



## **Investigation of Compliance Issues**

### **Policy:**

This policy is designed to establish a framework for managing and responding to compliance issues that are raised to the Compliance Department. This is accomplished by establishing communication channels for employees to report problems and concerns. Employees are encouraged to report issues via the traditional chain of command, Human Resources, Compliance Hotline, or directly to the Director of Corporate Compliance and Quality Assurance and/or the Compliance Officer. The Compliance Department is responsible for responding to compliance issues that are raised through the various communication channels. All reports of compliance violations are taken seriously and investigated in a timely manner and each report is fully documented.

### **Procedure:**

**CHOICE** will respond to reports or reasonable indications of suspected non-compliance by commencing a prompt and thorough investigation of the allegations to determine whether a violation has occurred. Employees who report non-compliance related issues or concerns to the Director of Compliance and/or the Compliance Officer or can report anonymously on the Compliance Hotline which will be redirected to the appropriate department or individual.

1. The Compliance Department will conduct or assign a qualified person to conduct all internal investigations involving compliance-related issues and shall have the authority to engage outside legal counsel or other consultants, as needed.
2. Upon report or notice of alleged non-compliance, a member of the Compliance Department or a designee will conduct an initial inquiry into the alleged situation. The purpose of the initial inquiry is to determine whether there is sufficient evidence of possible non-compliance to warrant further investigation. The initial inquiry may include documentation review, interviews, audit, or other investigative technique to:
  - a. Conduct a fair impartial review of all relevant facts;
  - b. Restrict the inquiry to those necessary to resolve the issues; and
  - c. Conduct the inquiry while maintaining confidentiality and discretion to the extent possible.
3. If it is determined that there is sufficient evidence of possible noncompliance of any criminal, civil, or administrative law to warrant further investigation, the issue may be turned over to legal counsel. In such instances, a memorandum describing the incident should be directed to legal counsel with a copy to the Executive Director and/or the Board of Directors. The memorandum should state whether legal counsel or the agency's Compliance Department will be leading the investigation. All documents produced as a result of the investigation and forwarded to legal counsel to be possibly protected from disclosure should include the notation: "Privileged and Confidential Document; Subject to Attorney-Client Privileges; Attorney Directed Work Product."

4. For investigations that do not involve legal counsel, the Director of Corporate Compliance and Quality Assurance will determine what personnel possess the requisite skills to examine the particular issue(s) and will assemble a team of investigators, as needed. The Director of Compliance will also decide whether the agency has sufficient internal resources to conduct the investigation or whether external resources are necessary.
5. The Director of Compliance or designee shall work with the investigation team to develop a strategy for reviewing and examining the facts surrounding the possible violation.
6. The Director of Compliance or designee will maintain all notes of the interviews and review of documents as part of the investigation file, including documenting each interview at all stages of the investigation.
7. The Director of Compliance or designee should ensure that the following objectives are accomplished:
  - a. Notify appropriate internal parties;
  - b. Identify cause of problem, desired outcome, affected parties, applicable guidelines, possible regulatory or financial impact;
  - c. Determine the necessary corrective action measures, (e.g., policy changes, operational changes, system changes, personnel changes, training/education);
  - d. Document the investigation;
  - e. Provide a complete list of findings and recommendations;
  - f. Debrief complainant to the best of our ability while maintaining appropriate confidentiality.

### **Methods:**

The investigation is conducted as follows:

1. The Compliance Director, his or her designee, and/or the investigative team interviews the individual who reported the violation in a private setting, as soon as possible, to obtain a firsthand report of the alleged violation.
  - a. The individual is encouraged to disclose all facts and other relevant information regarding this or any other alleged violation.
  - b. The individual is reminded that the organization will not tolerate any form of retaliation for having made the report, and is advised to report any retaliation or threatened retaliation to the Director of Compliance or to the Human Resources Department.
2. Interviews in a private setting, any witnesses or other persons who are likely to have knowledge concerning the alleged violation.
  - a. Interviewees are reminded that the organization will not tolerate any form of retaliation for having participated in the investigation, and that the interviewee should immediately report any retaliation or threatened retaliation to the Director of Compliance.
  - b. Interviewees are encouraged to disclose all facts and relevant information to enable the organization to make an informed decision.
3. Interviews the alleged wrongdoer(s) in a private setting.

- a. Explain that a report has been made concerning a possible compliance violation, and that no conclusions or decisions have yet been made by the agency. If the employee is, however, subsequently discovered to have failed to disclose all information known to him or her, this shall be ground for termination.
  - b. Carefully document the interview.
4. Employee discipline
  - a. If it is determined that a violation occurred, disciplinary action is taken. This can include suspension or termination.

**Follow up:**

Investigation follow up is as follows:

1. A letter is sent to the individual who made the initial compliance violation report informing him/her that the organization's investigation has concluded and, if applicable stating that appropriate corrective action has been taken as a result. The letter also should repeat the organization's policy against retaliation and invite the individual to immediately report any suspected retaliation or further compliance violations
2. If the results of the investigation are inconclusive, a letter is sent to the alleged wrongdoer, stating that the investigation has concluded and that no further action will be taken. The letter should state that:
  - a. The organization is committed to providing services in a manner which complies with the attached guidelines and policies.
  - b. The organization will not tolerate retaliation against anyone who makes a report to the Compliance Department.
  - c. Ask that the employee take the time to review the attached compliance guidelines and/or policies.