

WESTERN NEW YORK INDEPENDENT LIVING, INC.
CORPORATE COMPLIANCE PLAN
2008-2009
(revised 01-23-16)

CORPORATE COMPLIANCE OFFICER

Tina Brown
Director of Human Resources
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I. VISION AND MISSION OF WESTERN NEW YORK INDEPENDENT LIVING, INC. (WNYIL Inc.)

A. Vision Statement

Western New York Independent Living, Inc. family of agencies is a catalyst for systems and individual change, enhancing the quality of life for persons with disabilities, while respecting diversity, and promoting choices and alternatives for independent living in our societies.

B. Mission

Western New York Independent Living, Inc., a family of agencies, is a multi-cultural, grassroots, peer directed, civil rights organization that provides a full range of assistance, programs and services to enhance the quality of life for all individuals with disabilities. WNYIL Inc. Board of Directors and the Councils of, OAHIO, Mental Health PEER Connection, Independent Living of Niagara County, and the Independent Living of Genesee Region, their staff and volunteers, comprised of a majority of persons with disabilities, operate professional and efficient organizations creating opportunities for choice, independence and community participation. Eliminating physical and attitudinal barriers and facilitating transportation and communication access in our community. WNYIL Inc. assists persons with disabilities to realize their life choices through information and referral, independent living skills, individual and systems advocacy, peer counseling, advocacy empowerment programs, self-help, leadership development, support to families and community education and partnerships.

C. Affirmation of Equal Access

Western New York Independent Living, Inc. ensures equal access for all persons regardless of their significant disability in both communication and physical access to the WNYIL Inc.'s services, programs, activities, resources and facilities, whether publicly or privately funded.

D. Statement of Self-Direction

Western New York Independent Living, Inc. must assist persons with disabilities in exercising more freedom and control over their own lives. Therefore, whenever possible, the individuals receiving services shall be instrumental in identifying needed services and the delivery of these services.

Consumers will be encouraged to:

- a. Develop own goals.
- b. Direct delivery of services using their own abilities.
- c. At all times, consumers should be experiencing self-advocacy.
- d. WNYIL Inc. staff will not impose their own judgments upon the consumer.

E. Declaration of Peer Associations

Western New York Independent Living, Inc. will support and facilitate the development of peer role models and relationships in its delivery of services to persons with significant disabilities. This endeavor will be accomplished through membership on the Board of Directors, recruitment of volunteers, and promotion and hiring of staff, in order to provide WNYIL, Inc. the necessary peer direction of all WNYIL, Inc. activities.

II. PURPOSE OF CORPORATE COMPLIANCE PLAN

A. Introduction

The purpose of this Corporate Compliance Plan is to insure that WNYIL Inc. will maintain its positive reputation and influence in the community by improving the lives of persons in our communities with disabilities and providing better access and cost-effective, quality services in a manner consistent with the Vision and Mission of WNYIL Inc., as summarized above or as otherwise prescribed by its Board of Directors.

WNYIL Inc. holds its employees to the highest standards. In our efforts to meet these goals, WNYIL Inc. has established this Corporate Compliance Plan.

B. Mission

The Corporate Compliance Officer of WNYIL Inc. will accomplish this goal by assisting and advising employees, agents and representatives of WNYIL Inc., and to help ensure that WNYIL Inc. is compliant with applicable Federal, State and local laws. In this capacity the Corporate Compliance Officer is committed to providing clear guidelines to train and educate employees, agents and representatives regarding applicable laws, regulations, policies and procedures as they pertain to compliance.

The Corporate Compliance Officer will endeavor to:

1. Promote a culture that encourages employees, agents and representatives to conduct activities with integrity and in compliance with all applicable laws, regulations and WNYIL Inc. policies and procedures and to report instances of non-compliance to the Corporate Compliance Officer;
2. Educate officers, directors, Council members, employees, agents and representatives of WNYIL Inc. concerning the legal risks of certain business practices;
3. Encourage WNYIL Inc. Managers to seek appropriate counsel regarding business practices and to conduct those activities within the requirements of the law and ethical standards of conduct for WNYIL Inc. employees; and, to secure compliance with the Federal Sentencing Guidelines.

Corporate Compliance is a partnership with management, to help identify areas of regulatory risk and to help mitigate risk of non-compliance. This partnership enhances management's ability to achieve organizational goals and objectives in a manner consistent with the values of Western New York Independent Living, Inc. The employees of WNYIL Inc. will be expected to be dedicated to the corporation and will act in a diligent, loyal and prudent manner to ensure high standards of creative leadership and fiscal responsibility to collaborate and network with others who share WNYIL Inc.'s values in the provision of programs and services to people with

disabilities, advocate on behalf of issues of conscience and human need; and contribute to the preservation and strength of Independent Living.

III. ORGANIZATIONAL STRUCTURE

The Board of Directors has the fiduciary responsibility for management of WNYIL Inc. and is responsible for the monitoring, direction, and planning of all programs and services of the corporation. In addition, the Board supervises, hires and terminates the Executive Director.

A. Management Structure

1. Executive Director supervises all members of the Management Team, CAP Coordinator, and Family Reimbursement Program Coordinator.
2. Director of Intra-Agency Operations supervises 1 Assistant, 1 FTE Computer Tech staff, 1.5 FTE Maintenance, 2.0 FTE Intake/File room staff and 1 FTE Receptionist/Staff Support Assistance.
3. Director of Human Resources/Corporate Compliance Officer maintains personnel records and supervises 1 Human Resource Coordinator and 1 FTE Administrative Assistant.
4. Chief Financial Officer supervises 1 Assistant Accountant, 1 FTE Accounts Payable Specialist, 2.5 FTE Accounting Assistants, and 1 FTE Administrative Assistant.
5. Director of Independent Living Center supervises all ILC staff.
6. Director of OAHIO supervises all OAHIO staff.
7. Director of Mental Health Peer Connection supervises all MHPC staff.
8. Director of Independent Living of Niagara County supervises all ILNC staff.
9. Director of Independent Living of Genesee Region supervises all ILGR staff.
10. Independence Express Director supervises 5.5 FTE Van Drivers, 1 FTE Staff Driver and 1 FTE Transportation Coordinator.

11. The Taking Control Director supervises 1 FTE Administrative Assistant and 1 CDPAP Personal Assistant Coordinator.
12. Director of Outreach and Planning supervises 1 FTE Administrative Assistant, 1 Community Events Coordinator and 1 Public Information Coordinator.

B. Management Personnel

1. Douglas J. Usiak

Title: Executive Director

Description: Responsible for strategic planning for WNYIL Inc. in conjunction with the Board of Directors, which includes, but is not limited to developing and implementing policies and procedures, providing direction for the continued growth and development of the WNYIL Inc. and to define the general and specific operations and services provided by WNYIL Inc.

Phone: (716) 836-0822 ext. 117

Email: dusiak@wnyil.org

2. Antoinette Litz

Title: Executive Assistant

Description: Assist the Executive Director in the administration of WNYIL Inc. and oversee and coordinate the activities of the Management Team. Insure that all funding sources documentation and reports are compiled and submitted in the required time.

Phone: (716) 836-0822 ext. 104

Email: alitz@wnyil.org

3. Becky K. Usiak

Title: Director of Intra-Agency Operations

Description: Responsible for overseeing and implementing sound professional day-to-day administrative operations of the Agency Consumer Service Records, Computer systems, Physical Plant.

Phone: (716) 836-0822 ext 128

Email: busiak@wnyil.org

C. Human Resources Department

Tina Brown

Title: Director of Human Resources

Description: Responsible for assisting staff in understanding their rights as an employee of WNYIL Inc. and maintains all Personnel records of the Corporation. Duties also include performing all duties of the Corporate Compliance Officer as described in WNYIL's Corporate Compliance Plan.

Phone: (716) 836-0822 ext 102

Email: tbrown@wnyil.org

D. Accounting Department

Michael Phillips

Title: Chief Financial Officer

Description: Responsible for recording and maintaining the programs financial ledgers, records, and reports.

Phone: (716) 836-0822 ext 113

Email: mphillips@wnyil.org

E. Independent Living Center (ILC)

Lynnette Torgalski

Title: Director of Independent Living Center

Description: Responsible for monitoring the progress and fulfilling annual goals for the Independent Living Center, which include, but are not limited to, implementing Center policies and procedures, supervising staff, and overseeing specific operations as determined by the Executive Director.

Phone: (716) 836-0822 ext 115

Email: ltorgalski@wnyil.org

F. OAHIO

Cynthia Printup-Harms

Title: Director of OAHIO

Description: Responsible for strategic planning for OAHIO in conjunction with the OAHIO Council which includes, but is not limited to: developing and implementing policies and procedures, providing direction and supervision for staff and the continued growth and

development of OAHIO, and defining the general and specific operations and services provided for Native Americans with Disabilities in Western New York.

Phone: (716) 836-0822 ext 111

Email: cynthiaph@wnyil.org

G. Mental Health Peer Connection (MHPC)

Maura Kelley

Title: Director of Mental Health Peer Connection

Description: Responsible for supervising individual services and representing the Agency at all community action programs and events that relate to maximizing opportunities and improving conditions for persons with psychiatric disabilities.

Phone: (716) 836-0822 ext 162

Email: mkelley@wnyil.org

H. Independent Living of Niagara County (ILNC)

Sarah Lanzo

Title: Director of Independent Living of Niagara County

Description: Responsible for strategic planning for ILNC in conjunction with the ILNC Council, which includes, but is not limited to: developing and implementing policies and procedures, providing direction and supervision for staff and the continued growth and development of ILNC, and defining the general and specific operations and services provided for people with disabilities in Niagara County.

Phone: (716) 284-3141 ext. 209

Email: slanzo@wnyil.org

I. Independent Living of Genesee Region (ILGR)

Rae Frank

Title: Director of Independent Living of Genesee Region

Description: Responsible for strategic planning for ILGR in conjunction with the ILGR Council, which includes, but is not limited to: developing and implementing policies and procedures, providing direction and supervision for staff and the continued growth and development of ILGR,

and defining the general and specific operations and services provided for people with disabilities in the Genesee Region.

Phone: (585) 815-8501 ext. 406

Email: rfrank@wnyil.org

J. Independence Express

Catherine Colicchia

Title: Director of Independent Express

Description: Supervise all Independence Express Department staff and coordinate and schedule services for people with disabilities to receive transportation to and from various points of their choice in specially modified vans or buses operated by WNYIL Inc.

Phone: (716) 836-0822 ext 150

Email: ccolicchia@wnyil.org

K. Taking Control

Joyce Christopher

Title: Director of Taking Control

Description: Supervises all Taking Control staff and is responsible for the day-to-day operations of the Taking Control program as well as the processing of new consumers into the program.

Phone: (716) 836-0822 ext 151

Email: jchristopher@wnyil.org

L. Department of Advocacy and Public Policy

Todd Vaarwerk

Title: Director of Advocacy and Public Policy

Description: Works with the Board of Directors and Executive Director in developing, monitoring and implementing public policy initiatives that improve the quality of life for people with disabilities in Western New York.

Phone: (716) 836-0822 ext. 101

Email: tvaarwerk@wnyil.org

M. Community Engagement

Katie Trombley

Title: Director of Outreach and Planning

Description: Responsible for coordinating and supervising the day-to-day activities of the Outreach and Planning Department as well as monitoring established goals and objectives of the Department.

Phone: (716) 836-0822 ext. 166

Email: ktrombley@wnyil.org

IV. CORPORATE COMPLIANCE PLAN OVERVIEW

A. Responsible Persons

1. Corporate Compliance Officer: The Corporate Compliance Plan is directed and coordinated by Tina Brown, Director of Human Resources, who serves as the Chair of the Corporate Compliance Committee and Corporate Compliance Officer. The Corporate Compliance Officer is responsible for day-to-day operation of the Corporate Compliance Plan, shall report directly to the Executive Director and shall be accountable to the Board of Directors for the implementation of and on-going operations of the Corporate Compliance Plan. The Corporate Compliance Officer will update and report progress to the Corporate Compliance Committee at its regular meetings.
2. Corporate Compliance Committee: The Corporate Compliance Committee consists of members of the Board of Directors, selected individuals from the community, Executive Director, selected members of the Management Team, and the Corporate Compliance Officer. The Committee will:
 - a. Assist the Corporate Compliance Officer in the implementation of the Corporate Compliance Plan;
 - b. Provide strategic direction to the Plan;
 - c. Provide support and feedback for the development of priorities for the Compliance Plan and the implementation of the Compliance Plan at WNYIL Inc. and WNYIL Inc.'s satellite offices;
 - d. Establish priorities for educational programs to be provided as part of the Corporate Compliance Plan; and

- e. Help identify necessary human and financial resources required for the effective implementation of the Corporate Compliance Plan.
3. Corporate Compliance Team: A Corporate Compliance Team shall be created and will consist of members of the Management Team. The Corporate Compliance Team will have the responsibility of assisting the Corporate Compliance Officer in the implementation of the Corporate Compliance Plan. The Team shall provide support and feedback for the development of priorities for the Compliance Plan and the implementation of the Compliance Plan at WNYIL Inc. and WNYIL Inc. Satellite Offices. In addition, the Committee shall establish priorities for educational programs to be provided as part of the Corporate Compliance Plan and to help identify necessary human and financial resources required for the effective implementation of the Compliance Plan.
4. Legal Representative: The Corporate Compliance Officer shall work cooperatively with the Robert W. Patterson, Esq., outside legal counsel, in the development and implementation of the Compliance Plan. Counsel will:
 - a. Provide legal counsel and support to the Corporate Compliance Officer;
 - b. Actively participate in the training and educational programs that are implemented as a part of the Compliance Plan; and
 - c. Where requested, investigate complaints and reports of violations of the Plan.

B. Corporate Compliance Team

Tina Brown
Corporate Compliance Officer/Director of Human Resources
WNYIL Inc.
3108 Main Street
Buffalo NY 14214
(716) 836-0822 extension 102
tbrown@wnyil.org

Catherine Colicchia
Director of Transportation
WNYIL Inc.
3108 Main Street

Buffalo NY 14214
(716) 836-0822 extension 150
ccolicchia@wnyil.org

Crystal Jackson
Director of Independent Living Center
WNYIL Inc.
3108 Main Street
Buffalo, NY 14214
(716) 836-0822 extension 115
cjackson@wnyil.org

Maura Kelley
Director of Mental Health Peer Connection
WNYIL Inc.
3108 Main Street
Buffalo, NY 14214
(716) 836-0822 extension 162
mkelley@wnyil.org

Sarah Lanzo
Director of Independent Living of Niagara County
ILNC
746 Portage Rd.
Niagara Falls NY 14301
(716) 284-4131 extension 209
slanzo@wnyil.org

Becky K. Usiak
Director of Intra-Agency Operations
3108 Main Street
Buffalo NY 14214
(716) 836-0822 ext 128
busiak@wnyil.org

Members of the Corporate Compliance Committee of the Board of Directors:

Tina Brown
Corporate Compliance Officer
WNYIL
3108 Main Street
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(716) 836-0822 extension 102

Paul Beakman
WNYIL Inc.
3108 Main Street
Buffalo NY 14214
(716) 836-0822 extension 104

Dennis Kessel
WNYIL Inc.
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(716) 836-0822 extension 104

Raymond Reichert
Jaeckle, Fleischmann & Mugel
Twelve Fountain Plaza
Buffalo NY 14202
Work: 856-0600

Sue Sehl
WNYIL Inc.
3108 Main Street
Buffalo NY 14214
(716) 836-0822 extension 104

Douglas J. Usiak
Executive Director
WNYIL
3108 Main Street
Buffalo, NY 14214
(716) 836-0822 ext 117

C. Principle Components

The Corporate Compliance Plan shall include the following principle components:

1. Education and training of employees, representatives and agents to ensure compliance with the Corporate Compliance Plan, as is further described in Part V.
2. A Code of Conduct which shall govern the proper conduct of WNYIL Inc. directors, officers, employees, agents and representatives and require all such individuals to comply with the ethical and legal standards outlined in this Compliance Plan. The current Code of Conduct is set forth in Exhibit A to this Plan.
3. Audit and monitoring systems designed to detect ethical or legal violations, including appropriate internal audits and surveys to verify adherence to and awareness of WNYIL Inc.'s ethics and compliance policies and procedures, as is further described in Part VI.
4. A reporting system whereby employees may report suspected violations of standards for ethical and legal conduct, as is further described in Part VII.
5. Procedures for investigating and, if appropriate, correcting and reporting violations of the Plan, as is further described in Part VIII.
6. A Fraud and Abuse Compliance Policy, containing detailed standards for preventing, investigating and correcting fraud and abuse, set forth in Part IX.

V. EDUCATION AND TRAINING PROGRAMS TO ALERT EMPLOYEES AND OTHERS OF THEIR RESPONSIBILITIES

The Corporate Compliance Officer shall have general responsibility to oversee the development and implementation of education, training and communication programs to ensure compliance with the Corporate Compliance Plan by WNYIL Inc. directors, officers, council members, employees, agents and representatives. The communication and training programs shall include the following areas:

- A. New employee orientation to include coverage of ethics and legal compliance issues.
- B. Department-specific training and educational programs in identified high-risk areas.
- C. Annual review of ethics and legal compliance issues in departments at substantial risk and specific business practices.
- D. A Code of Conduct, as set forth in Exhibit A to this Plan and as amended from time to time, which shall govern the proper conduct of WNYIL Inc. directors, officers, employees, agents and representatives. Employees shall be informed that strict compliance with both WNYIL Inc. Code of Conduct and the requirements of the Compliance Plan is a condition of employment, and that:
 - 1. The promotion of and adherence to compliance with the Code of Conduct and the requirements of the Compliance Plan are elements of evaluating supervisors and managers; and
 - 2. WNYIL Inc. has a policy not to employ or retain employees who are sanctioned for a violation of either the Code of Conduct or the requirements of the Compliance Plan.
- E. Notice and education concerning the requirements of the federal laws summarized in Exhibit B hereto.

VI. AUDIT AND MONITORING

- A. In consultation and collaboration with the Corporate Compliance Officer, the Executive Director and key Department Office staff, will coordinate appropriate internal audits and surveys to verify adherence to and awareness of the requirements of the Corporate Compliance Plan and WNYIL Inc.'s

ethics and compliance policies and procedures.

B. Internal audit shall:

1. Identify audits required to verify adherence to, and awareness of, ethics and compliance policies at the Main and Satellite Offices levels as internal audits are carried out.
2. Review the results of periodic surveys to test awareness of WNYIL Inc.'s ethics and legal compliance policies and procedures.
3. Conduct special audits as necessary to verify adherence to WNYIL Inc.'s ethics and compliance policies and procedures. These audits may include
 - a) On-site visits,
 - b) Interviews with personnel,
 - c) Reviews of written and electronic materials and documentation,
 - d) Trend analysis studies, and
 - e) Review of subcontractors' agreements.
4. Monitor compliance with the terms of settlement agreements having system wide implications, including settlement of government investigations, or major litigation.

C. Internal audits strategically align with WNYIL Inc. to help ensure that the goals and objectives of the Corporation are carried out effectively. As WNYIL Inc. continues to develop an integrated Center for Independent Living, reduce cost, and improve services, internal audits will assist in setting priorities in a manner that will assist management in the effective discharge of their responsibilities. The audit process is a cooperative venture with management to identify opportunities for improvement. This partnership enhances management's ability to achieve organizational goals and objectives. Internal audits cannot be effective unless they first obtained cooperation from senior management. They must obtain formal management and board approval, and establish formal periodic reporting intervals. Considering the current makeup and growth of WNYIL Inc., we believe the goals of the process should be as follows:

1. It is important that WNYIL Inc. focus on business risks and compliance, to be systems or process focused vs. materiality driven. Also, we need to rely more on professional judgment and less on formulas. We must learn to become more proactive, less reactive.
2. The goal is to assist in accomplishing system wide objectives vs. department or unit objectives; and, to attain the ability to look forward. We look at the process across all functional lines. This is particularly important during cost reduction programs, their effects on the organization, and the control risks that result from the program. Information systems are critical to the success of the organization; therefore, we develop programs to help ensure that the integrity and security of data remains intact.
3. The overriding principle is that, as the organization grows, internal audits should be clearly defined so the CCT and Management Team focus on clear common goals. This requires close coordination and communication with the Management Team and CCT. We must establish an open channel of communication so that information flows up and down the organization. The roles and requirements of the internal audit function are changing. To accomplish all of the above, the Corporate Compliance Team must develop a common baseline of accountability. This can be created through benchmarking activities.
4. The traditional operational reviews are also important as the organization continues costs effectiveness efforts. In reviewing the various processes we attempt to identify opportunities for improvement and cost savings.
5. Also, we help ensure that limited resources are being used effectively; and, that we maintain an effective level of control. Traditional audit responsibilities include:
 - Complete traditional operational reviews to ensure compliance with existing policies and procedures,
 - Complete follow-up audits on external and internal audit issues,
 - Continue to audit for any breakdowns in control,
 - To complete management driven requests.

The Corporate Compliance Team must possess a certain degree of knowledge of internal control; financial accounting concepts, and other skills that will enable them to interact throughout the organization, and at all levels. The Corporate Compliance Team must also learn to act as facilitators: skillful in building consensus, and motivating people. An understanding of technology and its integration into business processes is also critical. Additionally, The CCT should be versed in process analysis, process mapping, and problem solving; therefore, a set of core competencies for the CCT must be developed.

D. Internal Audit Code of Ethics

1. Interpretation of Principles

The provisions of this Code of Ethics cover basic principles in the various functions of the Corporate Compliance Team. The CCT shall realize that individual judgment is required in the application of these principles. We have a responsibility to conduct ourselves so that our good faith and integrity should not be open to question. While having due regard for the limit of our technical skills, we will promote the highest internal auditing standards to the end of advancing the interest of WNYIL Inc.

2. Articles

- a. We shall have an obligation to exercise honesty, objectivity and diligence in the performance of our duties and responsibilities.
- b. We, in holding the trust of WNYIL Inc., shall exhibit loyalty in all matters pertaining to the affairs of WNYIL Inc. However, we shall not knowingly be a party to any illegal or improper activity.
- c. We shall refrain from entering into any activity, which would prejudice our ability to carry out objectively our duties and responsibilities.
- d. We shall exercise prudent stewardship in carrying out our responsibilities.
- e. We shall be prudent in the use of information acquired in the course of our manner, which would be detrimental to the welfare of WNYIL Inc.

- f. We, in expressing an opinion, shall use all reasonable care to obtain sufficient factual evidence to warrant such opinion. In our reporting we shall reveal such material facts known to us, which, if not revealed, could either distort the report of the results of operations under review or conceal an unlawful practice.
- g. We shall continually strive for improvement in the proficiency and effectiveness of our service.
- h. We shall abide by the by-laws and uphold the mission and objectives WNYIL Inc. In the performance of our duties, we shall be mindful of our obligation to maintain the high standard of competence, morality and dignity, which WNYIL Inc. has established.

3. Internal Audit Role

Internal audit is an independent appraisal activity established within the organization to examine and evaluate the corporation's activities. The objectives of internal audit are to assist WNYIL Inc. management in the effective discharge of their responsibilities by furnishing them analyses, appraisals and recommendations concerning the activities reviewed.

The Corporate Compliance Team provides, through objective periodic reviews, assurance that the management control systems throughout the organization are sound, in place and operating as intended.

The scope of internal audit includes any phase of business activity in which it may be of service to management. This service goes beyond the accounting and financial records to obtain a full understanding of the operations under review. The attainment of this overall objective includes, but is not limited to, the following activities:

- Review and appraise the soundness, adequacy, cost effectiveness and application of accounting, financial and other operating controls.
- Review compliance with policies, plans, procedures, laws or regulations.

- Determine the extent to which assets are accounted for and safeguarded from loss.
- Review and appraise the economy and efficiency with which resources are employed and established goals and objectives are accomplished.
- Review compliance with any adopted business ethics or conflict of interest policies and investigating fraud or other improprieties.

4. Internal Audit Activities Covered

Any business activity of WNYIL Inc., and to the degree audit rights have been established, affiliates, partnerships, joint ventures, licensees, contractors, vendors, distributors, third parties, or other operations are subject to Internal Audit review.

5. Internal Audit Independence and Objectivity

Independence is essential to the effectiveness of the internal audit and is provided through both organizational placement and objective assignments.

Organizational placement of the Internal Audit function has been established to assure both a broad range of coverage and adequate consideration of audit recommendations. In addition, the Corporate Compliance Officer has a right to report directly to the President and/or Executive Director on any matter where the normal procedures for resolution of Internal Audit issues are either inappropriate or have failed.

Objective assignments within Internal Audit recognize that internal auditors should not develop and install procedures, prepare records or engage in any other activity which they would normally review and appraise or which might otherwise compromise independence and objectivity.

6. Internal Audit Planning and Scope

In establishing the Internal Audit plan previous audit coverage, significance of exceptions and the need for regular contact are primary considerations. The audit plan is based on an assessment of the various business risks of the corporation whether the risk is viewed as

financial, operations, regulatory, or reputational. The plan is also carefully coordinated with the external auditors' requirements to provide the best possible coverage at minimum cost. Flexibility is maintained to accommodate unusual problems and to meet special unscheduled requests. Adequate review and forethought are given to each audit assignment or undertaking.

Audit scope involves assessing:

- The control environment
- Risk assessments
- Control activities
- Monitoring activity
- Communication and reporting

The annual audit plan is reviewed with the Management Team and submitted to the Board of Directors for approval.

Common elements of each audit typically include:

- Pre-audit announcement to the entity or department being audited, and is routed through interested management.
- Pre-audit personal contact with responsible managers for concerns and information.
- Obtaining an understanding of the business, and the associated risks.
- Coordination with the external auditors when appropriate.
- Adequate testing to assure proper compliance with the systems, policies and procedures in place.
- Adequate documentation of work performed and conclusions reached.
- Closeout conference with location management with full and open communication.

Audit execution consists of:

- Maintaining honest, inquisitive, objective, and diligent conduct.

- Emphasizing that audit efforts are of service to management.
- Handling information gained with prudence.
- Striving for improvement in proficiency and effectiveness of the Department and the individual auditor.

An essential element of any audit is adequate communication. Results and conclusions must be reviewed with the location staff, including the manager to ensure that audit recommendations are factual and understood. Nothing will appear in an audit report, which has not been fully reviewed with appropriate personnel of the entity or function under audit.

7. Internal Audit Reports

CCT produces internal audit reports. They are issued to report in concise terms the important aspects of an audit. When conducting audit activities at Satellite Offices, the Corporate Compliance Officer is responsible for reporting findings to management of the entity being reviewed. In this regard, audit reports are to be transmitted to the appropriate manager for review, action and written response.

Reporting is normally conducted on an exception basis, with exemplary areas mentioned as well. While all audit reports and written responses will be available for executive management review, the normal reporting to these offices will be made on a regular basis in summary form highlighting audits performed and significant findings and observations.

8. Relationship with External Auditors

CCT internal audit and the external auditors coordinate activities. Both evaluate internal control and examine financial and other records. Appraisal of those systems in which both have an interest is largely shared.

Coordination includes:

- Coordination of efforts.
- Development of common techniques.
- Exchange of audit work performed.

- Joint audits where appropriate.
- Mutual participation in on-site reviews of audit work, as required.

9. Fraud

The organization's systems of internal control, of which CCT is a part, will be sufficiently effective to deter fraud and identify significant errors or irregularities in a timely fashion. The CCT auditors maintain a sense of alertness, which will permit adequate inspection of internal control. Audit evaluations will be designed to permit reasonable assurance that management will identify any material misstatement or loss of corporate assets.

10. Management Requests

CCT's internal audit will be of constructive service where their abilities will provide the greatest benefit. Sufficient flexibility to accommodate management requests, which are consistent with the objectives and priorities of the Department, will be maintained.

VII. CORPORATE COMPLIANCE REPORTING

Under the general direction of the Corporate Compliance Officer, WNYIL Inc. and each Department Director shall implement processes to provide education and guidance on WNYIL Inc.'s ethics and legal compliance policies and procedures and for the reporting and investigation of business issues.

- A.** Each employee shall have responsibility to notify his or her supervisor in a timely manner, of any violations or suspected violations of the standards for ethics and legal conduct. In the alternative, an employee may follow the reporting procedure under Part IX, Fraud and Abuse Compliance Policy, Section C, Employee Participation and Reporting.

Employees will be informed that in some instances, the mere failure to report a suspected violation may itself be a basis for disciplinary action against an employee.

- B.** A written procedure shall be developed and a toll-free telephone number (866) 576-8042 is available to all employees who may wish advice on

certain policies and procedures, or who wish to report actual or perceived violations of law or applicable WNYIL Inc. policies and procedures.

- C. Employees will not be subject to reprisal for reporting, in good faith, actions that they feel violate the law or established standards. Any employee engaging in any act of reprisal for any good faith reporting shall be subject to discipline and/or discharge.
- D. Organizational Reporting

The Corporate Compliance Officer shall report to the Executive Director regarding the Corporate Compliance Plan on an ongoing basis, report the activities of the Compliance Plan to the Corporate Compliance Committee at least quarterly, and report legal and ethics compliance as required.

VIII. ENFORCEMENT AND PREVENTION POLICY

The purpose of this policy is to set forth the procedures that will be used by Western New York Independent Living, Inc. (WNYIL Inc.) to respond to reports by employees or others that a business unit or individuals employed by a business unit are engaging in activity which might violate the standards described in the Corporate Compliance Plan and which may be contrary to applicable Medicaid laws or regulations or that such persons or business units may be submitting claims in a manner which does not meet the Medicaid program requirements, as applicable.

A. Investigation

1. Purpose of investigation:

The purpose of the investigation shall be to:

- a. Identify those situations, in which the laws, rules and standards of the Medicaid program may not have been followed.
- b. To identify individuals who may have knowingly or inadvertently caused claims to be submitted or processed in a manner, which violated Medicaid laws, rules, or standards.
- c. To facilitate the correction of any practices not in compliance with the Medicaid laws, rules and standards.
- d. To implement those procedures necessary to insure future compliance.
- e. To protect WNYIL Inc. in the event of civil or criminal enforcement actions.

f. To preserve and protect WNYIL Inc.'s assets.

2. Control of Investigations:

All reports received by Agency management shall be forwarded to WNYIL Inc.'s Compliance Officer. WNYIL Inc.'s Compliance Officer shall prepare a Report of Fraud, Waste and/or Abuse (Exhibit C). WNYIL Inc.'s Compliance Officer will be responsible for directing the investigation of the alleged problem or incident. In undertaking this investigation, WNYIL Inc.'s Compliance Officer may solicit the support of external legal counsel, consultants and auditors, and internal and external resources with knowledge of the applicable laws and regulations and required policies, procedures or standards that relate to the specific problem in question. These persons shall function under the direction of legal counsel and shall be required to submit relevant evidence, notes, findings and conclusions to legal counsel.

3. Investigative Process:

Upon receipt of an employee complaint or other information (including audit results), which suggests the existence of a pattern of conduct in violation of compliance policies or applicable laws or regulations, an investigation under the direction and control of legal counsel shall be commenced. Steps to be followed in undertaking the investigation shall include, at a minimum:

- a. Notification to WNYIL Inc.'s Executive Director of the nature of the complaint.
- b. The investigation shall be commenced as soon as reasonably possible but in no event more than 10 days following the receipt of the complaint or report. The investigation shall include, as applicable, but need not be limited to:
 - i. An interview of the complainant and other persons who may have knowledge of the alleged problem or process and a review of the applicable laws and regulations which might be relevant to or provide guidance with respect to the appropriateness or inappropriateness of the activity in question, to determine whether a problem actually exists. If the review results in conclusions or findings that the complained of conduct is permitted under applicable laws,

regulations or policy or that the complained of act did not occur as alleged or that it does not otherwise appear to be a problem, the investigation shall be closed and a written report filed with WNYIL Inc.'s Compliance Officer. If the initial investigation concludes that there is improper billing occurring, that practices are occurring which are contrary to applicable law, that inaccurate claims are being submitted, or that additional evidence is necessary, the investigation shall proceed to the next step.

- ii. The identification and review of representative bills or claims submitted to the Medicaid program to determine the nature of the problem, the scope of the problem, the frequency of the problem, the duration of the problem, and the potential financial magnitude of the problem.
- iii. Interviews of the person or persons in the departments and organizations who appear to play a role in the process in which the problem exists. The purpose of the interview will be to determine the facts related to the complained activity, and may include, but shall not be limited to:
 - (a) Individual understanding of the Medicaid laws, rules and regulations;
 - (b) The identification of persons with supervisory or managerial responsibility in the process;
 - (c) The adequacy of the training of the individuals performing the functions within the process;
 - (d) The extent to which any person knowingly or with reckless disregard or intentional indifference acted contrary to the Medicaid laws, rules or regulations;
 - (e) The nature and extent of potential civil or criminal liability of individuals or WNYIL Inc.; and
 - (f) Preparation of a summary report which
 - (i) Defines the nature of the problem,
 - (ii) Summarizes the investigation process,
 - (iii) Identifies any person whom the investigator believes to have either acted deliberately or with reckless disregard or intentional indifference toward the Medicaid laws, rules and policies, and

- (iv) If possible estimates the nature and extent of the resulting overpayment by the government, if any.

B. WNYIL Inc. Response

Possible Criminal Activity: In the event WNYIL Inc. uncovers what appears to be criminal activity on the part of any employee or business unit, it shall undertake the following steps:

In the event Medicaid is involved, the following office will be contacted:

New York State Office of the Medicaid Inspector General
584 Delaware Avenue, Second Floor
Buffalo, NY 14202
Telephone: (716) 847-5090

In the event that Erie County Department of Mental Health is involved:

Bill Fremgen, Contract Coordinator
Erie County Office of Mental Health
95 Franklin St.
Buffalo NY 14202
Telephone: (716) 858-8530

If in the event that the Office for People with Developmental Disabilities is involved:

OPWDD
1200 East & West Road
West Seneca, NY 14224
Phone: (716) 517-2000

In the event that the Commission on Quality of Care and Advocacy for Persons with Disabilities is involved:

Lisa Rosano-Kaczkowski, CAP Program Director
State of New York
Commission on Quality of Care
and Advocacy for Persons with Disabilities
401 State Street

Schenectady NY 12305
Telephone: (800) 624-4143 voice/TTY.

In the event that the New York State Department of Education is involved:

Robert Gumson
Manager of Independent Living Services
ACCES-VR, Room 1605
One Commerce Plaza
99 Washington Ave.
Albany, NY 12234
Telephone: (518) 474-2925

In the event that Title VII Independent Living funds are involved:

Timothy Beatty, Chief of Independent Living Unit, Rehabilitation
Services Administration
400 Maryland Ave, S.W.
Washington, DC 20202-2800
Telephone: (202) 245-7488

Other contacts may be made as the legal counsel for WNYIL Inc. deems appropriate. WNYIL Inc., through its counsel, shall attempt to negotiate a voluntary disclosure agreement prior to the disclosure.

Initiate appropriate disciplinary action against the person or persons whose conduct appears to have been intentional, willfully indifferent or undertaken with reckless disregard for the Medicaid and other programmatic laws and regulations. Appropriate disciplinary action shall include, at a minimum, the removal of the person from any position with oversight for or impact upon the claims submission or billing process and may include, in addition, suspension, demotion, and discharge.

1. Other Non-Compliance. In the event the investigation reveals billing or other problems which do not appear to be the result of conduct which is intentional, willfully indifferent, or with reckless disregard for the appropriate program's laws and regulations, WNYIL Inc. shall nevertheless undertake the following steps:

- a. Improper Payments. In the event the problem results in duplicate payments by the funding source, or payments for services not rendered or provided other than as claimed, it shall:
 - i. Correct the defective practice or procedure immediately,
 - ii. Calculate and repay to the appropriate governmental entity duplicate payments or improper payments resulting from the act or omission,
 - iii. Initiate such disciplinary action, if any, as may be appropriate given the facts and circumstances. Appropriate disciplinary action may include, but is not limited to, reprimand, demotion, suspension and discharge, and
 - iv. Promptly undertake a program of education at the appropriate business unit to prevent future similar problems.
- b. No Improper Payment. In the event the problem has or does not result in an overpayment by the program, WNYIL Inc. shall:
 - i. Correct the defective practice or procedure immediately.
 - ii. Initiate such disciplinary action, if any, as may be appropriate given the facts and circumstances. Appropriate disciplinary action may include, but is not limited to, reprimand, demotion, suspension and discharge.
 - iii. Promptly undertake a program of education at the appropriate business unit to prevent future similar problems.

C. Discipline

Employees may be subject to discipline for failing to participate in WNYIL Inc.'s compliance efforts, including, but not limited to:

1. The failure of an employee to perform any obligation required of the employee relating to compliance with the program or applicable laws or regulations;
2. The failure to report suspected violations of Compliance Plan laws or applicable laws or regulations to an appropriate person; and
3. The failure on the part of a supervisory or managerial employee to implement and maintain policies and procedures reasonably necessary to ensure compliance with the terms of the program or applicable laws and regulations.

Discipline will follow WNYIL Inc.'s existing employee discipline policies and procedures.

IX. FRAUD AND ABUSE COMPLIANCE POLICY

It is the policy of Western New York Independent Living, Inc. (WNYIL Inc.) to consistently and fully comply with all laws and regulations pertaining to the delivery of and billing for services, which apply to WNYIL Inc. on account of its participation in Medicaid and other government programs.

A. Introduction

WNYIL Inc. has developed this Fraud and Abuse Compliance Policy to be a comprehensive statement of the responsibilities and obligations of all employees regarding submissions for reimbursement to Medicaid, and other government payers for services rendered by WNYIL Inc. In addition, this policy is intended to apply to business arrangements with direct care personnel, vendors and other persons, which may be impacted by federal or state laws relating to fraud and abuse.

B. Compliance Standards Manual

Compliance standards and manuals specific to selected areas of WNYIL Inc. shall be developed and kept current with applicable laws and regulations. The compliance manual shall be a resource for the employees of each selected area designed to enhance the ability of employees to perform their responsibilities in compliance with WNYIL Inc.'s compliance policy and applicable laws and regulations. The designated manager in each affected area is responsible for ensuring that the compliance standards and manuals as required by this program or as designated by the responsible officer are developed and maintained in accordance with this policy.

C. Employee Participation and Reporting

It is the responsibility of every employee in WNYIL Inc. to abide by applicable laws and regulations and support WNYIL Inc.'s compliance efforts. All employees are required to report their good faith belief of any violation of the Compliance Plan or applicable law. WNYIL Inc., at the request of the employee, will provide such anonymity to the employee(s) who report as is possible under the circumstances in the judgment of WNYIL Inc., consistent with its obligations to investigate employee concerns and take necessary corrective action. There shall be no retaliation in the terms and conditions of employment as a result of such reporting.

Employees will report their good faith belief of violations of the Compliance Plan or applicable laws.

1. Either orally or in writing to their Director.
2. By utilizing the compliance hotline at 1-866-576-8042. If you are able to do per call blocking, dial *67 before dialing 1-866-576-8042 to block your number on our caller ID.
3. Entering complaints via our webpage:
www.wnyil.org/corporatecompliance
4. Either orally or in writing to WNYIL Inc.'s Corporate Compliance Officer at Western New York Independent Living, Inc.
Tina Brown, Corporate Compliance Officer
WNYIL Inc.
3108 Main Street
Buffalo NY 14214
Phone: (716) 836-0822 ext. 102

D. Responsible Officer

WNYIL Inc. has designated the Corporate Compliance Officer as the individual within WNYIL Inc. responsible for overall implementation and operation of the Corporate Compliance Plan. The Corporate Compliance Officer shall be responsible for ensuring that:

1. Standards and manuals are reviewed and updated as necessary,
2. Employee and vendor screening mechanisms are in place and are operating properly,
3. Employees are receiving adequate education and training and that such education and training are documented,
4. Audit procedures are implemented in accordance with WNYIL Inc.'s audit policies,
5. Employee complaints and other concerns regarding compliance are promptly investigated, and
6. Adequate steps are taken to correct any identified problems and prevent the recurrence of such problems.

E. Report to the Board

The Corporate Compliance Officer will report in writing at least annually to WNYIL Inc.'s Board of Directors on the status of compliance within WNYIL Inc., and at other times as appropriate. This report shall include the results of any recommendations resulting from the audit work plans conducted during the prior year, and any other information requested by the Board.

EXHIBIT A CODE OF CONDUCT

A. Purpose

The Board of Directors of Western New York Independent Living, Inc. has adopted this Code of Conduct.

The purpose of this Code of Conduct is to provide standards by which employees of WNYIL Inc. must conduct themselves in order to protect and promote Agency-wide integrity and to enhance WNYIL Inc.'s ability to achieve WNYIL Inc.'s mission.

B. Introduction

The Code of Conduct contains Principles articulating the policy of WNYIL Inc. and Standards which are intended to provide additional guidance to persons functioning in managerial or administrative capacities. The Principles set forth in this Code of Conduct will be distributed periodically to all employees. The Principles and Standards will be distributed annually to directors, officers, selected employees, agents, representatives and volunteers having administrative or managerial responsibilities. All employees are responsible to ensure that their behavior and activity is consistent with the Code of Conduct.

WNYIL Inc. expects each person to whom this Code of Conduct applies to abide by the Principles and Standards set forth herein and to conduct the business and affairs of WNYIL Inc. in a manner consistent with the general statement of principles set forth herein. Failure to abide by this Code of Conduct or the guidelines for behavior which the Code of Conduct represents, may lead to disciplinary action. For alleged violations of the Code of Conduct, WNYIL Inc. will weigh relevant facts and circumstances including, but not limited to, the extent to which the behavior was contrary to the express language or general intent of the Code of Conduct, the egregiousness of the behavior, the employee's history with WNYIL Inc., and other factors which WNYIL Inc. deems relevant. Discipline for failure to abide by the Code of Conduct may, in WNYIL Inc.'s discretion, range from oral correction to termination. Nothing in this Code of Conduct is intended to nor shall be construed as providing any additional employment or contract rights to employees or other persons. While WNYIL Inc. will generally attempt to communicate changes concurrent with or prior to the implementation of such

changes, WNYIL Inc. reserves the right to modify, amend or alter the Code of Conduct without notice to any person or employee.

Principle 1: Legal Compliance

WNYIL Inc. will strive to ensure all activity by or on behalf of WNYIL Inc. is in compliance with applicable laws.

The following Standards are intended to provide guidance to employees and management in administrative positions to assist them in their obligation to comply with applicable laws. These standards are neither exclusive nor complete. Employees are required to comply with all applicable laws, whether or not specifically addressed in these policies. If questions regarding the existence, interpretation or application of any law arise, they should be directed to WNYIL Inc.'s Compliance Officer.

Standard 1.1: Antitrust

All employees must comply with applicable antitrust and similar laws, which regulate competition. Examples of conduct prohibited by the laws include:

- A. Agreements to fix prices, bid rigging, collusion (including price sharing) with competitors;
- B. Boycotts, certain exclusive dealing and price discrimination agreements; and
- C. Unfair trade practices including bribery, misappropriation of trade secrets, deception, intimidation and similar unfair practices. Employees are expected to seek advice from WNYIL Inc.'s Compliance Officer when confronted with business decisions involving a risk of violation of the antitrust laws. As a nonprofit entity, WNYIL Inc. has a legal and ethical obligation to act in compliance with applicable laws, to engage in activities in furtherance of its charitable purpose, and to ensure that its resources are used in a manner, which furthers the public good, rather than the private or personal interests of any individual. Consequently, WNYIL Inc. and its employees will avoid compensation arrangements in excess of fair market value, will accurately report payments to appropriate taxing authorities, and will file all tax and information returns in a manner consistent with applicable laws.

Standard 1.2: Lobbying/Political Activity

WNYIL Inc. expects each of its employees to refrain from engaging in activity, which may jeopardize the tax-exempt status of WNYIL Inc., including a variety of lobbying and political activities.

- A. No individual may make any agreement to contribute any money, property, or services of any officer or employee at WNYIL Inc.'s expense to any political candidate, party, WNYIL Inc. committee or individual which maybe in violation of any applicable law. Officers and employees may personally participate in and contribute to political or an individual's campaigns, but they must do so as individuals, not as representatives of WNYIL Inc., and they must use their own funds.
- B. Where its experience may be helpful, WNYIL Inc. may publicly offer recommendations concerning legislation or regulations being considered. In addition, it may analyze and take public positions on issues that have a relationship to the operations of WNYIL Inc. when WNYIL Inc.'s experience contributes to the understanding of such issues.
- C. WNYIL Inc. has many contacts and dealings with governmental bodies and officials. All such contacts and transactions shall be conducted in an honest and ethical manner. Any attempt to influence the decision-making process of governmental bodies or officials by an improper offer of any benefit is absolutely prohibited. Any requests or demands by any governmental representative for any improper benefit should be immediately reported to WNYIL Inc.'s Compliance Officer.

Standard 1.3: Fraud and Abuse

WNYIL Inc. expects its employees to refrain from conduct, which may violate the fraud and abuse laws. These laws prohibit:

- A. Direct, indirect or disguised payments in exchange for the referral of Consumers;
- B. The submission of false, fraudulent or misleading claims to WNYIL Inc., any government entity or third party payer, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements;
- C. Making false representations to any person or entity in order to gain or retain participation in a program or to obtain payment for any service. (For

additional guidance, please refer to WNYIL Inc.'s Fraud and Abuse Compliance Policy);

- D. The hiring of illegal, ineligible and/or unqualified individuals;
- E. The Corporate Compliance Officer will investigate any violations of Fraud or Abuse. Violations to the fraud and abuse policy will result in action from a written disciplinary memo up to or including termination.

WNYIL Inc. employees and affiliated professionals shall:

- Deal openly and honestly with fellow employees, customers, contractors, government entities and others.
- Maintain high standards of business and ethical conduct in accordance with applicable federal, state, and local laws and regulations including fraud, waste and abuse.
- Adhere to both the spirit and letter of applicable federal, state and local laws and regulations.
- Practice good faith in transactions occurring during the course of business.
- Conduct business dealings in a manner such that the Organization shall be the beneficiary of such dealings.
- Preserve consumer confidentiality unless there is written permission to divulge information, except as required by law.
- Refuse any illegal offers, solicitations, payments, or other remuneration to induce referrals of the people we serve for an item of service reimbursable by a third party.
- Disclose financial interests/affiliations with outside entities to the Board of Directors as required by the Conflict of Interest Statement.
- Hold vendors to the same Code of Conduct as part of their dealings with WNYIL Inc.
- Notify his or her supervisor or, in the alternative, the Compliance Officer of instances of non-compliance.

- Ensure compliance requirements regarding coding and billing are monitored and enforced.
- Use supplies and services in a manner that avoids waste.
- Protect and retain records and documents as required by professional standards, governmental regulations and organizational policies.
- Exercise discretion in the coding and billing of services, regardless of payer source.
- Employees shall not misrepresent qualifications or credentials when conducting business on behalf of WNYIL, Inc.

Further, WNYIL Inc. employees, agents and representatives shall maintain emphasis on areas of special concern that have been identified by the Office of the Inspector General or the New York Office of Medicaid Inspector General.

- Billing for items or services not provided. Billing for items or services not provided involves submitting a claim representing that WNYIL Inc. provided an item or service or part of an item or service that the Consumer did not receive. It may also include not fulfilling a contractual agreement.
- Billing for services that WNYIL Inc. believes may be denied. Billing for services that may be denied involves seeking reimbursement for a service that is not covered by Medicaid or any other WNYIL Inc. program, and does not meet the appropriate coverage criteria as documented by the consumer's current sponsored program.
- Civil monetary penalties and administrative sanctions may be imposed against any person who submits a claim for services "that [the] person knows or should know are not necessary.
- Duplicate billing. Duplicate billing occurs when more than one claim for payment is submitted for the same consumer, for the same service, for the same date of service by the same or different provider or the same claim is submitted to more than one pay or as primary. Although duplicate billing can occur due to simple error (which does not create civil or criminal liability), fraudulent duplicate billing is often evidenced by systematic or repeated double billing, and creates liability under criminal, civil, and

administrative law, particularly if any overpayment is not promptly refunded.

- Billing for items or services not ordered. Billing for items or services not ordered involve seeking reimbursement for items or services provided, but not ordered by staff or other authorized person.
- Using a billing agent whose compensation arrangement violates the reassignment rule. If a billing agent receives payment on behalf of a staff person, the billing agent's compensation may not be related in any way to the dollar amounts billed or collected.
- Up coding. Up coding involves maximizing reimbursement when the purchase is not the most appropriate service or equipment or supplies (e.g., billing for more expensive service when less expensive service is provided).
- Unbundling items or supplies. Unbundling items or supplies involve paying for individual components when specific equipment provides for the components to be billed as a unit (e.g., providing a workstation and billing the individual parts of the workstation, rather than the workstation as a whole).
- Paying for new equipment and receiving used equipment. The supplier must indicate that the item provided is new or used. The modifier for providing new equipment is "NU."
- The item provided would constitute falsifying information on the invoice
- Continuing to bill for services not provided.
- Resubmission of denied claims with different information in an attempt to be improperly reimbursed.
- Inadequate management and oversight of contracted services, which results in improper billing.
- Charge limitations. Personnel should be informed of the different payment rules of all the federal, state, and local funding sources. WNYIL Inc. staff should be aware that billing for items or services furnished substantially in excess of the funder's levels might result in exclusion and other sanctions.

- Ordering substantially excessive amounts of supplies. This practice, which constitutes overutilization, involves providing and/or paying for substantially more items or supplies than are reasonable and necessary for the needs of individual personnel.
- Providing and/or paying for an item or service that does not meet the quality and standard of the item claimed. This practice involves providing and/or paying for an item or service that does not meet the definition and/or requirement of the item or service ordered by the Supervisor or other authorized person.
- Assistant Services. If a consumer dies or is institutionalized for one day or longer, WNYIL Inc. may not receive the entire daily payment. However, if WNYIL Inc. continues to bill for the service because it did not receive notice of the consumer death until the following month, any payments received for service to the beneficiary on or after his/her death or institutionalization are considered an overpayment and must promptly be refunded.
- Billing for Services prior to receiving an appropriate approval. This practice involves billing for assistant service to a consumer, and/or billing the pay or for assistant care that has not yet been ordered by the Department of Social Services Caseworker. Medicaid requires written orders for attendant services.
- Falsifying information on the claim form. This practice involves supplying false information to be included on the claim form. The information reported on these documents should accurately reflect the consumer information.
- Altering Consumer Service Records. This practice involves falsifying information on a Consumer's Service Record to justify reimbursement for/or service.
- Manipulating the patient's diagnosis in an attempt to provide improper service. This practice involves altering the diagnosis in an attempt to provide services to a person who is not qualified for the service.
- Failing to maintain medical necessity documentation. This practice involves failing to ensure that the medical necessity documentation requirements for the service(s) billed are properly met (e.g., failing to maintain appropriate

and dated documentation, and failing to ensure that records contain adequate and correct information for evidence for and of the service provided).

- Providing incentives to actual or potential referral sources (e.g., physicians, hospitals, patients, skilled nursing facilities, home health agencies or others) that may violate the anti-kickback statute or other similar Federal or State statute or regulation. Examples of arrangements that may run afoul of the anti-kickback statute include practices in which a provider pays a fee to an individual or organization for each referral, or provides gifts, or provides inducements to consumers, and/or provides items or services for free or below fair market value to providers or consumers of Federal health care programs.
- Improper telemarketing practices. Where marketing is permitted, WNYIL Inc. will require honest, straightforward, fully informative and non-deceptive marketing. It is in the best interest of consumers that they fully understand the services offered by WNYIL Inc. and the financial consequences for Medicaid as well as other payers for the services ordered.
- WNYIL Inc. written policies and procedures should ensure that its marketing information is clear, correct, and fully informative. Staff must not offer physicians, consumers or other potential referral sources incentives, in cash or in kind, for their business. Similarly, they must not engage in any marketing activity that either explicitly or implicitly implies that Medicaid beneficiaries are not obligated to pay their coinsurance or can receive "free" services.
- Improper Consumer solicitation activities and high-pressure marketing of services. WNYIL Inc. staff should not utilize prohibited or inappropriate conduct to carry out its initiatives and activities designed to maximize business growth and consumer retention. Any marketing information offered by WNYIL Inc. staff should be clear, correct, non-deceptive, and fully informative.
- Providing false information on the Medicaid enrollment form. Criminal penalties may be imposed against an individual who knowingly and willfully makes or causes to be made any false statements or representations of a material fact in any application for any benefit or payment under a Federal health care program. Any person who knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government is liable to the United States

Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person.

- Misrepresenting a person's status as an agent or representative of Medicaid. It is unlawful for WNYIL Inc. Staff to represent them self as a Medicaid representative.
- Failing to refund overpayments to a health care program. An overpayment is the amount of money received in excess of the amount due and payable under a health care program. Examples of overpayments include, but are not limited to, instances where:
 - (i) Paid twice for the same service, for the same consumer; or
 - (ii) Paid for services that were provided but not ordered.
- Employing persons excluded from participation in Federal health care programs. This involves hiring or contracting with individuals or entities that have been excluded from participation in Federal health care programs or any other Federal procurement or non-procurement program.

All Directors, officers, managers, employees, professional affiliates, contractors, volunteers, students and others are informed of this Code of Conduct and sign an Affirmation Statement indicating their adherence to the Code of Conduct. However, this Code of Conduct does not replace sound ethical and professional judgment.

Standard 1.4: Environmental

It is the policy of WNYIL Inc. to manage and operate its business in a manner, which respects our environment and conserves natural resources. WNYIL Inc.'s employees will strive to utilize resources appropriately and efficiently, to recycle where possible and otherwise dispose of all waste in accordance with applicable laws and regulations, and to work cooperatively with the appropriate authorities to remedy any environmental contamination for which WNYIL Inc. may be responsible.

Standard 1.5: Discrimination

WNYIL Inc. believes that the fair and equitable treatment of employees, people we serve and other persons is critical to fulfilling its vision and goals.

It is a policy of WNYIL Inc. to treat the people we serve without regard to the race, color, religion, sex, ethnic origin, genetic information, age or abilities of such person, or any other classification prohibited by law. It is a policy of WNYIL Inc. to recruit, hire, train, promote, assign, transfer, layoff, recall and terminate employees based on their own ability, achievement, experience and conduct without regard to disability, race, color, religion, sex, ethnic origin, genetic information, age or abilities, or any other classification prohibited by law. No form of harassment or discrimination on the basis of disability, sex, race, color, abilities, age, religion or ethnic origin genetic information, or abilities or any other classification prohibited by law will be permitted. Each allegation of harassment or discrimination will be promptly investigated in accordance with applicable human resource policies.

Principle 2: Business Ethics

In furtherance of WNYIL Inc.'s commitment to the highest standards of business ethics and integrity, employees will accurately and honestly represent WNYIL Inc. and will not engage in any activity or scheme intended to defraud anyone of money, property or honest services. The Standards set forth below are designed to provide guidance to ensure that its business activities reflect the high standards of business ethics and integrity. Employee conduct not specifically addressed by these standards must be consistent with Principle 2.

Standard 2.1: Honest Communications

WNYIL Inc. requires candor and honesty from individuals in the performance of their responsibilities and in communication with its attorneys and auditors. No employee shall make false or misleading statements to any individual whom we serve or other person or entity doing business with WNYIL Inc. about any individuals, persons or entities doing business or competing with WNYIL Inc., or about the products or services of WNYIL Inc. or its competitors.

Standard 2.2: Misappropriation of Proprietary Information

WNYIL Inc.'s employees shall not misappropriate confidential or proprietary information belonging to another person or entity nor utilize any publication, document, computer program, information or product in violation of a third party's interest in such product. All of WNYIL Inc.'s employees are responsible to ensure they do not improperly copy for their own use documents or computer programs in violation of applicable copyright laws or licensing agreements. Employees shall not utilize confidential business information obtained from competitors, including

customer lists, price lists, contracts or other information in violation of a covenant not to compete, prior employment agreements, or in any other manner likely to provide an unfair competitive advantage to WNYIL Inc.

Standard 2.3: Frauds and Abuse (See Standard 1.3 above)

Principle 3: Confidentiality

WNYIL Inc.'s employees shall strive to maintain confidential information in accordance with applicable legal and ethical standards. WNYIL Inc. and its employees are in possession of and have access to a broad variety of confidential, sensitive and proprietary information, the inappropriate release of which could be injurious to the people we serve, WNYIL Inc.'s business partners and WNYIL Inc. Every employee of WNYIL Inc. has an obligation to actively protect and safeguard confidential, sensitive and proprietary information in a manner designed to prevent the unauthorized disclosure of information.

Standard 3.1: Information Related to the People We Serve

All employees of WNYIL Inc. have an obligation to conduct themselves in accordance with the principle of maintaining the confidentiality of information from and about people we serve in accordance with all applicable laws and regulations. Employees shall refrain from revealing any such personal or confidential information unless in accordance with applicable law and WNYIL Inc.'s policies. If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should seek guidance from Agency management or WNYIL Inc.'s Compliance Officer.

The United States Department of Health and Human Services (HHS) has issued Standards for the Privacy of Individually Identifiable Health Information (Privacy Rule), which became effective on April 14, 2003, establishes a set of national standards for the protection of health information. The Privacy Rule standards address the use and disclosure of Protected Health Information as well as standards for an individual's privacy rights to understand and control how their health information is used. The Office of Civil Rights, within HHS has the responsibility for implementing and enforcing the Health Insurance Portability and Accountability Act (HIPAA) Privacy regulations. All employees receive training related to confidentiality and HIPAA Privacy regulations prior to being responsible for Protected Health Information and have an obligation to follow all applicable confidentiality and HIPAA Policies and Procedures. These Policies and Procedures

are related to confidentiality, individual access and amendment of Protected Health Information and communication preferences.

If questions arise regarding an obligation to maintain the confidentiality of information or the appropriateness of releasing information, employees should seek guidance from Agency management or WNYIL Inc.'s Corporate Compliance Officer. Employees should contact Agency management or their Department Director if they have questions about a specific HIPAA related Policy or Procedure.

Standard 3.2: Proprietary Information

Information, ideas and intellectual property assets of WNYIL Inc. are important to WNYIL Inc.'s success. Information pertaining to WNYIL Inc.'s competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with employees or third parties should be protected and shared only with employees having a need to know such information in order to perform their job responsibilities. Employees should exercise care to ensure that intellectual property rights, including patents, trademarks, copyrights and software is carefully maintained and managed to preserve and protect its value.

Standard 3.3: Personnel Actions/Decisions

Salary, benefit and other personal information relating to employees shall be treated as confidential. Personnel files, payroll information, disciplinary matters and similar information shall be maintained in a manner designed to ensure confidentiality in accordance with applicable laws. Employees will exercise due care to prevent the release or sharing of information beyond those persons who may need such information to fulfill their job function.

Principle 4: Conflicts of Interest

Board members, officers, directors and key employees owe a duty of undivided and unqualified loyalty to WNYIL Inc. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of WNYIL Inc. (Please refer to WNYIL Inc.'s Conflict of Interest Policy for further guidance.) All covered persons are expected to regulate their activities so as to avoid actual impropriety and/or the appearance of impropriety which might arise from the influence of those activities on business decisions of WNYIL Inc., or from disclosure or private use of business affairs or plans of WNYIL Inc.

Standard 4.1: Outside Financial Interests

While not all inclusive, the following will serve as a guide to the types of activities by a covered person, or household member of such person, which might cause conflicts of interest:

- (a) Ownership in or employment by any outside concern which does business with WNYIL Inc. This does not apply to stock or other investments held in a publicly held corporation, provided the value of the stock or other investments does not exceed 5% of the corporation's stock. WNYIL Inc. may, following a review of the relevant facts, permit ownership interests which exceed these amounts if management concludes such ownership interests will not adversely impact WNYIL Inc.'s business interest or the judgment of the covered person.
- (b) Representation of WNYIL Inc. by a covered person in any transaction in which he or she or a household member has a substantial personal interest.
- (c) Disclosure or use of confidential, special or inside information of or about WNYIL Inc., particularly for personal profit or advantage of the covered person or a household member.
- (d) Competition with WNYIL Inc. by a covered person, directly or indirectly, or in the purchase, sale or ownership of property or property rights or interests, or business or investment opportunities.

Standard 4.2: Services for Competitors/Vendors

No covered person shall perform work or render services for any competitor of WNYIL Inc. or for any vendor with which WNYIL Inc. does business or which seeks to do business with WNYIL Inc. outside of the normal course of his/her employment with WNYIL Inc. without the approval of that person's supervisor. Any employee shall not be a director, officer, or consultant of WNYIL Inc., permit his/her name to be used in any fashion that would tend to indicate a business connection with such organization.

Standard 4.3: Participation on Boards of Directors/Trustees

- (a) A covered person must obtain approval from his/her supervisor prior to serving as a member of the Board of Directors/Trustees of any agency whose interests may conflict with those of WNYIL Inc.

- (b) A covered person who is asked, or seeks to serve on the Board of Directors/Trustees of any Agency whose interest would not impact WNYIL Inc. (for example, civic, most charitable, fraternal and so forth) will not be required to obtain such approval.
- (c) All fees/compensation (other than reimbursement for expenses arising from Board participation) that are received for Board services provided during normal work time shall be paid directly to WNYIL Inc.
- (d) A covered person must disclose all Board of Directors/Trustees activities in the annual Conflict of Interest disclosure statement.
- (e) WNYIL Inc. retains the right to prohibit membership on any Board of Directors/Trustees where such membership might conflict with the best interest of WNYIL Inc.
- (f) Questions regarding whether or not Board participation might present a conflict of interest should be discussed with a covered person's supervisor.

Standard 4.4: Honoraria

Employees are, with the permission of their supervisor, encouraged to participate as faculty and speakers at educational programs and functions. However, any honoraria in excess of One Hundred Dollars (\$100.00) shall be turned over to WNYIL Inc. unless the employee used paid or unpaid time off to attend the program or that portion of the program for which the honoraria is paid.

See – Conflict of Interest Policy for Board of Directors and Employees.

Principle 5: Business Relationships

Business transactions with vendors, contractors and other third parties shall be transacted free from offers or solicitation of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction. The Standards set forth below are intended to guide key employees in determining the appropriateness of the listed activities or behaviors within the context of WNYIL Inc.'s business relationships, including relationships with vendors, providers, contractors, third party payers and government entities. It is the intent of WNYIL Inc. that this policy be construed broadly to avoid even the appearance of improper activity. If there is any doubt or concern about whether specific conduct or

activities are ethical or otherwise appropriate, you should contact WNYIL Inc.'s Compliance Officer.

Standard 5.1: Gifts and Gratuities

It is WNYIL Inc.'s desire to at all times preserve and protect its reputation and to avoid the appearance of impropriety. Consequently:

- (a) **Gifts from People Whom We Serve.** Employees are prohibited from soliciting tips, personal gratuities or gifts from people we serve and their family members, and from accepting monetary tips or gratuities. Employees may accept gratuities and gifts of a nominal value from the people we serve and their family members. If a person we serve or another individual wishes to present a monetary gift, he/she should be referred to the Corporate Compliance office.
- (b) **Gifts Influencing Decision-making.** Employees shall not accept gifts, favors, services, lodging or other things of value to the extent that decision-making or actions affecting WNYIL Inc. might be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer, government official or other person by WNYIL Inc. is absolutely prohibited. Any such conduct must be reported immediately either to their Supervisor or to WNYIL Inc.'s Compliance Officer.
- (c) **Gifts from Existing Vendors.** Employees may retain gifts from vendors, which have a nominal value. (WNYIL Inc. has made no attempt to define "nominal" as a specific dollar value. Rather, WNYIL Inc. expects its employees to exercise good judgment and discretion in accepting gifts). If an employee has any concern whether a gift should be accepted, the employee should consult with his/her supervisor. To the extent possible, these gifts should be shared with the employees' co-workers. Employees shall not accept excessive gifts, meals, expensive lodging or other offers of goods or services, which have more than a nominal value, nor may they solicit gifts from vendors, suppliers, contractors or other persons.
- (d) **Vendor Sponsored Lodging.** At a vendor's invitation, an individual may accept meals or refreshments at the vendor's expense. Occasional attendance at a local theater or sporting event, or similar lodging at vendor expense may also be accepted. In most circumstances, a regular business

representative of the vendor should be in attendance with the employee. Nothing in this policy shall prohibit a business unit or supervisor from establishing stricter rules relating to the acceptance of gifts, gratuities or other things of value from vendors.

Standard 5.2: Workshops, seminars and training sessions

Attendance at local, vendor-sponsored workshops, seminars and training sessions is permitted only with the approval of an employee's supervisor.

Attendance, at vendor expense, at out-of-town seminars, workshops and training sessions is permitted only with the approval of an employee's supervisor.

Standard 5.3: Contracting

Employees may not utilize "insider" information for any business activity conducted by or on behalf of WNYIL Inc. All business relations with contractors must be conducted at arm's length both in fact and in appearance and in compliance with WNYIL Inc.'s policies and procedures.

Employees must disclose personal relationships and business activities with contractor personnel, which may be construed by an impartial observer as influencing the employees' performance or duties. Employees have a responsibility to obtain clarification from management on questionable issues, which may arise, and to comply, where applicable, with WNYIL Inc.'s conflict of interest policy.

Standard 5.4: Business Inducements

WNYIL Inc.'s employees shall not seek to gain any advantage through the improper use of payments, business courtesies or other inducements. Offering, giving, soliciting or receiving any form of bribe or other improper payment is prohibited. Appropriate commissions, rebates, discounts and allowances are customary and acceptable business inducements provided that WNYIL Inc.'s management approves them and that they do not constitute illegal or unethical payments. Any such payments must be reasonable in value, competitively justified, properly documented, and made to the business entity to which the original agreement or invoice was made or issued. Such payments should not be made to individual employees or agents of business entities.

Principle 6: Protection of Assets

All employees will strive to preserve and protect WNYIL Inc.'s assets by making prudent and effective use of WNYIL Inc.'s resources and properly and accurately reporting its financial condition. The Standards set forth below are intended to guide key employees by articulating WNYIL Inc.'s expectations as they relate to activities or behaviors which may impact WNYIL Inc.'s financial health or which reflect a reasonable and appropriate use of the assets of a nonprofit entity.

Standard 6.1: Internal Control

WNYIL Inc. has established control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. All employees of WNYIL Inc. share the responsibility for maintaining and complying with required internal controls.

Standard 6.2: Financial Reporting

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of WNYIL Inc. and may be in violation of applicable laws.

Standard 6.3: Travel and Lodging

Travel and lodging expenses should be consistent with the employee's job responsibility and WNYIL Inc.'s needs and resources. It is WNYIL Inc.'s policy that an employee should not suffer a financial loss or a financial gain as a result of business travel and lodging. Employees are expected to exercise reasonable judgment in the use of WNYIL Inc.'s assets. Employees must also comply with WNYIL Inc.'s policies relating to travel and lodging expense.

Standard 6.4: Personal Use of WNYIL Inc.'s Assets

All property and business of WNYIL Inc. shall be conducted in a manner designed to further WNYIL Inc.'s interest rather than the personal interest of an individual employee. Employees are prohibited from the unauthorized use of taking of WNYIL Inc.'s equipment, supplies, materials, assets, or services. Prior to engaging in any activity on company time which will result in remuneration to the employee or the use of WNYIL Inc.'s equipment, supplies, materials or services for personal or non-work related purposes, employees shall obtain the approval of the appropriate business unit or other management of WNYIL Inc.

EXHIBIT B CERTAIN FEDERAL AND STATE LAWS

I. FRAUD AND ABUSE LAWS

A. Federal Laws

False Claims Act (31 USC §§3729-3733)

The False Claims Act (“FCA”) provides in pertinent part, that:

Any person who (1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government . . . a false or fraudulent claim for payment or approval; (2) knowingly makes, uses or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; (3) conspires to defraud the Government by getting a false or fraudulent claim paid or approved by the Government . . . or (7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Government.

Is liable to the United States Government for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person . . .

For purposes of this section, the terms “knowing and “knowingly” mean that a person, with respect to information (1) has actual knowledge of the information, (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information and no proof of specific intent to defraud is required (31 U.S.C. §3729)

The False Claims Act imposes liability on any person who submits a claim to the federal government that he or she knows (or should know) is false. An example may be a physician who submits a bill to Medicaid for medical services she knows she has not provided. The False Claims Act also imposes liability on an individual who knowingly submits a false record in order to obtain payment from the government. An example may be a government

contractor who submits records that he knows (or should know) are false and that falsely indicate compliance with certain contractual or regulatory requirements. The third area of liability includes those instances in which someone may obtain money from the federal government to which he may not be entitled, and they uses false statements or records in order to retain the money. An example may be a hospital that obtains interim payments from Medicaid throughout the year, and then knowingly files a false cost report at the end of the year in order to avoid making a refund to the Medicaid program.

The FCA provides that private parties may bring a lawsuit on behalf of the United States. Such person, known as “qui tam relators,” may share in a percentage of the proceeds from an FCA action or settlement. A qui tam relator, when the Government has intervened in the lawsuit, may receive at least 15 percent but not more than 25 percent of the proceeds of the FCA action depending upon the extent to which the relator substantially contributed to the prosecution of the action. When the Government does not intervene, the relator may receive an amount that the court decides is reasonable and shall be not less than 25 percent and not more than 30 percent.

Administrative Remedies for False Claims (31 USC Chapter 38, §§3801-3812)

This statute allows for administrative recoveries by federal agencies. If a person submits a claim that the person knows is false or contains false information, or omits material information, then the agency receiving the claim may impose a penalty of up to \$5,000 for each claim, plus an amount equal to twice the amount of the claim.

F. New York State Laws

NY False Claims Act (State Finance Law, §§187-194)

The NYS False Claims Act is similar to the federal False Claims Act. It imposes penalties and fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. The penalty for filing a false claim is \$6,000-\$12,000 per claim and the recoverable damages are between two and three times the value of the amount falsely received. In addition, the party that files the false claim may have to pay the government’s legal fees.

Private individuals may file lawsuits in state court on behalf of state or local government parties. If, as a result of the lawsuit, the party that files a false claim is required to make payments back to the government, the person who initiated the case may recover 25-30% of the proceeds if the government did not participate in the lawsuit, or 15-25% if the government did participate.

Social Services Law §145-b False Statements

It is a violation of this law to knowingly obtain or attempt to obtain payment for items or services furnished under any Social Services program, including Medicaid, by use of a false statement, deliberate concealment, or other fraudulent scheme or device. The State, the local Social Services district, and the Department of Health may recover amounts incorrectly paid and impose fines and penalties.

Social Services Law §145-c Sanctions

The law provides for sanctions to be imposed on a person who applies for or receives public assistance, including Medicaid, by intentionally making a false or misleading statement.

Social Services Law §145 Penalties

Any person who submits false statements or deliberately conceals material information in order to receive public assistance, including Medicaid, is guilty of a misdemeanor.

Social Services Law §366-b Penalties for Fraudulent Practices

Any person who obtains or attempts to obtain, for himself or others, medical assistance by means of a false statement, concealment of material facts, impersonation or other fraudulent means is guilty of a misdemeanor.

Any person who, with intent to defraud, presents for payment any false or fraudulent claim for furnishing services, knowingly submits false information to obtain greater Medicaid compensation, or knowingly submits false information in order to obtain authorization to provide items or services is guilty of a misdemeanor.

Penal Law Article 155, Larceny

The crime of larceny is committed by a person who, with intent to deprive another of his property, obtains, takes or withholds the property by means of

trick, embezzlement, false pretense, false promise, including a scheme to defraud, or other similar behavior. Larceny has been changed in some Medicaid fraud cases.

Penal Law Article 175, False Written Statements

This law establishes criminal penalties for falsifying business records and offering false instruments to a government agency.

Penal Law Article 176, Insurance Fraud

This law establishes criminal penalties for insurance fraud, including false claims to Medicaid and other health insurers.

Penal Law 177, Health Care Fraud

This law establishes criminal penalties for fraudulent claims for health insurance payment, including Medicaid.

II. WHISTLEBLOWER PROTECTION LAWS

Federal False Claims Act (31 U.S.C. §3730(h))

The FCA provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as a result of their furtherance of an action under the FCA. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees.

NY False Claims Act (State Finance Law §191)

The False Claim Act also provides protection to qui tam relators who are discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of their employment as was result of their furtherance of an action under the Act. Remedies include reinstatement with comparable seniority as the qui tam relator would have had but for the discrimination, two times the amount of any back pay, interest on

any back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees.

New York Labor Law §740

An employer may not take any retaliatory action against an employee if the employee discloses information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that the employer is in violation of a law that creates a substantial and specific danger to the public health and safety or which constitutes health care fraud under Penal Law §177 (knowingly filing, with intent to defraud, a claim for payment that intentionally has false information or omissions). The employee's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorney's fees. If the employer is a health provider and the court finds that the employer's retaliatory action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

New York Labor Law § 741

A health care employer may not take any retaliatory action against an employee if the employee discloses certain information about the employer's policies, practices or activities to a regulatory, law enforcement or other similar agency or public official. Protected disclosures are those that assert that, in good faith, the employee believes constitute improper quality of patient care. The employer's disclosure is protected only if the employee first brought up the matter with a supervisor and gave the employer a reasonable opportunity to correct the alleged violation, unless the danger is imminent to the public or patient and the employee believes in good faith that reporting to a supervisor would not result in corrective action. If an employer takes a retaliatory action against the employee, the employee may sue in state court for reinstatement to the same, or an equivalent position, any lost back wages and benefits and attorneys' fees. If the employer is a health provider and the court finds that the employer's retaliator action was in bad faith, it may impose a civil penalty of \$10,000 on the employer.

Employee Affirmation of Compliance with WNYIL Inc. Corporate Compliance Plan Policy and Procedure, and Code of Conduct

I affirm that I have read and understand WNYIL Inc. Corporate Compliance Plan (including but not limited to the Fraud and abuse Policy), the Code of Conduct, and have received education and training concerning the application of federal and state laws (including but not limited to the laws summarized in Exhibit B to the Plan), as well as an explanation of the ethical standards of business practices pertaining to my activities in my capacity as an employee with WNYIL Inc.

I certify my intention to act in complete compliance with the Corporate Compliance Policy and Code of Conduct. I understand that when necessary, I may seek advice from the appropriate supervisor, and/or the Corporate Compliance Officer concerning appropriate actions that I may need to take in order to comply with the Compliance Policy and Code of Conduct.

Date _____

Signature _____

Name (Printed) _____

Title or Capacity _____

Department/Facility _____