



# Preventing Money Laundering and Terrorist Financing Policy

**SPONSORING ORGANIZATION:** Legal, Ethics & Compliance

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## INTRODUCTION

Booz Allen is committed to conducting business in an honest and ethical manner and in compliance with the laws of the countries where we operate. We have zero tolerance for fraud or financial crime, including money laundering and terrorist financing. Almost all countries where we conduct business have laws that prohibit money laundering and terrorist financing. This means Booz Allen is prohibited from either engaging in money laundering or terrorist financing, or assisting our clients or any third party, such as a business partner or supplier, in violating these laws. Failure to comply with money laundering and terrorist financing laws could result in severe civil or criminal penalties to Booz Allen and Booz Allen employees.

The purpose of this policy is to define activity that is prohibited under money laundering and terrorist financing laws, provide examples of red flags that could be signs of money laundering, terrorist financing, or other criminal activity, and explain the steps you must take if you identify red flags.

## SCOPE

This policy applies to all employees, officers, directors, subsidiaries, and affiliates of the company (referred to as "Booz Allen people").

## POLICY

### What is Money Laundering and Terrorist Financing?

**Money laundering** is taking money (or assets) obtained through criminal activity and converting it into assets that appear legitimate or facilitating a transaction in furtherance of this purpose.

**Terrorist financing** is using money or assets, whether legitimate or obtained through criminal activity, to fund terrorist activities or groups. Terrorist activities are acts intended to cause physical harm to a civilian in order to intimidate or compel a government organization to do or abstain from doing any act. Criminal proceeds, including laundered money, are often used to fund terrorist groups or activities, so the laws prohibiting these activities are frequently linked.

Booz Allen can be exposed to money laundering or terrorist financing whenever we handle or transfer money or process financial transactions. Booz Allen's internal controls work to protect us from this risk, but we are at greater risk of being exposed to money laundering or terrorist financing when we (1) engage with third parties without performing the appropriate due diligence, and (2) conduct business in countries where there is either low enforcement of laws prohibiting money laundering, or the financial transparency (e.g., bank secrecy) standards make it easier to hide money laundering.

### What is a Red Flag?

Red flags are situations or activities that could be a sign of money laundering, terrorist financing, or other criminal activity. Red flags do not have to be signs of actual money laundering but could be an indication of other illegal activity that generates money that is then laundered. Keep in mind that the existence of a red flag does not automatically mean that illegal activity is taking place. Here are some examples of red flags:

- A client or other third party is reluctant to provide complete information we need to conduct business with it, or provides insufficient, false or suspicious information.
- A client or other third party is the subject of news reports indicating possible criminal, civil, or regulatory violations.
- A client or other third party provides a different tax identification number with variations of his or her name or name of the business entity without explanation.

- A client or other third party suggests you not follow legally mandated record keeping requirements.
- A client or other third-party requests Booz Allen to deposit funds which would customarily be deposited into a single account into multiple accounts in smaller amounts that are less than what is required to be reported to government authorities by law (e.g., less than \$10,000 in the United States).
- Payments are made to Booz Allen using monetary instruments that have no clear link to the client or third party.
- A client or other third party proposes an unusually complex deal structure, or has unusual payment patterns, that reflects no clear business purpose.
- Unusual funds transfers to or from countries unrelated to the client or third party or not explainable given the locations of the client or third party.

#### What do I do if I identify a Red Flag?

If you believe you have identified a red flag, you must take the following actions:

- **Escalate the red flag** to your job or career manager or a more senior leader, an Ethics Advisor, any member of Ethics & Compliance, People Services via the Help Desk, Employee Relations, any member of the Legal Department, our Chief Ethics and Compliance Officer, or our Ethics Helpline at 800-501-8755 (US) or +1-888-475-0009 (international) or <http://speakup.bah.com>. Do not attempt an investigation of a red flag on your own.
- **Do not complete the transaction or other business process.** In addition to escalating the red flag, if it was identified as part of a transaction or other business process that you perform or control, do not complete it until you have received approval from the Legal Department.
- **Do not “tip off” potentially involved third parties.** If you see a red flag in the course of doing business with a client or other third party, do not notify the client or third party that you have identified a red flag unless and until you have approval from the Legal Department. This applies even if our contract with the client or third party requires Booz Allen to notify the client or third party of red flags. Notifying clients and other third parties that we are aware of possible illegal activity could also be a violation of law.

#### REPORTING CONCERNS

Booz Allen maintains the highest standards of ethical behavior and integrity. Our policies, procedures, trainings, and communications form a robust Ethics & Compliance program, promoting a culture of integrity that shapes all facets of employee conduct.

Anyone can report an ethics concern to our Ethics HelpLine at +1-800-501-8755 (US) or +1-888-475-0009 (International) or [Speakup.bah.com](http://Speakup.bah.com). Concerns may be raised anonymously.

We take all allegations of misconduct seriously, investigate them promptly, and strictly prohibit retaliation against any person who raises a good faith ethical or legal concern.