

Drexel University

POLICY ON REPORTING AND INVESTIGATING ALLEGATIONS OF SUSPECTED IMPROPER CONDUCT

I. INTRODUCTION

Drexel University is responsible for the proper use of its resources and the public and private support that furthers the realization of its mission. The University is committed to conducting its affairs in full compliance with the law and with its own policies and procedures. Such adherence strengthens and promotes ethical and fair practices and treatment of all members of the University and those who conduct business with the University.

Faculty, employees and other holding positions of fiduciary duty with the University are obligated to perform these duties in compliance with all applicable laws and University policies and procedures.

The University has developed and implemented internal controls and procedures that are intended to prevent or deter improper conduct. There may, nonetheless, be both intentional and unintentional violations of laws, regulations, policies and procedures. The University has a responsibility to investigate and, where appropriate, report allegations of suspected improper conduct.

This policy governs reporting and investigations of allegations of suspected improper conduct.

The University encourages employees, faculty, students and others to use the guidance set forth in this policy to report any and all allegations of suspected improper conduct. This Policy provides for confidentiality, and confirms that any person who makes a good faith report of suspected improper conduct or who participates in the investigations of such a report will be protected from retaliation by the University or anyone within its control.

It is not intended that this policy alter in any fundamental aspect the responsibility for conducting investigations, but to provide guidance on how reports of suspected misconduct can be made. Individual employee grievances and complaints concerning terms and conditions of employment will continue to be reviewed in accordance with applicable academic and human resources policies and collective bargaining agreements. Any allegations of improper conduct that may result in disciplinary action against a faculty member or employee shall be coordinated with the applicable policies. In all cases, the University shall exercise its discretion in determining when circumstances warrant investigation and, in compliance with this policy, the appropriate investigative process to be employed.

Finally, this policy is subject to the direct oversight of the Audit Committee of the Board of Trustees in carrying out its responsibility under its Charter to receive regular reports on calls made to the hotline and the Chief Compliance Officer's responses. The Chief Compliance Officer reports directly to the Audit Committee.

II. DEFINITIONS

For purposes of this policy the following terms shall have these meanings:

- A. University Resources** shall include, but not be limited to the following, whether owned by or under the management or control of the University:
- Cash and other assets, tangible or intangible, real or personal property;
 - Receivables and other rights or claims against third parties;
 - Intellectual property rights;
 - Facilities and the rights to use University facilities;
 - Drexel University's name, associated symbols, logos or service marks; and
 - University records, including student records.
- B. Chief Compliance Officer** is a University official who has independence within the University community, is knowledgeable concerning University resources and procedures, and can assure that there is a fair and impartial investigation of allegations of improper conduct and that the outcome of the investigation will be based on the merits. The President shall appoint the official who will serve as Chief Compliance Officer, and shall publicize the appointment no less than once each quarter. The Chief Compliance Officer shall report directly to the Audit Committee of the Board of Trustees.
- C. Improper Conduct** is any action or activity by an employee that is undertaken in the performance of the employee's official duties or with the appearance or representation that it is undertaken in the performance of official duties, whether or not the action or activity is within the scope of his or her employment, and that: (1) is in violations of any federal or state law or regulation, including, but not limited to, corruption, malfeasance, bribery, theft, fraudulent claims, fraud, or conversion; (2) misuse or misappropriation of University property or willful omission to perform duty or intentional violation of a University policy, procedure, rule or regulation; (3) is economically wasteful or involves gross misconduct, incompetence or inefficiency or creates for the University potential exposure to liability and financial irregularities; (4) suggests strongly that the action or activity is the result of a criminal act; (5) is a significant threat to the health or safety of members of the University community; (6) is scientific misconduct; (7) is an unauthorized invasion, alteration or manipulation of records and computer files; and (8) is in

pursuit of a benefit or advantage in violation of the University's conflict of interest policy; (9) interference with a University investigation conducted in accordance with this policy, including the withholding, destruction or tampering with evidence or any effort to influence, coerce, intimidate or retaliate against Whistleblowers or witnesses; or (10) is determined by the Chief Compliance Officer to be detrimental to the best interests of the University

D. Protected Disclosure is any report, communication or other disclosure that may evidence Improper Conduct, if made in good faith for the purpose of correcting the conduct or while participating in an investigation of Improper Conduct.

E. Whistleblower is the term for a person making a Protected Disclosure. The Whistleblower is a reporting party, not an investigator, fact finder or one who determines the corrective or remedial action.

III. Reporting Allegations of Suspected Improper Conduct

A. Filing a Report

1. Any person may report allegations of suspected improper conduct. Anonymous reports may be made. Persons wishing to make an anonymous report should use the reporting hotline. An anonymous report must include sufficient corroborating evidence to justify initiating an investigation.
2. The University encourages reports of allegations of Improper Conduct to be made in writing, so that there is a clear understanding of the issues raised. Oral reports may be made. Reports should focus on facts, and avoid speculations and drawing conclusions. Including as much specific information as possible will facilitate the evaluation of the nature, extent and urgency of preliminary investigative procedures.
3. The University recommends that persons who are not employees of the University make reports to the Chief Compliance Officer. Such reports may be made to another University official whom the reporting person may reasonably expect to have either responsibility over the affected area or the authority to review the alleged Improper Conduct on behalf of the University.
4. Employees of the University should report allegations of Improper Conduct to the employee's immediate supervisor or other appropriate administrator or supervisor within the operating unit or to the Chief Compliance Officer. Employees may also make reports to the President; General Counsel; Senior Vice President for Administrative Services; Provost; Vice Provost, Office of Research and Administration; Director, Internal Audit; [and Chief Compliance and Privacy Officer.]

B. Reporting to the Chief Compliance Officer

1. Managers, administrators and employees in supervisory roles who receive a report alleging Improper Conduct shall promptly report the matter to their supervisor, an appropriate University manager and/or the Chief Compliance Officer. Such supervisors are charged with exercising appropriate judgment in determining which matters can be reviewed under their authority or referred to a higher level of management or to the Chief Compliance Officer. The supervisor must document an oral report with a written summary of the oral report.

C. Reporting to the Office of the President and Others

1. The Chief Compliance Officer shall have principal responsibility for reporting to the President and senior management, or, if circumstances warrant, to the Board of Trustees. The Chief Compliance Officer shall consult with those who will investigate allegations of improper misconduct.
2. In some instances, a funding entity or regulatory agency may require a report of an allegation of improper conduct. The Chief Compliance Officer, in consultation with the administrators of the affected area, will determine the nature and timing of such communications.
3. Allegations of suspected losses of money, securities or other property shall be reported to the Director of Risk Management. The Director shall report such matters pursuant to the terms of any contracts with insurance or bonding companies.
4. In the event that any person with a reporting obligation believes that there is a conflict of interest on the part of the person to whom the allegations of suspected Improper Conduct are to be reported, the next higher level of authority shall receive the report.

D. Confidentiality

1. Whistleblowers frequently make their reports in confidence. To the extent possible within the limitations of law and policy and the need to conduct a competent investigation, confidentiality shall be maintained. Whistleblowers should be cautioned that their identity may become known for reasons beyond the control of the investigators or University administrators. Whistleblowers should be prepared to be interviewed by the investigator. If there is a self-disclosure, the University is no longer obligated to maintain confidentiality.
2. The identity of the subject(s) of the investigation shall be maintained in confidence subject to the same limitations.

E. Time Limits to Report

The allegation of suspected improper conduct must be reported as soon as possible and no later than one (1) year after the event(s) giving rise to the allegation, unless there is good cause to explain the delay.

IV. Investigating Alleged Improper Conduct

- A.** A number of units within the University have responsibility for routinely conducting investigations of certain types of allegations of Improper Conduct and have resources and expertise to apply to such purposes. These units include Internal Audit, Public Safety, Human Resources and the Corporate Compliance Office. In addition, other University parties may become involved in investigations of matters based on their area of responsibility or expertise, for example, risk management, research administration, academic affairs, health sciences compliance officer and conflict of interest coordinators.
- B.** The Chief Compliance Officer shall coordinate the investigation and will enlist the efforts of the appropriate unit within the University to conduct the investigation or may solicit investigative services outside of the University. In addition, the Chief Compliance Officer shall:
 - 1. assure that all appropriate reporting occurs to the Office of the President, funding and regulatory agencies, Whistleblowers, and others, as necessary;
 - 2. assure that all appropriate administrative and senior officials are apprised of the allegations, as necessary;
 - 3. assure that appropriate resources and expertise are allocated in order to effect a timely, comprehensive and objective investigation;
 - 4. ensure that there are no conflicts of interest on the part of any party involved in specific investigative units;
 - 5. monitor the progress of the investigation; and
 - 6. coordinate and facilitate as an advisor in determining the corrective and remedial action to be taken. The appropriate University official shall determine the corrective and remedial action to be taken.
- C.** Each investigative unit shall conduct its investigation in accordance with applicable laws and established procedures within its discipline.
- D.** All University employees have a duty to cooperate with investigations conducted under this policy.
- E.** During an investigation an employee may be placed on administrative leave or investigative leave when it is determined that such a leave would serve the best interests of the employee, or the University or both and the

granting of such leave is consistent with applicable personnel policies or collective bargaining agreements.

F. Investigative Responsibilities

1. Internal Audit is responsible for investigations involving allegations known or suspected misuse of University Resources, including fraud, financial irregularities and the financial consequences of other matters under investigation. If criminal activity is detected, consultation with Public Safety will determine whether the police should be involved.
2. Public Safety is responsible for investigations of known or suspected criminal acts within its jurisdiction. In cases involving criminal concerns, Public Safety should work in support of the police investigation.
3. Procedures for investigations of personnel matters, scientific misconduct, and student misconduct are established by Human Resources, Research Administration, the Office of Senior Vice President for Student Life and Administrative Services and the Provost.

V. Roles, Rights and Responsibilities of Whistleblowers, Investigation, Participants, Subjects and Investigators.

A. Whistleblowers

1. Whistleblowers provide initial information related to good faith belief that there is improper conduct.
2. Whistleblowers shall not obtain evidence to which they do not have a right of access. Whistleblowers are reporting parties, not investigators.
3. Whistleblowers must be truthful and cooperative with the Chief Compliance Officer, investigators or others to whom they make a report of alleged improper conduct.
4. Whistleblowers have a right to be informed of the disposition of their disclosure.

B. Investigation Participants

1. Investigation participants have a duty to cooperate fully with the University investigators.
2. Participants should not discuss or disclose the investigation or their testimony with including, without limitation, others who are reasonably likely to be investigation participants, as well as individuals not connected to the investigation. Under no circumstances shall a participant discuss with the investigation Subject or other witnesses the nature of the evidence requested or provided or the testimony given to the investigator unless agreed to by the investigator.

3. The participants' confidentiality will be maintained to the extent possible within the legitimate needs of law and the investigation.
4. Participants are entitled to protection from retaliation on account of their participation in an investigation to the extent that Participants cooperate in a truthful, cooperative and candid manner.

C. Investigation Subjects

1. A **Subject** is a person who is the focus of an investigation.
2. Subjects should be informed of the allegations at the outset of a formal investigation and have opportunities for input during the investigation.
3. Subjects shall cooperate with investigators to the extent their cooperation will not undermine protection against self-incrimination under federal or state law.
4. Subjects have the right to consult with person(s) of their choice, including an attorney.
5. Subjects may consult with the Office of the General Counsel. The Office of the General Counsel will provide legal advice to the Subject with respect to the issues in the investigation, unless that Office determines that a conflict of interest precludes it from doing so. The Subject must understand that the Office of the General Counsel represents the University's interests. If the Office of the General Counsel provides legal services, the disclosures will not be subject to the attorney-client privilege. The Subject will be advised whenever a conflict of interest arises requiring the attorney to withdraw from providing legal services.
6. Subjects shall not interfere with an investigation. They shall not withhold, destroy or tamper with evidence or influence, coerce or intimidate witnesses.
7. The standard of evidence to sustain an allegation of Improper Conduct is a preponderance of the evidence.
8. Subjects shall be informed of the outcome of the investigation.
9. Any disciplinary or corrective action taken against the Subject resulting from an investigation under this policy shall conform to the applicable academic or personnel conduct and disciplinary procedures.

D. Investigators

1. Investigators are those persons authorized by the University to conduct fact finding and analysis of cases of alleged improper conduct.
2. Investigators derive their authority and access rights from University policy.
3. Investigators are competent to conduct the investigation.

4. All investigators shall be independent and unbiased in fact and appearance. In addition, they have a duty to be fair, objective, thorough, ethical and observant of legal and professional standards.
5. An investigation shall be undertaken if preliminary consideration establishes that: (a) the allegation, if true, constitutes improper conduct; and (b) the allegation is accompanied by information specific enough to be investigated, or (c) the allegation has or directly points to corroborating evidence capable of being pursued.

VI. Protection Against Retaliation

Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including, but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by the University. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance-related factors.

Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Chief Compliance Officer.

VII. Sanctions for False Claims

A Whistleblower who makes a claim under this policy in bad faith, or knows or has reason to know that such claim is false or materially inaccurate, shall be subject to disciplinary sanctions, including reprimand, suspension, demotion or, under appropriate circumstances, termination. In appropriate cases, the University may also impose a fine on the Whistleblower equal to the costs of conducting the investigation.

VIII Oversight of Audit Committee

The administration of this policy is subject to the direct oversight of the Audit Committee of the Board of Trustees. The Audit Committee shall receive regular reports of calls made to the hotline and the Chief Compliance Officer's responses.

IX. Status and Amendment of Policy

The University reserves the right to amend this policy from time to time as the interests of the University may require. This policy is intended as guidance for the reporting and investigating of allegations of suspected of Improper Conduct. This policy does not

create, nor should it be viewed as creating a contractual obligation between the University and any faculty, employee, students and other person.