

Policy and Procedure: Corporate Compliance

Topic: Enforcement of Compliance Standards

Purpose:

OCO, Inc. (sometimes referred to as “Agency” or “the Agency”) is committed to conducting its business ethically and in conformance with all federal and state laws, regulations, interpretations thereof, and the Agency’s Code of Conduct. To that end, the Agency has developed procedures for disciplinary actions to be taken for violations of the Corporate Compliance Program and/or Code of Conduct by employees and/or independent contractors.

Policy:

1. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Program, the Code of Conduct, or the Agency’s policies and procedures will be subject to appropriate disciplinary action, up to and including termination.
2. The following actions may result in disciplinary action:
 - Authorization of or participation in actions that violate the law, regulations and Corporate Compliance Program, including the Code of Conduct, and all related policies and procedures;
 - Failure to report a known violation by a peer or subordinate;
 - Failure to cooperate in an investigation;
 - Retaliation against an individual for reporting a possible violation or participating in an investigation; and
 - Failure to act as in honest, reliable and trustworthy manner.
3. Discipline will be conducted within OCO existing disciplinary process and documented in the employee’s personnel file (or in the independent contractor’s file). Such documentation will be considered during regular and promotional evaluations.
4. The Division Director and Human Resources Manager will be responsible for assuring that disciplinary actions related to non-compliance with the law, regulations and Corporate Compliance Program, including the Code of Conduct, are consistent with actions taken in similar instances of non-compliance.

BOD Approval: 10/02/2007

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Policy Council Approval: pending

Amended: N/A

Effective: 10/01/2007

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Procedures:

1. The Agency shall apply progressive discipline consistent with the violation. Examples of the disciplinary action that may be taken in accordance with the nature and scope of the infraction include but are not limited to: (a) verbal counseling or warning; (b) written informal counseling coaching; (c) a formal written corrective disciplinary warning, (d) suspension without pay (e) retraining; (f) reassignment or demotion; or (f) termination of employment (or arrangement with an independent contractor).
2. When the determination is made that a compliance violation has occurred, the supervisor and/or Compliance Officer will notify the Executive Director and the individual's Division Director. If appropriate, the Compliance Officer may notify the Board or the Corporate Compliance Committee before the next regularly scheduled meeting when a full report of compliance-related disciplinary actions would normally be presented.
3. The Division Director and Human Resources Manager shall work in collaboration with the appropriate supervisor/manager in determining disciplinary action related to an instance of non-compliance. The Division Director shall have the discretion to recommend a disciplinary process other than the normal procedure.
4. If necessary, the Division Director and/or Human Resources Manager shall consult with the Corporate Compliance Committee, the Executive Director, and Inside or Outside Legal Counsel, as necessary to determine the appropriate disciplinary action to be taken.
5. The Human Resources Manager is responsible for reporting disciplinary actions taken as a result of violations of OCO's Code of Conduct and/or Corporate Compliance Program to the Compliance Officer.
6. The Human Resources Manager will maintain a written record of disciplinary actions, including verbal warnings, and will reference these records when necessary to ensure consistency in application of disciplinary measures.
7. The Human Resources Manager shall maintain a record of all disciplinary actions, including verbal warnings, related to compliance violations and report regularly to the Corporate Compliance Committee and not less than annually to the Board of Directors, regarding such actions.
8. The Human Resources Manager will reference the record of disciplinary actions as necessary to ensure consistency in the application of disciplinary measures related to compliance violations.

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