



THE CATHOLIC DIOCESE OF MEMPHIS
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August 2020

Ethics & Compliance Policy

Statement of the Diocesan Policy of Fraudulent Activities

The Diocese expects you and those acting on its behalf to voice concerns and report noncompliance with the law, our Code of Conduct and Diocesan policies. The Diocese prohibits retaliation against anyone for raising a concern or reporting suspected misconduct in good faith.

What Does this Policy Cover?

This policy sets forth that you have an obligation to report or disclose any situation in which an employee, or someone acting on behalf of the Diocese, is engaged or, based on reasonable suspicion, is believed to be engaged, in conduct which violates the law, Diocesan policies or the Code of Conduct.

What Are Your Responsibilities?

Every person acting on the Diocese's behalf is responsible for upholding the Diocese Mission and applicable Diocesan policies. An important part of this responsibility is knowing and following the ethical and legal requirements that apply to your job, but also by speaking up if:

- You are unsure about the proper course of action and need advice about an ethics or compliance concern;
- You believe that someone acting on behalf of the Diocese has done, is doing, or may be about to do something that violates the law, the Code of Conduct, or Diocesan policy;
- You believe that you yourself may have been involved in misconduct when doing something on behalf of the Diocese.

In addition, the Diocese expects you to:

- Never discourage others from reporting a problem;
- Always report your concerns in good faith — never knowingly make a false report;
- Give due regard to protecting the rights and concerns of anyone accused of misconduct;
- Be truthful, candid, and cooperative in any internal inquires and investigations; and
- Never retaliate against an employee who makes a report.

What Are Examples of Compliance Concerns That You Are Required to Report?

No matter where you work in the Diocese, you have an obligation to report suspected misconduct so that the Diocese can quickly take corrective action. Here are a few examples of the types of issues you must report:

- Theft or fraud from the Diocese or by a Diocese employee, contractor or third party agent
- Improper booking/accounting of revenue or expenses
- Intentional misstatement of accounting records
- Inaccurate creation, reporting or falsification of Diocesan business or financial records
- Discrimination or sexual harassment
- Accepting or giving impermissible gifts or other types of conflict of interest
- Workplace violence
- Misuse of intellectual property rights
- Retaliation against any employee reporting a concern
- Child abuse (physical or psychological) or neglect

Whom Should You Contact to Voice Your Concern(s)?

Where to raise a concern depends to some degree on the nature of the issue and the people involved. In most cases, your supervisor, manager or Human Resources is closest to the issue and may be the best place to raise a concern or file a report. However, actual or suspected violations of the Code of Conduct and business ethics policies can be reported to the Director of Human Resources or Chief Financial Officer. If you are uncomfortable reporting an issue within your department, and reporting to the Director of Human Resources or the Chief Financial Officer does not make sense based upon the nature of the issue or people involved, another option is the Diocesan legal counsel.

What If You Want to remain Anonymous?

Face-to-face discussions are often best, but there may be times when you may not feel comfortable talking to someone in person or you may prefer to remain anonymous. That is why the Diocese Compliance Hotline, is available online and by telephone toll-free: 1-877-253-4281. It allows you to report your concerns anywhere, anytime, completely anonymously. All calls and electronic web reports are caller/user-identification blocked, allowing you to remain anonymous if you prefer.

What Should You Do If Someone Comes to You to Report Possible Ethical or Compliance Concerns?

If someone comes to you with an ethics or compliance concern, you are expected to immediately inform your supervisor or manager unless the suspected misconduct concerns him or her directly. In that event, report it to the Director of Human Resources.

What If You Are Not Sure You Want to Voice a Concern?

Raising concerns can be hard. Sometimes people are reluctant to raise concerns because they are afraid they will be retaliated against. This should not prevent you from raising a concern at the Diocese. The Diocese strictly prohibits retaliation against anyone for raising a concern or reporting suspected misconduct in good faith. If you are concerned you have been or will be retaliated against for making a report, you should contact the Director of Human Resources.

Another reason people do not want to make a report is because they do not want to get anyone in “trouble.” This is a mistake. Prompt reporting of concerns can stop a small problem from becoming a big problem, not only for the individuals involved, but for you, and in a very real way, the Diocese. In fact, the consequences of failing to correct a known problem are oftentimes far worse than the consequences for the problem itself.

Lastly, people may not raise concerns because they believe nothing will happen. The Diocese is committed to responding to you if you raise a good faith concern about a potential issue. To protect the privacy of those involved, however, we may not always be able to share the outcome of an investigation with employees. If you have reported a concern to management and feel the situation was not resolved, you should refer the issue to higher management or contact the Director of Human Resources.

What Happens When You Make a Report?

The Diocese takes all reports seriously. All reports are reviewed to determine if the matter should be investigated and, if so, how best to investigate and resolve the matter, based on the nature of the report. The facts are investigated to determine objectively what happened and decide what to do based on those facts.

Do Reports Remain Confidential?

The Diocese will handle all reports with discretion and, at your request, will protect your confidentiality to the fullest extent possible. Obviously, certain individuals have to know the circumstances involved in the report and the specifics of the allegation for effective investigation and follow-up to occur. Also, there may be times when the Diocese has a legal obligation to make available to third parties information about reported compliance issues. In these situations, your identity may become known during the course of the investigation. If this occurs, the Diocese will strive to keep your identity as confidential as possible and prevent any retaliation based upon the report.

Will I Be Told About the Details of an Investigation or its Outcome?

In most cases, you will be told whether your reported issue was investigated and whether it was resolved. You should know that there are legal and other restrictions on what information the Diocese is allowed to provide. For example, you may not be told about the actions taken against an employee as a result of your report because that information may be considered “private” under applicable law. You also will not be told information that is considered to be legally privileged or otherwise confidential.

What If I Report Something to My Leader and I’m Told to “Keep Quiet About It?”

If you think that you are being discouraged from reporting a potential violation of the law or Diocesan policy, you should report both the original concern and the fact that you have been told to “keep quiet” to the Director of Human Resources

How Does the Diocese Prevent Retaliation?

Any employee who seeks advice in good faith and raises a concern or reports suspected misconduct is doing the right thing. The Diocese will not tolerate retaliation against that person. Anyone who engages in retaliatory action will face discipline, which may include any form of discipline up to and including termination, regardless of that person’s position or stature within the Diocese. If you believe that you or someone you know has been retaliated against for raising an ethical or compliance-related issue, immediately contact the Diocesan legal counsel or the Director of Human Resources. Directions for how to obtain advice or to report a concern are included below.

What If You Neglect or Abuse Your Reporting Responsibilities?

If you fail to report misconduct you know about, you may be subject to disciplinary action. Be aware, however, that if you abuse the reporting system and knowingly submit a false report, you will automatically become the subject of a separate investigation and, if substantiated, you will face disciplinary action.

Where Can You Ask Questions?

No employer can anticipate all the situations and circumstances its employees and others may face. If you have questions about a Diocesan policy or a situation you think is not covered by a policy, ask for clarification. You can get help or advice from:

- Your Supervisor
- Human Resources Director
- Chief Financial Officer