



BOARD OF DIRECTORS

Legal Services Corporation  
America's Partner For Equal Justice

## RESOLUTION

### ADOPTING A WHISTLEBLOWER POLICY

**WHEREAS**, by Resolution #2008-007, the Legal Services Corporation ("LSC" or "Corporation") Board of Directors ("Board") adopted the *Code of Ethics and Conduct* ("Code of Conduct") to provide guidance to Board members, officers, and employees regarding the Corporation's expectations for standards of ethics and conduct;

**WHEREAS**, Management has reviewed the *Nonretaliation and Reporting and Resolving Violations* provisions in the Code of Conduct;

**WHEREAS**, on April 28, 2007, the Board adopted the LSC Employee Handbook to provide guidance to employees on, among other things, reporting and cooperating with the Office of Inspector General regarding complaints or information concerning activity violating laws, rules, or regulations, or mismanagement, gross waste of funds, or abuse of authority, and Audit Committee review of complaints or concerns regarding accounting internal controls, and auditing issues; and

**WHEREAS**, Management has determined that the Corporation will benefit from a comprehensive whistleblower policy codified in a single location and that provides greater clarity and guidance to the Directors, officers, and employees regarding reporting of unlawful and unethical activity without fear of retaliation and provides procedures for reporting and investigating such activity, and recommends adoption of the attached Whistleblower Policy;

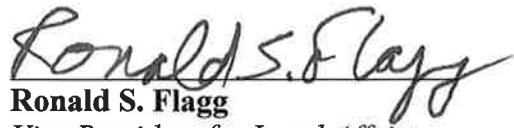
**NOW, THEREFORE, BE IT RESOLVED THAT**, the Board of Directors adopts the attached Whistleblower Policy and directs that the new Policy supersede any prior existing policies on reporting unlawful or unethical activity and nonretaliation for such reporting.

**Adopted by the Board of Directors**  
On January 25, 2013

A handwritten signature in black ink, appearing to read "John G. Levi", is written over a horizontal line.

**John G. Levi**  
Chairman

**Attest:**

A handwritten signature in cursive script that reads "Ronald S. Flagg". The signature is written in black ink and is positioned above the printed name.

**Ronald S. Flagg**

*Vice President for Legal Affairs,  
General Counsel & Corporate Secretary*

# WHISTLEBLOWER POLICY

## 1. Purpose

The purposes of this policy are to encourage members of the Board of Directors (“Directors”), officers, and employees of the Legal Services Corporation (“LSC”) to report unlawful and unethical activity without fear of retaliation and to provide procedures for reporting and investigating such activity.

## 2. Statement of Policy

A Director, officer, or employee who observes, learns of, or in good faith believes it is likely that another LSC Director, officer, or employee, or a director or an employee of an LSC contractor or of a recipient of LSC funding, has engaged in unlawful or unethical activity, must immediately report the actual or suspected activity to the Office of Inspector General (“OIG”) and cooperate fully in the investigation of the report by the OIG or other authorized law enforcement entities. Reported activities will be reviewed and addressed promptly. LSC will not retaliate against any Director, officer, or employee for reporting and/or participating in good faith in the investigation of such activity.

## 3. Scope

This policy applies to all LSC Directors, officers, and employees. Employees of the OIG are covered by this policy and included within the term “LSC officers and employees,” except as otherwise indicated. Any reference to “Directors” in this policy includes non-Director members of committees of the Board of Directors.

## 4. Examples of Unlawful or Unethical Activities

It is important that LSC be apprised of unlawful or unethical activity, or suspicions thereof, including, but not limited to, any of the following conduct:

- a. Violation of any law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety;
- b. Fraud;<sup>1</sup>
- c. Embezzlement, misappropriation of LSC funds, or use of LSC assets for personal gain or benefit;
- d. Theft from LSC;
- e. Supplying false or misleading information on LSC’s financial or other public documents, including its tax return (Form-990);

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<sup>1</sup> Fraud is a false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives another so that s/he acts, or fails to act, to his or her detriment.

- f. Payment by LSC for services or goods that are not rendered or delivered;
- g. Providing false information to or withholding material information from Congress, the General Accounting Office, LSC's Board, LSC's auditors, or the OIG;
- h. Improper, questionable, or undocumented financial transactions on behalf of LSC;
- i. Violations of the LSC Code of Ethics and Conduct;
- j. Improper destruction of LSC records;
- k. Accepting or seeking anything of value from grantees, contractors, vendors, or people providing goods or services to LSC, with the exception of gifts in accordance with § 11.13 of the LSC Employee Handbook (Gifts, Fees, and Honoraria); or
- l. Facilitating or concealing any of the above or similar activity.

## **5. Reporting Requirements and Procedures**

Any LSC Director, officer, or employee who observes, learns of, or in good faith believes it is likely that another LSC Director, officer, or employee, or a director or an employee of an LSC contractor or of a recipient of LSC funding, has engaged in unlawful or unethical activity shall promptly disclose it to the Inspector General or the Assistant Inspector General for Investigations.

The OIG shall notify the sender of the report of receipt of the report within five (5) business days. The OIG will review the report to determine whether an investigation is warranted and, if so, whether LSC management (the LSC President, Ethics Officer, General Counsel, Vice President for Grants Management, Controller, or Director of Human Resources), the OIG, or external law enforcement officials should conduct such investigation.

If the OIG conducts such an investigation, it may refer the matter to LSC management, the LSC Board of Directors, or to external law enforcement authorities for follow-up action. If the OIG refers the matter to LSC management for investigation or follow-up action, the OIG may also require that, upon completion of the investigation or follow-up action, LSC management provide the OIG a report concerning the investigation or follow-up action.

In the event an LSC officer or employee (other than an employee of the OIG) who is the subject of an investigatory report or follow-up action wishes to appeal LSC management's report or action, s/he may submit a written appeal to the Chairman of the Board within ten (10) business days of receiving notice of the report or action by LSC management.

Except as otherwise provided below, where an OIG employee is the subject of an OIG investigation, upon completion of the investigation, the Assistant Inspector General for Investigations will provide a written report to the Inspector General for review and follow-up action, if warranted by the investigation.

### *Reports Involving the Inspector General or Senior Employees of the OIG*

Reports of unlawful or unethical activity regarding the Inspector General must be disclosed to the OIG; they may be made to the Assistant Inspector General for Investigations or

to the OIG Ethics Officer. All such reports shall be referred by the OIG to the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) for review and investigation (if warranted) in accordance with the provisions of §11(d) of the Inspector General Act of 1978, as amended (“IG Act”), and the policies and procedures of the Integrity Committee promulgated thereunder. Where an investigation is conducted by or under the purview of the Integrity Committee, a report, including recommendations of the Committee, will be forwarded to the Board of Directors for resolution. The Integrity Committee is also required to provide a summary of the report and recommendations to designated committees of the Senate and House of Representatives. 5 U.S.C. App. § 11(d).

Reports of unlawful or unethical activity involving a senior employee of the OIG (an Assistant Inspector General or other employee who reports directly to the Inspector General) must be disclosed to the Inspector General, who will make a determination as to referral and investigation of the allegation(s) in accordance with the provisions of § 11(d) of the IG Act and the policies and procedures of the CIGIE Integrity Committee.

## **6. Confidentiality**

Reports of unlawful or unethical activity, or suspicions thereof, may be submitted on a confidential basis. LSC will maintain confidentiality to the extent possible. Identity or other information will be disclosed only as reasonably necessary for purposes of this policy or when legally required; however, confidentiality is not guaranteed.

## **7. Anonymous Reporting**

Reports of unlawful or unethical activity, or suspicions thereof, may be made anonymously to the OIG or by completing an online form.<sup>2</sup> Because the OIG, or designated investigator, will be unable to interview anonymous whistleblowers, it is important that anonymous whistleblowers provide as much specific detail in the report as possible, including but not limited to names of individuals involved and potential witnesses, to allow for an investigation of the report.

## **8. No Retaliation**

LSC will not retaliate against any Director, officer, or employee in any manner for reporting in good faith what s/he perceives to be unlawful or unethical activity, or suspicions thereof, involving another LSC Director, officer, or employee (including an employee of the OIG), or a director or an employee of an LSC contractor or of a recipient of LSC funding.

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<sup>2</sup> In addition, the LSC Office of Inspector General (OIG) maintains a hotline to receive reports of suspected fraud, waste, or abuse. More information for the OIG Hotline is available at <http://www.oig.lsc.gov/org/hotline.htm>. Reports to the OIG Hotline can be made via:

- Phone: 1-800-678-8868 or 202-295-1670
- Email: [hotline@oig.lsc.gov](mailto:hotline@oig.lsc.gov)
- Online: Form is available at <http://www.oig.lsc.gov/hotlineform/hotline.aspx>
- Fax: 202-337-7155
- Write: PO Box 3699, Washington DC 20027-0199

LSC will not retaliate against any Director, officer, or employee for participating in the investigation of such a report. If a Director, officer, or employee believes s/he has been subject to any such act of retaliation, s/he shall report it immediately to the Inspector General. The OIG will investigate reports of retaliation or refer such reports to LSC management for investigation. Depending on the findings of such investigations, the LSC Board, management, or the Inspector General with respect to employees of the OIG, may impose disciplinary measures, up to and including removal from the Board (subject to § 3.06 of the LSC Bylaws) or termination of employment, against a Director, officer, or employee who threatens or retaliates against another Director, officer, or employee.

#### **9. Acting in Good Faith**

Anyone reporting unlawful or unethical activity, or suspicions thereof, must be acting in good faith and have reasonable grounds for believing the information disclosed indicates unlawful or unethical activity. Reports made under this policy shall be deemed in good faith if the person reporting had reasonable grounds to believe or suspect that the unlawful or unethical activity occurred, even if that belief or suspicion should prove to be unfounded. Any allegations by LSC Directors, officers or employees that prove to be unfounded and which prove to have been made maliciously or knowingly to be false will be subject to appropriate disciplinary action, up to and including removal from the Board (subject to § 3.06 of the LSC Bylaws) or termination of employment.

#### **10. Records of Report**

The OIG shall retain for a period of at least seven (7) years all records relating to any reports of unlawful or unethical activity reported in accordance with this policy.

#### **11. Interpretation**

If you have any questions about this policy or its application, please promptly seek advice from the OIG.