert* will be manned during business hours by experienced anti-fraud personnel, and will be operational 24 hours a day, 365 days a year. Calls after business hours and on weekends may be answered by a recording device.
  - c) Subscriber is responsible for internal promotion of *Fraud Alert* to appropriate company personnel. Posters and Wallet Cards will be provided by VLS for distribution by Subscriber.
  - d) Calls received by *Fraud Alert* will be answered promptly and courteously. The caller will be asked to provide specific information about the call.
  - e) Services shall not include any investigation or analysis pertaining to the accuracy or reliability of information received as the result of a call. The responsibility of *Fraud Alert* shall be to accurately and timely report to the Subscriber information received.
  - f) The annual *Fraud Alert* subscriber fee does not cover the cost of any subsequent investigation into any alleged activities. Such investigation will require a separate engagement agreement between the Subscriber and VLS.
  - g) Every six months, *Fraud Alert* will furnish a report to the Subscriber summarizing the calls received which relate to the Subscriber.



4. **FEE SCHEDULE and FRAUD ALERT MATERIALS.** The Subscription Fee is based on total number of employees. Please indicate the appropriate number of employees in your company. The Subscription Fee includes a start-up packet of materials which includes Fraud Alert Hotline Posters and Wallet Cards in quantities indicated below. Additional posters and wallet cards may be obtained for an additional fee.

| NO. OF EMPLOYEES          | MONTHLY FEE | ANNUAL FEE | WALLET CARDS | POSTERS |
|---------------------------|-------------|------------|--------------|---------|
| First 1 – 100 _____       | \$ 75       | \$ 900     | 50           | 10      |
| Next 101 – 1,000 _____    | \$100       | \$1,200    | 300          | 30      |
| Next 1,001 – 5,000 _____  | \$150       | \$1,800    | 500          | 50      |
| Next 5,001 – 10,000 _____ | \$200       | \$2,400    | 1,000        | 100     |
| Over 10,000 _____         | Negotiable  | Negotiable |              |         |

5. **REFUNDS.** Refunds are subject to the provisions set forth in Paragraph 9.
6. **TRAINING.** On-site training is available to Subscriber. The training, “*Fraud and Abuse Awareness in the Workplace*”, provides a comprehensive awareness of occupational fraud and abuse, including types of fraud commonly occurring, common characteristics of fraudsters, case studies, awareness and proper use of the Fraud Alert Hotline, and six essential steps for building an effective anti-fraud program.

Subscriber may request on-site training by VLS. On-site training will be provided for an additional fee and contracted under a separate agreement.

7. **NOTIFICATION OF FRAUD CALLS RECEIVED.**

- a) Subscriber will be **immediately notified** of a call which is considered a “High Risk” situation. “High Risk” situations include:
- Threat of violence or physical harm to employees or customers
  - Threat of any type of business interruption
  - Threat of immediate fraud or theft
  - Threat of immediate destruction of records and altering of documents
  - Immediate release of proprietary information
  - Possible media inquiries
  - Notice that a “high-risk” incident is expected to happen within the immediate future
  - For all other calls not considered “High Risk”, Subscriber will be notified, in a written report, within three (3) business days of the call. The report will contain details provided by the caller of the alleged fraud.
  - The report of alleged fraud will be sent to the two authorized contacts of the Subscriber as provided below:

| Full Name | Telephone | E-mail |
|-----------|-----------|--------|
|           |           |        |
|           |           |        |



**7. NOTIFICATION OF FRAUD CALLS RECEIVED (cont'd.)**

b) If the call involves safety, violence and/or threat to persons or property of Subscriber, caller will be advised to immediately contact the local police department.

8. **CONFIDENTIALITY.** *Fraud Alert* information relating to a Subscriber will be treated as confidential proprietary information of the Subscriber to the extent allowed by law.

9. **CANCELLATION.** Either party may cancel this Agreement in writing thirty (30) days in advance. Cancellation by either party will result in a prorated refund of the Subscription Fee. Subscriber may cancel at any time within the first 90 days and receive a full refund.

**SUBSCRIBER:**

**PROVIDER:**

**VLS FRAUD SOLUTIONS, a Professional Service of Vicenti, Lloyd & Stutzman LLP**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Linda M. Saddlemire, CPA/CFF, CFE, MBA

\_\_\_\_\_  
Title

\_\_\_\_\_  
Partner  
\_\_\_\_\_  
Title

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

