

May 1, 2005

Dear Faculty/Staff Member:

Case Western Reserve University leads the way in creating an environment that promotes teaching, learning, and discovering. All of us at Case play a vital role in providing effective, accessible services to the communities we serve. The Case Compliance Program strives to ensure that we reach these goals while helping to ensure that each of us is able to recognize and avoid situations that might compromise our integrity. By providing guidance and tools, the Compliance Program helps us perform our responsibilities ethically and within the bounds of Ohio and United States law.

The Case Code of Conduct reflects Case's commitment to respect, honesty, and integrity and provides a framework for how we deliver education and services to our constituents. It does not replace any existing policy or procedure. Please use the resources described in the Code. If you don't understand a policy, ask for guidance. If you're facing a difficult ethical challenge, seek help. Let these outlined principles guide your decisions and actions.

The Case Compliance Program and Code of Conduct have the support of our highest levels of leadership. Even more importantly, they deserve your personal support. It is expected and required that all employees read, comprehend, and follow the Code in its entirety. For faculty and staff who work in collaboration with other institutions, the Case Code will apply in any area not covered by those institutions' policies, particularly with regard to scientific or research practices.

In addition to using sound judgment in following these standards, each of us has the responsibility to report ethical and legal concerns either to our supervisor or to the Office of Audit Services, the Office of General Counsel, other appropriate offices listed in the Code, or via the confidential Case Integrity Hotline at 1-866-483-9367 or online at: <https://www.caseintegrityhotline.com>.

The following Code of Conduct and Integrity Hotline information will provide an overview of the goals of the Case Compliance Program and methods for achieving these goals. More detailed information is available on the university's website (www.case.edu) and the Office of Audit Services' website (www.case.edu/president/audit/hotline.htm.)

Thank you for your commitment to the values and principles that assist Case in accomplishing its mission. Your support of this program will enable our university to continue as a recognized leader in the community.

Sincerely,



John L. Anderson
Provost and University Vice President



Hossein Sadid
Chief Financial and Administrative Officer

Code of Conduct: A Guide to the Case Western Reserve University Compliance Program

The Code of Conduct applies to the following members of the university community:

- 1) Individuals employed by the university, using university resources or facilities, or receiving funds administered by the university;
- 2) Consultants, vendors, and others under contract with the university; and
- 3) Individuals who perform services for the university as volunteers. The code of conduct refers to all these persons collectively as “members of the university community,” “community members,” or “members.”

Code of Conduct

It is the policy of Case Western Reserve University that all members of the University community adhere to the highest ethical standards of professional conduct and integrity. All members are expected to understand and comply fully with all state and federal laws, regulations, and interpretations thereof that are related to their particular duties. To help achieve that end, Case Western Reserve University has created a policy manual that describes Case’s policies concerning certain laws affecting many of our business operations. Case offers this Code of Conduct to help its personnel understand some specific laws they are bound to obey. The Audit Services website contains a comprehensive list of University policies and procedures at: www.case.edu/president/audit/policies.htm

Confidentiality

The University maintains confidential records for a variety of business needs. Records include detailed information about patients undergoing tests or receiving treatment, students, job applicants, employees, finances and future planning. All of this information (including medical records) must be kept strictly confidential and not released to anyone outside the provider without written consent or lawful court order. Laws governing the release of HIV-related information are even stricter. All personnel must avoid discussing confidential information with outsiders, or where others, including family, can overhear them. Internal access to medical records is not appropriate unless there is a legitimate, work-related need to see the information. For more information on privacy of medical information and student records, please see: <http://ora.ra.cwru.edu/research/orc/hipaa/index.cfm> and http://www.cwru.edu/provost/registrar/student_records.html, respectively.

Cooperation with Law Enforcement / Government Investigations

Federal and State agencies have broad rights to investigate matters involving employees, students, patients, and research subjects. Case Western Reserve University policy is to cooperate with law enforcement investigations and activities within the bounds permitted by law. Anyone who is contacted, orally or in writing, at home or at work, by a person stating that he or she is investigating on behalf of the government or an insurer, has the right if he/she so desires to refer that person to Audit Services or Office of Counsel, or to

state that he/she will respond only in the presence of an attorney, and therefore has the right to delay the investigation for that purpose. If you are presented with a subpoena, warrant, or court order, you have the right to an attorney when speaking with the government agent. During off-hours, the Office of Counsel or a senior administrator can be reached through (216)368-3333. The Office of Counsel will coordinate the disclosure of documentation. Any person who elects to speak with a law enforcement officer should tell the complete truth.

Discrimination

It is against the law to discriminate against an employee/student/patient/research subject on the basis of race, color, sex, age, national origin or other protected status. Research subjects and patients also cannot be discriminated against because of their ability to pay for care. Any person with information that an individual is improperly discriminating or being discriminated against should report that information. For more information on University policy concerning discrimination, please see:

http://www.cwru.edu/finadmin/humres/policies/handbook/stand_ex.html.

Conflicts of Interest

All personnel associated with Case Western Reserve University should avoid conflicts of interest and situations that could appear to be a conflict of interest. This means that personnel should not personally benefit from doing business with Case Western Reserve University, should not have independent relationships with those who deal with Case Western Reserve University, should not use their employer's property for their personal benefit and should not compete with Case Western Reserve University. Any potential for conflict of interest should be disclosed to your supervisor and through the annual conflict of interest survey process. For more information on University policy concerning conflicts of interests, please see:

http://www.cwru.edu/finadmin/humres/policies/conf_int.html and

<http://ora.ra.cwru.edu/research/orc/coi/index.cfm>.

Record Retention

State and federal laws require that providers and others within Case Western Reserve University keep certain records for specified periods of time. It is Case Western Reserve University's policy to maintain records for the legally required duration. The legal requirements are many and varied, so before you discard any documentation, it is wise to check with your supervisor, the Controller's Office website at:

http://www.cwru.edu/finadmin/controller/policy/rec_ret_acad.pdf and

http://www.cwru.edu/finadmin/controller/record_retention.htm, or the Office of General Counsel regarding any requirements that might exist. All Case Western Reserve University personnel should learn and follow the record retention policies of their employer.

Payments, Discounts and Gifts

It is generally illegal and unethical to pay for referrals or to pay for a recommendation that someone lease or buy something (like equipment or drugs) from you. It is Case Western Reserve University's policy not to pay for referrals or recommendations or to accept payment for referrals we make. "Payment" does not have to be cash; it can be anything of value, such as a discount, free service or piece of equipment. You should avoid entertaining or giving gifts of more than token value to those who can refer patients or business to Case Western Reserve University (see next paragraph.)

Accepting Gifts

Tangible personal gifts or gratuities shall not be accepted where their value suggests something more than merely a social gesture. Such gifts should be returned with a statement of University policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable. For further information concerning University policy on personal gifts and gratuities, see <http://www.cwru.edu/finadmin/matsupp/procurement/purchman.html#gifts>

Billing

It is against the law and Case Western Reserve University's policy to knowingly submit false claims for payment. Submitting a false claim might include using the wrong billing codes, falsifying the record, reporting inaccurate research effort or billing for services not provided or not necessary. Violations of these laws can be punished by fines, prison, or both. Case Western Reserve University's policy is to bill accurately and only for necessary services that are provided and documented. Any subcontractors that perform billing services for Case Western Reserve University providers must ensure compliance with billing requirements as well.

Discussions with Competitors

The antitrust laws prohibit competitors from agreeing on prices or rates. More specifically, it is illegal and against Case Western Reserve University policy for employees within the system to discuss services, rates, or proposals with competitors. Any questions about whether it is legal to share business information (prices, contract terms, salaries) with competitors should be raised with the Office of Counsel or your supervisor. Penalties for antitrust violations are substantial and can involve fines and prison.

Tax Issues

Case Western Reserve University and many of its affiliated entities are tax-exempt because of their charitable missions, which may include education, research and service. The IRS imposes rules on such organizations. In general, a tax-exempt entity may not permit insiders (such as officers or others who can influence organization decisions) to benefit personally from dealing with the organization, nor may any private person (insider or not) receive a benefit from the organization beyond what is necessary for the organization to fulfill its mission (e.g. employees may be paid a fair salary.) Issues such

as these arise most often with respect to compensation arrangements, contracts, loans, and leases. Those we do business with should not receive more than fair market value for the goods or services they provide. Violations of the tax rules can result in an organization losing its tax exemption, or can cause the IRS to penalize the person receiving an excess benefit, and the institution personnel who approved the payment.

The IRS imposes other limits on tax-exempt organizations. Income from certain activities unrelated to the charitable purpose can be taxed. Also, allowing individuals the personal use of space financed by tax-exempt bonds can result in tax liability. Tax-exempt organizations cannot make political contributions or lobby excessively.

Securities

Case Western Reserve University has issued tax-exempt bonds that are publicly traded. It is illegal for any person with non-public, "inside" information that might affect the value of those bonds to buy or sell those bonds or give information to others who do so. Penalties include fines, prison, and civil liability.

Environmental Health, Safety and Waste Disposal

The University must comply with government rules and regulations that protect the environment, the public and promote workplace safety. Dangerous materials must be properly controlled and monitored at all stages of use in accordance with laws and regulations. All persons with access must comply with various environmental laws in the disposal of "select agents", waste and other hazardous materials. Individuals should learn and follow their organization's waste disposal policies. Spills or releases must be reported promptly to Safety Services at (216)368-2907, Radiation Safety at (216)368-2906 or Campus Security at (216)368-3333. For further information on environmental health/safety and waste disposal, please see:

<http://www.cwru.edu/finadmin/does/web/Forms/Forms.htm>.

Controlled Substances

Federal and state laws affect the handling and dispensing of controlled substances, including narcotics. Case Western Reserve University will not tolerate unauthorized manufacture, distribution or possession of controlled substances. Anyone having information about a violation of this policy or the law should report it promptly, or may be subject to discipline.

Scientific Misconduct

Those who receive grants must obey certain federal requirements described in regulations. Some of the regulations apply to "scientific misconduct," such as falsifying data or copying results from other studies. Case Western Reserve University does not tolerate scientific misconduct and complies fully with governmental requirements for investigating and sanctioning that behavior. Any person who learns of or suspects scientific misconduct should report that to the Office of Research Administration. For more information on scientific misconduct at the University, please see:

<http://ora.ra.cwru.edu/research/orc/researchintegrity/index.cfm>

Alcohol and Drug Free Workplace

The unlawful manufacture, distribution, dispensation, possession, or use of alcohol or controlled substances including illicit drugs, is prohibited on property owned or operated by Case Western Reserve University and is grounds for disciplinary action. No Case employee may report to or engage in university related work while under the influence of illegal drugs or alcohol. Employees who are convicted of a violation of a criminal drug statute as a result of an incident occurring in the workplace or while on university property must notify the director of Human Resources for Employee Relations in writing within five days of his or her conviction. Such conviction will be grounds for mandatory evaluation and possible treatment for substance abuse disorder and for disciplinary action, up to and including termination. For further information, please see:

http://www.cwru.edu/finadmin/humres/policies/work_env.html.

Other Laws, Regulations, University Policy

The above is only a summary of significant laws, regulations and policies affecting the University. All personnel must adhere to all laws, regulations and policies, even if they were not specifically mentioned above. For additional policies, please see:

http://www.cwru.edu/finadmin/humres/policies/handbook/stand_ex.html. For an index of university policies and procedures, please see:

<http://www.case.edu/president/audit/policies.htm>.



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Integrity Hot Line

All members of the University community, including retirees, vendors, students, and alumni, are encouraged to report unethical or illegal behavior to a University official or to the Case Integrity Hot Line. Individuals are encouraged to first report their concerns to their supervisor (if an employee) or to another appropriate University official. However, if that is not a viable option, or if the individual believes his or her concerns are being ignored, he/she can report any concerns to a University office, such as Audit Services, Employee Relations, Equal Opportunity & Diversity, Protective Services, Office of General Counsel, or Research Compliance. Reporting directly to a University supervisor or office helps us in gathering evidence to identify the nature and scope of the alleged misconduct.

If you are uncomfortable discussing your concerns with a University official, the University has engaged Global Compliance Services to be its third-party ethics and compliance hotline provider to collect allegations anonymously. You do not have to disclose your name when you call, although you may if you wish. The hot line is an external toll free number; your telephone number will not be identified in any message. Reports can be made 24 hours a day/7 days a week by calling toll free 1-866-483-9367 or reporting online at: <https://www.caseintegrityhotline.com>.

Efforts will be made to perform investigations discreetly. The details of the investigation will be kept confidential, to the extent feasible, and consistent with University policies and applicable federal, state and local laws. All calls are taken seriously and, if

warranted, investigated by the appropriate department of the University. Where feasible, the investigation results will be relayed to the person who reported the violation.

Case Western Reserve University will not tolerate retaliation against members or others who report suspected violations in good faith. Any person who attempts to retaliate will be subject to discipline, up to and including termination.

For further details regarding the Integrity Hotline including examples of unethical or illegal conduct, please see: <http://www.case.edu/president/audit/hotline.htm>.

Individual Responsibility

Each employee is personally responsible to act in accordance with the policies of Case Western Reserve University as set forth in this document and otherwise. Violating these policies or failing to report violations could subject an employee to disciplinary action, up to and including termination.

Consequences as a Result of Noncompliance

In addition to actions such as fines or imprisonment for noncompliance with applicable laws and regulations, consequences to the University-at-large may include the following: 1) an increase in federal audits, (2) significant penalties, (3) a reduction or loss of research funding, (4) shutdown of projects, (5) additional oversight and monitoring by the government, (6) a compromise of professional integrity, and (7) risk to the University's reputation.

The web site references in this Code are valid as of the May 2005 publication of this Code of Conduct. Their references are individually managed and may change from time to time. Up-to-date references are always available in the online Code of Conduct at www.case.edu/president/audit/Code_of_Conduct.pdf

Questions or comments regarding the content of the Code of Conduct should be directed to the Office of General Counsel or the Office of Audit Services.