

# CALIFORNIA TRANSPORTATION FOUNDATION

## Whistleblower Policy

Adopted by the Board of Directors, March 17, 2010

### **A. Policy for Ethical and Financial Complaints**

The CALIFORNIA TRANSPORTATION FOUNDATION (herein referred to herein as “CTF”) and its Board of Directors is committed to achieving the highest standards of ethical conduct and institutional integrity. It seeks to comply with all applicable financial laws and regulations and exercises utmost care in accounting and management practices.

It is the CTF’s policy to investigate all complaints relating to ethical or financial misconduct (“Complaints”) promptly and discreetly, for the purpose of preventing, confirming and/or correcting the violation. CTF accepts Complaints from all sources. It encourages individuals who submit Complaints to identify themselves to allow for the best possible investigation, with the assurance that all matters will be handled in strictest confidence. However, Complaints may be made anonymously and in such circumstances CTF will not make an effort to discern the identity of the complainant.

CTF’s Board Members, managers and employees have a duty to report Complaints. If a Board Member or employee suspects that he or she has violated the CTF’s ethical or financial provisions, or observes, learns or in good faith believes it is possible that a colleague or other person has done so, he or she must report the violation immediately.

CTF prohibits retaliation against an employee and any other persons who, in good faith, makes or supports a Complaint, states he or she will make a Complaint, or provides assistance to an investigation under this policy, even if the Complaint is ultimately determined to be without merit. However, employees who make Complaints or provide information that they know to be false, or do not reasonably believe to be true, may be subject to disciplinary action, up to and including termination of employment.

In support of this Policy (hereafter, the “Whistleblower Policy”), the Board has established procedures for the submission, investigation, resolution and retention of Complaints. These Procedures (hereafter, the “Procedures for Complaints”) are set forth below.

### **B. Procedures for Complaints**

#### **1. Scope**

These Procedures apply only to Complaints of a financial and ethical nature. They do not apply to matters that are properly the domain of the Human Resources Department, such as labor, employment or harassment concerns.

Legitimate Complaints include the following examples:

- Financial fraud, including bank fraud, or fraudulent statements to any governmental entity; and
- Intentional misstatements, misrepresentations, deception, or fraud in the preparation, review or Executive of any financial statement or report of the CTF; and
- Significant deficiencies in or intentional noncompliance with the CTF’S internal accounting controls; and
- Misappropriation of CTF assets or embezzlement; and

- Violations of the CTF's code of ethics including prohibitions against self-dealing, misuse of CTF resources, and acceptance of gifts that exceed the acceptable value; and
- Violations of applicable laws, rules and regulations related to accounting, internal accounting controls, Executiveing and financial matters; and
- Retaliation against individuals who submit Complaints in good faith.

## **2. Submission Process**

(a) Designated Recipients. Complaints may be submitted by any person, as follows:

(i) By speaking directly to the CTF's General Counsel, as designated by CTF from time to time in person or writing to him/her at the following address:

---



---

(ii) By speaking directly to the current President of the Board of CTF in person or in writing.

(b) Alternative Recipient. If a Complaint relates to conduct by the General Counsel, the President of the Board of Directors shall substitute for the General Counsel for all functions under this Policy and Procedure. If a Complaint relates to conduct by the General Counsel and the President of the Board of Directors, the Chair of the Strategic Planning and Board Development Committee and the CTF Director shall substitute for all functions under this Policy and Procedure.

(c) Managerial Knowledge. If a Complaint from an employee is made directly to a manager, whether received orally or in writing, the manager shall promptly report it to the General Counsel while noting all requests for confidentiality.

## **3. Investigation**

If a Complaint is made directly to any member of the Executive Committee, he or she will promptly report the information to the General Counsel. In all circumstances, unless otherwise directed by the Executive Committee Chairman, the General Counsel will review each Complaint received and, in collaboration with appropriate members of management and/or, as the case may be, the Executive Committee, determine an appropriate manner of investigation. In addition, the General Counsel may consult or request assistance from members of the Board, management or staff believed to have appropriate expertise or information to assist in the investigation or disposition of the Complaint. The General Counsel may also engage outside Auditors, counsel or other experts to assist in the investigation and in the analysis of results.

In determining the manner in which a Complaint should be investigated, the General Counsel shall consider the following factors:

- (a) the seriousness or materiality of the alleged wrongdoing.
- (b) the alleged wrongdoer.
- (c) the credibility of the allegation of wrongdoing.

All facts surrounding the allegation should be considered, including but not limited to whether similar allegations have been made previously.

The investigation shall be conducted with all appropriate confidentiality, although the subject or subjects of the Complaint may be notified of the investigation in the General Counsel's discretion, as the circumstances require.

#### **4. Resolution**

Upon the conclusion of the investigation, the General Counsel and appropriate members of management and/or, as the case may be, the Executive Committee, will determine corrective measures and a schedule for implementation. Such corrective measures may include, for example, employment sanctions (including termination), discussions with law enforcement or governmental bodies, and the implementation of new Executiveing, accounting or financial policies. If the determination is that no corrective measures are necessary, the General Counsel will report the matter to the Executive Committee consistent with section 5 of these Procedures. If the General Counsel is aware of the identity of the complainant, the General Counsel may inform that person of the resolution if appropriate to do so, in the General Counsel's discretion. The subject or subjects of the Complaint may be notified of the resolution in the General Counsel's discretion, as the circumstances require. The General Counsel shall prepare a written report stating the conclusion of the investigation including corrective actions if applicable, which report shall be submitted to [the Executive Committee][or][Strategic Planning and Board Development Committee]. That Committee shall then report the outcome to the Board of Directors.

#### **5. Reports to Executive Committee**

At all regularly-scheduled Executive Committee meetings, and whenever else the Executive Committee may direct, the General Counsel shall report to the Executive Committee on the status of all open Complaints. The report shall list (a) all new Complaints and Complaints still open at the time of the report, regardless of when made (including minor Complaints or Complaints that are ultimately found to be without merit); and (b) the results of all investigations not previously reported; and (c) the disposition of all Complaints not previously reported.

The Executive Committee shall review, and have oversight responsibility for, all Complaints, investigations and resolutions.

#### **6. Non-Retaliation**

CTF, or its Board of Directors, committee members or the managers and/or employees will not knowingly retaliate or take any action harmful to any person, including interference with lawful employment or livelihood, for making a Complaint in good faith pursuant to this policy or providing assistance to investigation law enforcement officers, governmental bodies, or persons with supervisory authority over the Complaint. Retaliation against an individual for the aforementioned acts is a serious violation of these Procedures and anyone who so retaliates may be subject to disciplinary action, termination of employment or Board position, civil action and criminal penalties.

#### **7. Protection and Retention of Records**

Records relevant to a Complaint shall be assembled and secured as soon as possible to protect against corrupt alteration, mutilation, destruction or concealment of any record, document or object with the intent to impair its integrity or availability in the investigation or in any official government proceeding. The retention period shall be seven years for all records relating to receipt, investigation, and disposition of a Complaint.