

	<p style="text-align: center;"><b>FRAUD, WASTE, AND ABUSE POLICY</b></p> <p style="text-align: center;"><b>IAD-101</b></p> <p style="text-align: center;"><b>Director, Internal Audit</b></p>	<p style="text-align: right;"><b>Issued: August 2022</b></p> <p style="text-align: right;"><b>Approved by: Greg Canally, Interim Executive Director</b></p>
<p><b>PURPOSE</b></p>		
<p>Voters established the Austin Transit Partnership (ATP) as an independent organization to guide the Project Connect investment with transparency and accountability. As such, ATP serves as a steward of public trust and strives to properly safeguard public resources and assets when acting on behalf of the public. Any ATP employee, Board Member, consultant, or contractor is expected to observe high standards of professional and personal ethics in the conduct of their duties and must fulfill their responsibilities to comply with applicable laws, regulations, and ATP policies and procedures.</p>		
<p><b>POLICY</b></p>		
<p>This policy is intended to encourage and enable employees and others to raise serious concerns about misconduct at ATP to properly safeguard public resources and assets and ensure persons acting on behalf of ATP adhere to high standards of professional and personal ethics.</p>		
<p><b>DEFINITIONS</b></p>		
<p style="text-align: center;">Abuse</p>	<p>Abuse is behavior that violates an ATP policy or the use of any ATP resource, including employment status, contract, or other position, to obtain personal gain or favor from a member of the public or other ATP employee or vendor.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Ethics and Code of Conduct violations, such as soliciting or receiving gifts from prohibited sources, or acting with a prohibited conflict of interest</li> <li>• Providing information to a potential bidder that gives the bidder an unfair advantage</li> <li>• Misuse of authority or position, such as a supervisor asking staff to perform personal errands</li> <li>• Personal use of ATP facilities, equipment, resources, or information</li> <li>• Willful dereliction of duty</li> </ul>	
<p style="text-align: center;">Fraud</p>	<p>Fraud is a false or dishonest representation about a material fact used for personal or financial gain or to deprive ATP of something of value through intentional deceit, misrepresentation, or concealment.</p> <p>Examples include:</p>	

	<ul style="list-style-type: none"> <li>• Unauthorized use of ATP resources for personal gain by deception, including by forgery or by altering a document</li> <li>• Misappropriation of funds, supplies, or other ATP resources, through theft, embezzlement, or misrepresentation</li> <li>• Intentional improper handling or reporting of money or a financial transaction</li> <li>• Intentional improper destruction or removal of records or other ATP resources</li> <li>• Use of official employment information for personal gain</li> <li>• Bribery, gratuities, kickbacks, bid rigging, and collusion</li> <li>• Claiming pay for hours not actually worked</li> <li>• Inferior product substitution</li> <li>• Contractor and supplier overbilling</li> <li>• Falsifying a worker's compensation claim</li> </ul>
Misconduct	<p>Misconduct is defined as any activity undertaken by an ATP employee, Board Member, consultant, or contractor in the performance of their official duties, including activities deemed to be outside the scope of their employment or contractual obligations, that violates a local, state, or federal law or regulation relating to corruption, bribery, theft, misuse of property, false claims, fraud, gross misconduct or incompetence, willful disregard to perform a duty, or otherwise violates the ATP Code of Conduct or policies. This definition of misconduct is not intended to be an exhaustive listing of the illegal or improper activities covered by this policy but is intended to serve as a guide to reporting serious improprieties that impact the integrity and effective operation of ATP.</p>
Personal Gain	<p>Personal gain can be defined as anything reasonably regarded as an economic benefit or advantage, including benefit to another person in whose welfare the beneficiary is interested.</p>
Waste	<p>Waste is the grossly inefficient or uneconomical use of an ATP asset or resource, or the unnecessary incurring of costs to ATP due to a grossly inefficient practice, system, or control.</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Making procurement or vendor selections that are unnecessarily extravagant or expensive</li> <li>• Purchasing products that are deficient</li> <li>• Making travel choices that are unnecessarily extravagant or expensive</li> <li>• Buying unnecessary equipment or supplies</li> </ul>

- Discarding equipment or supplies that could be donated or sold

## **RESPONSIBILITY TO REPORT**

All ATP employees, Board Members, consultants, and contractors have a responsibility to safeguard ATP assets and report suspected misconduct or misappropriation of ATP assets in accordance with this policy. Members of the public are encouraged to report known or suspected misconduct involving ATP employees and resources. Any ATP employee, Board Member, contractor, vendor, or a member of the public may submit an allegation of wrongdoing without fear of reprisal. Allegations can be submitted anonymously, and all reports of wrongdoing will be reviewed.

## **NO RETALIATION**

No person who acting in good faith reports suspected misconduct in accordance with this policy or who cooperates with the investigation of misconduct at ATP shall suffer harassment, retaliation, or any adverse employment consequence as a result of making such a report or cooperating with an investigation. An employee who retaliates against someone who has reported misconduct in good faith or who has cooperated with the investigation of misconduct is subject to discipline. Retaliation complaints should be reported to the whistleblower hotline described below.

Anyone who reports misconduct must be acting in good faith and have reasonable grounds for alleging the misconduct. Any allegations that were known to be false when made or were made with willful disregard for the truth will be viewed as a serious disciplinary offense.

## **REPORTING MISCONDUCT**

Suspected misconduct should be reported using the whistleblower hotline at 888-57-ATPTX (28789) or website at [atp.ethix360.com](http://atp.ethix360.com). This resource is available every day at all hours. Calls are taken and reports are received through a third-party hotline provider to ensure anonymity for those who do not wish to provide their name. More information regarding the types of complaints that may be submitted through the whistleblower hotline is available on ATP's whistleblower website.

## **ANONYMOUS ALLEGATIONS AND CONFIDENTIALITY**

Complainants may report misconduct or suspected misconduct anonymously. However, individuals are encouraged to provide their names so that appropriate follow-up questions and investigation can be fully maximized. Complainants' names will be kept confidential to the extent possible and to the extent permitted by law. Reports of misconduct or suspected misconduct will be shared with other individuals,

including individuals external to ATP, only as necessary to conduct an adequate investigation.

## **INVESTIGATING ALLEGATIONS OF FRAUD, WASTE, AND ABUSE**

The ATP Internal Audit Director shall manage a whistleblower hotline and reporting system, through which an ATP employee, Board Member, contactor, vendor, or a member of the public may submit an allegation of wrongdoing. A report may include an allegation of:

- Fraud or abuse for personal gain
- Waste
- A violation of ATP personnel policies
- A violation of law

Upon receiving an allegation, the ATP Internal Audit Director will review the allegation to determine whether it has merit and if it is within their jurisdiction to investigate. If the allegation has merit and falls within their jurisdiction, the ATP Internal Audit Director will conduct a detailed investigation into the allegation. The Internal Audit Director will report the results to the ATP Board and post the investigative report alongside audit reports, so they are available to the public. The ATP Internal Audit Director may initiate, conduct, or expand the scope of an audit or investigation if the ATP Internal Audit Director determines fraud, waste, or abuse may have occurred or are occurring, illegal activities may have occurred or are occurring, or the scope of an audit or investigation in progress requires expanded review.

Management will be provided the results of investigations and may take disciplinary action for substantiated allegations, up to and including termination of employees or, to the extent permitted by law. Results of investigations may be used to ban consultants and contractors from performing future work for ATP.

If the ATP Internal Audit Director receives an allegation of wrongdoing committed by an ATP Board Member, the Internal Audit Director shall hire an external party to investigate the allegation if the Internal Audit Director finds that the allegation merits an investigation. The results of an external investigation will be reported to the City of Austin City Council, and the Capital Metropolitan Transportation Authority (Cap Metro) Board.

Allegations that do not fall within Internal Audit's jurisdiction will be referred to the appropriate authority. For example, an allegation concerning employee mistreatment may be referred to the Director of Human Resources, and an allegation concerning workplace violence may be referred to ATP's General Counsel, Human Resources, or building security. When applicable, allegations of a criminal nature will be referred to ATP's General Counsel for referral to the appropriate law enforcement agency.

The undersigned have read and approved the policy stated above:

DocuSigned by:  
*Katie Houston*  
C7C0D700875C460...  
Name: \_\_\_\_\_  
Katie Houston  
Director, Internal Audit

Date: 8/8/2022

DocuSigned by:  
*Casey Burack*  
DFB593EC6FFB4F5...  
Name: \_\_\_\_\_  
Casey Burack  
General Counsel and Chief Administrative Officer

Date: 8/8/2022

DocuSigned by:  
*Greg Canally*  
63468E6810024D0...  
Name: \_\_\_\_\_  
Greg Canally  
Executive Director

Date: 8/8/2022