The background of the page features a large, light gray watermark of the official seal of Louisville Jefferson County. The seal is circular and contains a central fleur-de-lis with two stars on either side. The words "LOUISVILLE" and "JEFFERSON COUNTY" are written in a circular path around the central emblem, with the year "1778" appearing on both the left and right sides.

Ethics Tipline

Policies and Procedures

August 2009



Ethics Tipline Policies and Procedures

Issued: August 2009

Table of Contents

Section 1. Overview	2
Section 2. Processing of Incident Reports	3
Section 3. Activity Reports	6
Section 4. Confidentiality	7
Section 5. Whistleblower Protection.....	8
Section 6. Bad Faith Reports	9
Appendix.....	10
Exhibit 1: Ethics Tipline Ordinance (Ordinance 66, Series 2009)	11
Exhibit 2: Flowchart for Processing of Incident Reports.....	12
Exhibit 3: Incident Types with Pre-Designated Louisville Metro Departments.....	13



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 1. Overview

Background

- 1.1 In May 2009, the Louisville Metro Council passed Ordinance Number 66, Series 2009 which established an Ethics Tipline. The ordinance is Exhibit 1 in the Appendix.

Intended Use of Tipline

- 1.2 The purpose of the Ethics Tipline is to offer Metro Government employees and citizens a resource to report privately their concerns of alleged unethical or illegal actions and/or behavior by another employee or official serving Louisville Metro Government. The tipline is intended to provide a mechanism for employees and citizens to anonymously report concerns without fear of retribution.
- 1.3 The Ethics Tipline is not intended to replace existing communication channels, such as Louisville Metro's MetroCall (general government services and information) or the Louisville Metro Police Department's tipline (criminal activity).
- 1.4 The ordinance requires that the tipline be operated by a third-party (outside of Louisville Metro Government). Louisville Metro Government contracted with The Network, Incorporated to provide this service.

Responsibility

- 1.5 The ordinance placed responsibility for administering the tipline contract within the Louisville Metro Office of Internal Audit.
- 1.6 The ordinance required that the Office of Internal Audit develop policies, rules, and regulations for the administration of the Ethics Tipline ordinance.
- 1.7 The purpose of these policies and procedures is to assist Louisville Metro personnel in understanding their responsibilities in addressing Ethics Tipline complaints. These are intended to provide consistency among all parties involved in the Ethics Tipline activity.
- 1.8 These policies and procedures are not intended to be a desktop (i.e., step-by-step) procedure guide or to replace Metro Department's internal Standard Operating Procedures for investigations.



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 2. Processing of Incident Reports

**** The Flowchart for processing of Incident Reports is Exhibit 2 in the Appendix ****

- 2.1** The third-party provider (The Network) receives Ethics Tipline calls through a designated toll free number, or via a web form. The information is recorded in The Network's case management system.
- 2.2** The Network sends an Incident Report to Louisville Metro's pre-designated recipients.
- 2.3** The primary recipients are the Louisville Metro Police Department and the Metro Department of Human Resources. The recipients are determined by the incident type as outlined in Exhibit 3 in the Appendix. In addition, the Louisville Metro Office of Internal Audit receives all incident reports. This is to ensure that all Incident Reports are seen by at least "two sets of eyes".
- 2.4** The Louisville Metro Department that receives the Incident Report will determine if it is actionable. In order to be actionable, the alleged ethical misconduct must involve a Louisville Metro employee, a contractor, or a supplier doing business with Louisville Metro. In addition, the following information is required.
 - Who was involved in the alleged misconduct.
 - How the alleged misconduct occurred.
 - When the alleged misconduct occurred.
 - Where the alleged misconduct occurred.
- 2.5** The pre-designated Louisville Metro Department will review actionable Incident Reports following their internal Standard Operating Procedures. The scope of the review will be determining if the allegations in the Incident Reports can be substantiated.
- 2.6** Departmental Case Managers will assign Incident Reports to Case Investigators for review using The Network's case management system. Case Investigators may include other Metro Departments, including the Metro Office of Internal Audit. Case Managers will ensure that assignments are made so that subjects of alleged ethical misconduct are not involved in the investigation process.
- 2.7** Incident Reports shall only be provided to individuals with an investigatory need, such as Case Managers and Case Investigators.
- 2.8** Case Investigators will enter results of reviews into The Network's case management system.



Ethics Tipline Policies and Procedures

Issued: August 2009

- 2.9** It may be necessary for Case Investigators to communicate with the complainant. The reasons may include a request for additional information or advising of additional actions that are necessary in order to make an Incident Report actionable. These callback communications are initiated through The Network's case management system. The Case Investigator must have the necessary login identification in order to enter the callbacks into The Network's case management system.
- 2.10** Case Managers will be responsible for ensuring that Case Investigators complete the assigned reviews in a timely and thorough manner.
- 2.11** After review and approval by the Case Manager, the Incident Report will be closed in The Network's case management system. The closed Incident Report, which will contain details of the allegation and results of the review, will be available to the public under Kentucky's Open Records Laws.
- 2.12** The Office of Internal Audit will monitor activity, via The Network's case management system, to help ensure responses to Incident Reports are timely.

Self Reporting of Incidents

- 2.13** Case Managers in the Louisville Metro Police Department, Department of Human Resources, and the Metro Office of Internal Audit may enter incidents into The Network's case management system directly. These incidents may be generated via walk-ins, direct phone calls, or other types of correspondence.
- 2.14** The self-reported incidents can be case managed using the same procedures used for incidents entered by The Network. For monthly reporting purposes, the self-reported incidents can be identified as such to distinguish from incidents received by The Network via the Ethics Tipline.

Escalation of Incidents

- 2.15** Some pre-determined incident types may result in escalation of the Incident Report. These generally involve threats of harm to employees, citizens, or vendors. In cases requiring escalation, The Network shall call the appropriate designated Louisville Metro representatives immediately.

Custodians of Documentation

- 2.16** Incident Report information will be maintained in The Network's case management system. In order to comply with Metro's document retention requirements, the Office of Internal Audit may retain a hard copy of closed Incident Reports.



Ethics Tipline Policies and Procedures

Issued: August 2009

- 2.17** All other pertinent information regarding investigations shall be maintained by the applicable Department that performed the investigation in accordance with their internal records retention policies.

Requests for Information

- 2.18** All requests for information concerning any Ethics Tipline Incident Report shall be in accordance with Louisville Metro's Open Records policy.
- 2.19** Metro Departments should not comment or provide details of open Incident Reports. This includes confirmation of receipt of an Incident Report or an ongoing investigation of an Incident Report. This is in order to protect the integrity of the investigation.



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 3. Activity Reports

Monthly Reports

- 3.1 Monthly activity reports will be prepared by the Office of Internal Audit. These reports will provide high level summary information of Ethics Tipline activity. These reports will respect confidentiality and the integrity of ongoing reviews.
- 3.2 The monthly activity reports will be provided to the following Louisville Metro officials and departments:
 - Mayor
 - Metro Council President
 - Metro Council Government Oversight and Accountability Committee
 - Metro Council Members
 - Ethics Commission
 - Human Resources
 - Human Relations Commission
 - Police Department
- 3.3 The monthly activity reports will be posted to a website for public access.
- 3.4 Metro Departments should not comment or provide details of any open Incident Reports noted on the monthly activity reports.

Custom Reports

- 3.5 A report module is part of The Network's services. This module allows the generation of custom reports as desired. The reports provide high level summary information as well as detailed information, and can segment information by incident type, volume, time frame and location / department. The graphical display format of the data can help users better interpret the data. The report module will be available to the Office of Internal Audit as well as Case Managers in Louisville Metro Departments.



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 4. Confidentiality

- 4.1** Metro Departments should not provide details of open Incident Reports. This includes confirmation of receipt of an Incident Report or an ongoing investigation of an Incident Report.
- 4.2** All participants in an Ethics Tipline investigation shall keep the details and results of the investigation confidential in accordance with their Department's Standard Operating Procedures. Confidentiality refers to investigative practices that restrict information using a "need to know" principle.
- 4.3** Case Investigators and any other personnel involved in the review of Incident Reports shall not share the substance of a complaint with anyone except those individuals who are involved in the review. Such personnel provided with this information shall hold all information obtained as confidential. Breaches of confidentiality may result in disciplinary action.
- 4.4** To the extent possible by law, the identity of the employee alleging the ethical misconduct and the employee alleged to have committed the misconduct will be protected.



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 5. Whistleblower Protection

- 5.1** Employees making good faith reports of alleged ethical misconduct will be protected from reprisal under applicable State and Local Whistleblower laws. This includes Kentucky Revised Statute 61.102 and Louisville Metro Ordinance 21.07.
- 5.2** Whistleblower protection applies to employees who participate in an investigation of ethical misconduct.



Ethics Tipline Policies and Procedures

Issued: August 2009

Section 6. Bad Faith Reports

- 6.1** The Ethics Tipline is intended for reporting of incidents in good faith, with no malicious intent. There may be cases in which it is determined that incidents were reported in bad faith.
- 6.2** When it is determined that a bad faith report was made, the resolution may include language reiterating the purpose of the Ethics Hotline. The specific language, which will be provided to the caller, is as follows:

“The purpose of the Ethics Tipline is to offer Metro Government employees and citizens a resource to report privately their concerns of alleged unethical or illegal actions and/or behavior by another employee or official serving Louisville Metro Government. The processing of a complaint requires Louisville Metro resources regardless of its appropriateness. Complaints made frivolously, in bad faith or without factual basis, may constitute defamation and therefore be legally actionable in the courts. Malicious complaints made in bad faith may also result in disciplinary action.”



Ethics Tipline Policies and Procedures

Issued: August 2009

Appendix

The Appendix contains the following exhibits that are referenced in the policies and procedures.

Exhibit 1: Ethics Tipline Ordinance (Ordinance 66, Series 2009)

Exhibit 2: Flowchart for Processing of Incident Reports

Exhibit 3: Incident Types with Pre-Designated Louisville Metro Departments

These exhibits begin on the following page.



**Ethics Tipline
Policies and Procedures**

Issued: August 2009

Exhibit 1: Ethics Tipline Ordinance (Ordinance 66, Series 2009)

ORDINANCE NO. 66 Series 2009

AN ORDINANCE ENACTING A NEW SECTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT CODE OF ORDINANCES [LMCO] TO ESTABLISH AN ANONYMOUS ETHICS TIP LINE (AS AMENDED)

PRIMARY SPONSOR: COUNCILMAN KEVIN KRAMER, DIST. 11

CO-SPONSORS: COUNCILWOMAN TINA WARD-PUGH, DIST. 9
COUNCILWOMAN CHERI BRYANT HAMILTON, DIST. 5
COUNCILMAN KELLY DOWNARD, DIST. 16
COUNCILMAN DOUG HAWKINS, DIST. 25
COUNCILMAN KEN FLEMING, DIST. 7
COUNCILMAN RICK BLACKWELL, DIST. 12
COUNCILMAN JAMES PEDEN, DIST. 23
COUNCILWOMAN VICKI WELCH, DIST. 13
COUNCILWOMAN MARY WOOLRIDGE, DIST. 3
COUNCILMAN GLEN STUCKEL, DIST. 17
COUNCILMAN HAL HEINER, DIST. 19
COUNCILMAN JIM KING, DIST. 10
COUNCILMAN STUART BENSON, DIST. 20
COUNCILMAN ROBIN ENGEL, DIST. 22
COUNCILMAN GEORGE UNSELD, DIST. 6
COUNCILWOMAN JUDITH GREEN, DIST. 1
COUNCILMAN DAVID TANDY, DIST. 4
COUNCILMAN BRENT ACKERSON, DIST. 26

WHEREAS, Commonwealth of Kentucky Auditor Crit Luallen has concluded in her report on the Housing Department that an independent reporting mechanism for this community is vital; and

WHEREAS, Commonwealth of Kentucky Auditor Crit Luallen and numerous independent groups believe it is vital that employees understand their rights, the ethics guidelines, and have an avenue to bring forward their concerns that without fear of retaliation; and

WHEREAS, the 2008 Audit of the Louisville Metro Government Ethics Program by the Louisville Metro Auditor recommends a reporting system that facilitates anonymous reporting and provides coverage 24 hours daily, 7 days per week; and

WHEREAS, the Association of Certified Fraud Examiners(ACFE) and the Society of Corporate Compliance and Ethics (SCCE) recommend the use of a third party anonymous tip line to assist in efforts to reduce fraud and give the citizens and employees of this community a channel to divulge their concerns; and

WHEREAS, a report to the Nation funded by the ACFE showed the average organization without a hotline lost \$135,000 to fraud while those with hotlines lost only \$56,000; and

WHEREAS, Some Metro government employees may not feel protected by the current whistleblower policy and would rather remain anonymous; and

WHEREAS, trust is considered key in getting real results from a dedicated hotline, which can save time due to the adequate experience of employees who understand with training when a call is a prank or when it is placed by a disgruntled employee or someone seeking to waste government's time; and

WHEREAS according to the ACFE, 71% of hotline cases were the first notifications of an alleged ethical violation, 65% of hotline cases warranted an investigation and corrective action was taken in more than half of those cases;

NOW THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT [THE COUNCIL] AS FOLLOWS:

SECTION I: A new section of the LMCO is hereby enacted as follows:

(A) The Council hereby establishes a third party operated anonymous tip line [the "tip line"] that will offer the Metro Government employees and citizens of this community a resource to telephonically report privately their concerns of alleged unethical or illegal actions and/or behavior by another employee or official serving Louisville Metro in writing, by telephone, or through electronic means such as web or e-mail.

(B) Complaints received will be forwarded to the Louisville Department of internal Audit and any that are believed to be of merit by the tip line operator shall be forwarded to, but not limited to, one or more of the following Metro Government Departments for proper investigation: Metro Ethics Commission, Metro Human Resources, the Metro Human Relations Commission or the Louisville Metro Police Department.

(C) The tip line will be available 24 hours a day, seven days a week and shall provide a toll free telephone number.

(D) A monthly statistical summary of activity and results of investigations generated by the tip-line, which is not descriptive of any readily identifiable person, shall be given to each department listed within this ordinance along with members of the Louisville Metro Council and Office of the Louisville Metro Mayor

and shall be available for public inspection. The monthly statistical summary shall list information including, but not limited to the date of the original report, an identification of the report by number, the type of issue identified or alleged, the department in which the issue is alleged to have occurred, and any resolution of the report. The monthly statistical report shall list all pending or unresolved complaints and shall be in a form substantially similar to that provided as attachments 1,2, and 3 hereto.

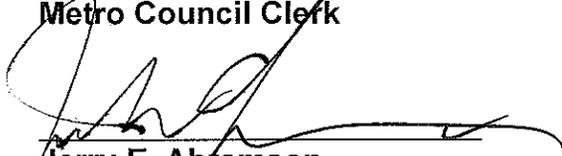
(E) Funding for this ordinance shall be made available through the Office of the Louisville Metro Internal Auditor. The Louisville Metro Internal Auditor will administer the contract with the tip line service provider.

(F) Within 45 days of the effective date of this ordinance, the Louisville Metro Internal Auditor shall draft and submit to the Metro Council its policies, rules, and regulations for the administration of this ordinance including, but not limited to, any contracts required for administration of the ordinance, reports to be made and records to be maintained. If the Metro Council does not approve, amend, or reject by resolution the Louisville Metro Internal Auditor's policies, rules, and regulations and any related contracts, within 45 days after submission to the Council, such polices rules and regulations shall go into effect the 46th day after submission.

SECTION II: EFFECTIVE DATE. This ordinance shall take effect no later than 3 6 months after its passage and approval.


Kathleen J. Herron
Metro Council Clerk


David W. Tandy
President of the Council


Jerry E. Abramson
Mayor

Approved: 5-18-09
Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: 

**LOUISVILLE METRO COUNCIL
READ AND PASSED**
May 14, 2009

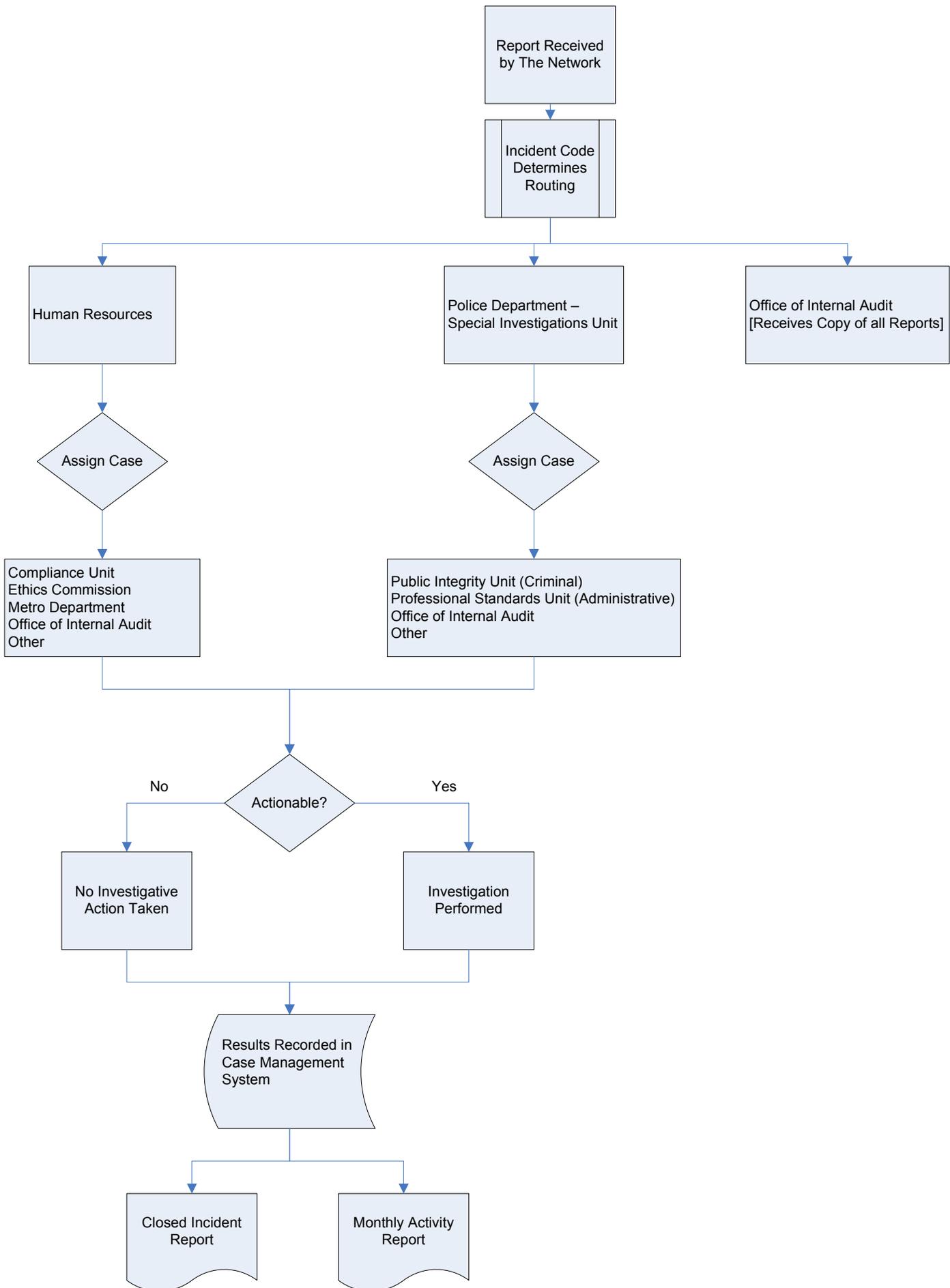
- Anonymous tip line: Filed version 3-20-09 – ROC-ml/pm
- Anonymous tip line: Amended 3-25-09-ROC-ml
- Anonymous tip line: Final – 4-3-09 -ROC-ml/bw
- Anonymous tip line: Final 4-6-09
- Anonymous tip line: Substitute 4-7-09
- Anonymous tip line: amendment by sponsor – ROC-ml
- Anonymous tip line: amendment 4-20-09 – ROC-ml
- Anonymous tip line; Committee Amendments 4-22-09 – ROC-ml



**Ethics Tipline
Policies and Procedures**

Issued: August 2009

Exhibit 2: Flowchart for Processing of Incident Reports





**Ethics Tipline
Policies and Procedures**

Issued: August 2009

Exhibit 3: Incident Types with Pre-Designated Louisville Metro Departments

Incident Type	Definition	Pre-Designated Louisville Metro Department *
Accounting/Audit Irregularities	Acts related to the misstatement and/or destruction of Company audit work papers or accounting documents. Acts that fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in conducting an audit for the purpose of rendering the subjected Company's financial statements materially misleading. This does not include Wage/Hour Issues.	Police
Conflicts of Interest	An employee owes a duty to the employer to act in the interest of the employer (and no other) when carrying out the duties of an employer. A Conflict of Interest exists when the employee has some personal kinship, friendship or financial interest in the transaction that may divide the employee's interests and put his duty to his employer in jeopardy. The more common actions include: <ul style="list-style-type: none"> - Sending a customer to a business owned by the employee or one in which the employee has some kind of interest. - Working for a competitor in any manner while working for a client company - Accepting gifts or money from a supplier in order to gain additional business - Using company goods and services to support their own business 	Human Resources
Customer Relations	The real or perceived display of lack of customer service or courtesy exhibited by employees of a client company either by actions, lack of action, or something which was said by an employee or a combination of both.	Human Resources

Incident Type	Definition	Pre-Designated Louisville Metro Department *
Discrimination	Any act or omissions which fails to meet the standards of the Equal Employment Opportunity Commission (EEOC) which includes all types of discrimination, to include based race, religion, age, nationality, sex, sexual orientation or disability.	Human Resources
Employee Relations	Any act or omission, which is perceived to be detrimental to the physical or mental well being of an employee. Issues related to the “Retaliation of Whistle Blowers” could be coded as such. For more information regarding retaliation issues, see the “Retaliation of Whistle Blowers” definition.	Human Resources
Falsification of Company Records	Any act or omissions, which alters any company record from its genuine condition to a false condition. Issues related to the misstatement and/or destruction of Company audit work papers or accounting documents should be coded as “Accounting/Audit Irregularities”. For more information, see the “Accounting/Audit Irregularities” definition.	Police
Fraud	Deliberate attempts to deceive in order to receive gain; such as a fraudulent refund, transaction, or credit card. Issues related to the misstatement and/or destruction of Company audit work papers or accounting documents should be coded as “Accounting/Audit Irregularities”. Issues related to generating personal loans to or for any executive officer or director should be coded as “Improper Loans to Executives”. For more information, see the “Accounting/Audit Irregularities” and the “Improper Loans to Executives” definitions.	Police
Fraudulent Insurance Claims	The claiming and acceptance of insurance benefits provided by a client company for a condition that did not exist or a condition that existed and no longer exists or occurred in another way as what was stated.	Police
Improper Loans to Executives	Directly or indirectly arranging for the extension of credit, or to renew an extension of credit, in the form of a personal loan to or for any executive officer or director.	Human Resources

Incident Type	Definition	Pre-Designated Louisville Metro Department *
Insider Trading	The buying or selling of a stock based on insider information that is not available to the general public. An insider is defined as someone who has access to or possession of the important information about a company that affects its stock price or might influence investors' decisions.	Human Resources
Kickbacks	The solicitation or acceptance of cash, gifts or favors to perform a function which the employee is required by the job description to perform.	Police
Policy Issues	Any departure from company policy or facility procedures by any person subject to policy or procedure. This code is generally a secondary code; it should only be used if "Policy Issues" is the primary issue.	Human Resources
Product Quality Concern	Any issues with items produced by our client company. This would include outdated products, poor workmanship, etc.	Human Resources
Release of Proprietary information	The conveying of information considered sensitive by a client company to another person, company, or entity by any person. Issues related to the buying or selling of a stock based on insider information should be coded as "Insider Trading". For more information, see the "Insider Trading" definition.	Human Resources
Retaliation of Whistleblowers	Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action against a person making a report.	Human Resources
Safety Issues and Sanitation	Any condition which appears to be hazardous or unsanitary to the well being of an employee, customer, facility, or general public.	Human Resources
Sexual Harassment	Unwelcome advances, request for sexual favors, and other verbal or physical conduct of a sexual nature may constitute sexual harassment.	Human Resources
Substance Abuse	The abuse of alcohol, or any illegal or any legal drug used in the workplace or being used while at work.	Human Resources
Theft of Cash	The taking of money or money instruments from the premises of a client company without authoritative permission. This would include false refunds for which cashiers obtained voids.	Police

Incident Type	Definition	Pre-Designated Louisville Metro Department *
Theft of Goods / Services	The taking or removal of any merchandise or property from the premises of a client company without authoritative permission and with the intent to permanently deprive the company of the goods.	Police
Theft of Time	Any act or omission, which causes an employee to be paid for, time not worked for the benefit of the client company.	Human Resources
Unauthorized Discounts	The offering or giving of a discount or additional discount to any person whether employee or customer which is not authorized by company policy.	Human Resources
Wage / Hour Issues	Any departure from existing labor laws or concerns over hours or wages.	Human Resources
Workplace Violence / Threats	Any act which causes physical injury to a person or any acts or statements which cause a person to believe that his / her physical well being is in jeopardy.	Police

* The Office of Internal Audit will also receive notification for all Incident Reports. This is to ensure “two sets of eyes” see all Incident Reports sent to Louisville Metro Government.