



Hawthorne  
Foundation Inc.

**Corporate Compliance**

**Policies and Procedures**

**June, 2017**

**Approved: June 27, 2017**

**By: Board of Directors**

**Updated: September 13, 2018**

# Table of Contents

<b>Subject</b>	<b>Policy #</b>
Business Courtesies for Referrals .....	CC-001
Code of Conduct .....	CC-002
Conflict of Interest .....	CC-003
Employee and Contractor Screening .....	CC-004
Employee, Board, and Independent Contractor Compliance Training .....	CC-005
Enforcement of Compliance Standards .....	CC-006
False Claims Act and Whistleblower Provisions .....	CC-007
Internal Auditing and Monitoring .....	CC-008
Investigation of Compliance Issues .....	CC-009
Reimbursement Practices and Billing Errors .....	CC-010
Reporting of Compliance Concerns and Non-Retaliation .....	CC-011
Response to Governmental Investigations .....	CC-012
Role and Responsibilities of the Compliance Committee .....	CC-013
Nepotism Policy .....	CC-014



<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 1 of 3	Policy #: CC-001
	Department: Corporate Compliance	
	Subject: Business Courtesies for Referrals	
Approved By: Board of Directors		Date:
Reviewed / Revised By: Board of Directors		Date: 6/27/2017

### Purpose:

The Hawthorne Foundation (referred to as “Agency” or “the Agency”) recognizes that there are legitimate and lawful reasons to accept or provide reasonable business courtesies. However, in healthcare, business courtesies pose a risk for conflict of interest or fraud and/or abuse related to anti-kickback laws and regulations. The Anti-Kickback law prohibits the offer of payment, solicitation, or receipt of any form of remuneration for the referral of Medicare or Medicaid recipients.

The purpose of this policy is to assure that the Agency complies with federal Anti-Kickback laws. The policy provides guidance for providing business courtesies.

For the purpose of this policy, the following definitions apply:

- Business Courtesies: Business courtesies include items of value given to another free of cost. Examples include gifts, entertainment, and/or Agency sponsored or hosted social events.
- Immediate Family Member: An immediate family member of a person includes:
  - The person’s spouse;
  - Natural or adoptive parent, child, or sibling;
  - Stepparent, stepchild, stepbrother, or stepsister;
  - Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law;
  - Grandparent or grandchild; and
  - Spouse of a grandparent or grandchild.
- Potential Referral Source: A potential referral source includes a physician, dentist, or chiropractor who could reasonably be a source of referral of patients to the Agency for services or treatment.

### Policy:

1. It is the policy of the Hawthorne Foundation that gifts, entertainment, and other benefits will not be provided to potential referral sources and/or to his or her immediate family, except as permitted by this policy.
2. These guidelines only pertain to relationships with individuals and entities outside the Hawthorne Foundation. It does not pertain to actions between the Agency and its employees nor actions among Hawthorne Foundation employees.



<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 2 of 3	Policy #: CC-001
	Department: Corporate Compliance	
	Subject: Business Courtesies for Referrals	
Approved By: Board of Directors		Date:
Reviewed / Revised By: Board of Directors		Date: 6/27/2017

- Any business courtesies involving physicians or other individuals or entities in a position to refer patients or services to the Hawthorne Foundation must strictly follow Agency policies and be in conformance with all federal and state laws, regulations, and rules regarding these practices.

#### **Procedures:**

- Hawthorne Foundation employees may not offer a potential referral source and his or her immediate family members business courtesies unless the following criteria are met:
  - The business courtesy is not based, directly or indirectly, on the volume or value of referrals or other business generated by the potential referral source;
  - The business courtesy does not consist of cash or the equivalent of cash;
  - The business courtesy is not solicited by the potential referral source or the referral source's practice or employees;
  - The business courtesy must not exceed \$355 (the allowed amount for 2009; this amount changes annually based on the Consumer Price Index) in value or cause the total value of business courtesies extended to the potential referral source or immediate family to exceed \$355 for the calendar year;
  - The business courtesy does not violate the federal Anti-Kickback statute or any state or federal law governing claims submission; and
  - The business courtesy is not extended to a physician group.
- All employees must receive prior approval from the Compliance Officer before extending business courtesies to potential referral sources and/or their immediate family members. The Compliance Officer will record any business courtesy extended to a potential referral source or his/her immediate family members on the "Gifts and Entertainment Log" in the form attached as Appendix A to this Policy. The Compliance Officer will ensure that the aggregate value of business courtesies does not exceed \$355 in a calendar year.
- Examples of Gifts and Entertainment that must be recorded and tracked on the Gifts and Entertainment Log include, but are not limited to:
  - Dinner with a Potential Referral Source and/or his or her Immediate Family Member;
  - Gifts or flowers to a Potential Referral Source or his/her Immediate Family Member;
  - Tickets for sporting or cultural events to a Potential Referral Source and/or his or her Immediate Family Member;
  - Paying for a Potential Referral Source's continuing medical education costs.

**Attachment:** Gift and Entertainment Recording Log (CC-001A)





Hawthorne  
Foundation Inc.

**HAWTHORNE FOUNDATION INC.  
GIFTS AND ENTERTAINMENT RECORDING LOG**  
For the period 1/1/20 \_\_ to 12/31/20 \_\_

Potential Referral Source and/or Immediate Family Member Name	Authorized By	Date of Gift/ Entertainment	Type of Gift/ Entertainment	Gift / Entertainment Amount	Reason for Gift/ Entertainment	Calendar Year Balance

<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 1 of 12	Policy #: CC-002
	Department: Corporate Compliance	
	Subject: Code of Conduct	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

### **Purpose:**

The Hawthorne Foundation, Inc. (sometimes referred to as “Agency” or “the Agency”) is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Code of Conduct. To support this commitment, the Agency will maintain and update as appropriate a written Code of Conduct to provide guidance on employee and organizational responsibilities related to compliance. The Code of Conduct addresses specific issues related to reimbursement, financial relationships, quality of care, and other critical areas.

### **Policy:**

1. The Hawthorne Foundation will develop, maintain, and update as appropriate a written Code of Conduct to provide employees, Board members, and agents with guidance on requirements for conduct related to employment or engagement by the Agency.
2. The Code of Conduct will describe important parts of the compliance program including, but not limited to the problem resolution process, employee hotline, and non-retaliation policy.
3. All employees, Board members and agents will be provided a copy of the Code of Conduct and participate in training sessions on an annual basis that include a thorough review of the document.

### **Procedures:**

1. The Compliance Officer is responsible for the development and periodic update of the Agency’s Code of Conduct.
2. The Agency Corporate Compliance Committee and the Board of Directors will be responsible for oversight and final approval of the Code of Conduct.
3. The Code of Conduct will be written at a basic reading level, avoiding complex language and legal terminology. At a minimum, it should address critical areas such as compliance with laws and regulations, human resource practices, quality of care/service, conflicts of interest, proprietary rights, confidentiality, safety, and reimbursement practices.
4. The Code of Conduct will address specific areas of potential fraud or similar wrongdoing (e.g., claims development, submission processes, diagnostic/procedural code selections).
5. The Code of Conduct will address major issues identified by the Federal Sentencing Guidelines and the Office of Inspector General (OIG).
6. The Code of Conduct will address human resources related compliance issues such as sexual harassment and discrimination, as well as the Hawthorne Foundation’s commitment to quality of care and service.



<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 2 of 12	Policy #: CC-002
	Department: Corporate Compliance	
	Subject: Code of Conduct	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

7. The Agency's Corporate Compliance Plan, applicable policies, and the Code of Conduct will be provided to all Board members, executive personnel, managers, employees, independent contractors, and those with whom business is conducted. Copies will be provided to all new employees as part of the new employee orientation. All recipients of the document will sign and date a receipt (Attached to this Policy) that acknowledges: (a) receiving a copy of the Corporate Compliance Plan and Code of Conduct, (b) reading and understanding the contents, and (c) agreeing to abide by the provisions of the documents.
8. The Compliance Officer will ensure that all employees and agents receive training annually related to the contents of the Code of Conduct to help them understand how it applies to everyday work situations. The Compliance Officer will ensure that records are maintained to document the receipt of training.
9. The Compliance Officer will ensure that each Board member is provided with a copy of the Corporate Compliance Plan and the Code of Conduct at the time of Board orientation and upon renewal of his/her Board seat.
10. The Compliance Officer will ensure that all independent contractors are provided with a copy of the Corporate Compliance Plan and Code of Conduct upon entering into a contractual agreement with the Agency.
11. The Compliance Officer will include in his or her report to the Hawthorne Foundation Corporate Compliance Committee and Board of Directors the status of training, along with any recommendations for updating or improving the contents of the Code of Conduct.
12. The Compliance Officer is responsible for investigations of possible violations of the Code of Conduct and assuring disciplinary action has been taken when necessary.
13. Written confidentiality and non-retaliation policies will be referenced and included as part of the Code of Conduct for the purpose of encouraging communication and the reporting of incidents of suspected fraud or other wrongdoing.
14. The Code of Conduct will include instructions to report fraud, abuse, suspected violations of the Code of Conduct, or other suspected wrongdoing directly to the Compliance Officer or other supervisory personnel.
15. The Code of Conduct will provide written guidance on how employees and agents may report suspected violations of federal or state law, regulations, interpretations thereof, or the Code of Conduct without fear of retribution or retaliation to an organization hotline or other mechanism that bypasses management.
16. The Code of Conduct will include a description of disciplinary mechanisms utilized by the Agency and the procedures for addressing disciplinary actions.

**Attachments:** Hawthorne Foundation Inc. Code of Conduct (CC-002A); Corporate Compliance Plan and Code of Conduct Acknowledgement Form (CC-002B)





## **HAWTHORNE FOUNDATION INC. CODE OF CONDUCT**

The mission of the Hawthorne Foundation Inc. is to provide quality education, habilitative, vocational and recreational programs for individuals with disabilities. The Hawthorne Foundation Inc. has a commitment to our students and consumers to foster independence, integration, individualization and productivity while enhancing the quality of their lives. Our goal is to enable each and every individual to reach his/her maximum potential in the least restrictive environment and to assist each individual with identifying and realizing their own goals.

### **Intent**

The Hawthorne Foundation's Code of Conduct (the Code) applies to all Board of Directors members, employees, independent contractors, and those with whom business is conducted.

The Code of Conduct was approved by Agency's Board of Directors and is a formal statement of the Agency's commitment to the standards and rules of ethical conduct.

The Hawthorne Foundation is committed to preventing the occurrence of unethical or unlawful behavior, stopping such behavior as soon as possible after discovery, and to discipline employees who violate the Code, including employees who neglect to report a violation.

All employees must comply with this Code, immediately report any alleged violations of wrongdoing, and assist management and compliance personnel in investigating allegations of wrongdoing.

While these standards addressed in the Code of Conduct are intended to guide employees in the course of their day-to-day responsibilities, they do not replace any Agency or program policies and procedures. There may be instances that are not addressed by the Code of Conduct or existing policies and procedures, or activities that may conflict with these standards. Employees must seek direction from their supervisor, other Agency management staff or the Compliance Officer in these instances.

### **Ethics**

It is the policy of the Hawthorne Foundation to observe all laws and regulations applicable to its business and to conduct business with the highest degree of integrity. To accomplish this, all employees and contractors must obey the laws and regulations that govern their work and always act in the best interest of the people we serve, their families and the Agency.



## **Guidelines for employees and contractors**

- You are expected to assure the opportunity for high quality education and training and care for every student and consumer, making the well-being of students and consumers the fundamental principle in all decisions and actions.
- ACTING as part of an educational and training team with mutual respect and regard for each other's respective responsibilities and duties, recognizing that the strength of a Board of Directors is in acting as a board, not as individuals.
- UPHOLDING the principles of due process and individual dignity, and protecting the civil and human rights of all.
- MAINTAINING high standards and the effectiveness of education and training and care through research and continuing professional development.
- An officer or employee shall not receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Board of Directors.
- An officer or employee shall not enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Board, whereby the compensation is to be dependent or contingent upon any action by the agency with respect to such matter, provided that this paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.
- You are expected to keep management staff informed of what you are doing; to document or record all services or transactions accurately; and to be honest and forthcoming with the Agency, regulatory agencies, and internal and external auditors.
- You are expected to comply with the Agency's policies and procedures, accounting rules, and internal controls.
- You are expected to function with honesty in your work for the Agency and with people we serve, providers, suppliers and all others with whom the Agency does business.

## **Conflict of Interest**

Board of Directors members, employees, and contractors must not allow any outside financial interest, or competing personal interest to influence their decisions or actions taken on behalf of the Agency.

Employees and contractors must avoid any situation where a conflict of interest exists or might appear between their personal interests and those of the Agency. The appearance of a conflict of interest may be as serious as an actual conflict of interest.

## **Guidelines for Employees and Contractors**

It is a conflict of interest for you to personally take for yourself opportunities that are discovered through the use of Agency property, information or position with the Agency; to use Agency property or information for personal gain; or to compete with the Agency.

There are many types of situations where potential conflicts may arise. You must promptly report any actual or potential conflicts of interest to your immediate supervisor or directly to the Compliance Officer.

### **Outside Activities and Employment**

- You may not conduct outside activities during work time. Such activities interfere with your regular duties and negatively impact the quality of your work.
- You are a representative of the Agency in your every day life and must represent the Agency positively in the community.
- Outside employment must not conflict in any way with your responsibilities to the Hawthorne Foundation or its consumers. You may not compete against the Agency, work for its competitors, or have any ownership interest in a competitor.
- An officer or employee shall not engage in, solicit, negotiate for, or promise to accept private interests when that employment or services creates a conflict with or impairs the proper discharge of his or her official duties.

### **Use of Agency Funds and Resources**

- The Hawthorne Foundation's assets are to only be used for the benefit of the Agency and the people we serve. Assets include funds, equipment, inventory, and office supplies, but also concepts, business plans and strategies, information about people served, financial information, computer property rights, and other business information about the Agency.
- You may not use Agency assets for personal gain or give them to any other persons or entities, except in the ordinary course of business as part of an approved transaction.

### **Confidentiality**

- During your employment, you may acquire confidential information about the Hawthorne Foundation, its staff and people we serve that must be handled in strict confidence and not discussed with outsiders. The protection of confidential business, staff and consumer information is very important.



## Business Dealings Between the Agency and Employees

- The Hawthorne Foundation will not be inappropriately influenced with goods or services from any business in which you or your immediate family members have a substantial interest.
- Property and resources of the Agency should only be used for the benefit of the Agency or the people we serve.

## **Maintenance of Records**

Employees and contractors must record and report all agency, consumer and financial information fully, accurately, and honestly. Records include, but are not limited to, records of the people we serve, documentation of services, accounting books or records, financial statements, timesheets or records, expense reports, vouchers, bills, payroll, claims payment records, correspondence, and any other method of communication. Employees or contractors must not omit or conceal any relevant information.

## **Guidelines for Employees and Contractors**

Many of the Agency forms are legal documents used to prove that a service was provided, to bill for a service to a consumer, to record a job task, or to record specific happenings. You must document accurately and honestly, and only for those services that you provided or those events you were involved in.

## **Falsification of Records**

- You must not make any false entries in any of the Agency's records or in any public record for any reason.
- You may not alter any permanent entries in the Agency's records.
- You may only approve payments or receipts on behalf of the Agency that are described in documents supporting the transaction. "Slush funds" or similar of-book accounts, where there is no accounting for receipts or expenditures on the agency books, are strictly prohibited.
- You may not create or participate in the creation of any records that are intended to mislead or to conceal anything that is improper.

## **Expense Records**

- You must always charge expenses accurately and to the appropriate cost center or account, regardless of the financial status of the program, project, or contract, or the budget status of a particular account or line item.

## Retention of Records

- The retention, disposal, or destruction of records of or pertaining to the Hawthorne Foundation must always comply with legal and regulatory requirements and Agency policy.
- You may not destroy records pertaining to litigation or government investigations or audit without express written approval of the Compliance Officer.

## **Protection of Confidential Information**

The Hawthorne Foundation has developed policies and procedures to assure that the confidentiality of Agency information and information about the people we serve is protected and released only with the appropriate authorization or for lawful reasons, in addition to purposes of treatment, payment, and operations. All employees and contractors are required to comply with the Agency's Privacy Policy. If you have any questions concerning confidential information or the Privacy Policy, contact your immediate supervisor or the Compliance Officer.

## **Guidelines for Employees and Contractors**

You must treat all Agency records and information as confidential.

You may not release confidential information without the proper authorization. Confidential information includes not only information about the people that we serve and their families, but also non-public information about the Agency that may be of use to the Agency's competitors or harmful to the Agency or its customers if released.

You must protect Agency information and avoid discussing or disclosing Agency information, purposefully or inadvertently (through casual conversation), to any unauthorized person inside or outside the Agency. Furthermore, staff may not share confidential Agency information with anyone, except where required for a legitimate business purpose.

Agency information may not be removed from Agency property without permission from a supervisor or administrator with proper authority over the information. Ask your supervisor if you are not sure whether certain information is confidential.

## **Termination of Employment**

- You may not use any confidential information gained from your employment with the Agency for your or another company's benefit. You may not take copies of any reports, documents, or any other property belonging to the Agency.
- Upon termination of employment with the Agency, you must return all Agency property including, but not limited to, copies of documents, notes, and other records containing confidential information; computer disks; Agency ID; keys and credit cards.



## Information Security

- You are responsible for properly using information stored and produced by all of the Agency's computer systems.
- Computers, Internet access, email, or other office communications systems are intended for business-related purposes only and not for personal use or for uses that may be disruptive, offensive, harassing, or harmful to others.
- Do not share your system user name or password with another person or allow another to access the computer with your password.
- All employees and contractors are required to comply with the Hawthorne Foundation's information technology policies. If you have any questions concerning information security, contact your immediate supervisor or Compliance Officer.

## **Fair Dealing**

Conducting business with providers, contractors, suppliers, people we serve, and competitors may pose ethical problems. BOD members, Employees and contractors are expected to deal fairly with providers, contractors, people we serve, and competitors.

The Code of Conduct and the following guidelines are intended to help you make appropriate, responsible and correct decisions in these and all matters:

## Kickbacks and Rebate

- Kickbacks and rebates in cash, credit, or other forms are prohibited. They are not only unethical, but in many cases, illegal.

## Gifts and Gratuities and Entertainment

- An officer or employee shall not directly or indirectly solicit any gift or accept or receive any gift having a value of \$75 or more, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her in the performance of his or her official duties or was intended as a reward for any official action on his or her part. However the Board welcomes and encourages the writing of letters or notes expressing gratitude or appreciation to staff members.
- Nothing herein should be construed as prohibiting the traditional exchange of holiday gifts provided discretion is used to ensure that gifts of value are not accepted by staff employees or officers. Gifts from children that are principally sentimental in nature and of insignificant financial value may be accepted in the spirit in which they are given.

### Agreements With Contractors and Vendors

The Agency must assure that any agreements with contractors and vendors clearly and accurately describe the services to be performed or items to be purchased. Performance standards, and the applicable compensation, if any, must be reasonable in amount, not be excessive in terms of industry practice and must equal the value of the services rendered.

### Improper Use of Funds or Assets

Use of the Agency's funds or assets for any improper purpose is strictly prohibited. If you are aware of or have reason to believe that funds or assets are being improperly used, you must report this immediately to your supervisor or the Compliance Officer.

### **Federal and State Programs**

The Hawthorne Foundation is committed to complying with the laws and regulations that govern the federal and state programs that it administers. Policies and procedures, the Compliance Program, and this Code of Conduct are developed to provide guidance in your day-to-day work. You must abide by the policies and procedures and the standards set by the Agency.

### **Governmental Investigations**

There may be times that the Hawthorne Foundation is asked to cooperate with an investigation by a federal or state governmental agency, or to respond to a request for information. A request may be formally addressed to the Agency or an individual within the Agency. Employees and contractors must report any requests for information or cooperation with an investigation to the Compliance Officer immediately.

### **Political Activities and Contributions**

Because the Hawthorne Foundation is a non-profit organization, it is prohibited from engaging in any political campaign activities and a "substantial" amount of lobbying.

### **Guidelines for Employees and Contractors**

Hawthorne Foundation funds and resources, including your work time, may not be used for political contributions or activities.

You may not act as a representative of the Hawthorne Foundation in any political campaign activity. In expressing your personal political views or support or opposition of a candidate for public office, it must be very clear that you are expressing your personal view, support, or opposition as an individual and not a representative of the Agency.

Laws and regulations prohibit a "substantial" amount of lobbying. There are allowances for the Agency to advocate its position on public issues. To assure that the Agency does not violate any laws or regulations, or risk losing its tax-exempt status, you must seek prior approval from the



Compliance Officer before engaging in any lobbying activities. The Compliance Officer may need to consult with legal counsel on the matter and will need to record the amount of time spent in lobbying activities.

## **Employment Environment**

The Hawthorne Foundation is committed to creating a safe and professional workplace where employees and others are treated with respect and without regard to their race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics. Business integrity, teamwork, trust, and respect are the Agency's most important values. Unlawful discrimination or harassment of any sort violates these values. All Agency employees must exhibit and promote respect, integrity, trust, and teamwork in the workplace and must comply with this policy prohibiting discrimination and harassment in all facets of the Agency's work

### **Guidelines for Employees and Contractors**

All employees are required to support the Agency's commitment to a safe and professional work environment and to demonstrate appropriate behavior in the workplace.

All employees are prohibited from joking about another employee's race, sex, age, religion, national origin, color, marital status, disability, or other protected characteristics.

All employees are prohibited from considering someone's race, color, religion, sex, national origin, age, disability, or other protected characteristic in making decisions about hiring, placement, assignment of duties, training, promotion, termination, compensation, benefits and other work terms.

Sexual harassment is prohibited. Sexual harassment includes any form of unwelcome sexual advance, request for sexual favors, or other verbal or physical conduct of a sexual or sex-based nature.

You are responsible for understanding the Agency's policy prohibiting discrimination and sexual harassment. You should consult with an appropriate supervisor or administrator if you have questions about your right to a workplace free from unlawful harassment or discrimination or if you have questions about your duty to avoid discrimination.

### **Seeking Guidance and Reporting Violations**

Employees and contractors must report any actual or suspected violations of this Code of Conduct, any applicable law or regulation, or any Hawthorne Foundation policy and procedure to their immediate supervisor or the Compliance Officer. A Compliance Hotline is also available for confidential or anonymous reporting of such issues. The Compliance Hotline number is (914) 468-7411.

When an actual or suspected violation of this Code of Conduct, any applicable law or regulation, or any Agency policy and procedure is reported to any Agency employee, it must be promptly



referred to the Compliance Officer. Steps will be taken to protect confidentiality and anonymity, when appropriate and warranted. The Agency will not tolerate any form of retaliation against a person who makes a good-faith report in accordance with this Code of Conduct.

All employees and contractors must cooperate fully and honestly in any investigation into a reported violation of this Code of Conduct, any applicable law or regulation, or Agency policy, procedure, or practice.

### **Corrective Action and/or Discipline**

Any employee or contractor who violates or knowingly fails to report any violation of this Code of Conduct, any applicable law or regulation, or Agency policy, procedure, or practice is subject to appropriate disciplinary action, up to and including termination.

Disciplinary action may range from a warning to suspension or discharge, depending upon the nature of the incident and the relevant surrounding circumstances.

### **Your Responsibilities**

- ✓ Attend required training, and read and understand the Hawthorne Foundation's Corporate Compliance Plan, Corporate Compliance Policies and Procedures, and Code of Conduct.
- ✓ Follow the Agency's Code of Conduct and abide by all policies and procedures, guidelines, and Federal and State laws and regulations.
- ✓ Be alert to any situation that could violate the Agency's Code of Conduct, policies and procedures, guidelines, and/or federal and state laws and regulations.
- ✓ Promptly report any issues, concerns, violations or suspected violations to your supervisor, other management staff, Human Resources Benefits Coordinator, Compliance Officer, or the Executive Director.





**Hawthorne Foundation Inc.**  
**Corporate Compliance Plan and Code of Conduct Acknowledgement**  
**Form**

- ☐ I acknowledge that I have received, read, and understand the Hawthorne Foundation Corporate Compliance Plan and Code of Conduct.
- ☐ I understand that I must comply with the Hawthorne Foundations Corporate Compliance Plan, the Code of Conduct, and all laws, regulations, policies, procedures, and other guidance applicable to the responsibilities of my position.
- ☐ I understand that my failure to report any concerns regarding possible violations of the law, regulations, Corporate Compliance Plan or the Code of Conduct may result in disciplinary action, up to and including termination of employment or engagement with the Hawthorne Foundation.

**By placing a checkmark in the boxes above I acknowledge that I have read and understand each statement.**

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 1 of 6	Policy #: CC-003
	Department: Corporate Compliance	
	Subject: Conflict of Interest	
Approved By: Board of Directors		Date: 11/14/2018
Reviewed / Revised By: Compliance Officer		Date: 10/26/2018

This policy of Hawthorne Foundation Inc. (the “Agency”) is supplemented by additional policies and procedures as found in the Agency’s Policy Manual.

### **Purpose:**

All employees, officers and members of the Board of Directors of the Agency have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy is established to ensure that services and business activities are conducted in an objective manner and are not motivated by desire for personal or financial gain. All directors, officers, employees, and key persons of the Agency shall avoid acting in circumstances where their personal interest conflicts with that of the Agency without observing standards of full disclosure of any personal interest or conflict of interest issues.

All directors, officers, employees, and key persons must at all times conduct themselves in accordance with law, including without limitation the provisions of the New York Not-for-Profit Corporation Law, as same may be amended from time to time (the “NFPCL”).

### **Definitions:**

“Director, officer or employee” means director, officer or employee of the Agency whether paid or unpaid, including members of the Board of Directors, and professional and nonprofessional staff and appointees.

“Interest” means a pecuniary or material benefit accruing to a director, officer, employee, and key person or a relative of any such person unless the context otherwise requires.

“Key employee” means any person who is in a position to exercise substantial influence over the affairs of the Agency, as referenced in 26 U.S.C. § 4958(f)(1)(A) and further specified in 26 CFR § 53.4958-3(c), (d) and (e), or succeeding provisions. A key employee is also a key person and will be referred to as a key person in this policy.

“Key person” means any person, other than a director or officer, whether or not an employee of the Agency, who (i) has responsibilities, or exercises powers or influence over the Agency as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Agency, or a segment of the Agency that represents a substantial portion of the activities, assets, income or expenses of the Agency; or (iii) alone or with others controls or determines a substantial portion of the Agency's capital expenditures or operating budget. Any key employee is also a key person.



<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 2 of 6	Policy #: CC-003
	Department: Corporate Compliance	
	Subject: Conflict of Interest	
Approved By: Board of Directors		Date: 11/14/2018
Reviewed / Revised By: Compliance Officer		Date: 10/26/2018

A “relative” of an individual is (i) his or her spouse or domestic partner as defined in Public Health Law Section 2994-a, (ii) his or her ancestors, brothers or sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren; and (iii) the spouse or domestic partner of any of the foregoing.

### Policy:

1. Directors, officers, employees, and key persons are required to disclose any actual or potential conflict of interest and seek guidance on how to handle the situation.

*Conflict of Interest:* Any situation in which financial or other personal considerations may compromise or appear to compromise (1) a person’s business judgment; (2) delivery of services; or (3) ability for a person to do his or her job. Any situation involving a related party transaction as defined in the NFPCL is a conflict of interest situation. An actual or potential conflict of interest occurs when a director, officer, employee, or key person is in a position to influence a decision by the Agency that may result in a personal gain for that person, or for a relative of that person, as a result of business dealings.

2. The materials, products, designs, plans, ideas, and data are the property of the Agency and should never be given to an outside firm or individual except through normal channels with appropriate prior authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, is prohibited.
3. The Agency will not enter into any related party transaction except as permitted by and in compliance with the requirements of the NFPCL. Any related party transaction must be disclosed to the Agency’s Audit Committee or Board of Directors and reviewed and approved in accordance with the NFPCL.

### Procedures:

1. A person with questions or concerns about potential conflicts of interest will promptly address the issue with appropriate management staff and/or the Compliance Officer. Management staff will consult with the Compliance Officer before responding to a concern or question about a potential conflict of interest.
2. Actual or potential conflicts of interest must be disclosed to appropriate management personnel, or the Compliance Officer. Conflicts of interest involving a director, officer, employee or key person must be reported to the Agency’s Audit Committee or the Board of Directors.

<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 3 of 6	Policy #: CC-003
	Department: Corporate Compliance	
	Subject: Conflict of Interest	
Approved By: Board of Directors		Date: 11/14/2018
Reviewed / Revised By: Compliance Officer		Date: 10/26/2018

3. Employees must disclose any potential conflicts of interest upon hire and when a potential conflict arises. Employees will complete a Conflict of Interest Disclosure Form (Attached to this Policy) to report any potential conflict of interest.
4. Prior to the initial election of any director, and annually thereafter, such director shall complete, sign and submit to the Agency's Compliance Officer a written statement identifying, to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Agency has a relationship, and any transaction in which the Agency is a participant and in which the director might have a conflicting interest.
5. Directors, officers, and key persons, including all management employees, will complete, sign and submit to the Compliance Officer of the Agency, a Conflict of Interest Disclosure Statement setting forth all information required under the NFPCL annually.
6. Employees must seek guidance and approval from appropriate management personnel prior to pursuing any business or personal activity that may constitute a conflict of interest.
7. Outside employment may not interfere with the employee's ability to perform his or her job with the Agency. In addition, Agency employees may not compete against the Agency, work for its competitors, or have any ownership interest in a competitor.
8. A person having a conflict of interest may not be present at or participate in any board or committee deliberation or vote on the matter giving rise to such conflict.
9. A person having a conflict of interest may not attempt in any way to improperly influence the deliberation or voting on the matter giving rise to the conflict.
10. The Compliance Officer will investigate any violations of this policy. The Compliance Officer will report all possible conflicts of interest to the Agency's Audit Committee. The Audit Committee will determine whether there is a conflict of interest and what needs to be done to protect the interest of the Agency. The Audit Committee may, if it determines it is appropriate, refer the matter to the Board of Directors.
11. The existence and resolution of any conflict or related party transaction will be documented in the Agency's records, including in the minutes of any meeting at which the conflict was discussed or voted upon.

#### **Penalties:**

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the provisions of the Board's code of ethics and its accompanying regulation may be fined, suspended or removed from office or employment, as the case may be, in the manner provided by law.

**Attachment:** Conflict of Interest Disclosure Statement (CC-003A)





## **Hawthorne Foundation Inc. Conflict of Interest Disclosure Statement**

The Conflict of Interest Policy of Hawthorne Foundation Inc. (the “Agency”) includes a provision which sets forth standards of conduct expected and requiring Board members, management, and employees to disclose all interests which could result in a conflict.

*In accordance with the Agency’s Conflict of Interest Policy, a conflict of interest is defined as: Conflict of Interest: Any situation in which financial or other personal considerations may compromise or appear to compromise (1) a person’s business judgment; (2) delivery of services; or (3) ability for a person to do his or her job. Any situation involving a related party transaction as defined in the NFPCL is a conflict of interest situation. An actual or potential conflict of interest occurs when a director, officer, employee, or key person is in a position to influence a decision by the Agency that may result in a personal gain for that person, or for a relative of that person, as a result of business dealings.*

Please complete and return the enclosed conflict of interest disclosure statement. Please be assured that the disclosure requirements are intended to provide the Board and management with a systematic and ongoing method of disclosing and ethically resolving potential conflicts of interest. Although it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide to the types of activities that might cause conflicts and that should be fully reported:

### **A. Outside Interests**

- a. To hold, directly or indirectly, a position or a financial interest in any outside concern from which the individual has reason to believe the Agency secures goods or services (including the services of buying or selling stocks, bonds, or other securities), or that provides services competitive with the system.
- b. To compete, directly or indirectly, with the Agency in the purchase or sale of property or property rights, interests, or services.

### **B. Outside Activities**

To render directive, managerial, or consultative services to any outside concern that does business with, or competes with the services of the Agency, or to render other services in competition with the Agency.

### **C. Inside Information**

To disclose or use information relating to the Agency’s business for the personal profit or advantage of the individual or his or her relative.

D. Gifts, Gratuities, and Entertainment

To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the Agency – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of his or her duties.

- ✓ I have been provided with a copy of the Agency's Conflict of Interest Policy and I have read it.
- ✓ I hereby state that I, or my relatives, have the following affiliations or interest and have taken part in the following transactions that, when considered in conjunction with the position with or relation to the Agency, might possibly constitute a conflict of interest. (Check "None" where applicable)

1. Outside Interests

Identify any interests, other than investments, of yourself or your relatives, as described in the paragraph A above in this Statement.

( ) None

2. Investments

List and describe, with respect to yourself or your relatives, all investments that might be within the category of "financial interest", as described in paragraph A above in this Statement.

( ) None

3. Outside Activities

Identify any outside activities, of yourself or your relatives, as described in paragraph B above in this Statement.

( ) None



Conflict of Interest Disclosure Statement

Page 3 of 3

4. Other

List any other activities in which you or your relatives are engaged that may be regarded as constituting a conflict of interest, giving particular attention to the paragraphs B and C above in this Statement.

( ) None

5. I hereby certify that neither I, nor any relative of mine, have accepted gifts, gratuities, or entertainment that might influence my judgment or actions concerning the business of the Agency, except as listed below:

( ) None

6. The following circumstances may possibly violate the Code of Conduct:

( ) None

7. List any relatives employed by the Agency or serving as a member of the Agency's Board of Directors.

Name

Relationship

I hereby agree to report to the Agency's management or Compliance Officer any future situation that may result in a conflict of interest.

\_\_\_\_\_  
Name (Printed or typed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 1 of 3	Policy #: CC-004
	Department: Corporate Compliance	
	Subject: Employee and Contractor Screening	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

### **Purpose:**

Hawthorne Foundation Inc. (sometimes referred to as “Agency” or “the Agency”) is committed to maintaining high quality care and service as well as integrity in its financial and business operations. Therefore, the Agency will conduct appropriate screening of key providers, employees, independent contractors, and business vendors to ensure that they have not been sanctioned by a federal or state law enforcement, regulatory, or licensing agency.

### **Policy:**

1. It is the policy of the Hawthorne Foundation not to employ, contract with, or conduct business with an individual or entity excluded from participation in federally sponsored health care programs, such as Medicare and Medicaid.
2. The Hawthorne Foundation will conduct exclusion (sanction) screening of all current and proposed employees, Board members, and contractors.
3. The Hawthorne Foundation will verify that individual contractors and entities that provide and/or perform services for the Agency have not been the subject of adverse governmental actions and/or excluded from the federal healthcare programs.
4. An annual audit of employment applications and business entities with which the Agency enters into a contractual relationship will be conducted by the Compliance Officer to verify that this policy is enforced. A report of this audit will be made to the Corporate Compliance Committee and Board of Directors, along with any recommendations for remedial actions or improvement to the process as part of the annual compliance report.

### **Procedures:**

#### **Applicable to Employees and Board Members:**

1. The Hawthorne Foundation will conduct exclusion checks to verify that all employees and Board members have not been excluded from federal healthcare programs. An exclusion check is a search of the following sources to determine if the individual or entity’s name appears on any of the lists:
  - U. S. Department of Health and Human Services, Office of Inspector General (OIG)’s List of Excluded Individuals and Entities (LEIE) available on the website at [https://oig.hhs.gov/exclusions/exclusions\\_list.asp](https://oig.hhs.gov/exclusions/exclusions_list.asp)
  - NYS Medicaid Fraud Database available on the NYS Office of the Medicaid Inspector General website at <https://www.omig.ny.gov/search-exclusions>



<b>POLICY MANUAL</b>  <b>Hawthorne Foundation Inc.</b>	Page 2 of 3	Policy #: CC-004
	Department: Corporate Compliance	
	Subject: Employee and Contractor Screening	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

2. An exclusion check will be performed on all applicants for employment as part of the pre-employment screening process. If the exclusion check indicates that any individual has been excluded from federal healthcare programs, the applicant will not be offered employment.
3. An exclusion check will be performed for potential Board members as part of the screening process. If the exclusion check indicates that a potential Board member has been excluded from federal healthcare programs, the individual will not be considered for Board affiliation.
4. The Compliance Officer will ensure that exclusion screening is conducted on all employees and Board members at least monthly.
5. The Compliance Officer will maintain the results of all exclusion checks.
6. If any Hawthorne Foundation employee or Board member is charged with a criminal offense related to healthcare, or is proposed or found to be subject to exclusion from federal healthcare programs, the employee must be removed from direct responsibility or involvement in any federally funded healthcare program while the matter is pending. If the matter results in conviction or exclusion, the Hawthorne Foundation will immediately terminate the employee's or Board member's affiliation with the Agency.
7. In addition to exclusion screening, the credentials of medical/healthcare and other professionals employed by the Hawthorne Foundation will be verified with appropriate licensing and disciplining authorities, including any adverse actions taken against the individuals that might impair his or her performance of duties, or fiduciary responsibilities on behalf of the Agency. The process will include, but not be limited to, physicians and other health care practitioners for which the license/certification is required for the performance of their duties. The screening and verification will be conducted as part of the hiring process and at least monthly thereafter.

#### **Applicable to Contractors:**

1. The Hawthorne Foundation representative responsible for negotiating contracts shall conduct exclusion checks prior to entering an agreement with a contractor. If the exclusion check indicates that a contractor has been excluded from federal healthcare programs, the contract will not be executed. An exclusion check is a search of the following sources to determine if the individual or entity's name appears on any of the lists:
  - U. S. Department of Health and Human Services, Office of Inspector General (OIG)'s List of Excluded Individuals and Entities (LEIE) available on the website at [https://oig.hhs.gov/exclusions/exclusions\\_list.asp](https://oig.hhs.gov/exclusions/exclusions_list.asp)
  - NYS Medicaid Fraud Database available on the NYS Office of the Medicaid Inspector General website at <https://www.omig.ny.gov/search-exclusions>

<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	<b>Page 3 of 3</b>	<b>Policy #: CC-004</b>
	<b>Department: Corporate Compliance</b>	
	<b>Subject: Employee and Contractor Screening</b>	
<b>Approved By: Board of Directors</b>		<b>Date: 10/24/2013</b>
<b>Reviewed / Revised By: Board of Directors</b>		<b>Date: 06/27/2017</b>

2. All contracts entered into by the Hawthorne Foundation will contain a certification that the contractor and its employees and subcontractors are not excluded by the federal government.
3. The Compliance Officer shall assure that an exclusion check of the contractor is conducted prior to entering a business contract with the vendor and at least monthly thereafter.
4. If the exclusion check indicates that a contractor has been excluded from federal healthcare programs, the contract will be terminated.
5. The Compliance Officer shall maintain the results of all exclusion checks.



<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 1 of 4	Policy #: CC-005
	Department: Corporate Compliance	
	Subject: Employee, Board, and Independent Contractor Compliance Training	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

### **Purpose:**

The development and implementation of regular, effective education and training seminars is an integral part of the compliance program. Compliance education is divided into two general components. First, all employees, Board members and independent contractors must receive an introduction to the compliance program. Second, those parties whose work is linked to identified risk areas should receive specialized compliance education pertaining to their function and responsibilities.

### **Policy:**

1. All employees, Board members, and independent contractors will receive training related to the organization's overall compliance program.
2. Employees in identified risk areas, independent contractors, and members of the Board of Directors will receive more detailed education related to their function and responsibilities.
3. Attendance at training sessions is mandatory and is a condition of continued employment or contracting.

### **Procedures:**

1. The Compliance Officer is responsible for developing the compliance education curriculum and monitoring and ensuring that compliance training and orientation meet the policy standards on this subject.
2. Compliance education seminars must include an explanation of the structure and operation of the compliance program. They will introduce the Compliance Officer to the organization.
3. Compliance education seminars, at a minimum, will include information on the following aspects of the compliance program:
  - Code of Conduct and other related written guidance;
  - False Claims Act;
  - Whistleblower Provisions;
  - New York False Claims Act;
  - Communication channels (name of Compliance Officer, reporting mechanisms, Hotline);
  - Organizational expectations for reporting problems and concerns; and
  - Non-retaliation policy.



<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 2 of 4	Policy #: CC-005
	Department: Corporate Compliance	
	Subject: Employee, Board, and Independent Contractor Compliance Training	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

Specialized areas for education will include, but not be limited to the following:

- Improper or fraudulent billing for services;
  - Preparation of inaccurate or incorrect cost reports;
  - Misuse of Agency funds;
  - Payment or receipt of remuneration or gifts in return for client referrals;
  - Government and private payor reimbursement principles; and
  - Government initiatives related to the services provided by the Agency.
4. Comprehensive education materials will be developed to facilitate the compliance sessions and ensure that a consistent message is delivered to all employees, Board members, and independent contractors. Education protocols and materials must be standardized, so as to evidence that everyone attending a seminar receives the same instruction.
  5. As part of his or her initial orientation, each employee, independent contractor, and Board member shall receive a training session within the first thirty (30) days of employment or contracting. Each employee, independent contractor, and Board member will receive an introduction to the Hawthorne Foundation's compliance program and objectives, and a written copy of the Code of Conduct, compliance plan, and compliance policies. Each new employee, independent contractor, and Board member will sign an acknowledgement form (Attached to this Policy) that they are aware of and will abide by the Corporate Compliance Program and Code of Conduct.
  6. All existing employees will receive a training session at least once per year that includes a review of the existing Corporate Compliance Program, the Code of Conduct, and any applicable policies and procedures. The session will also focus on any changes in federal or state laws and regulations.
  7. All education and training relating to the Corporate Compliance Program will be verified by attendance and a signed acknowledgement of receipt of training. The individual conducting the training will take attendance at all training sessions through the use of a sign-in sheet that records the date, start and end time of the session, and the content of the material presented. The Compliance Officer will maintain a file of attendance forms for all training sessions.
  8. Employees, independent contractors, and Board members will be provided with the opportunity to seek clarification or more information on any aspect of the compliance program. Trainers who are not able to answer specific questions will arrange for follow-up to be conducted by the Compliance Officer or member of senior management.



<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	<b>Page 3 of 4</b>	<b>Policy #: CC-005</b>
	<b>Department: Corporate Compliance</b>	
	<b>Subject: Employee, Board, and Independent Contractor Compliance Training</b>	
<b>Approved By: Board of Directors</b>		<b>Date: 10/24/2013</b>
<b>Reviewed / Revised By: Board of Directors</b>		<b>Date: 06/27/2017</b>

9. Only properly trained individuals will be used to provide compliance education and training seminars. Compliance program trainers must be knowledgeable of the (a) compliance program; (b) applicable federal laws and regulations; (c) requirements of the Federal Sentencing Guidelines; (d) relevant organization policies/procedures; (e) operations of the compliance program; and (f) content of the Code of Conduct.
10. The Compliance Officer is responsible for coordinating with management to ensure that specialized compliance education occurs in identified risk areas.
11. Managers shall assist the Compliance Officer in identifying areas that require specific training and are responsible for communication of terms of the compliance plan to all independent contractors doing business with the Agency.
12. The Hawthorne Foundation will ensure that the Compliance Officer has sufficient opportunities to receive training on compliance issues.
13. The Compliance Officer is also responsible for submitting periodic reports to the Corporate Compliance Committee and Board of Directors on all education seminars related to the compliance program.

**Attachment:** Acknowledgement of Corporate Compliance Training (CC-005A)



## Hawthorne Foundation, Inc. Acknowledgement of Corporate Compliance Training

Date of Training: \_\_\_\_\_  
Location: \_\_\_\_\_

Time of Training: \_\_\_\_\_  
Instructor: \_\_\_\_\_

### Contents

- Hawthorne Foundation's Corporate Compliance Plan
- Code of Conduct
- Federal and State Regulatory Enforcement Agencies and Their Functions
- Regulatory History
- False Claims Act
- NY False Claims Act
- Whistleblower Provisions and Non-retaliation Policy
- Expectations for Reporting Problems and Concerns
- Communication Channels (including name of Compliance Officer and methods to report)

- ✓ I acknowledge that I have attended Corporate Compliance training on this date. I have been provided with the opportunity to ask any questions that I may have.
- ✓ I acknowledge that I have received and read a copy of the Corporate Compliance Plan and the Code of Conduct.
- ✓ I understand that I must comply with the Corporate Compliance Plan, the Code of Conduct, all laws, regulations, policies and procedures, and guidance provided.
- ✓ I understand that I must report any instances of possible violations of the Corporate Compliance Plan, the Code of Conduct, laws, regulations and policies and procedures to a member of management or the Compliance Officer.
- ✓ I understand that the Hawthorne Foundation maintains a hotline for confidential or anonymous reporting of possible violations of the Corporate Compliance Plan, the Code of Conduct, laws, regulations and policies and procedures.
- ✓ I understand that my failure to comply with the Corporate Compliance Plan, the Code of Conduct, laws, regulations and policies and procedures or to report possible violations may result in disciplinary action, up to and including termination.

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_



<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	<b>Page 1 of 2</b>	<b>Policy #: CC-006</b>
	<b>Department: Corporate Compliance</b>	
	<b>Subject: Enforcement of Compliance Standards</b>	
<b>Approved By: Board of Directors</b>		<b>Date: 10/24/2013</b>
<b>Reviewed / Revised By: Board of Directors</b>		<b>Date: 06/27/2017</b>

**Purpose:**

The Hawthorne Foundation (sometimes referred to as “Agency” or “the Agency”) is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Agency’s Code of Conduct. To support this commitment, the Agency has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

**Policy:**

1. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency’s policies and procedures will be subject to appropriate disciplinary action, up to and including termination.
2. The following actions may result in disciplinary action:
  - Authorization of or participation in actions that violate the law, regulations, and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
  - Failure to comply with Agency’s policies governing the prevention, detection, or reporting of fraud and abuse;
  - Failure to report a violation by a peer or subordinate;
  - Failure to cooperate in an investigation;
  - Retaliation against an individual for reporting a possible violation or participating in an investigation; and
  - Failure to act as an honest, reliable and trustworthy service provider.
3. Discipline will be appropriately documented in the disciplined employee’s personnel file (or in the independent contractor’s file), along with a written statement of reason(s) for imposing such discipline. Such documentation will be considered during regular and promotional evaluations.
4. The Compliance Officer and Human Resources Benefits Coordinator will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations, and Corporate Compliance Program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

<b>POLICY MANUAL</b> <b>Hawthorne Foundation Inc.</b>	Page 2 of 2	Policy #: CC-006
	Department: Corporate Compliance	
	Subject: Enforcement of Compliance Standards	
Approved By: Board of Directors		Date: 10/24/2013
Reviewed / Revised By: Board of Directors		Date: 06/27/2017

## Procedures:

1. The Hawthorne Foundation shall apply progressive discipline consistent with the violation. Examples of the disciplinary action that may be taken in accordance with the nature and scope of the infraction include but are not limited to: (a) verbal counseling or warning; (b) counseling with written warning; (c) retraining; (d) reassignment or demotion; (e) suspension without pay; and (f) termination of employment (or arrangement with an independent contractor).
2. To the extent possible, disciplinary action will be taken in accordance with the Agency's Human Resource Manual.
3. When the determination is made that a compliance violation has occurred, the Compliance Officer will notify the Executive Director and the individual's supervisor or representative for independent contractors. If appropriate, the Compliance Officer may notify the Board or the Corporate Compliance Committee before the next regularly scheduled meeting when a full report of compliance-related disciplinary actions would normally be presented.
4. The Compliance Officer and Human Resources Benefits Coordinator shall work in collaboration with the appropriate supervisor/manager in determining disciplinary action related to an instance of non-compliance. The Compliance Officer shall have the discretion to recommend a disciplinary process other than the normal procedure.
5. The Compliance Officer and/or Human Resources Benefits Coordinator shall consult with the Corporate Compliance Committee, the Executive Director, and Outside Legal Counsel, as necessary to determine the appropriate disciplinary action to be taken.
6. The Human Resources Benefits Coordinator is responsible for reporting disciplinary actions taken as a result of violations of the Agency's Code of Conduct and/or Corporate Compliance Program to the Compliance Officer.
7. The Compliance Officer will maintain a written record of disciplinary actions, including verbal warnings, and will reference these records when necessary to ensure consistency in application of disciplinary measures.
8. The Compliance Officer shall maintain a record of all disciplinary actions, including verbal warnings, related to compliance violations and report regularly to the Corporate Compliance Committee and not less than annually to the Board of Directors, regarding such actions.
9. The Compliance Officer will reference the record of disciplinary actions as necessary to ensure consistency in the application of disciplinary measures related to compliance violations.