

# **I. COMPLIANCE PROGRAM OVERSIGHT**

## **A. Operational Duties of the Chief Compliance Officer**

The Chief Compliance Officer shall:

- (1) be responsible for overseeing the daily operation and ongoing strategic planning of the CCP;
- (2) chair the Executive Compliance Committee and the Clinical Services Compliance Committee;
- (3) brief, as necessary, the Executive Vice President for Health Affairs (EVPHA) (and other parties when appropriate) on issues relating to the CCP;
- (4) direct the CCP in a manner which encourages every employee to report any conduct that the employee, in good faith, believes is a violation of the CCP;
- (5) investigate, according to policy or as otherwise directed by the EVPHA, any reports of alleged illegal conduct;
- (6) ensure that all audits, investigations, records, and proceedings of UK HealthCare be reported or available to the Chief Compliance Officer;
- (7) provide an annual certification report of substantial compliance with the CCP to the EVPHA and other parties as directed by the EVPHA;
- (8) ensure that policies and procedures necessary for the effective operation of the CCP are adopted;
- (9) ensure that all new UK HealthCare affiliates are provided with a copy of the CCP;

(10) ensure that effective procedures are in place to prevent UK HealthCare from employing or contracting with providers who have been banned from participating in the Medicare and Medicaid Programs;

(11) ensure that CCP education is carried forth in a manner that facilitates the overall objectives of the CCP;

(12) after consultation with and approval by the EVPHA and others, as appropriate, take any action deemed necessary to effectively execute the CCP; and

(13) monitor the overall compliance efforts of UK HealthCare and implement changes as needed to ensure an effective program.

## **B. Annual Report to the EVPHA**

The Chief Compliance Officer annually shall prepare and submit to the EVPHA, a written report that summarizes the overall operation of the CCP during the preceding year. The report must include the Chief Compliance Officer's suggestions regarding any amendments that are appropriate to ensure the CCP is effective.

Additionally, the report shall verify that UK HealthCare has:

(1) established and maintains compliance standards and procedures that are reasonably capable of reducing the prospect of unethical/illegal conduct and detecting ongoing unethical/illegal conduct;

(2) designated specific individuals with a sufficient level of authority and expertise to oversee specific high-risk areas of compliance;

(3) not delegated discretionary authority to individuals who previously have shown a propensity to engage in illegal or unethical conduct;

(4) communicated effectively the standards and procedures to be followed by employees, and maintained a mechanism by which employees can report possible illegal/unethical conduct without threat of retribution;

(5) employed monitoring and auditing systems reasonably designed to detect illegal activities; and achieved substantial compliance with the applicable standards and procedures;

(6) enforced appropriate disciplinary mechanisms consistently and fairly against individuals who have been found to have committed illegal/unethical acts or who recklessly have failed to detect illegal conduct; and

(7) implemented effective compliance practices to prevent reoccurrence of illegal conduct; responded appropriately to any reports of possible illegal conduct; and modified standards and procedures as necessary to achieve compliance.

Within a reasonable time after the EVPHA has received the annual report, the EVPHA and the Chief Compliance Officer will meet to evaluate the report and to consider any recommendations.

### **C. Evaluation of the Chief Compliance Officer**

At the end of each calendar year, the EVPHA shall prepare a written evaluation of the Chief Compliance Officer's performance. The Chief Compliance Officer's performance shall be judged upon criteria including, but not limited to: (1) the effectiveness in facilitating the CCP educational process for all employees of UK HealthCare; (2) the extent to which all periodic internal audits are initiated and completed on schedule; (3) reliability in instituting immediate investigations of all credible complaints under the CCP; (4) diligence in performing oversight responsibilities such as performing audits, and analyzing incidences of non-compliance; (5)

overall effectiveness in directing the daily operations of the program; (6) CCP strategic planning.

## **II. INVESTIGATION OF POTENTIAL VIOLATIONS**

### **A. Reports of Illegal, Unethical or Abusive Conduct**

Upon receiving a credible report of possible illegal, unethical, or abusive conduct, the Chief Compliance Officer promptly shall initiate an investigation after consultation with appropriate UK HealthCare officials as outlined below. The Chief Compliance Officer, in accordance with applicable law, shall maintain a complete and accurate record of each investigation, including recommendations for corrective action. Upon the conclusion of an investigation, the Chief Compliance Officer will, among other things, recommend corrective action to the EVPHA, if appropriate.

The goal of the CCP is to prevent, detect, and promptly correct activity that does not comply with legal, ethical and professional standards as well as the standards adopted pursuant to the CCP. Attempts always should be made to discuss and resolve issues in cooperation with the individuals involved. Nonetheless, conduct that violates the CCP shall be dealt with promptly, and shall be reported to outside authorities as deemed appropriate by legal counsel and the EVPHA after consultation with the Chief Compliance Officer. Corrective action shall be consistent with the nature of the conduct and the surrounding circumstances.

### **B. Protocol**

The Chief Compliance Officer shall facilitate receipt of either anonymous or attributable reports from UK HealthCare employees (or any other individual or individuals) of suspected misconduct. In this regard, the Chief Compliance Officer shall oversee the operation of a telephone system (hereinafter Comply-Line) to receive reports of violations. The Chief Compliance Officer also shall facilitate the receipt of written reports through other appropriate

means, such as through the mail.

To the extent possible, the Office of Corporate Compliance will ensure the integrity and confidentiality of all reports of misconduct. The OCC shall strive to prevent retaliation directed at employees who, in good faith, report possible misconduct. If a report of retaliation is made, the OCC will investigate the alleged behavior and report the findings and recommendations to the EVPHA.

Every credible report of misconduct or retaliation that is received by the OCC, whether written or oral, shall be reviewed promptly. The OCC, or its designee, shall document pertinent data, such as the date the report was received, results of the initial review, and whether any investigative or audit activity was taken to evaluate the allegations contained in the report. For every report of a violation received, the OCC shall record each decision that is made and action initiated regarding the report. All reports of violations shall be documented, reported and retained with the intent of maintaining the attorney-client privilege. All compliance documents shall be destroyed in accordance with applicable federal and state statutes and regulations.

If the OCC concludes that the report does not merit further investigation after an initial inquiry into the allegation, that conclusion and an appropriate explanation supporting the recommendation shall be recorded in writing.

Should the OCC conclude, based on the preliminary inquiry, that a report contains allegations that warrant further investigation, the reasons for reaching that conclusion shall be recorded in writing. Within a reasonable time after determining that a full investigation should be initiated, the Chief Compliance Officer shall discuss with the EVPHA and legal counsel, as appropriate, the allegation and the status of the investigation.

It shall be exclusively within the discretion of the EVPHA, after consultation with legal counsel and the Chief Compliance Officer, where appropriate, to conduct or decline to conduct an investigation into alleged illegal, unethical or abusive conduct.

The EVPHA, after consultation with the Chief Compliance Officer, legal counsel and others as appropriate shall decide whether any corrective and/or disciplinary action will be taken pursuant to the CCP and/or whether the matter should be referred to a government agency or professional body.

Should the Chief Compliance Officer conclude that additional issues disclosed by the original investigation, but not alleged in the initial report, require examination, it shall be recommended to the EVPHA.

Nothing in this or any other section of the CCP shall prevent University legal counsel from conducting a separate investigation or from taking any necessary action to protect the legal interest of the University of Kentucky.

### **III. EMPLOYEE CREDENTIALING**

The objective of this section is to prevent the hiring or retention of any employee excluded from participation in care programs, or who is not otherwise ineligible to participate, in a “Federal health care program” as defined in 42 U.S.C. section 1320a-7b(f) or in any other state or federal government payment program and/or who has a reasonably discoverable propensity to engage in illegal, unethical or abusive behavior. The Office of Corporate Compliance will, on a regular basis, compare the DHHS OIG exclusion list with the UK Human Resources roster in an effort to identify any UKHC employee who is or becomes excluded during the course of his/her employment. Any employee identified as an excluded party will be referred to UK Human Resources. In addition, UKHC hiring officials shall act in accordance with all applicable University standards related to the hiring and termination of faculty and staff.

It is important to expressly note that nothing in this section replaces, eliminates, or alters the appointment or reappointment process set forth under the University of Kentucky bylaws and rules and regulations of the medical staff.

## **IV. CONTRACTOR AND VENDOR CREDENTIALING**

UKHC officials will exercise due diligence in the selection of contractors and vendors. It is the intent of UKHC not to enter or remain in relationships with entities or individuals who have shown a propensity to engage in illegal, unethical or abusive conduct. For example, UKHC will take reasonable steps to avoid relationships with individuals or entities where: (1) the organization or any controlling member thereof, has ever been convicted (including plea bargain or other arrangement with prosecuting officials) or otherwise sanctioned or found liable for a health-care related criminal, civil, or administrative offense or other offense involving theft, fraud, or embezzlement; (2) the organization or any controlling member thereof, is listed by a federal or state agency as disbarred, excluded or otherwise ineligible or prohibited from working, in federally supported health care-related projects or programs. In addition, individuals and entities having a contractual relationship with UKHC will be notified of the following: (1) their relationship with UKHC is conditioned upon their adherence with the CCP; (2) they have been encouraged to familiarize themselves with the CCP and have been told that a copy is available for review in the Corporate Compliance Office during business hours or on the UKHC Corporate Compliance Website; (3) they are under an affirmative obligation to report immediately to UKHC's Chief Compliance Officer any actions by an agent or employee of UKHC which they believe, in good faith, violates the CCP or any ethical, professional or legal standard.

In an effort to facilitate these objectives, all contracts involving UKHC will contain the below stated language, unless otherwise approved by UK legal counsel.

Contractor affirms that it is not excluded from participation, and is not otherwise ineligible to participate in a "Federal health care program" as defined in 42 U.S.C. section 1320a-7b(f) or in any other state or federal government payment program. In the event that Contractor is excluded from participation, or becomes otherwise ineligible to participate in any such program, during the term of this agreement, Contractor will notify UK HealthCare Office of Corporate Compliance, 2333 Alumni Park Plaza, Suite 200, Lexington Kentucky 40517 in writing, by certified mail within 48 hours after said event, and upon the occurrence of any such event, whether or not appropriate notice is given, the University of Kentucky, shall

immediately terminate this Agreement upon written notice.

Additionally, Contractor affirms that it is aware that UKHC operates in accordance with a Corporate Compliance Program, employs a Chief Compliance Officer and operates a 24-hour, seven-day-a-week compliance Comply-line. **Contractor** has been informed that the **UKHC** compliance plan is on file in the Purchasing Office or can be viewed online at [http://www.ukhealthcare.uky.edu/forstaff/compliance/comply\\_about.htm](http://www.ukhealthcare.uky.edu/forstaff/compliance/comply_about.htm) and is encouraged to review the plan from time to time during the term of this agreement. It is understood that should Contractor be found to have violated the UKHC compliance plan, UKHC can, at its sole discretion, terminate this Agreement upon written notice. Contractor recognizes that it is under an affirmative obligation to immediately report to UKHC's Chief Compliance Officer (through the Comply-Line 1-877-898-6072, in writing, or directly (859) 323-8002 any actions by an agent or employee of UKHC which Contractor believes, in good faith, violates an ethical, professional or legal standard.

Nothing in this Agreement contemplates or requires that any party act in violation of federal or state law. Nonetheless, should any term or condition set forth in this Agreement later be credibly alleged, suspected or determined to be illegal, the parties agree to immediately cease the questioned activity and negotiate modification to the effected portion of the Agreement for a thirty day period. If at the end of this period, no compromise can be reached, the Agreement will terminate.

False or deceptive statements or material omissions related to issues addressed in this section will be considered good cause for cancellation of the contract. If reasonable questions as to the entities' or individuals' background or status arise, additional information may be solicited from the entity or individual at the discretion of the Chief Compliance Officer.

Contractors and vendors who are found to have a propensity to engage in illegal, unethical or abusive behavior will be subject to disciplinary action up to and including cancellation of their contract.

## **V. TRANSACTION REVIEW**

Currently, all transactions, (i.e. contracts, arrangements, etc.) entered into on behalf of UKHC, or any unit of UKHC must be reviewed by legal counsel prior to the initiation of the transaction. Legal approval of the transaction is evidenced by the reviewing attorney's signature.

In order to further UKHC's compliance efforts, legal counsel will consult with the Chief Compliance Officer, as needed, regarding compliance issues during the course of the formation and review process.

The goal of the review process is threefold. First, it is intended to prevent UKHC from entering into a relationship which, in form or substance, may violate federal and/or state statute and in turn expose UKHC to criminal, civil, or administrative penalties. Second, it is intended to provide a process by which UKHC completely can assess the merit of a proposed transaction. Third, it will further UKHC's ongoing efforts to formulate transactional strategies that are compliant with federal, state and local law.

## **VI. EDUCATION AND TRAINING**

It shall be the responsibility of each unit of UKHC with assistance from the Office of Corporate Compliance, as requested, to develop and execute a compliance education plan. The compliance education plan's primary objective will be to communicate effectively the CCP's Standard Operating Protocol and Standards of Conduct to all UKHC employees.

It is mandatory that all UKHC employees receive the appropriate level of education and training needed to help ensure that UKHC has an effective CCP. Attendance will be mandatory at all required training sessions and failure to attend will be grounds for discipline under the CCP. Employees who have not received the required education and training within 90 days of their date of hire will be forbidden from acting on behalf of the organization until they have completed the training process. The Chief Compliance Officer or the highest authority within the individual's unit may provide employees with a grace period to obtain training if extraordinary circumstances have prevented the individual from completing the educational requirement under the plan.

The basic training process will emphasize that employees not only must avoid violating

the CCP Standards themselves, but also that they have an affirmative obligation to report to their supervisor or the Chief Compliance Officer any suspected violations committed by others. The Chief Compliance Officer will emphasize that any violation of the Standards of Conduct (including failure to report the suspected misconduct of other employees) will be viewed as a serious infraction, and that punishment, including appropriate personnel procedures that may result in termination of employment, will be imposed upon employees who violate the CCP.

Employees who are promoted, or change positions or departments, must, within a reasonable time, obtain any additional compliance training required for their new assignment. It will be the duty of the individual's direct supervisor to ensure that any additional training that is required is obtained.

In an effort to provide employees with ongoing compliance education, departmental and division directors or their designees are encouraged to, from time to time, discuss corporate compliance concepts and issues with their faculty and staff. Further, they are encouraged to invite representatives from the Office of Corporate Compliance to departmental and staff meetings to discuss specific concerns or topics. Such individuals may use a variety of sources and materials to facilitate such discussions. For example, they can discuss journal, newspaper, and other articles or materials dealing with compliance and professional ethics. Regardless of the source used, the purpose of these meetings should be to reinforce compliance-related information the employee obtained during basic compliance education, answer any related questions and to inform the employee of departmental-specific compliance issues.

## **VII. MONITORING AND AUDITING**

UKHC recognizes that it is not enough just to promulgate Standards of Conduct. Appropriate actions must be taken to help ensure that the standards set forth in the CCP become integral to UKHC's daily operations. It shall be the responsibility of each unit of UKHC to

follow the guidance and direction of the UKHC Office of Corporate Compliance regarding auditing and monitoring activities related to the implementation and administration of an effective compliance program. In addition, the Office of Corporate Compliance will work to support the individual units in their efforts as well as identifying matters requiring non-routine monitoring and auditing.

## **A. Protocol**

The objective of the monitoring and auditing process is to examine standards set forth under the CCP in order to detect and prevent illegal, unethical and abusive conduct as well as scrutinize the general operations of the CCP itself.

This process is intended to facilitate the following: (1) spot check the standards described under the CCP; (2) verify that individuals who have discretionary authority under the plan have carried out their duties mandated under the CCP; (3) mandatory reviews of key compliance program tasks.

In general, high risk areas and/or practices will be audited with greater frequency than those that do not pose a sufficient threat to the effectiveness of the CCP. For matters necessitating non-routine audits the Office of Corporate Compliance shall, in consultation with the Executive Compliance Committee and others, as needed, determine who should comprise the audit teams. In addition to UKHC employees, audit teams may include, but are not limited to, outside legal counsel and accountants, University legal counsel and auditors, and outside consultants. The Chief Compliance Officer will provide notification of any significant unscheduled audit to the EVPHA within a reasonable time of commencing the audit. The notification will indicate why an unscheduled audit should be undertaken, and who will perform the audit.

Assignment to the team will be based on the particular expertise required to fully audit the specific area or standard being evaluated. All analysis and documentation related to each

unscheduled audit shall be compiled at the direction of the Chief Compliance Officer and/or legal counsel and shall be treated as attorney-client work product.

All audit reports shall be completed in a timely fashion and include, at a minimum, the following information:

- (1) audit objectives and scope;
- (2) audit procedures employed;
- (3) results obtained;
- (4) conclusions concerning accomplishment of the audit objectives;
- (5) details concerning any deficiencies noted; and
- (6) recommendations for corrective action or improvement.

## **B. CCP Audits**

The Chief Compliance Officer also will design, direct and/or conduct periodic internal audits of the CCP. The Office of Corporate Compliance shall discuss the results of all these audits in the annual report.

These audits shall focus on the following:

- (1) verification that the appropriate level of training is being provided to all employees;
- (2) verification that any reports and inquiries received by the OCC have been investigated and resolved;
- (3) verification that employees are able to effectively report suspected violations of the CCP to the OCC without threat of retaliation;
- (4) verification that the OCC effectively has investigated every credible allegation of misconduct that has been reported and that the findings and any follow-up activity have been documented

appropriately;

(5) review of disciplinary procedures to ensure that the CCP has been applied consistently to all employees;

(6) verification and documentation of sanctions and discipline imposed upon employees for violating the CCP;

(7) verification that the OCC is aware of new federal and state law, regulations, policies and procedures, and that the OCC is disseminating this information to appropriate individuals, and that it is being incorporated into the CCP and reflected in periodic training sessions for employees; and

(8) verification that the Executive Compliance Committee effectively is performing its duties and that it has the necessary resources to continue to operate in this manner.

## **VIII. COMMUNICATION AND REPORTING**

### **A. Mandatory Good Faith Reporting of Misconduct**

UKHC employees are required, within 24 hours of discovery, to report any misconduct that they, in good faith believe is potentially illegal, unethical, abusive or otherwise not in adherence with the spirit or intent of UKHC's CCP. This affirmative obligation extends to all independent contractors, vendors and agents of UKHC as well as to their employees. Failure to report such conduct can result in disciplinary action up to and including termination for employees and sanctions, including contract termination for contractors, vendors and agents. All reports are taken seriously and will be investigated properly and fully within a reasonable time period.

Everyone is entitled to make compliance inquiries or report suspected misconduct anonymously. However, as discussed below, choosing not to identify yourself greatly could hamper UKHC's follow-up on our inquiry or investigation of your report of misconduct. An individual who has made an inquiry or report may call the OCC or the Comply-Line to inquire whether the question or report has received attention. Those who report anonymously will be given a random identification number that they can use to check on the status of their inquiry. However, regardless how the report was received the person who made the report only will be told whether an investigation was initiated or whether some other form of follow-up action was taken. Specific information regarding the action/investigation will not be released.

As discussed below, compliance inquiries or reports of misconduct can be made in a variety of ways. In addition, UKHC employees are expected to consult with the OCC regarding specific compliance-related questions or concerns. The OCC also is available to provide general compliance guidance and advice as well as compliance education opportunities.

## **B. Comply-Line 1-877-898-6072**

The Comply-Line is a toll-free, 24-hour-a-day, seven-day-a-week phone line that is operated by an independent contractor. These calls are not recorded, traced or in anyway received in a manner that would reveal the identity of the caller or the location from which the call was placed. A communications specialist will answer your call and make handwritten notes regarding the nature and content of your report.

The purpose of the Comply-Line is to provide employees and others with an additional way to make compliance inquiries or report suspected misconduct. Furthermore, it allows the reporting individual the opportunity to notify UKHC of compliance issues or suspected misconduct anonymously and/or without talking directly with a UKHC official.

## **C. Confidentiality**

Confidentiality regarding the issues employees raise will be protected up to the limits of the law and to the extent reasonably possible. Of course, if they choose, employees can make their report anonymously simply by not leaving their name or address. Employees who wish to remain anonymous will be given an identification number that they can use to identify themselves in future conversations with, or messages from the OCC. However, remaining anonymous, in many cases, will impede UKHC's ability to fully investigate the caller's report. For example, it often is critical that the OCC be able to obtain additional information from the reporter during the course of the investigation. Therefore, you are encouraged to leave your name and a phone number or address at which you can be contacted.

#### **D. Reporting Channels**

Employees always are permitted to make inquiries or report misconduct directly to the OCC or Comply-Line. However, the OCC or Comply-Line should not be viewed as a routine alternative for following the normal chain of command. Accordingly, employees are encouraged to first discuss their concerns with their departmental supervisor, or other authority within their department or division. This is especially true of informational and consultative inquiries. In such cases, departmental or division management is normally the best source of department/division-specific information.

#### **E. Inquiries or Allegations**

Inquiries or allegations of misconduct made at the department level should be reported according to the following guidelines. Please note that, as with all other employees, a supervisory employee receiving a report can inform the OCC of the inquiry or allegation of misconduct directly.

##### **1. Questions and Inquiries**

All questions and inquiries made by employees directly to supervisors, managers, chairs, etc., should be reported through the normal reporting channels to the department's or division's highest authority. The OCC should be consulted as needed to ensure that the employee's question or inquiry has been documented adequately and that UKHC has reacted appropriately.

## **2. Allegations of Misconduct**

Supervisory employees who receive information regarding an allegation of suspected illegal, unethical or abusive behavior must forward that information to the highest authority in their department or division or their designee within 24 hours of receiving the report. The department's or division's highest authority or their designee will advise the OCC of the report within a reasonable time after receipt, not to exceed 72 hours. As appropriate, the OCC will assist the department or division to ensure that the employee's concerns have been documented adequately and that UKHC has reacted appropriately.

## **F. Anti-Retaliation**

To protect individuals making reports and to encourage them to appropriately report any facts or information relative to suspected misconduct, the reporting individual shall not be subject to reprisal/retaliation of any kind. Accordingly, UKHC employees shall not directly or indirectly use or threaten to use any official authority or influence, in any manner whatsoever, which tends to discourage, restrain, depress, dissuade, deter, prevent, interfere with, coerce, or discourage, against any employee who, in good faith, makes such reports or disclosures. Any suspected violation of this section must be reported to the OCC immediately.

The above paragraph does not, in any way, imply that employees can exempt themselves from the consequences of impropriety or inadequate performance. Rather, the anti-retaliation provision is meant to ensure that employees who, in good faith, report compliance concerns do

not suffer adverse consequences for making a report. The EVPHA can, in whole or in part and at his complete discretion, consider an individual's compliance report a mitigating factor when determining the appropriate corrective action to be taken against a "self-reporting" individual.

## **IX. ENFORCEMENT AND DISCIPLINE**

### **A. Protocol**

The highest authority in each department or division is responsible for promoting and ensuring compliance under the CCP in the department/division. Accordingly, this individual shall be diligent in his/her efforts to recognize potential problems and to consult the OCC when reasonable questions arise as to the appropriateness of ongoing or proposed conduct. Additionally, the individual responsible for the department or division or his/her designee will serve as a contact for the OCC. This individual also is responsible for reporting to the OCC under section VIII sub-section E of this chapter.

### **B. Sanctions**

University policies and procedures applicable to an individual's employment status will govern sanctions imposed on employees for violations of the CCP. In addition to termination, some or all of the following sanctions may be imposed: written warning (noted in personnel record); written reprimand (noted in personnel record); probation; demotion; temporary suspension; required reimbursement of losses or damages; referral for criminal prosecution or civil action.

In affixing a punishment based on a violation of the CCP, if the employee is a first-time offender, the following may be considered:

- (1) whether the employee reported his/her own wrongful conduct;
- (2) whether the employee's report provided the original notice to UKHC of the violation and/or the employee's involvement;
- (3) whether the employee has provided full and complete cooperation during the OCC's investigation of the violation; and
- (4) whether the employee formally has agreed to cooperate fully with any outside agency involved in the investigation.

### **C. Misconduct of Subordinates**

Supervisory and management personnel may be disciplined for failing to detect compliance violations by their subordinates, which they knew or should have known. Disciplinary action in such cases will be at the discretion of the EVPHA after consultation with the OCC, legal counsel and others, as appropriate. The University Policy and Procedures applicable to their employment status will govern any sanctions imposed on supervisory or management employees based upon their failure to detect violations of the CCP. Where the failure to detect the misconduct of a subordinate results from mere negligence, discipline shall not result in termination. On the other hand, if a supervisor or manager, due to intentional conduct, reckless disregard or willful blindness, facilitates or prolongs misconduct of another, then a penalty commensurate with the seriousness of the violation will be imposed, up to and including termination.

### **D. Abuse of Compliance Program Procedures**

Employees will be subject to disciplinary action up to and including termination if they intentionally and maliciously report a false allegation or otherwise recklessly abuse UKHC's Corporate Compliance Program procedures.

## **X. POST-VIOLATION RESPONSE**

## **A. Response Protocol**

Within a reasonable time after an investigation reveals credible evidence that a violation of the CCP has occurred, the OCC will meet with the EVPHA to brief him on the preliminary results of the investigation. Legal counsel and other UKHC employees will be consulted where appropriate. In coordination with legal counsel, the OCC shall provide the EVPHA with a status report which may include: a summary of the investigation to date; the scope and direction of the investigation; and an estimated time by which a final report will be presented. Within a reasonable time after receiving the final report, the EVPHA will meet with the OCC, legal counsel and other appropriate individuals to determine how UKHC will respond to the violation.

## **B. Prevention of Repeated Violations**

Once a violation has been substantiated, UKHC will take all reasonable steps necessary to prevent further, similar offenses. When a violation has been confirmed to the satisfaction of the EVPHA, all necessary action shall be taken to demonstrate good faith efforts to: (1) foreclose further violations of the same kind; and, (2) ensure that other categories of violations also are not occurring in the same department or departments.

## **XI. AMENDING THE CCP**

The UKHC CCP has been designed to adjust to new regulatory and legal developments, as well as to implement necessary changes discovered during routine audits or investigations of suspected misconduct. It is the responsibility of the Chief Compliance Officer and the Executive Compliance Committee to ensure that UKHC is aware of new legal, ethical and regulatory developments affecting the organization's ability to have an effective compliance program.

Alterations to the CCP based on changing statutes, regulatory conditions or procedures, or changes necessitated by oversights or defects in the plan will require immediate distribution to

all employees. The OCC will design methods for updating and distributing manuals to appropriate personnel.