



ETHICS HOTLINE POLICY

Responsible Division: Internal Audit

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1. PURPOSE

The purpose of the Ethics Hotline Policy (Policy) is to enhance the business integrity of LACERA by providing a safe and reliable outlet for staff members to report concerns about possible misconduct or illegal acts.

2. POLICY SCOPE

This Policy applies to staff member reports of suspected or known improper conduct, or illegal activity that involve other staff members and parties with whom LACERA has a business relationship.

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3. POLICY

LACERA management is responsible for the implementation of procedures and controls designed to prevent, detect, or deter misconduct and illegal acts. Misconduct is an infraction of County and LACERA policies and procedures. Illegal acts are infractions of the law, federal or state, which are punishable in a court of law.

Staff members may follow this Policy to report legitimate, good-faith concerns as it relates to, but is not limited to, the following:

- A suspected violation of our Code of Ethical Conduct
- Use of one's employment or business relationship with LACERA for improper advantage or to the detriment of LACERA, through deliberate misuse or misapplication of LACERA processes, resources, or assets.
- Misappropriation of funds, securities, supplies, or other assets
- Disclosure of confidential or proprietary information to unauthorized parties
- Forgery or alteration of documents or accounts related to LACERA
- Misconduct or illegal acts intended to hinder the detection of above activities
- Other misconduct or illegal acts of any kind.

4. REPORTING AND INVESTIGATION

Staff members are encouraged to report facts and circumstances that they believe may constitute misconduct and illegal acts of any kind by taking one or more of the following actions:

- Discuss the situation with their manager or other LACERA management, including the Executive Office, Internal Audit, and the Legal Division.
- If staff members are not comfortable reporting such conduct to their manager or other LACERA management, or do not feel that their concern is adequately addressed, the following resources are available:
 - **Call the Toll-Free EthicsPoint Hotline (844-794-9416)**
The ethics hotline reinforces LACERA's efforts to ensure integrity, transparency, and accountability in the workplace. The ethics hotline is hosted by EthicsPoint, LACERA's third-party service provider, dedicated to take calls on an anonymous basis 24 hours a day, 7 days a week.

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- **File a Report with EthicsPoint (lacera.ethicspoint.com)**

To ensure anonymity and confidentiality, we encourage using an external device. Reports are submitted through a secure server hosted by EthicsPoint, LACERA's third-party service provider. A report should be as detailed as possible, and include all relevant facts, description of relevant documents and other evidence, and the names of individuals and witnesses involved. Staff members may choose to remain anonymous. Staff members will be provided with a "report key" and the ability to enter a "password" so that they can anonymously and confidentially track future actions taken on their report.

LACERA management will be made aware of reports of misconduct or illegal acts in the workplace so they may investigate and take such other steps as deemed appropriate.

This Policy does not prevent staff members from reporting information to federal or state law enforcement agencies. Reports to federal or state law enforcement agencies may be made instead of or in addition to reporting to LACERA directly.

Management will acknowledge receipt of reports promptly, either directly to the complaining party if known or through the EthicsPoint website for anonymous reports within five to six business days.

All reports will be taken seriously. Actions taken will depend on the individual facts and circumstances of each report. Please note that the information provided may be the basis of an investigation into the issues reported and your anonymity will be protected to the extent possible by law.

5. HANDLING REPORTS

Reports submitted through EthicsPoint will be handled as follows:

- All reports are reviewed under the direction and oversight of LACERA's Chief Counsel and Chief Audit Executive, both of whom will involve other appropriate LACERA personnel and external resources, as he or she deems appropriate. If either the Chief Counsel or Chief Audit Executive is implicated in the report, then the incident will be reviewed by the Director of Human Resources, who will assign the case to the appropriate division heads for investigation. Investigations will be conducted without regard to the suspected wrongdoer's position, title, length of service, or relationship with LACERA.
- The Chief Audit Executive will notify the Audit Committee periodically on the number of reports received and status of pending investigations.

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6. NO RETALIATION

Retaliation is in general defined as any kind of negative action against staff members that takes the form of punishment, and creates a hostile, threatening and uncomfortable environment as a result of their reporting a complaint. LACERA, as a matter of policy and in accordance with applicable law, prohibits and does not tolerate retaliation against staff members for reporting under this Policy in good faith or otherwise cooperating in an investigation. Staff members that are found to have retaliated will be subject to disciplinary action that may result in termination.

7. MODIFICATIONS

LACERA reserves the right to change or modify provisions of this Policy at any time as it may deem necessary.

8. ADMINISTRATION

The Internal Audit Division, with the assistance of LACERA's Chief Counsel, Director of Human Resources, and other authorized division heads, are responsible for the administration of this Policy. Employment-related concerns should continue to be reported through the normal channels as outlined in the Anti-Discrimination, Harassment and Retaliation Policy. Supervisors and managers are responsible for reporting violations of discrimination, harassment, retaliation, or inappropriate conduct to the Director of Human Resources and do not satisfy their reporting obligations by anonymously reporting to the hotline. This Policy replaces the Illegal Acts and Misconduct Policy. Should staff members have any questions on this Policy or delegation of authority, please contact the Internal Audit Division.