Internal investigations are a way of life in corporate America.

The publication of the Federal Sentencing Guidelines in 1991 initiated a wave of corporate ethics programs and fostered a new discipline: the internal investigation. Amendments to the Guidelines effective November 1, 2004 strengthened and clarified the Guidelines’ expectations. As explained by the U.S. Sentencing Commission, “[t]hese guidelines offer incentives to organizations to reduce and ultimately eliminate criminal conduct by providing a structural foundation from which an organization may self-police its own conduct through an effective compliance and ethics program. The prevention and detection of criminal conduct, as facilitated by an effective compliance and ethics program, will assist an organization in encouraging ethical conduct and in complying fully with all applicable laws.” United States Sentencing Commission, Guidelines Manual, Ch. 8, Introductory Commentary at 468. In addition, the Sarbanes-Oxley Act of 2002 and the listing requirements of the New York Stock Exchange and NASDAQ recommend or mandate that companies adopt and disclose codes of ethics.

The U.S. Sentencing Commission is not the only organization that values a strong ethics program. Three U.S. Supreme Court decisions, Faragher v. City of Boca Raton, 524 U.S. 775 (1998); Burlington Industries, Inc. v.Ellerth, 524 U.S. 742 (1998); and Kolstad v.American Dental Association, 527 U.S. 526 (1999), spurred employers to create or supplement existing compliance and ethics programs to mitigate liability under federal anti-discrimination laws. In the Faragher and Ellerth decisions, the Court held that, without a tangible adverse employment action, an employer should be allowed “to show as an affirmative defense to [sexual harassment] liability that the employer had exercised reasonable care to avoid harassment and to eliminate it when it might occur, and that the complaining employee had failed to act with like reasonable care to take advantage of the employer’s safeguards and otherwise to prevent harm that could have been avoided.” Faragher, 524 U.S. at 805. Subsequent lower court decisions, as well as EEOC guidance, underscore the importance to organizations of effective anti-harassment and antidiscrimination programs. See EEOC Enforcement Guidance: Vicarious Employer Liability for Unlawful Harassment by Supervisors, Section V, Parts C and D (“EEOC Guidance”).

Investigations are a critical aspect of an effective ethics and compliance program.

The elements of an effective ethics and compliance program delineated in the 2004 amendments to the Federal Sentencing Guidelines are designed to ensure that a Company and its employees adhere to honest and fair dealings with customers, communities, fellow employees, investors, and suppliers. The 2004 Amendments identify the following essential elements of an effective ethics and compliance program:

- establishing standards and procedures to prevent and detect violations of law,
• creating detection and reporting mechanisms for program violations,
  • incentivizing employees who comply with ethical guidance; disciplining those who do not, and
  • responding appropriately to substantiated misconduct to prevent future incidents,

(A complete discussion of the seven elements of an effective compliance program outlined in the 2004 Amendments to the Federal Sentencing Guidelines may be found Burrows, Melinda, Staying Alive: Creating an effective compliance and ethics program to prevent and detect employee misconduct, www.bna.com/bnabooks/ababna/annual/2005/009.pdf.) To satisfy these elements, an effective ethics and compliance program must include investigations of suspected violations of a Company’s Code of Ethics.

Investigations include determining the existence of a violation, taking appropriate actions to correct the violation, recovering any lost assets, and correcting any control deficiencies to prevent repeated violations. Investigations may involve employees, customers, contractors, and/or vendors of the Company. It is essential that investigations be handled in an appropriate, confidential, and expeditious manner to ensure that individuals are treated fairly, justly and with respect during the investigation process, the risk of litigation against the Company is minimized, the opportunity for recovery is maximized, and improvements in controls are identified to prevent future recurrences.

**Investigations may cover a wide range of subject matter allegations.**

It is not unusual for a mid-size company to receive between 200 and 300 Code of Ethics violation allegations in different locations across numerous business units each year. The allegations may cover multiple types of wrongdoing ranging from the misuse of a company cell phone to co-worker harassment, customer discrimination, pay discrimination, or multi-million dollar embezzlement. With complaints covering a wide range of topics, an effective investigation may require specific training or technical expertise such as in the case of an embezzlement allegation -- the ability to analyze financial information or, in the case of a discrimination claim, to make relative candidate qualification evaluations. Most organizations are unable to bring in external resources to investigate all complaints, and many cannot build an independent organization focused solely on investigations. One common model is to develop a cross-functional team that includes subject-matter investigative expertise from organizations such as Internal Audit, Human Resources, Corporate Security and other stakeholder organizations.

**An investigation protocol will ensure the consistency and defensibility of investigations performed by a cross-functional team.**

Investigative protocols that create scalable processes may be used to ensure that a cross functional investigative team consistently builds defensible investigation files. The
objective of a protocol or guidance is to provide Company personnel involved in an investigation with a general understanding of how a Code of Ethics investigation is conducted from an organizational perspective. This includes

- delineating the roles and responsibilities of the primary organizations involved in the investigation process,
- expectations in terms of recordkeeping and reporting and
- control points throughout the investigation process.

Control points may include a central person accountable for tracking the status of all Code of Ethics complaints and/or a person or organization accountable for maintaining the files associated with all Code of Ethics investigations.

The Code of Ethics Investigation Process template that follows provides an outline for organizations seeking to develop, streamline and/or hone their internal investigation processes. It begins with a clear deliniation of organizational roles and responsibilities, followed by specific process steps including

- Logging the allegation into a central database
- Assigning a subject matter expert investigator
- Preparation of an investigation plan
- Communications with a limited number of stakeholders
- Factfinding
- Report development
- Findings and responsive action review
- Close out with complainant
- Formal investigation close out
- Transmission of file to central repository

Adherence the process provides accountability and control points, ensures consistency across investigations, and overall enhances the credibility of an ethics and compliance program.

**Conclusion**

The Federal Sentencing Guidelines and EEO guidance following *Kolstad, Farragher and Ellerth* have made employee investigations a part of corporate life. A thoughtful investigation process will ensure that the resources devoted to employee investigations are used efficiently and effectively to mitigate corporate risk.
CODE OF ETHICS
INVESTIGATION
PROCESS
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PROGRAM OVERVIEW

Our company has developed a Corporate Ethics Program designed to help ensure that the Company and its employees continue to adhere to honest and fair dealings with our customers, communities, fellow employees, investors, and suppliers. One aspect of this ethics program includes investigations of suspected violations of the Code of Ethics. These investigations will include determining the existence of a violation, taking appropriate actions to correct the violation, recovering any lost assets, and correcting any control deficiencies to prevent repeated violations. These investigations may involve employees, customers, contractors, and/or vendors of the Company. It is essential that these investigations be handled in an appropriate, confidential, and expeditious manner to ensure that individuals are treated fairly, justly and with respect during the investigation process, the risk of litigation against the Company is minimized, the opportunity for recovery is maximized, and improvements in controls are identified to prevent future recurrences.

In addition to this process, the Company has established a procedure for complaints received by the Audit and Corporate Performance Committee of the Board of Directors. Corporate Document Number XXXX-XXXXXX, “Procedure for the Receipt of Complaints by the Progress Energy Audit and Corporate Performance Committee of the Board of Directors,” covers complaints regarding the Chief Executive Officer, Chief Operating Office, Chief Financial Officer, Chief Audit Executive, and complaints of any ethical, criminal, or other standards regarding fraud, accounting, internal controls, or auditing matters that relate to the fair and accurate presentation of information in periodic financial statements issued by the Company, and to reports of evidence of a material violation of securities laws or breach of fiduciary duty.

OBJECTIVES

The objectives of this document are to provide Company personnel involved in an investigation with a general understanding of how a Code of Ethics investigation is conducted from an organizational perspective. This includes an overview of the investigation process from an organizational perspective and a detailed description of the roles and responsibilities of the primary organizations involved in the investigation process.
OVERVIEW OF INVESTIGATION PROCESS

An alleged violation of the Code of Ethics (see below) will usually be reported to either a Company manager/supervisor or the Ethics Line. Occasionally, an individual may report the allegation to the Audit and Corporate Performance Committee of the Board of Directors, the Corporate Compliance Department (CCD), Corporate Security, Human Resources Department (HR), or Legal Department. In each case, the alleged violation will be reported to CCD. CCD will confer with Legal and record the case in the ethics database. CCD and Legal will coordinate an investigation plan and assign the case to an organization for investigation. See Attachment I for examples. The investigator may be an internal auditor; a member of HR, Corporate Security, or Legal; an outside investigator or attorney; or a representative of another Company. If the investigative findings indicate that a violation of the Code of Ethics occurred, CCD, Security, Legal, or HR will report the investigation results to the appropriate level of management. Management will consult with HR (including Labor Relations if a bargaining unit employee is involved with the investigation) and/or the Legal Department to determine the proper course of action.

CCD will submit to the Chief Ethics Officer (EO) reports of investigations, their status, and dispositions. The purpose of the reports is to keep the EO abreast of current investigation activities and to maintain consistent disciplinary actions for similar violations. The EO is ultimately responsible for approving the closure of all ethics cases.

POTENTIAL CODE OF ETHICS VIOLATIONS:

- Non-compliance with Laws and Regulations
- Violation of established Employment Practices
- Harassment, Discrimination, or Retaliation
- Workplace Violence
- Sale, transport, possession, or use of Firearms and Weapons on Company property
- Conflicts of Interest
- Offering or accepting Gifts or Entertainment that could improperly influence existing or potential customers or suppliers or compromise the employee’s independence
- Violation of Securities Trading laws
- Violation of Marketing and Sales Practices
- Violation of Company Environmental Practices
- Non-compliance with Health and Safety rules
- Use, distribution, sale, possession, or being under the influence of illegal Drugs and/or Alcohol during working hours
- Violations of Software Compliance laws, including unauthorized reproduction or use of manuals or other copyrighted and trademarked materials
- Unauthorized disclosure of Confidential Information
- Unauthorized Use of Company Resources
- Compromising the Integrity of Company Records and Information
- Relations with Government and Political Activity that violate federal, state, or local laws and regulations or could give rise to a conflict of interest
- Violations of other policies, procedures, or laws
ROLES AND RESPONSIBILITIES RELATED TO INVESTIGATIONS

Several organizations within the Company potentially have a role in the investigation of an alleged Code of Ethics violation. The nature of the alleged violation determines which organizations are involved and the extent of their involvement. The primary participants and a brief discussion of their roles and responsibilities during an investigation are discussed below.

Board of Directors Audit and Corporate Performance Committee (Audit Committee)

- Provide oversight for the corporate ethics program.

- Receive notice of all allegations and suspected Code of Ethics violations involving The Company’s Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Audit Executive, and complaints of any ethical, criminal or other standards regarding fraud, accounting, internal controls, or auditing matters that relate to the fair and accurate presentation of information in periodic financial statements issued by the Company, and reports of material violations of securities laws or breaches of fiduciary duty received by the Company.

- In each case in which an allegation and/or suspected Code of Ethics violation is reported to the Committee, determine whether it should be investigated using the standard ethics program investigation process or whether the Audit Committee should manage and direct the investigation.

- Review and sign off on the final investigation report for each allegation and/or suspected Code of Ethics violation reported to the Audit Committee.

Chief Ethics Officer/Corporate Ethics Committee

Ensures compliance with the Code of Ethics and the legal and regulatory requirements relevant to the Company's business. The Committee, which is chaired by the Chief Ethics Officer (EO), is comprised of department managers from the Audit Services, Human Resources, and Legal Departments and department managers from the major operating groups in the Company. Their primary responsibilities related to investigations include:

- Establishing and maintaining the means, methods, and procedures for investigating reports of violations of the Code of Ethics.

- Monitoring disciplinary measures taken for violations of the Code of Ethics.

- Reporting known violations of law to the appropriate authorities.

Potential participants in an investigation of a Code of Ethics violation:

- Board of Directors Audit Committee
- Chief Ethics Officer/Corporate Ethics Committee
- Audit Services
- Corporate Security
- Human Resources
- Legal
- Operating Management
- Corporate Communications
• Chief Ethics Officer approves closure for all ethics cases presented by investigating organizations.

Corporate Compliance Department

Administers the ethics program and the investigation of some alleged or suspected violations of the Code of Ethics. The Department offers knowledge in accounting, operating procedures, corporate policy, contractual compliance, or other business control areas. Its primary responsibilities related to investigations include:

• Receive all reports of alleged or suspected violations of the Code of Ethics and serve as the key contact with the third-party vendor in maintaining the Ethics Line.

• Assess the alleged violation to determine if it should be processed in accordance with the “Procedure for the Receipt of Complaints by the Corporate Audit and Corporate Performance Committee of the Board of Directors” (#XXXXX-XXXXXX). If the alleged violation qualifies as a complaint under this procedure, the Chief Audit Executive and the General Counsel will confer immediately.

• Advise Legal upon receipt of all other types of allegations and coordinate an investigation plan.

• Assign the case to the appropriate investigating organization based on the nature of the violation and notify HR.

• Conduct investigations of alleged Code of Ethics violations, primarily in matters pertaining to fraud, use of company resources, and integrity of records and information.

• Coordinate all investigations and communicate the results to Legal, the EO, and appropriate line management.

• The Manager-Ethics Program is responsible for ensuring all outstanding responsive actions are completed.

• Provide appropriate reports to the EO regarding reported violations, investigations, and resolutions.

• Maintain all reports, databases, records, and files supporting investigations.

• Prepare periodic reports to the Ethics Committee regarding violations, investigations, and resolutions.

• Recommend business control improvements identified as a result of Code of Ethics investigations.
Corporate Security

Conducts investigations of Code of Ethics matters pertaining to the safety and security of Company employees, facilities, and assets. Its primary responsibilities related to investigations include:

- Conduct investigations of alleged Code of Ethics violations, primarily in matters pertaining to workplace violence/firearms, illegal drugs and alcohol, theft, fraud, physical security, and other criminal activities.
- Serve as the Company’s primary point of contact with law enforcement agencies.

Human Resources Department (HR Representatives)

Serves as the primary interface between ethics investigators and line organizations, ensuring the protection of employee rights and privileges during an investigation. It also acts as a consultant and provides interpretations of corporate policies or procedures relating to employees. Its primary responsibilities related to investigations include:

- Serve as the primary point of contact to notify management of potential ethics violations that require investigation.
- Provide support and coordination during Code of Ethics investigations regarding employee interviews and management communication.
- Conduct investigations of alleged Code of Ethics violations pertaining to employee concerns, such as unfair treatment (not EEO-related) or favoritism by supervisors.
- Provide support and consultation related to the appropriateness and consistency of employee disciplinary actions.

Human Resources Department (EEO Specialists)

Ensures Company compliance with internal policies and equal employment opportunity (EEO) laws. Its primary responsibilities related to investigations include:

- Conduct investigations of alleged Code of Ethics violations pertaining to discrimination or harassment (hostile work environment).
- Provide support and consultation in applying EEO laws to the appropriateness and consistency of employee disciplinary actions.

Labor Relations Section

- Ensures Company compliance with any bargaining unit agreements and governing labor laws.
• Provides support and consultation in applying bargaining agreements and labor laws to the appropriateness and consistency of employee disciplinary actions.

**Legal Department**

Provides legal consultation to investigators and ensures that the Company's legal interests are protected during the investigation. Its primary responsibilities related to investigations include:

• Provide risk assessment.

• Ensure that attorney-client privilege/work product protection is established and maintained, as appropriate.

• Confirm or coordinate the investigation plan with CCD, as needed.

• Identify cases that should be designated "Highly Confidential" for which investigation support is limited to CCD, Legal, and designees specified by those organizations.

**Line Management**

Serves as the primary point of contact in an investigation of a violation of the Code of Ethics in their functional area. Its primary responsibilities related to investigations include:

• Report all potential violations of the Code of Ethics to HR, Legal, or CCD – reporting all potential workplace violence issues directly to Corporate Security.

• Provide support in coordinating employee interviews regarding investigations of alleged violations of the Code of Ethics.

• After consultation with HR, including Labor Relations (if bargaining unit employee) and Legal, determine the appropriate responsive actions regarding the Code of Ethics violations, and ensure that the actions being taken are implemented.

• Implement necessary business controls identified as a result of investigations of Code of Ethics violations.

• Do their utmost to maintain the confidentiality of investigative information.

• Maintain a workplace environment that prevents retaliation or reprisals against an individual who in good faith reports actual or suspected ethics violations.

**Corporate Communications Department**

Upon the request of Legal, Corporate Communications will become involved when the nature of the alleged violation may receive public attention or when the magnitude of the investigation requires public disclosure. Its primary responsibility related to investigations is to:
• Ensure that appropriate public and employee communications are maintained or disseminated regarding the investigation and results of alleged violations of the Code of Ethics.
1. Reporting of Code of Ethics Issues and Violations

Upon receiving an issue from the Ethics Line, management, employees, or the public, CCD will create a new ethics case and will notify Legal via e-mail within 24 hours, or the next business day. This phase of the process will include:

a. Determine if the allegation is a potential Code of Ethics (COE) issue.
b. If not a COE issue, notify the appropriate HR Manager and applicable organization to address the concern.
c. If it is a potential COE issue:
   • Identify type of COE issue(s) raised in the allegation.
   • Coordinate with Legal to develop an appropriate investigation plan.
   • Determine if other investigating organizations need to be notified or involved, such as Corporate Security, HR-EEO, or HR-Labor Relations.
   • Assign the case to the appropriate investigator and notify HR Manager.
   • Provide the investigator the pertinent facts, including the Ethics Line report, if applicable.

Notes:
- Ethics allegations and Ethics Line reports are not to be communicated to management before Legal and the investigator have reviewed and determined an investigation strategy.
- When a COE issue or violation is initiated with an organization other than CCD, the following information shall be forwarded to CCD:
  • Date complaint received.
  • Business Unit, location, and department of the complainant.
  • Allegation stated by complainant.
- Tracking of time to complete case begins at this point.
- Investigations may be conducted under the direction of the Legal Department and under "attorney-client privilege."

2. Preliminary Investigation

The assigned investigator is responsible for conducting the preliminary investigation which can include answering the following questions:

a. Where did the allegation originate (Ethics Line, HR, management, other)?
b. Under what circumstances was the complaint made?
c. What are the demographics of all known parties involved?
d. Is there any reason the appointed investigator or assigned organization cannot conduct an unbiased investigation?
e. Does the issue involve a potential COE violation that requires further investigation?

The preliminary investigation should be conducted in a confidential manner with information sharing based on a need-to-know basis. If it is determined that further investigation is not
required, notify CCD to close the case in the ethics database and the HR Manager to close the case with the applicable organization.

3. Investigation Strategy

Within 3-5 days of receiving the initial notification from CCD, the investigator will notify Legal of his/her investigation strategy. Within an appropriate time frame, the investigator will notify the appropriate HR Representative of the investigation and what should be shared with line management. It is crucial that all parties maintain the confidentiality of investigative information. Case information should only be shared on a need-to-know basis. The HR Representative has the primary responsibility for notifying line management in a timely manner. If the investigation involves bargaining unit employees, Labor Relations shall be notified by the HR Representative. An investigation strategy can include the following elements:

a. Identify underlying concerns voiced in the complaint.
b. Identify Company policies or procedures related to this issue.
c. Determine line managers that need to be notified before the investigation begins (generally, initial notification will be to management at least two levels above any alleged suspect in the allegation).
d. Identify key witnesses and preferred order of interviews.
e. Determine if administrative leave for the subject, alleged victim, or others is needed.
f. Determine if a subject or witness is a contract worker, which may require advance contact with the contracting agency or employer.
g. Determine logistical details and local contacts for coordinating interviews and meeting rooms.
h. Estimate scope and duration of the investigation, including current caseload and the need for additional resources.
i. Develop a plan for general status updates to line management and/or the HR Representative for investigations lasting beyond two weeks (more frequent updates may be required in some cases).
j. Determine how to include union representation if applicable.

4. Investigation/Fact Finding

The investigation/fact finding process involves conducting interviews and collecting evidence to document and support a conclusion regarding whether a COE violation did or did not occur. The objectives of the investigation include:

a. Determine whether the allegation can be substantiated.
b. Determine how the violation was committed.
c. Determine whether the Code of Ethics has been violated.
d. Identify the person(s) committing the violation.
e. Determine whether law enforcement agencies should be notified.
f. Determine the extent of loss or other adverse consequences to the Company.
g. Identify improvements needed in business controls to minimize similar occurrences in the future.
h. Document the facts for presentation to the EO, line management, and appropriate authorities.

Depending on the complexity, sensitivity, and duration of the investigation, the investigator may need to provide periodic updates to Legal, the HR Representative, and/or management. Again, it is imperative that all parties maintain the confidentiality of investigative information. Legal may suggest additional fact finding until the investigator can begin to form a solid conclusion and begin a draft investigation report.

5. Completing the Investigation

The investigator produces a draft Investigation Findings Report (see Attachment III as an example), which is sent to Legal and the HR Representative for preliminary review. The draft report should include the following:

a. Allegation(s)
b. Investigation Scope and Summary of Facts
c. Substantiated Facts
d. Conclusion

Notes:
• Responsive Actions (or other recommendation) are not to be included in the draft Investigation Findings Report.
• Draft Investigation Findings Reports should not be copied and distributed - except as described below.
• Corporate Security typically will not produce a draft Investigation Findings Report, but will verbally brief Legal, HR, and line management.

The investigator, HR Representative, and Legal review the draft Investigation Findings Report, where applicable, to confirm its conclusions and agree on a recommended range of responsive actions for line management.

a. The HR Representative and investigator will meet with line management in a verbal briefing of the investigation findings. Legal may be involved if appropriate. The briefing may include a discussion of the risks of potential responsive actions. If the violation involved a bargaining unit employee, Labor Relations shall be included in the briefing.
b. The HR Representative closes the case with line management:
   1) HR Representative and line management finalize responsive actions to be taken and review with Legal, if needed – Corporate Security will be included in cases involving workplace violence.
   2) HR Representative, operational manager, or investigator, if applicable, should close the case with the alleged victim and/or person raising the complaint, as well as with the subject.
   3) Copies of the draft Investigation Findings Report must not be placed in any employee file.
   4) HR Representative notifies the investigator of responsive actions to be taken.

Final Investigation Report (see Attachment IV) is sent to CCD and Legal by the investigator:

a. CCD logs the closing date of the fact finding investigation when the Final Investigation Report is received.
b. “Responsive Actions” are added to the Final Investigation Report to document disciplinary actions or remedies management has agreed to be taken.

c. The Manager-Ethics Program is responsible for follow-up on the responsive actions identified in the case.

d. CCD forwards all Final Investigation Reports to the Company’s Chief Ethics Officer for consideration.

e. Chief Ethics Officer approves the closure of all ethics cases.

Notes:

- Though ethics cases may remain officially open until all responsive actions are complete, the duration of the investigation ends for metrics purposes when CCD receives the Final Investigation Report.
- “Responsive Actions” should include responsible parties and the time frame to complete.
- Final Investigation Reports should not be copied or distributed outside of those in the ethics program with a need to know.

CCD closes the case in the Company’s ethics database.

a. Any outstanding responsive actions are logged by CCD along with dates for follow-up.

b. The HR Representative will be responsible to ensure actions are completed within the time frame and notify CCD to update the status of outstanding responsive actions in the ethics database.

c. The HR Representative will forward any correspondence or documentation related to the completion of responsive actions to CCD for central record keeping.

d. CCD ensures all outstanding responsive actions are complete.

e. All Final Investigation Reports are summarized by CCD and periodically reviewed by the Chief Ethics Officer and Chief Audit Executive. Certain cases may be selected to be shared with employees on an anonymous basis as an ethics training tool.

Note:
Department or Group status reporting of COE issues should avoid names and detail (appropriate example: “Age discrimination allegation in Transmission”).

Ethics investigation case file retention will be the responsibility of CCD. All ethics investigation documentation will be forwarded to CCD by the responsible investigator for central record keeping upon case closure.

a. CCD will be responsible for ensuring that case files contain the corresponding documentation for all completed responsive actions.

b. Copies of Final Investigation Findings Reports must not be included in any employee file.

c. Investigation documentation should be organized in the following manner before forwarding to CCD:
   Section 1 – Final Investigation Report
   Section 2 – Initial Allegation (e.g., Ethics Line, e-mail)
   Section 3 – Responsive Actions (e.g., Memorandum of Understanding (MOU), counseling, etc.)
   Section 4 – Miscellaneous documentation (e.g., analysis, time sheets, etc.)
   Section 5 – Interviews (For each interviewee, place any employee statements in front of investigator interview notes).
ATTACHMENT I
TYPES OF CODE OF ETHICS VIOLATIONS

The table below describes some of the potential Code of Ethics violations which may occur. The table also identifies the Company organizations most likely to be assigned the responsibility for conducting the investigation.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Types of Code of Ethics Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Security</td>
<td>• Physical security matters (break-ins)</td>
</tr>
<tr>
<td></td>
<td>• Workplace violence</td>
</tr>
<tr>
<td></td>
<td>• Criminal activities (e.g., theft, general fraud)</td>
</tr>
<tr>
<td></td>
<td>• Drug and alcohol abuse</td>
</tr>
<tr>
<td>Corporate Compliance</td>
<td>• All cash handling</td>
</tr>
<tr>
<td>Department</td>
<td>• Falsification of time sheets and payroll records</td>
</tr>
<tr>
<td></td>
<td>• Procurement fraud</td>
</tr>
<tr>
<td></td>
<td>• Contractor improprieties (i.e., gifts, favors, over billings)</td>
</tr>
<tr>
<td></td>
<td>• Falsification of corporate records</td>
</tr>
<tr>
<td></td>
<td>• Expense account problems</td>
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<tr>
<td></td>
<td>• Computer related misuse</td>
</tr>
<tr>
<td></td>
<td>• Misuse of materials and property</td>
</tr>
<tr>
<td></td>
<td>• Misuse of company resources</td>
</tr>
<tr>
<td></td>
<td>• Environmental, health and safety violations</td>
</tr>
<tr>
<td>Legal Department</td>
<td>• Violations of laws and regulations</td>
</tr>
<tr>
<td>Human Resources Department</td>
<td>EEO Specialists</td>
</tr>
<tr>
<td></td>
<td>• Harassment</td>
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<tr>
<td></td>
<td>• Discrimination</td>
</tr>
<tr>
<td></td>
<td>HR Representatives</td>
</tr>
<tr>
<td></td>
<td>• Employment practices issues (not EEO-related)</td>
</tr>
<tr>
<td></td>
<td>• Other employee concerns</td>
</tr>
</tbody>
</table>
Date: January xx, 2005
To: [Attorney]
[HR Representative] (Draft version only)
From: [Investigator]

Subject: [Subject Name] – [Job Title] (Complainant Name, if necessary)
[Business Unit] – [Work Location]
COE Case #

Allegation

An employee concern was raised in the [Department] during a January xx, 2004 meeting of the [Unit]. [Complainant Name] (Race, Gender, Age, where applicable), [Position – Work Location], complained that his/her manager, [Subject Name] (Race, Gender, Age, where applicable), [Position – Work Location], was discriminating against him/her on the basis of his/her age. [Complainant] also complained that [Subject] had not been giving him/her opportunities to develop as compared to younger counterparts.

Investigation Scope and Summary

Interviews were conducted with the following current and former employees in the [organization] from January xx to xx, 2004.

[Complainant] (WF Age xx)* – Business Analyst, [Unit/Work Location]
[Witness] (WM Age xx)* – Sr. Business Analyst, [Unit/Work Location]
[Witness] (BM Age xx)* – Business Analyst, [Unit/Work Location]
[Subject] (WM Age xx)* – Manager, [Unit/Work Location]

• Facts from the investigation (interviews, documents reviewed, etc.).
• “   “   “   “   “   “
• “   “   “   “   “

Substantiated Facts and Conclusion

The conclusion of this investigation is that the concerns raised by [Complainant] have (not) been substantiated as evidence of age discrimination by [Subject].

• Information supporting the conclusion.
• “
• Company policy or process violated (ref. policy #)

Responsive Actions Taken (may be added or augmented in Final version)

Management has placed xx on 5 days unpaid leave and issued a Memo of Understanding, dated xx. In addition, management has requested a 2-hour training session for all employees at [Unit/Work Location] to be completed by xx. Completion of this action will be verified by [HR Rep].
ATTACHMENT IV

SAMPLE FINAL INVESTIGATION REPORT

CONFIDENTIAL COMMUNICATION

Date: January xx, 2005
To: [VP of Corporate Compliance Department]
From: [Investigator]
Subject: [Subject Name] – [Job Title] (Complainant Name, if necessary)
[Business Unit] – [Work Location]
COE Case #

Allegation

An employee concern was raised in the [Department] during a January xx, 2004 meeting of the [Unit]. [Complainant Name] (Race, Gender, Age, where applicable), [Position – Work Location], complained that his/her manager, [Subject Name] (Race, Gender, Age, where applicable), [Position – Work Location], was discriminating against him/her on the basis of his/her age. [Complainant] also complained that [Subject] had not been giving him/her opportunities to develop as compared to younger counterparts.

Investigation Scope and Summary

Interviews were conducted with the following current and former employees in the [organization] from January xx to xx, 2004.

[Complainant] (WF Age xx)* – Business Analyst, [Unit/Work Location]
[Witness] (WM Age xx)* – Sr. Business Analyst, [Unit/Work Location]
[Witness] (BM Age xx)* – Business Analyst, [Unit/Work Location]
[Subject] (WM Age xx)* – Manager, [Unit/Work Location]

• Facts from the investigation (interviews, documents reviewed, etc.).
• “ “ “ “ " " " " "

Substantiated Facts and Conclusion

The conclusion of this investigation is that the concerns raised by [Complainant] have (not) been substantiated as evidence of age discrimination by [Subject].

• Information supporting the conclusion.
• “ " " " " " " " " " " " "
• Company policy or process violated (ref. policy #)

Responsive Actions Taken

Management has placed xx on 5 days unpaid leave and issued a Memo of Understanding, dated xx. In addition, management has requested a 2-hour training session for all employees at [Unit/Work Location] to be completed by xx. Completion of this action will be verified by [HR Rep].

c: [Attorney]
[Corp Compliance Rep]