

#### **IV-Z. POLICY ON SUSPECTED MISCONDUCT AND DISHONESTY AND WHISTLEBLOWER PROTECTION**

Like all organizations, NMCAA is faced with the risks that come from wrongdoing, misconduct, dishonesty and fraud. As with all business exposures, we must be prepared to manage these risks and their potential impact in a professional manner.

The impact of misconduct and dishonesty may include:

- The actual financial loss incurred
- Damage to the reputation of our organization and our employees
- Negative publicity
- The cost of investigation
- Loss of employees
- Loss of customers/clients
- Damaged relationships with our contractors/partners
- Litigation
- Damaged employee morale

Our goal is to establish and maintain a business environment of fairness, ethics, and honesty for our employees, our customers, our funders, our contractors, our partners, and anyone else with whom we have a relationship. To maintain such an environment requires the active assistance of every employee and manager every day.

NMCAA is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, as do the taking of disciplinary action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

#### **Definition of Misconduct and Dishonesty**

For purposes of this policy, misconduct and dishonesty include, but are not limited to:

- Acts which violate NMCAA's Personnel Policies
- Theft or other misappropriation of assets including assets of NMCAA, our clients/customers, funders, suppliers, or others with whom we have a relationship
- Misstatements and other irregularities in NMCAA records, including intentional misstatement of the result of operations
- Wrongdoing
- Forgery or other unauthorized alteration of documents

- Fraud and other unlawful acts
- Any similar acts

NMCAA specifically prohibits these and any other illegal activities in the actions of its employees, managers, executives, and others responsible for carrying out Agency activities.

## **Reporting**

It is the responsibility of every employee, supervisor, manager, director, and executive to immediately report **suspected** misconduct or dishonesty to their supervisor or Department Director, and/or HR Director. Supervisors, when made aware of such potential acts by subordinates, must immediately report such acts to their supervisor or Department Director, and/or HR Director. Any employee or other reporting individual (Whistleblower) will be protected.

Whistleblower protections are provided in two important areas – confidentiality and against retaliation. Insofar as practicable, the confidentiality of the Whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. NMCAA will not retaliate against a Whistleblower who makes a good faith report under this policy. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments and/or threats of physical harm. Any Whistleblower who believes he/she is being retaliated against must contact the Human Resources Director immediately. The right of the Whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Due to the important yet sensitive nature of the suspected violations, effective professional follow up is critical. Managers, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigative or other follow up steps on their own. Concerned but uninformed managers represent one of the greatest threats to proper incident handling. All relevant matters, including suspected but unproved matters, should be referred immediately to those with follow up responsibility (HR Director, and/or Executive Director).

Suspected violations, including those situations where the reporting individual wishes to remain anonymous, can be made by telephone directly to NMCAA’s HR Director or Executive Director.

Employees are able to come forward with information regarding suspected misconduct and/or participate in investigations. If the complaint and/or investigation information is

reported falsely, then the employee(s) will not be protected from retaliation and may receive disciplinary action up to and including termination.

Child & Family Development staff must follow the Licensing Rules for Child Centers. This includes reporting to LARA within 3 business days after any arraignment or conviction of 1 or more of the crimes listed in section 5r of the act, MCL 722.115r, and any subsequent conviction.

### **Additional Responsibilities of Supervisors**

Employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. If you have supervisory or review responsibilities then in addition to reporting suspected violations as is required above, you have three additional responsibilities:

1. You must become aware of what can go wrong in your area of responsibility.
2. You must put into place and maintain monitoring, review, and control procedures which will prevent acts of wrongdoing.
3. You must put into place and maintain monitoring, review and control procedures that will detect acts of wrongdoing promptly should prevention efforts fail.

Authority to carry out these three additional responsibilities may be delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with supervisors and managers.

Assistance in effectively carrying out these responsibilities is available through NMCAA's HR Director, Controller, and Executive Director.

### **Responsibility and Authority for Follow Up and Investigation**

Complaints made under this policy will be promptly and thoroughly investigated. Unless the HR Director is the subject of the complaint, the HR Director or his/her designee generally has the primary responsibility for all investigations involving NMCAA. Assistance may be requested of the Controller, including access to Controller's periodic examinations and evaluations of internal controls, as well as other employees of NMCAA when appropriate.

Properly designated members of the investigative team will have:

- Free and unrestricted access to all NMCAA records and premises, whether owned or rented
- The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities (whether in electronic or other form) without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of the investigative or related follow up procedures.

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and NMCAA procedures. Confidentiality will be maintained throughout the investigatory process to the extent practicable and consistent with adequate investigation and appropriate corrective action.

### **Questions or Clarifications Related to This Policy**

All questions or other clarifications of this policy and its related responsibilities should be addressed to NMCAA Executive Director, or HR Director, who shall be primarily responsible for the administration, revision, interpretation, and application of this policy.