



# **INTERNAL ETHICS AND COMPLIANCE POLICY**

**Approved by TTA Advisory Board  
on 9/23/21**

1. The Executive Director, TTA Board President, and President-elect are charged with monitoring compliance within the Texas Transit Association and taking appropriate action in response to compliance-related complaints. Along with the Finance Committee, these employees are responsible for oversight of financial reports and establishing and maintaining an adequate internal control structure with appropriate checks and balances.
2. The Executive Director and any TTA employees will be subject to background checks to ensure they have not previously engaged in any illegal activities.
3. Annually, the Executive Director, any employees, and the TTA Board members will review and approve the components and any revisions to the Internal Ethics and Compliance Policy. All board members of the organization will receive a copy of the Ethics and Compliance Policy and its expectation of ethical behavior and compliance with the law through the distribution of written materials, electronic communication, or verbal communication. This policy will also be made available to any TTA member upon request.
4. On a regular basis, the Executive Director and Finance Committee Chairperson shall perform a financial review of all transactions to ensure that they are in compliance with applicable rules, regulations, and grant requirements. This process will occur at a minimum of at least quarterly.
5. It is the entity's desire to identify and address incidents of misconduct in an expeditious manner by requiring employees and or board members to spot and report potential compliance issues to the TTA Board President or President-elect. Employees or Board members who report suspected non-compliance with law or unethical behavior can do so without fear of retaliation.
6. Any employee who violates the entity's ethics policy or Internal Compliance Program shall be subject to disciplinary action, as well as applicable civil or criminal penalties. The Executive Director, TTA Board President, and President-elect shall be responsible for periodically assessing the risk of criminal misconduct within the organization.
7. The Executive Director, TTA Board President, and President-elect will mitigate any identified non-compliance immediately. In an effort to prevent future violations, policies will be reviewed and revised when needed to ensure the issue is addressed programmatically, and employees and board members will be trained on the policy revision(s) to ensure their understanding of organizations' expectations.

# CODE OF CONDUCT

## **Introduction:**

This policy prescribes the standards of ethical conduct for all employees of the Texas Transit Association (TTA). All employees and board members must familiarize themselves with this policy. All employees and board members must abide by applicable federal and state laws, administrative rules, and this ethics policy. An employee who violates any provision of this conduct policy is subject to disciplinary action up to and including termination. An employee or board member who violates any applicable federal or state law or rule may be subject to civil or criminal penalties in addition to any disciplinary action.

## **1. Record Retention**

The Texas Transit Association is committed to proper maintenance and retention of records. Records are defined broadly to include almost any type of business information, and the required retention period varies with the type of record. Falsifying records, deliberately concealing records, destroying records in bad faith, exploiting confidential information, or otherwise mishandling records is not acceptable.

Records management includes the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purpose of reducing the cost and improving the efficiency of recordkeeping. TTA will follow the standards contained in TTA's Records Retention Guidelines.

When a lawsuit is filed or is reasonably anticipated to be filed against TTA, or when an internal or governmental investigation is initiated, TTA will ensure that all information potentially relevant to the suit or investigation is preserved. Records will not be altered, concealed, or in any way destroyed that are potentially relevant to a suit or investigation. Steps must be taken to ensure potentially relevant information is not inadvertently destroyed pursuant to document retention schedules or by routine computer operations or common computer settings, such as the automated deletion of emails.

## **2. Fraud**

Fraud is broadly defined and may include any type of intentional deception for the purpose of personal or business gain or damage to an individual or organization. Examples of fraud include lying on an employment application, falsifying records, or providing false receipts for reimbursement from TTA.

Employees must be good stewards of resources entrusted to them and exercise due diligence to prevent and detect criminal conduct and non-compliance with laws and policies. Fraud, waste, abuse, or non-compliance must be reported to the Executive Director, TTA Board President, or President-elect. Engaging in acts of fraud may result in civil or criminal liability.

### **3. Equal Opportunity Employment**

TTA promotes and ensures equal employment opportunity for all persons regardless of race, color, disability, religion, national origin, or age. Discrimination has no place at TTA and will not be tolerated.

### **4. Sexual Harassment and Sexual Misconduct**

TTA does not tolerate any form of sexual harassment in the workplace. Sexual harassment may include sexual advances, sexual solicitation, requests for sexual favors, or other verbal or physical conduct of a sexual nature.

Sexual misconduct includes behavior that is short of sexual harassment but nonetheless is unprofessional and inappropriate. Sexual misconduct is not permitted by employees or board members. All employees and board members will treat one another and the general public with professionalism, respect, and fairness. Employees and board members must conduct themselves with courtesy and restraint at all times on the job and whenever perceived to be representing TTA.

If an employee believes they are being subjected to sexual harassment or sexual misconduct by any person in the workplace, or if they witness any incident that appears to be a violation of the sexual harassment and sexual misconduct policies, it must be reported to the TTA Board President or President-elect. A full, complete, and confidential investigation will be conducted, and appropriate action will be taken to correct the matter. Employees or board members who report sexual harassment are protected from any form of retaliation by state and federal laws.

### **5. Conflicts of Interest**

Conflict of interest is a situation in which one's private interest (most often financial in nature) conflict with or raises a reasonable question of conflict with their job-related duties and responsibilities. Importantly, if someone violates a conflict-of-interest law, they may face civil and/or criminal charges resulting in monetary fines or jail time.

Employees or board members shall not:

- Engage in any activity that would create a conflict of interest or even the appearance of a conflict.
- Make personal investments in any enterprise that would create a substantial conflict between the employee's private interest and TTA.
- Engage in outside business or professional activities or accept employment if the activities create a conflict between the employee's private interest and TTA.

Local public officials (including members of governing bodies or another officer, whether elected, appointed, paid, or unpaid, of any district including a transit authority or district), as well as certain other employees involved with contracting, are subject to the conflict-of-interest provisions in Chapter 171 of the Texas Local Government Code. Chapter 171 established the standard for determining when a local official has a conflict of interest that would affect their ability to discuss, decide, or vote on a particular item. Other state and federal laws may be applicable to officials and employees in particular situations.

## **6. Personal Use of Organization's Property**

Property owned or leased by or provide to TTA may only be used for official purposes as authorized by the Executive Director, TTA Board President, or President-elect. Any misuse or unauthorized use of TTA property, including information system resources, is subject to disciplinary action. Misuse of official property may also result in criminal prosecution.

## **7. Gifts and Honoraria**

Employees of TTA should always consider if it is appropriate to accept something from someone who wants, or may want, or maybe seen to want, an official favor within their authority. It is unethical to accept or give a gift that is meant to sway a decision in favor of the gift-giver.