

**CODE OF CONDUCT AND ETHICS
OF HARRIS COUNTY EMERGENCY CORPS**



TABLE OF CONTENTS

Overview of Standards	3
Statement of Policy	3
Applicability	3
Implementation of the Code – Q & A	3
Duty to Report Violations; Non-Retaliation Policy	6
Certification	6
Sanctions	6
Waivers	6
Employee Conduct Standards	6
Patient Rights	6
Disclosure	7
Patient Billing	7
Integrity of Workforce	7
Confidentiality	7
Anti-Kickback Laws	7
Business Arrangements with Physicians or other Referral Sources	8
Environment	8
Anti-Competitive Practices	8
Government Investigation	8
Individual Judgment	8
Proper Use of Corps Property	8
Alcohol and Illegal Drugs	9
Harassment	9
Compliance with Laws Generally	9
Compliance with Copyright Laws	9
Equal Employment Opportunity	10
Compliance with Health and Safety Laws	10
Accurate and Complete Accounting	10
Document Retention	11
Bribery and Kickbacks	11
Business Entertainment and Gifts	11
Employee Privacy	11
Conflict of Interest Standards	12
Influencing Business Decisions for Personal Gain	12
Favored Treatment	12
Accepting Gifts	12
Loans, Advances, or Guarantees of Obligations	13
Commitment to Corps – Related Activities	13

CODE OF CONDUCT AND ETHICS OF HARRIS COUNTY EMERGENCY CORPS

Overview of Standards

Statement of Policy

It is the policy of Harris County Emergency Corps (the "Corps") that each employee of the Corps observe the highest standards of ethical behavior in the performance of his or her duties. It is the Corps belief that this policy will be more effectively carried out in practice if there is a clear expression and understanding of the types of conduct that would violate the Corps ethical standards. Accordingly, this Code of Conduct and Ethics (this "Code" or the "Code") is being distributed to each employee to advise him or her of the various ethical and legal responsibilities that are imposed by federal, state and local laws and by the Corps' policies affecting the performance of his or her duties. This Code also provides guidelines and procedures which, if followed, will assist each employee in the performance of his or her duties in an honest and ethical manner, and will help to avoid situations that could give rise to possible violations of ethics and/or applicable law.

Each of us is responsible for conducting ourselves in an ethical manner and also to ensure that others do the same. If any one of us violates these standards, he or she can expect a disciplinary response, up to and including termination of employment or other relationship with the Corps, and possibly other legal action. If you become aware of any breach of this Code, you are obligated to report the breach to a member of the Board of Directors or the Compliance Officer, described in more detail below. By doing so, we ensure that the good faith efforts of all of us to comply with the Code are not undermined.

This Code is not intended to be all encompassing. Situations may arise that are not expressly covered by this Code or where the proper course of action is unclear. If such a situation arises, or if questions arise regarding the interpretation of policies contained in this Code, you should consult with a member of the Board of Directors or the Compliance Officer.

The Corps also has adopted and may in the future adopt additional policies providing guidelines for the conduct of employees in specific areas of the Corps' business. For example, several of the topics addressed in this Code are also addressed in the Corps' Policies and Procedures Manual, as it may be amended or supplemented from time to time. Such policies are intended to supplement and not to supersede the provisions of this Code.

Applicability

This Code is applicable to every HCEC employee, as defined below. The term "employee" means every full, part-time and reserve employee of the Corps, all members of the Corps' management, including the Corps' President/EMS Director, Vice Presidents, Division Directors, and each member of the Corps' Board of Directors, whether or not employed by the Corps.

Implementation of the Code – Q & A

The following questions and answers address the Corps' implementation of this Code. The Corps has attempted to design procedures that ensure maximum confidentiality and, most importantly, freedom from the fear of retaliation for complying with and reporting violations under this Code.

Q: Who is responsible for administering, updating and enforcing the Code?

A: The President/EMS Director shall appoint a Compliance Officer (serving under the Board of Directors) who shall be responsible for administering, updating and enforcing the Code. Ultimately, the Board of Directors of the Corps must ensure the Compliance Officer fulfills his or her responsibilities.

The primary responsibilities of the Compliance Officer are to:

- Develop the Code based on legal requirements, regulations, and ethical considerations that are raised in the Corps' operations;
- Ensure that the Code is distributed to all employees and that all employees acknowledge the principles of the Code;
- Develop internal procedures to monitor and audit compliance with the Code;
- Serve as the point person for reporting violations and asking questions under the Code;
- Set up a mechanism for reporting of suspected violations of the Code by employees and refer, when appropriate, such reports to the Board of Directors (or a committee thereof designated by the Board for such purpose);
- Conduct internal investigations, if appropriate, with the assistance of counsel, of suspected compliance violations;
- Evaluate disciplinary action for employees who violate the Code;
- In the case of more severe violations of the Code, make recommendations regarding disciplinary action to the Board of Directors or a committee thereof;
- Evaluate the effectiveness of the Code and improve the Code; and
- Revise and update the Code to respond to detected violations and changes in the law.

The Compliance Officer shall provide a summary of any matter considered under the Code to the Board of Directors (or a committee thereof designated for such purpose) at the next scheduled meeting thereof, or sooner if warranted by the severity of the matter. All proceedings and the identity of the person reporting shall be kept as confidential as practicable under the circumstances.

Q: How can I contact the Compliance Officer?

A: The name, e-mail address, and phone number of the Compliance Officer is listed below. The Compliance Officer can assist you in answering questions or reporting violations or suspected violations under the Code.

Keir Vernon (kvernon@hcec.com)	(281) 449-3131, ext. 206
--------------------------------	--------------------------

Q: Do I have a duty to report violations under the Code?

A: Yes, participation in the Code and its compliance program is mandatory. You must immediately report any suspected or actual violation of the Code to a member of the Compliance Officer. The Corps will endeavor to keep reports confidential to the fullest extent practicable under the circumstances. Failure to report suspected or actual violations is itself a violation of the Code and may subject you to disciplinary action, up to and including termination of employment or legal action.

Q: I'm afraid of being fired for raising questions or reporting violations under the Code. Will I be risking my job if I do?

A: The Code contains a clear non-retaliation policy, meaning that if you in good faith report a violation of the Code by the Corps, or its agents acting on behalf of the Corps, to a member of the Compliance Officer, the Corps will undertake to protect you from being fired, demoted, reprimanded or otherwise harmed for reporting the violation, even if the violation involves you, your supervisor, or senior management of the Corps. The Corps will endeavor to keep confidential any report you make to the Compliance Officer to the extent practicable under the circumstances.

In addition, if you report a suspected violation under the Code which you reasonably believe constitutes a violation of a federal statute, or its agents acting on behalf of the Corps, to a federal regulatory or law enforcement agency, you may not be reprimanded, discharged, demoted, suspended, threatened, harassed or in any manner discriminated against in the terms and conditions of your employment for reporting the suspected violation, regardless of whether the suspected violation involves you, your supervisor, or senior management of the Corps.

Q: How are suspected violations investigated under the Code?

A: When a suspected violation is reported to the Compliance Officer, the Compliance Officer will gather information about the allegation by interviewing the employee reporting the suspected violation, the employee who is accused of the violation and/or any co-workers or employees of the accused employee to determine if a factual basis for the allegation exists. The reporting employee's immediate supervisor will not be involved in the investigation if the reported violation involved that supervisor. The Corps will endeavor to keep the identity of the reporting employee confidential to the fullest extent practicable under the circumstances.

If the report is not substantiated, the reporting employee will be informed and at that time will be asked for any additional information not previously communicated. If there is no additional information, the Compliance Officer will close the matter as unsubstantiated.

If the allegation is substantiated, the Compliance Officer will make a judgment as to the degree of severity of the violation and the appropriate disciplinary response. In contested, or more severe cases, the Compliance Officer may make a recommendation to the Board of Directors of the Corps for its approval. The Board's decision as to disciplinary and corrective action will be final. In the case of less severe violations, the Compliance Officer may refer the violation to the Human Resources Division for appropriate disciplinary action or to the Departments VP for further investigation and resolution.

The Compliance Officer shall provide a summary of any matter considered under the Code to the Board of Directors (or a committee thereof designated for such purpose) at its next scheduled meeting, or sooner if warranted by the severity of the matter. The Corps will endeavor to keep all proceedings and the identity of the reporting person as confidential as practicable under the circumstances.

Q: Do I have to participate in any investigation under the Code?

A: Your full cooperation with any pending investigation under the Code is a condition of your continued employment relationship with the Corps. The refusal to cooperate fully with any investigation is a violation of the Code and grounds for discipline, up to and including termination.

Q: What are the consequences of violating the Code?

A: As explained above, employees who violate the Code may be subject to discipline, up to and including termination. Employees who violate the Code may simultaneously violate federal, state, local or foreign laws, regulations or policies. Such employees may be subject to prosecution, imprisonment and fines, and may be required to make reimbursement to the Corps, the government or any other person for losses resulting from the violation. They also may be subject to punitive or treble damages depending on the severity of the violation and applicable law.

Q: What if I have questions under the Code or want to obtain a waiver under any provision of the Code?

A: The Compliance Officer can help answer questions you may have under the Code. HCEC does not grant waivers of the Code.

Duty to Report Violations; Non-Retaliation Policy

Any employee of the Corps having any information or knowledge regarding the existence of any violation or suspected violation of the Code has a duty to report the violation or suspected violation to the Compliance Officer or a member of the Board of Directors. Failure to report suspected or actual violations is itself a violation of the Code and may subject the employee to disciplinary action, up to and including termination of employment or legal action. The Corps will endeavor to keep reports confidential to the fullest extent practicable under the circumstances.

Any employee who, in good faith, reports a suspected violation of the Code by the Corps or an employee or agent acting on behalf of the Corps to the Compliance Officer may not be fired, demoted, reprimanded, or otherwise harmed for, or because of, the reporting of the suspected violation, regardless of whether the suspected violation involves the employee, the employee's supervisor or senior management of the Corps.

In addition, any employee who reports a suspected violation under the Code which the employee reasonably believes constitutes a violation of a federal statute by the Corps or an employee or agent acting on behalf of the Corps to a federal regulatory or law enforcement agency may not be reprimanded, discharged, demoted, suspended, threatened, harassed, or in any manner discriminated against in the terms and conditions of the employee's employment for, or because of, the reporting of the suspected violation, regardless of whether the suspected violation involves the employee, the employee's supervisor or senior management of the Corps.

Certification

All employees of the Corps are required at least annually to certify their compliance with the requirements of this Code.

Sanctions

Any employee found to have violated this Code may be subject to immediate disciplinary action, including reassignment, demotion or, when appropriate, dismissal. Legal proceedings may also be commenced by the Corps against such individual to recover the amount of any improper expenditures and any other losses that the Corps may have incurred as a result of a violation of this Code. Prosecution by federal, state or local public officials of violators under applicable criminal statutes may also result.

Waivers

The conduct and compliance standards in this guide help ensure that all Corps decisions comply fully with laws, rules, and regulations and demonstrate high standards of ethical conduct. The Corps does not grant waivers to its conduct and compliance standards.

Employee Conduct Standards

Patient Rights

The Corps is dedicated to protecting its patients' personal privacy and confidentiality of information consistent with the Corps' mission, applicable laws (including HIPAA, where applicable) and quality standards.

Disclosure

The Corps and its agents shall deal honestly and fairly with patients, community members, vendors, competitors, mutual aid companies, payers, and other outside contractors. Communication and disclosure information should be clear, accurate, and sufficiently complete.

Financial and operational reports shall be prepared in accordance with applicable rules and regulations and prepared within the Corps' normal system of accountability.

Patient Billing

The Corps shall deal honestly with all payers (e.g., self-pay, insurance companies, HMOs, Medicare, Medicaid, etc.). Claims submitted to Medicare and other governmental and private payers shall be complete and accurately reflect the services rendered. The Corps shall submit claims for services that are supported by the necessary documentation, while maintaining prompt and proper billing practices.

Billing issues shall be resolved according to applicable laws, regulations, organizational policies and, where applicable, payer contracts. Questions regarding patient billing shall be resolved expeditiously. If staff members are unsure of the proper response to a question or inquiry, the staff member shall contact the Compliance Officer or other responsible person in the organizational chain of command.

Integrity of Workforce

We recognize that the personal integrity, good judgment, and common sense of our staff members is responsible for our reputation of quality service. To maintain that reputation, prior to entering into a relationship with the Corps, all staff members, contractors, vendors, and others, will be subject to a reasonable and prudent background investigation (i.e. exclusions list review, criminal history screening, driving history, reference check, etc).

Applicants (career and/or reserve, as applicable) shall be asked to disclose any criminal convictions, (as defined by 42 U.S.C. 1320a-7(i) and state law) or any action taken by the government to exclude the individual from participation in federal health care programs. Individuals who have been recently convicted of a criminal offense related to health care or who are listed as debarred, excluded, or otherwise ineligible for participation in federal health care programs (as defined in 42 U.S.C. 1320a-7b(f)) may not be considered for employment or a reserve position with the Corps. Additionally, applicants may be required to divulge their driving record, particularly if their work involves the operation of HCEC or ESD owned vehicles.

Confidentiality

No member of the organization should use confidential or proprietary information for his or her own personal gain or for the benefit of another person or entity, while associated with the Corps, or at any time thereafter.

Information concerning a patient is confidential. Corps personnel shall not obtain or divulge details of a patient's condition without a specific professional reason, except as required by law. Violations shall be handled in accordance with Corps disciplinary policies and/or our HIPAA compliance plan, where applicable.

All new personnel, prior to performing any substantial duties with the Corps involving patient interaction or information, shall undergo mandatory privacy training as required under the HIPAA Privacy Regulations (whereas the Corps is a "covered entity" in accordance with HIPAA).

Anti-Kickback Laws

The Corps shall take all actions necessary to ensure compliance with Federal and State anti-kickback laws regarding the acceptance or payment of any remuneration for the inducement of referrals of services or the generation of other business and shall comply with all applicable regulations regarding self-referrals and kickbacks. Staff members shall not give or receive kickbacks, rebates, or anything of value

to a vendor, patient, physician, or other health care provider in exchange for a referral for services or the generation of other business.

Business Arrangements with Physicians or other Referral Sources

The Corps shall take all actions necessary to ensure compliance with federal and state laws regarding self-referral and business arrangements. Business arrangements with any referral sources shall be set forth in a written contract and should be in accordance with applicable federal and state laws. Corps payments to any referral source shall be equal to the fair market value of the services rendered or items being purchased and shall not be based on the volume of transports or the value of referrals generated by the referral source.

Environment

The Corps strives to manage and operate in ways to ensure there is minimal risk to patients, staff members, visitors, and the community environment within the confines of the operation. Every staff member should comply with the Corps' safety, hazardous waste, and other environmental care policies as established.

In addition, gossip can damage team morale, incite mistrust and increase conflict, which can all impact performance, productivity, and the work environment. Technically, any sharing of trivial or unsubstantiated information can be considered gossip if it is hurtful, damaging or negatively impacts others. An employee who engages in gossip and shares information that can inflict injury or emotional distress on the other is engaging in malicious gossip. Malicious gossip may be actionable under laws protecting employees from workplace harassment and per our internal Harassment policies.

Anti-Competitive Practices

The Corps shall take all actions necessary to ensure compliance with federal, state, and/or local laws and regulations that prohibit price-fixing and other anti-competitive practices. This includes compliance with all laws and regulations related to the procurement of EMS, or ambulance service for a municipality or other government entity.

Government Investigation

The Corps has established prescribed procedures and guidelines to ensure an appropriate response to government inquiries. Information disclosed without proper authorization jeopardizes the rights of our patients. We also do not want to hinder in any way a legitimate government investigation. If federal or state law enforcement officials request information from a HCEC staff member, the staff member shall direct the federal or state law official to contact the HCEC Compliance Officer. The Compliance Officer shall then communicate with the officials and the staff member to ensure that the appropriate documents are provided.

Whenever there is any indication that a government investigation may be underway, under no circumstances will any records or documents that could have a bearing on that investigation be destroyed or altered in any way. Any question about disposition of documents or records should be directed to the Compliance Officer.

Individual Judgment

Staff members are often faced with making critical decisions based on activities in the workplace. Remember to always respect others and use good judgment and common sense. If anything within this Code of Conduct goes against your own good judgment, you are encouraged to discuss it with the Compliance Officer, or other member of Corps' management.

Proper Use of Corps' Property

Proper protection and use of Corps' assets, including proprietary information, is a fundamental responsibility of each employee. The use of the Corps' funds, services, or assets for an illegal or improper

purpose is strictly prohibited. Employees must comply with security programs to safeguard assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust.

The removal from the Corps' facilities of any Corps' property is prohibited unless authorized. This applies to furnishings, equipment, and supplies, as well as property created or obtained by the Corps for its' exclusive use, such as files, personnel information, reference materials and reports, computer software, data processing programs, and data bases. (See also the Section in this Code relating to Confidential and Proprietary Information.) Neither originals, nor copies, may be removed from the Corps' premises or used for purposes other than the Corps' business without prior written authorization.

Alcohol and Illegal Drugs

In order to best perform work assignments, employees must be free of the physical and psychological influences of drugs and alcohol. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in one's system, or using, possessing or selling illegal drugs while on Corps' time or business may result in immediate termination. The Corps shall employ pre-employment and random drug testing as a part of its practices for enforcing a drug-free work environment. You should also refer to the Corps' Policies and Procedures Manual for additional information, policies, and procedures with respect to this topic.

Employees should report to work fit for duty and free of any adverse effects of illegal drugs or alcohol. This policy does not prohibit employees from the lawful use and possession of prescribed medications. Employees must, however, consult with their doctors about the medications' effect on their fitness for duty and ability to work safely, and they must promptly disclose any work restrictions to their supervisor.

Harassment

Each employee has the right to work in an environment free from harassment. The Corps shall not tolerate verbal, nonverbal, or physical misconduct by any employee or person employed with the Corps' activities (including suppliers and customers) which harasses, disrupts, or interferes with another's work performance or creates an intimidating, offensive, abusive, or hostile work environment. This includes any and all incidents of harassment or workplace violence. Workplace violence includes robbery and other commercial crimes, domestic and stalking cases, violence directed at the employee, terrorism and hate crimes committed by past or current employees and/or family members, customers, suppliers and other third parties. As part of the Corps' commitment to a safe workplace for its employees, the Corps regulates the possession of firearms, weapons, explosive devices, or other dangerous materials on Corps' premises, or while conducting Corps business (See Policy No. 1609 – Firearms). You should also refer to the Corps' Policies and Procedures Manual for additional information, policies, and procedures with respect to this topic.

Compliance with Laws Generally

The Corps, through the actions of its employees, strives to conduct its business and affairs in compliance with all applicable federal, state and local laws, rules and regulations, as well as the laws, rules and regulations of any foreign country in which the Corps conducts business. All employees must take an active role in being knowledgeable of, and ensuring compliance with all such laws, rules and regulations that pertain to the activities they perform on behalf of the Corps.

Compliance with Copyright Laws

The Corps respects the intellectual property rights of others, including their copyrights. Violation of copyright laws is a federal offense and carries with it severe sanctions, including fines and, possibly, imprisonment. No employee may duplicate, distribute, or incorporate copyrighted works of others into the Corps' works, whether electronically or by conventional means, unless appropriate permissions are obtained from the owners of such works.

Equal Employment Opportunity

The Corps is committed to the principles of equal employment opportunity and shall comply with all laws, rules, regulations and policies relating to non-discrimination in all of our personnel actions. Such actions include hiring, layoffs, benefits, transfers, terminations, recruiting, compensation, corrective action, recalls, and promotions. Opportunities shall be extended to all employees without regard to race, color, religion, national origin, sex, sexual orientation, age, disability, or veteran status. You should also refer to the Corps' Policies and Procedures Manual for additional information and policies with respect to this topic.

Compliance with Health and Safety Laws

The Corps strives to keep the workplace as free of risk to its employees as commercially possible, and to comply with all applicable laws, rules, and regulations relating to the health and safety of its' employees. Each employee must follow all of the safety rules and procedures for his or her department, and take action when necessary to protect themselves and their co-workers from harm. All workplace related accidents, no matter how small, should be reported at once to the immediate supervisor and using the appropriate online reporting platform. The same applies to any unsafe conditions or practices that may be observed, so that timely corrective action may be taken to resolve those issues.

Accurate and Complete Accounting

Under applicable law, the Corps is required to keep books, records, and accounts that accurately and fairly reflect all transactions, dispositions of assets, and other events that are the subject of specific record keeping requirements, including generally accepted accounting principles and other applicable rules, regulations, and criteria for preparing financial statements. All Corps reports, accounting records, sales reports, expense accounts, invoices, purchase orders, and other documents must accurately and clearly represent the relevant facts and the true nature of transactions. Reports and other documents should state all material facts of a transaction and not omit any information that would be relevant in interpreting such report or document. Under no circumstance may there be any unrecorded liability or fund of the Corps, regardless of the purposes for which the liability or fund may have been intended, or any improper or inaccurate entry knowingly made on the books or records of the Corps. No payment on behalf of the Corps may be approved, or made with the intention, understanding, or awareness that any part of the payment is to be used for any purpose other than that described by the documentation supporting the payment. In addition, intentional accounting misclassifications (e.g., expense versus capital) and improper acceleration or deferral of expenses or revenues, are unacceptable reporting practices that are expressly prohibited.

The Corps has developed and maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, are properly recorded and posted, and are in compliance with legal requirements. The system of internal controls within the Corps includes written policies and procedures, budgetary controls, supervisory review and monitoring, and other various check and balances safeguards.

Responsibility for compliance with these internal controls, disclosure controls, and procedures, rests not only with the Corps' accounting personnel, but with all employees involved in approving transactions, supplying documentation for transactions, and recording, processing, summarizing and reporting of transactions. Because the integrity of the Corps' external reports depends on the integrity of the Corps' internal reports and record-keeping, all employees must adhere to the highest standards of care with respect to the Corps' internal records and reporting. The Corps is committed to full, fair, accurate, timely and understandable disclosure in the periodic reports it is required to file, and it expects each employee to work diligently toward that goal.

Any employee who believes the Corps' books and records are not in accordance with these requirements should immediately report the matter to the Compliance Officer. The Corps has adopted explicit non-retaliation policies with respect to these matters, as described below.

Document Retention

State statutes require the proper retention of many categories of records and documents that are commonly maintained by local governments. In consideration of those legal requirements and the Corps' needs, all employees must maintain records in accordance with the Corps' Document Retention Policy (Policy No. 1708 – Records Management and Retention), a copy of which is available online or from the Compliance Officer.

In addition, any record, in paper or electronic format, relevant to a threatened, anticipated, or actual internal or external inquiry, investigation, matter or lawsuit may not be discarded, concealed, falsified, altered or otherwise made unavailable once an employee has become aware of the existence of such threatened, anticipated or actual internal or external inquiry, investigation, matter or lawsuit. Employees must handle such records in accordance with the procedures outlined in Policy No. 1708.

When in doubt regarding retention of any record, an employee shall not discard or alter the record in question and should seek guidance from the Compliance Officer. Employees shall also direct all questions regarding Policy No. 1708 and related procedures to the Compliance Officer.

Bribery and Kickbacks

No employee of the Corps shall directly or indirectly offer, give, solicit or accept any money, privilege, special benefit, gift, or other item of value for the purpose of obtaining, retaining or directing business, or bestowing or receiving any kind of special or favored treatment. The Corps does not permit or condone the use or receipt of bribes, kickbacks, or any other illegal or improper payments or transfers in the transaction of its business. The use of any outside consultant, attorney, accountant, or agent in any manner or for any purpose that would be contrary to this prohibition is not permitted.

Business Entertainment and Gifts

Business entertainment and gifts for customers, prospective customers, and other persons or entities who do business with the Corps, are permitted if conducted in accordance with Corps' policies and procedures on such expenditures, and provided the entertainment provided is not lavish or excessive. The gift given must be of nominal value and shall not exceed the bounds of good taste, or customary business standards in the community. Care shall be exercised to ensure that any business entertainment or gift, cannot be reasonably construed by the recipient as a bribe or improper inducement. It is expected that any business entertainment provided, or gift given, will become publicly known and, if either is excessive or lavish, it may be wrongly construed by the recipient or others. All funds expended for business entertainment and gifts must be accurately documented and reflected in the books and records of the Corps.

No employee or closely related family member shall accept any gifts, or be the recipient of any business entertainment from any person or entity soliciting business from the Corps, except for gifts of nominal value or entertainment, meals, and social invitations that are not lavish or excessive. Neither should exceed the bounds of good taste or customary business standards in the community, and should not obligate the recipient in any manner.

Acceptance of a gift or participation in business entertainment by an employee shall be done with the expectation that such acceptance will become publicly known and may be construed as an attempt to influence decisions or matters affecting the Corps' operations. Cash and cash equivalents (i.e. gift certificates) shall not be accepted by any employee from customers, contracted agencies, or vendors.

Employee Privacy

The Corps retains the right to monitor its assets and work environments in compliance with applicable federal, state, and local law. It monitors to promote safety, prevent criminal activity, investigate alleged misconduct and security violations, manage information systems, or for other business reasons.

Even though limited personal use of company assets is permitted, you should have no expectation of privacy when you use Corps' computers, voicemail, or other systems to create, access, transmit, or store

information. Such information is accessible to the Corps even if it is password-protected, or deleted by the user.

Conflict of Interest Standards

Influencing Business Decisions for Personal Gain

When you represent the Corps, you shall avoid any real or apparent conflict between your interests and those of the Corps. A potential conflict of interest exists if you participate in, or attempt to influence a decision or transaction that could materially affect the value of a “financial interest” held by you, a member of your family, or other person with whom you have a close relationship. A “financial interest” is a) any investment in a privately held business or b) an investment equal to one month of your base salary or more in a business’ publicly traded stock. (Do not include indirect holdings of stock via mutual funds when considering this threshold.)

If you have any doubt about potential conflicts, the following steps must be taken:

1. You must disclose the “financial interest” and potential conflict to your supervisor in writing.
2. The Vice President of the Department in conjunction with Compliance and/or Legal representative must determine if there is a conflict of interest. A conflict of interest exists if:
 - a) the decision or transaction could materially affect the value of the “financial” interest – OR-
 - b) your continued involvement with the decision or transaction could create the appearance of impropriety.
3. The determining party will document in writing whether a conflict of interest exists or not, and obtain the written concurrence of any other appropriate decision-maker.
4. If it is determined that there is a conflict of interest, he or she must exclude you from participating in the decision or transaction, or adopt other effective measures that would prevent the conflict.

Favored Treatment

Do not use your position to obtain, or provide favored treatment for yourself or others with whom you have a personal relationship. This can include any business matter, including hiring or promoting employees, selecting contractors or vendors, or participating in non-public investment opportunities such as Initial Public Offerings (IPOs). You also may not take for your own benefit any Corps business opportunity that you discover through the use of company property, information, or your position. Disclose any potential conflicts to your supervisor, and ensure that the appropriate decision-maker concurs in writing if you’re allowed to remain in a situation that could raise a perception of favored treatment.

Accepting Gifts

No Board member, Director, or employee of the Corps shall accept any gifts, except those specifically exempted below. Texas Penal Code Section 36.02 makes it a crime of bribery for a person to offer, confer, or agree to confer, or for a public official or employee to accept, agree to accept, or solicit, any benefit as consideration for a decision, opinion, recommendation, vote, or other exercise of discretion.

The Penal Code defines a prohibited “benefit” as:

Anything reasonably regarded as pecuniary [monetary] gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.

In other words, a benefit would include anything that is offered that a reasonable person would consider to have some monetary value, whether it is given to the public official or to someone in whom the official has a direct and substantial interest (such as a family member or a business associate).

The state law on bribery does not contain a monetary threshold at which point a benefit that is provided could be considered a potential bribe. Therefore, anything that a reasonable person would find as having a monetary value should be refused. The Texas Ethics Commission, however, has advised that a plaque, unless it was quite elaborate, would not be considered a benefit under the bribery law if such item is unsolicited, and not offered or accepted in exchange for any action or inaction on the part of a public servant.

To prove bribery, a prosecutor must show that the benefit that was given to an official was as consideration for an official's decision, vote, recommendation, or other exercise of discretion. Whether a benefit was given as consideration for such actions remains a fact question that would have to be addressed on a case-by-case basis.

However, it is important to note that the Penal Code prohibits, with certain exceptions, a public official from ever accepting a benefit from a person subject to his or her jurisdiction, regardless of whether it was in consideration or in exchange for any official action.

Several exceptions exist to the prohibition against providing a gift to a public official or public employee. The following are not prohibited:

1. **Token Gifts:** An item that has a value of less than \$50, excluding cash or a negotiable instrument, if it was not given in exchange for any exercise of official discretion;
2. **Gifts from Family or Close Friends:** A gift conferred by an official's family or by a personal friend, if there is an independent relationship that is not related to the status or work of the official;
3. **Gifts from Individuals With Whom the Public Official or Public Employee Has an Independent Business Relationship:** A gift conferred by a professional or business contact if there is an independent relationship that is not related to the status or work of the official;
4. **Statutorily Provided Fees:** A fee that is provided by law that an official is lawfully entitled to receive for performing some function other than his or her official function as a public servant (e.g., jury duty fee);
5. **Payment of Expenses:** This exception applies only to a benefit given in honor or appreciation to a public servant who is required to file a campaign finance report under Title 15 of the Election Code or to file a personal financial disclosure statement under Chapter 572 of the Government Code. This benefit must be used solely to defray expenses that accrue in the performance of duties or activities in connection with the office. The expenses must be non-reimbursable by the political subdivision. The benefit and the source of any benefit in excess of \$50 must be reported in the campaign finance report or the personal financial disclosure statement.
6. **Political Contributions as defined by Title 15 of the Election Code.**

Loans, Advances, or Guarantees of Obligations

The Corps prohibits loans or advances of corporate funds to its employees or Board members, and does not guarantee their obligations. It also prohibits loans, advances, or guarantees for friends and family members. This policy does not apply to employees participating in programs that are broadly available including, but not limited to, relocation benefits, the cashless exercise of stock options, education reimbursements, 401(k) loans, the Corps' Employee Emergency Assistance Program (EEAP), and expense advances.

Commitment to Corps – Related Activities

Each employee has an obligation to productively use the time for which he or she receives compensation from the Corps. Work hours should be devoted to activities directly related to the Corps' business, except for authorized non-business activities.

Each full time employee's work for the Corps must be his or her primary focus. Outside employment, such as a second job, must be kept entirely separate from the employee's work for the Corps. No employee may use Corps time, or the Corps' name, influence, credit, assets, materials or facilities, or services from

other employees, for outside work unless it is for Corps authorized community service or volunteer work. No employee shall be permitted to engage in outside employment that represents a conflict of interests to HCEC, or to their job duties. Calloffs due to conflicts with other outside employment will not be excused.

To report potential violations or concerns regarding the Code of Conduct or our Compliance plan, please use one of the means below:

Online Reporting Tool: <https://hcec.com/online-compliance-form/>

Compliance Hotline: 281-716-5796

Compliance Officer: Keir Vernon 281-977-3856 or kvernon@hcec.com