



**Code of Conduct**

**And**

**Mandatory Reporting**

**Annual Training**

## Code of Conduct

Initial posting date: September 24, 2007

### Message from the Chief Executive Officer

The Internal Revenue Service, congressional legislation and the AICPA rules require that all nonprofit such as OPTIONS adopt a Code of Conduct covering all employees. Following is OPTIONS Code of Conduct.

There is a simple idea that stands behind everything that we do at OPTIONS. We pursue our business objectives with integrity and in full compliance with all laws. This is the right thing to do, and it also makes good business sense. By acting with integrity, we earn the trust of our consumers and their families, business partners, board members, coworkers, suppliers, and the communities where we live and work – those whose trust we must have to be successful.

OPTIONS has a compliance officer, the human resources director, who is responsible for overseeing the implementation of our compliance and integrity program.

This Code of Conduct is an additional key resource in our commitment to integrity. Today's laws and standards of business conduct can seem complex. The Code explains in a practical, easy to understand way many of the basic rules that apply to our businesses. It also explains the personal responsibilities each of us bears as a part of OPTIONS, such as speaking up if we ever see something that doesn't seem right. The Code is posted at OPTIONS website and is available in hard copy from the human resources office. See Appendix A for names of human resources contacts.

Review the Code of Conduct carefully. This will help you make sure that your actions never fall short of our commitment to do the right thing.

Nothing is more important than our commitment to integrity – not meeting a profit goal, winning a competition for business, or pleasing a boss. **Our commitment to integrity must always come first.**

Together, by following the letter and spirit of this Code of Conduct, we can help ensure that working here is a source of great pride.

### The Organization's Code of Conduct and Compliance & Integrity Program

All board members, management staff, employees, and others who work or act for OPTIONS should adhere to the standards contained in this Code of Conduct and should consult the Code of Conduct for guidance when acting on behalf of OPTIONS.

This Code of Conduct represents a commitment to doing what is right. By working for OPTIONS, you are agreeing to uphold this commitment. Understand the standards of the Code of Conduct that apply to your job – and always follow them. Those who fail to follow these standards put themselves, their coworkers, and OPTIONS at risk.

The OPTIONS Code of Conduct is more than just a description of our standards. It is the centerpiece of a compliance and integrity program supported by our board of directors and senior management. This program helps assure that all of us know and follow the laws that apply to us and conduct business with integrity. OPTIONS may amend the Code of Conduct from time to time as it deems necessary. The Code of Conduct will be made available on OPTIONS website at [www.options4u.org](http://www.options4u.org) and in hard copy in OPTIONS human resources office.

Administration of the compliance program is provided by the OPTIONS compliance officer/human resources director.

This Code of Conduct is written to apply to all board members, management staff and employees of OPTIONS. In the unusual case where a provision of this Code should be waived, this may only be done through specific procedures. Any waivers of the Code for members of the board of directors or senior management must be approved by the board of directors and disclosed in the minutes of the board, along with the reasons for the waiver. All other waivers must have the written approval of the compliance officer.

### Honest and Ethical Conduct – Conflicts of Interest

OPTIONS is committed to honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. We recognize that the public is harmed when the real or apparent private interest of a board member, management staff, or employee is in conflict with the interests of OPTIONS. This occurs, for example, when someone receives improper personal benefits as a result of his or her position with OPTIONS, or has other duties, responsibilities, or obligations that run counter to his or her duty to OPTIONS.

Our board of directors, management staff, and employees has many activities in their lives outside OPTIONS. A "conflict of interest" arises when a board member's, management staff's or employee's personal, social, financial or political activities have the potential of interfering with their loyalty and objectivity to OPTIONS. Actual conflicts must be avoided, but even the appearance of a conflict of interest can be harmful, too.

Described below are common ways that conflicts of interest can arise.

A second job with, performing services for, or serving as a director or consultant for an organization that is a competitor, customer, business partner, or supplier of goods or services, raises an actual or possible conflict of interest. Some arrangements of this

kind are *always* impermissible – for example, working for or providing services to anyone you deal with as part of your job.

You should review all outside affiliations with competitors, customers, business partners, or suppliers with the human resources director.

The work activities of close relatives can create conflicts of interest, too. If you learn that a "close relative" works or performs services for any competitor, consumers and their families, business partner or suppliers, promptly notify the human resources director. You and the human resources director can then consult with the chief executive officer.

You may be asked at some time to serve on the board of directors of another organization and this can, in some cases, raise a conflict of interest or even a legal issue. Before accepting a position as a board member, always review this with the compliance officer/human resources director.

Employees and management staff also may not use OPTIONS property or information, or their positions with OPTIONS, for personal gain. You should never take for yourself business opportunities that you learn about through your work at OPTIONS. You should also never engage in any business activities that compete with OPTIONS.

### Honest and Ethical Conduct (Gifts and Entertainment)

Relationships with suppliers and consumers and their families must be based entirely on sound business decisions and fair dealing. Business gifts and entertainment can build goodwill, but they can also make it harder to be objective about the person providing them. In short, gifts and entertainment can create their own "conflicts of interest."

Gifts and entertainment are anything of value, including discounts, loans, cash, and favorable terms on any product or service, services, prizes, transportation, use of another organization's vehicles, home improvements, tickets, and gift certificates. The potential list is endless – these are just examples.

Gifts and entertainment offered to employees and their close relatives fall into two categories:

1. *Usually okay.*

This category includes promotional items of nominal value, such as pens, calendars, and coffee mugs, which are given to customers in general. You do not need to obtain review or approval before accepting these kinds of items.

2. *Always wrong.*

Some types of gifts and entertainment are never permissible, and no one can approve these. You may **never**:

- accept any gift or entertainment that would be illegal or result in any violation of law
- accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options)
- accept or request anything as a "quid pro quo" – in other words, as part of an agreement to do anything in return for the gift or entertainment
- participate in any activity that you know would cause the person giving the gift or entertainment to violate his or her own employer's standards

### Full, Fair, Accurate, Timely and Understandable Disclosure

OPTIONS must always strive to retain the trust of the public. The disclosures we make to the public in accordance with Financial Accounting Standards and the Internal Revenue Service regulations and our public are the essential source of information about OPTIONS for regulators and the public. In any reports and documents that OPTIONS files with, or submits to, the Internal Revenue Service or any other governmental agency, and in our other public communications, our disclosures will always be full, fair, accurate, timely, and understandable.

OPTIONS credibility is judged in many ways – and one very important way is the integrity of its books, records, and accounting. In addition to our own commitment to accurately report financial performance, OPTIONS is required by the state of Louisiana and federal regulations to report in accordance with “generally accepted accounting principles.”

Every board member, management staff, and employee of OPTIONS must help ensure that reporting of business information – computerized, paper, or otherwise – is accurate, complete, and timely. This includes accurately recording costs, sales, timesheets, vouchers, bills, payroll and benefits records, regulatory data, and other essential OPTIONS information.

In addition, all employees involved in the following activities must:

- follow all laws, external accounting requirements, internal accounting controls and disclosure controls, and any other OPTIONS procedures for reporting financial information
- never deliberately make a false or misleading entry in a report or record
- never alter or destroy OPTIONS records except as authorized by established policies and procedures
- never sell, transfer, or dispose of OPTIONS assets without proper documentation and authorization

- cooperate with our internal and external auditors
- contact the Accounting Department with any questions about the proper recording of financial transactions

The goal of accurate accounting and financial reporting requires compliance with rules from the Financial Accounting Standards Board, the Internal Revenue Service and other regulatory options. If you have questions about accounting and financial reporting standards, contact your chief financial officer.

### Compliance with Laws, Rules and Regulations

OPTIONS is committed to compliance with all applicable governmental laws, rules, and regulations. No one is authorized to direct you to break the law. If you have any questions regarding the legality of an action, consult your supervisor, who may consult with the compliance officer/human resources director.

### Prompt Internal Reporting of your Concerns

No organization can live up to its commitment to act with integrity if we, as individuals, do not speak up when we should. That is why, in addition to knowing the legal and ethical responsibilities that apply to your job, **you should speak up** if:

- you are ever unsure about the proper course of action and need advice
- you believe that someone acting on behalf of OPTIONS is doing – or may be about to do – something that violates the law or OPTIONS Code of Conduct

If you have a concern about a legal or business conduct issue, please call OPTIONS human resources director or the chief executive officer.

If you wish to raise concerns about accounting or auditing matters on an anonymous basis, you can drop your concern in the suggestion box. Confidentiality will be maintained to the extent consistent with the law, our need to investigate, and our OPTIONS commitment to cooperate with law enforcement.

Any employee, who, in good faith, seeks advice, raises a concern, or reports misconduct is following this Code of Conduct – and doing the right thing. OPTIONS will not allow retaliation against that person. Individuals engaging in retaliatory conduct will be subject to disciplinary action, which may include termination. If you suspect that you or someone you know has been retaliated against for raising a compliance or integrity issue, immediately contact the Integrity Call Line service or the compliance officer.

We take claims of retaliation seriously. Retaliation against anyone reporting a violation in good faith is strictly prohibited and subject to discipline.

All management staff, employees, and others who perform work for OPTIONS will be held accountable for complying with the law and this Code of Conduct.

Violations of the law or this code are subject to discipline, up to and including termination of employment by OPTIONS. Illegal action will be dealt with swiftly and the violators reported to the authorities, as appropriate. Enforcement will be prompt and consistent, applying appropriate standards and processes as determined by the compliance officer.

## **MANDATORY REPORTING**

### **A. Abuse/Neglect**

The Agency firmly believes that all employees and clients should be treated with dignity and respect to ensure a safe environment. All employees directly working with clients will be required to attend mandatory training for identification, reporting, and prevention of abuse and neglect. It is mandatory and the responsibility of the employee that all potentially dangerous situations must be reported immediately to a supervisor, who will confer with the Chief Operations Officer and the Chief Executive Officer. The appropriate governmental agencies will be contacted, as required by state licensing requirements.

Failure to immediately report the abuse/neglect of a client is a serious matter and may result on disciplinary action, up to and including dismissal.

### **B. Reporting Fraud**

Both state and federal law provide that it is against the law for an agency or provider to file a false or fraudulent claim for Medicare or Medicaid reimbursement. In specifics the Federal **False Claims Act**, 31 USCA 3729, provides that it is a violation if any person or entity:

- (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval;
- (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;
- (3) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid;

- (4) has possession, custody, or control of property or money used, or to be used, by the Government and, intending to defraud the Government or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;
- (5) authorized to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true;
- (6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge the property; or
- (7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

In Louisiana the **Louisiana Medical Assistance Programs Integrity Law (MAPIL)**, La. R.S. 46:437.1-440.3 makes it illegal for a person or entity to:

1. submit or cause to be submitted, false or fraudulent claims for reimbursement;
2. submit bills for services not rendered;
3. conspire to defraud the medical assistance program;
4. submit claims for goods, services or supplies which were of substandard quantity or quality or for medically unnecessary services; or
5. pay kickbacks or participate in kickback schemes.

Under the **False Claims Act** or under **MAPIL** a lawsuit can be brought against violators by the government or by private persons. If a lawsuit is brought by a private person, and the lawsuit is successful, the private person may share in any monetary recovery. However, if the court finds the allegations were frivolous, were without merit or were brought to harass, the private person will be liable for reasonable attorneys' fees and costs. The details for filing and pursuing such claims are set forth in 31 USCA 3730. There are additional remedies which may also be applicable under 31 USCA 3806 or 42 USCA 1320a-7a.

In essence the False Claims Act and the other laws mentioned encourage reporting of fraudulent billing or fraudulent practices designed to defraud the government. If you are aware of such activity you should report it to the Human Resources Director or to government officials.

#### C. Protection for Reporting Abuse/Neglect or Fraud

The agency mechanisms for reporting abuse, neglect or fraud are set forth below under the [Whistleblower Policy](#). This policy also sets forth the protections for the individual who makes the complaint or files the report.

## WHISTLEBLOWER POLICY

### A. Statement of Policy/Reporting Mechanism

The Agency at all times seeks to conduct its business ethically and in compliance with the law. If you become aware that an Agency employee is engaged in illegal, dishonest or fraudulent activities, this policy provides an internal procedure for reporting such activity so it can be promptly investigated and remedial action taken. If you become aware that an Agency employee, on behalf of the Agency, is engaged in illegal, dishonest or fraudulent activities, you should report the matter immediately to the Human Resources Director. While all incidents of alleged illegal, dishonest or fraudulent activities should be reported, a listing of items considered as violating the False Claims Act is set forth above under Reporting Fraud. The Human Resources Department shall promptly investigate all reports of alleged illegal, dishonest or fraudulent activities.

### B. Confidentiality

As far as practical, the Agency shall keep the identity of the person reporting the illegal or dishonest activity confidential. However, identity may have to be disclosed in order to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense.

### C. No retaliation

Neither the agency nor its employees will retaliate against a person reporting illegal, dishonest or fraudulent activity. Under both state and federal law, individuals who report illegal, dishonest or fraudulent activity are protected against reprisal or retaliation. It is the premise of these laws that such protection against retaliation or reprisal shall encourage employees to report all instances of illegal, dishonest or fraudulent activities. Any employee who engages in any form of retaliation against another employee who reports abuse, neglect or fraud will be subject to disciplinary action up to and including termination.

The right against retaliation does not include immunity for any personal wrongdoing of the person reporting the activity. An employee who knowingly files a false report will be subject to disciplinary action up to and including termination.

### D. Agency Procedures for Detecting and Preventing Fraud, Waste and Abuse

If you have any suspicions regarding possible fraud, waste or abuse,

please call OPTIONS human resources director or the chief executive officer. If you wish to remain anonymous, you can drop your concern in the suggestion box. Confidentiality will be maintained to the extent consistent with the law, our need to investigate, and our OPTIONS commitment to cooperate with law enforcement.



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## **Code of Conduct and Mandatory Reporting Policies**

I have received the OPTIONS, Inc. Code of Conduct and Mandatory Reporting Policies. I understand its contents and accept my obligation and responsibility for maintaining the Company's reputation for integrity. I understand that violations of the Code of Conduct and Organization policies are subject to disciplinary action, up to and including termination.

Name (Print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Please give this copy to Human Resources for placement in your personnel file.