

**CATHOLIC CHARITIES OF LONG ISLAND**  
**COMPLIANCE POLICIES & PROCEDURES**

**Revisions Dates: February 1, 2017; July 18, 2017; June 5, 2018; September 1, 2020, February 14, 2022**

<b>Title:</b>	Whistleblower Policy
<b>Introduction:</b>	<p>The objectives of the Catholic Charities and Affiliates' Whistleblower Policy are to establish policies and procedures related to financial matters for:</p> <ul style="list-style-type: none"> <li>• The submission of concerns regarding questionable accounting or auditing matters by trustees, officers, employees, volunteers, and other stakeholders of the organization, on a confidential and anonymous basis.</li> <li>• The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters.</li> <li>• The protection of members of the Board of Trustees, officers, employees and volunteers reporting concerns from retaliatory actions.</li> </ul> <p>and to comply with NYS Whistleblower Law Section 740.</p>
<b>Policy:</b>	<p>Members of the Board of Trustees, officers, employees and volunteers of Catholic Charities and Affiliates have an obligation to report in accordance with this Whistleblower Policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of Catholic Charities and Affiliates' Code (hereinafter collectively referred to as Concerns) and (c) instances of suspected waste, fraud or abuse.</p>

**General**

The Code of Conduct (hereinafter referred to as the Code) of Catholic Charities and Affiliates (Catholic Charities Support Corporation, Catholic Charities Health Systems and Regina Maternity Services Corporation) requires members of the Board of Trustees, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

The objectives of the Catholic Charities and Affiliates' Whistleblower Policy are to establish policies and procedures related to financial matters for:

- The submission of concerns regarding questionable accounting or auditing matters by trustees, officers, employees, volunteers, and other stakeholders of the organization, on a confidential and anonymous basis.
- The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters.
- The protection of members of the Board of Trustees, officers, employees and volunteers reporting concerns from retaliatory actions.

### **Reporting Responsibility**

Members of the Board of Trustees, officers, employees and volunteers of Catholic Charities and Affiliates have an obligation to report in accordance with this Whistleblower Policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of Catholic Charities and Affiliates' Code (hereinafter collectively referred to as Concerns) and (c) instances of suspected waste, fraud or abuse.

### **Examples**

Some examples of concerns that need to be reported at the earliest reasonable opportunity are listed below. Please note that this list provides guidance and should not be viewed as all-inclusive.

- financial wrongdoing, including fraud or suspected fraud;
- internal corporate financial concerns, such as deliberate omissions or misstatements in preparing, evaluating, reviewing or auditing of financial statements or violation of generally accepted accounting principles;
- Federal healthcare program or other third-party payer concerns, such as inaccuracies in Medicare cost reports or questionable billing or coding activities;
- falsification of medical records (this is a financial issue as it provides the documentation for billing of services);
- criminal conduct in finance related matters or the likelihood of such conduct;
- favoritism or bias in contractual matters;
- failure to comply with any legal financial duty;
- any form of retaliation against individuals or groups reporting a potential financial violation in good faith;
- a cover-up involving any of the above;
- any matters related to the prevention and detecting of fraud, waste and abuse in Federal health care programs; or

- any other good faith concern.

### **No Retaliation**

No member of the Board of Trustees, officer, employee or volunteer who in good faith reports a violation of the Code shall suffer harassment, intimidation, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

### **Reporting Violations**

The Code addresses the Organization's open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching.

Supervisors and managers are required to report suspected financial related violations of the Code to the Organization's Internal Auditor, who has specific and exclusive responsibility to investigate all reported violations of a financial nature. Non-financial related concerns must be brought to the attention of the Human Resources Department in accordance with the Problem Resolution Policy.

If fraud is suspected, or when you are not satisfied or uncomfortable with following the Organization's open door policy, individuals should contact the Organization's Internal Auditor directly.

### **Internal Auditor**

The Organization's Internal Auditor is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his/her discretion, shall advise the Chief Executive Officer, Chief Financial Officer, and/or the Finance and Audit Committee. The Internal Auditor has direct access to the Finance and Audit Committee of the Board of Trustees and is required to report to the Finance and Audit Committee at least annually on compliance activity.

### **Accounting and Auditing Matters**

The Finance and Audit Committee of the Board of Trustees shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Internal Auditor shall immediately notify the Chairperson of the Finance and Audit Committee of any significant complaint and work with the Committee until the matter is resolved.

## **Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

## **Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential unless the matter is turned over to law enforcement.

## **Handling of Reported Violations**

The Internal Auditor will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

## **NYS Labor Law Section 740**

Catholic Charities (referred to below as an "employer") intends to fully comply with NYS Labor Law Section 740 which expands the rights of whistleblowers: A poster will be conspicuously posted at every site with working employees. Below is an excerpt of this law:

"Definitions. For purposes of this section, unless the context specifically indicates otherwise:

- (a) "Employee" means an individual who performs services for and under the control and direction of an employer for wages or other remuneration.
- (b) "Employer" means any person, firm, partnership, institution, corporation, or association that employs one or more employees.
- (c) "Law, rule or regulation" includes any duly enacted statute or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.
- (d) "Public body" includes the following:
  - (i) the United States Congress, any state legislature, or any popularly-elected local governmental body, or any member or employee thereof;
  - (ii) any federal, state, or local judiciary, or any member or employee thereof, or any grand or petit jury;
  - (iii) any federal, state, or local regulatory, administrative, or public agency or authority, or instrumentality thereof; or
  - (iv) any federal, state, or local law enforcement agency, prosecutorial office, or police or peace officer.

(e) "Retaliatory personnel action" means the discharge, suspension or demotion of an employee, or other adverse employment action taken against an employee in the terms and conditions of employment.

(f) "Supervisor" means any individual within an employer's organization who has the authority to direct and control the work performance of the affected employee; or who has managerial authority to take corrective action regarding the violation of the law, rule or regulation of which the employee complains.

(g) "Health care fraud" means health care fraud as defined by article one hundred seventy-seven of the penal law.

2. Prohibitions. An employer shall not take any retaliatory personnel action against an employee because such employee does any of the following:

(a) discloses, or threatens to disclose to a supervisor or to a public body an activity, policy or practice of the employer that is in violation of law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety, or which constitutes health care fraud;

(b) provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such violation of a law, rule or regulation by such employer; or

(c) objects to, or refuses to participate in any such activity, policy or practice in violation of a law, rule or regulation.

3. Application. The protection against retaliatory personnel action provided by paragraph (a) of subdivision two of this section pertaining to disclosure to a public body shall not apply to an employee who makes such disclosure to a public body unless the employee has brought the activity, policy or practice in violation of law, rule or regulation to the attention of a supervisor of the employer and has afforded such employer a reasonable opportunity to correct such activity, policy or practice.

4. Violation; remedy.

(a) An employee who has been the subject of a retaliatory personnel action in violation of this section may institute a civil action in a court of competent jurisdiction for relief as set forth in subdivision five of this section within one year after the alleged retaliatory personnel action was taken.

(b) Any action authorized by this section may be brought in the county in which the alleged retaliatory personnel action occurred, in the county in which the complainant resides, or in the county in which the employer has its principal place of business.

(c) It shall be a defense to any action brought pursuant to this section that the personnel action was predicated upon grounds other than the employee's exercise of

any rights protected by this section. It shall also be a defense that the individual was an independent contractor.

(d) Notwithstanding the provisions of paragraphs (a) and (c) of this subdivision, a health care employee who has been the subject of a retaliatory action by a health care employer in violation of [section seven hundred forty-one](#) of this article may institute a civil action in a court of competent jurisdiction for relief as set forth in subdivision five of this section within two years after the alleged retaliatory personnel action was taken. In addition to the relief set forth in that subdivision, the court, in its discretion, based upon a finding that the employer acted in bad faith in the retaliatory action, may assess the employer a civil penalty of an amount not to exceed ten thousand dollars, to be paid to the improving quality of patient care fund, established pursuant to section ninety-seven-aaaa of the state finance law.

5. Relief. In any action brought pursuant to subdivision four of this section, the court may order relief as follows:

(a) an injunction to restrain continued violation of this section;

(b) the reinstatement of the employee to the same position held before the retaliatory personnel action, or to an equivalent position;

(c) the reinstatement of full fringe benefits and seniority rights;

(d) the compensation for lost wages, benefits and other remuneration; and

(e) the payment by the employer of reasonable costs, disbursements, and attorney's fees.

6. Employer relief. A court, in its discretion, may also order that reasonable attorneys' fees and court costs and disbursements be awarded to an employer if the court determines that an action brought by an employee under this section was without basis in law or in fact.

7. Existing rights. Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any employee under any other law or regulation or under any collective bargaining agreement or employment contract; except that the institution of an action in accordance with this section shall be deemed a waiver of the rights and remedies available under any other contract, collective bargaining agreement, law, rule or regulation or under the common law.”

From <https://codes.findlaw.com/ny/labor-law/lab-sect-740.html>

#### NOTES:

This policy has been adapted from the following sources:

- For the section on “General” and “Reporting Responsibility” – A sample policy found on the AICPA website.

- For the section on “Examples” – The “Whistleblower Protection Policy” of Catholic Health Services of Long Island.
- All other sections – Found at website of Grant Thornton Board Governance Institute: <http://www.ncna.org/index.cfm?fuseaction=page.viewPage&PageID=430> of the website where it was indicated that, “This sample may be used for non-commercial use by nonprofit organizations with the following attribution: Copyright 2004, National Council of Nonprofit Associations, [www.ncna.org](http://www.ncna.org).”

*The National Council of Nonprofit Associations (NCNA) is the network of state and regional nonprofit associations serving over 22,000 members in 46 states and the District of Columbia. NCNA links local organizations to a national audience through state associations and helps small and mid-sized nonprofits: manage and lead more effectively; collaborate and exchange solutions; save money through group buying opportunities; engage in critical policy issues affecting the sector; and achieve greater impact in their communities.*

- **NYS Labor Law Section 740** From <https://codes.findlaw.com/ny/labor-law/lab-sect-740.html>

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