

**Board of Directors  
April 6<sup>th</sup>, 2026**

**Old Business Motions**

- Approve 2026 Logo Items (AJ Jackson, Sandra Bauer and Kevin)
- All expenditures by board appointed Committees, Work Groups, and Task Forces must be approved by the Board of Directors (Jon Steinhart, Kevin Levy, John Davis, and Sandra Bauer)

**New Business Motions**

- Policy and procedure for follow up to the report or detection of an Internal Control breakdown (AJ Jackson, Sandra Bauer, Teresa Vaughn, Zhara Indigo, Lawrence Taylor, Jon Steinhart, Paxton Hoag and John Govsky)

**OCF Policy and procedure for follow up to an Internal Control breakdown involving non-employee participants.**

This policy is specific to situations in which:

1. There is thought to be an Internal Control Breakdown that may have resulted in a material, deliberate misappropriation of assets;
2. The reported, or suspected, perpetrator is a Fair participant (for example, volunteer, booth person, entertainer), but not a Fair employee;
3. The potential Internal Control Breakdown is either due to the lack of Internal control procedures being in place, or the procedures that were in place have been ignored or evaded;
4. The Internal control breakdown may have resulted in a material misappropriation of assets, theft, or larceny; falsification of records; and/or resale of Fair inventory at a price above costs;
5. Misappropriations of assets may refer to cash, fair passes, fair merchandise, food vouchers, fair supplies or fixed assets and may involve Fair charge accounts, cash, cash receipts, credit cards, revenue or expenses;
6. The misappropriation may result in losses to either OCF or OCF participants.

**Reporting and Detections of Internal Control Breakdowns**

The Internal Control system is the combined set of procedures and practices that are implemented to prevent and/or detect fraud including misappropriation of assets and misstated financial reports. Oregon Country Fair uses reconciliations, tracking of inventory and assets, budgets, separation of duties, use of outside professionals, tone at the top, authorization for spending, and documentation. With a large, dispersed group of employees and volunteers, and a changing technological and systems environment, widespread participation in reducing and eliminating fraud is critical to our success.

Any individual can make a **report** of a potential Internal Control breakdown to the Executive Director or Treasurer. People in management, or oversight positions, have the responsibility

to convey detailed information to the Executive Director or Treasurer if they **detect**, or are notified of, potential breakdowns in Internal Control. The Board of Directors has oversight responsibility for the Internal Control system.

The follow up of potential breakdown of Internal Control Breakdowns will vary from case to case. The follow up will include documentation, evaluation, investigation, and reporting. While each situation is unique, there will be some common threads. In the case of a report from a volunteer or other non-employee participant, receipt of the report will halt any potential retaliatory action that the involved parties may be taking against one another (for example, loss of crew or booth position). When the Whistle Blower policy is updated, this section will be revised. Until then, the ED will evaluate whether there is an action in process that may trigger protections for involved parties.

1. After the initial report/detection. The management of the follow-up will be conducted by the Executive Director and the Treasurer. The ED and Treasurer will make the initial documentation of the potential breakdown, and do a preliminary evaluation of whether the reported event:
  - A. Does not appear as a potential Internal Control Breakdown and material misappropriation threat, and why;
  - B. Should be either monitored or managed by a change to the Internal Control procedures and why;
  - C. Appears to be isolated and small scale (for example, the theft of a wristband or tool). Those cases should be documented by the ED. Follow up may involve a warning, probation, or suspension. (Note: Booth reps, as business owners have autonomy from Fair process in handling misappropriation of assets within their businesses. Booth reps should report incidents that involve misappropriation of Fair assets.);
  - D. Incidents that appear to be material and/or ongoing, indicate the need for further investigation. A summary of the potential breakdown and next step(s) will be reported to the Board of Directors with no identifying information about the people involved.

### **Investigations of Cases not Cleared by Initial Evaluation, situation C**

1. The ED and Treasurer will compile documents and known information to estimate potential impact and begin to frame a potential investigation. Interviews should be extremely limited at this point. The goal of the initial assessment is to judge:
  - i. If the situation has resulted in potential losses that can be calculated or estimated;
  - ii. What documents and information are relevant and held by whom;
  - iii. Who are potential sources of information;
  - iv. Who are potential perpetrators;
  - v. What type of expertise to enlist for investigation and inquiry.
2. If the information collected in the preceding step indicates that legal counsel may be hired to press charges and/or attempt to recover potential losses, they will be brought in. Attorneys may take a lead role from that point.
3. If the ED and Treasurer choose to proceed with an internal investigation, the information collected in step 1 will be supplemented with background information that will allow a third party to investigate efficiently. The ED and Treasurer will collaborate with a third

party on a written plan for an investigation; this may be someone from Fair Community Support, an attorney, an HR professional, an accountant with forensic training or other person with expertise. The ED and Treasurer may help to document/identify:

- A. Descriptions of the system affected;
  - B. Records maintained by OCF, Crews, Booth;
  - C. Reconciliations of discrepancies;
  - D. Internal control gaps/weaknesses;
  - E. People who may be able to provide eye witness interviews. Generally, investigations should be conducted by experts, possibly an attorney, a forensic accountant, or HR professional.
4. Investigations are to be conducted with a written plan and involvement of the third party. (Note: the third party is not to be a member of the management team, as supervisors to the subject of investigations are not appropriate to investigate the subjects.) Information gathered by the investigation will be assembled into a report to be reviewed by the Board, ED, and Treasurer. The Board will receive minimal identifying information to protect the identities of the parties involved.
5. Evaluation of the investigation. The ED and Treasurer will determine if further investigation is warranted. The ED and Treasurer will present the Board with a confidential report (withholding identifying information) with the options being considered for follow up.

Results of the investigation are to assist the Board, ED and Treasurer in evaluating, from high to low, the likelihood of:

1. A material misappropriation of Fair assets;
2. The identity of a perpetrator;
3. If internal controls were in place that were evaded;
4. If Internal controls/systems should be redesigned and/or duties reassigned;
5. If the initial assessments of loss and need to involve a lawyer should be reconsidered.

If the investigation indicates a strong possibility of a misappropriation of assets with a low expectation of recovery, insurance claim, or lawsuit, the ED and Treasurer, may seek legal advice if there is a person, or persons, who is identified as having a higher than low likelihood of being a perpetrator of a misappropriation and if the follow up may include changing the responsible party's duties or position. The ED and Treasurer may also consider if the person who may have violated internal controls and/or misappropriated assets had mismanaged their duties due to a lack of skills or motivation. The ED and Treasurer may consult with members of the management teams, affected crew, booth, or other affected parties in implementing a response. The ED and Treasurer will also consider improvements to the Internal Controls that will do more to detect and/or prevent the type of fraud that presented the risk.

All parties involved in the follow-up process are to use a restrictive need-to-know approach that keeps reporter and informant information secure.

If the process results in legal actions, the process may involve sharing names of a suspected perpetrator with the Board of Directors. In cases resolved in other ways, the identity of the person(s) who are the subject of an investigation will be guarded.

6. A final report will be made to the Board of Directors.
  - Send the proposed By-Laws changes in the document titled “The By-Laws Work Session Presentation 3-9-26.pdf,” that can be found here: <https://oregoncountryfair.net/wp-content/uploads/bsk-pdf-manager/2026/03/By-Laws-Board-Work-Session-Presentation-3-9-26.pdf>, to the By-Laws Committee for review and recommendation for revision. The By-Laws Committee will report back to the Board by the end of day on April 20<sup>th</sup> (AJ Jackson, Jon Steinhart, Sandra Bauer and Trevor Ross)
  - Sponsor the B.L.A.Q. Youth Juneteenth gathering on Thursday June 19th, 2026 at the Farmers Market Pavillion as a Legacy Benefactor for \$2000 (Jon Steinhart, John Davis, AJ Jackson, Kevin Levy, Paxton Hoag and Sandra Bauer)