

STANDING UP TO REPORT

Hesitation to report takes many forms. You may be uncertain about who receives the hotline or the ethics@dai.com reports and how they may be handled. Sometimes you may think that the incident was isolated, a mistake, and then it happens again ... Perhaps you are hoping others will report the issue. As stated in the *Code of Conduct and Business Ethics*, you are expected to take personal responsibility for raising issues and concerns so that issues and problems can be quickly reported and addressed. This is the only way we can take action to address problems that affect our reputation, the success of the project, and the well-being of our staff, partners, and beneficiaries.

In the two case studies presented here, you will find colleagues who took personal responsibility in reporting irregularities and problematic behavior. Every case is different, but at a minimum DAI promises to:

- Take it seriously in reviewing the details.
- Investigate, if there is sufficient information.
- Take management action.
- Notify the client if there is credible evidence.
- Correct the problem, including disciplinary action which may lead to firing and paying money back to the client.
- Learn from the mistake and take measures to minimize the vulnerability through policy and process changes.

As managers, we must recognize that it may not be easy to report concerns. DAI's actions must demonstrate to our staff that we will take reported allegations seriously and will respond appropriately in investigating and addressing the problem.

Remember, DAI has a strict non-retaliation policy. DAI will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any person in terms and conditions of employment based upon any lawful actions that person may take in making a good-faith report of ethics or compliance concerns.

This document and additional materials can be found at: <http://dai-global-conduct.com/responsibility/your-responsibility/>

Reporting

Case Study I

Taken from an email from a project employee to a home office employee:

"I pray that what I am about to say here will remain between us. I know that the home office tackles issues head-on, but I fear that I may lose my job and hurt my reputation if this is not handled carefully. If this thing comes out I will suffer consequences in our small country. And I learned that questioning how some things are done here is not well received. So please handle these issues with great care. I plead with you.

I have spoken with you about some of these issues before but still I feel I need to bring them up again as I strongly feel things are not right and I do not want to lose my profession certification for ignoring these issues."

The email then provides details of allegations of possible fraud on the project.

What are your concerns when reading this email? How should the home office employee respond?

Actions Taken:

When the home office employee received the message, she immediately informed her supervisor, and they both met with the Ethics and Compliance Officer. The home office employee was asked to inform the project employee that the source of the report would remain anonymous while internal audit conducted a preliminary investigation into the details of the allegations.

The investigation revealed that two senior managers on the project colluded to defraud the project of approximately \$100,000. DAI worked closely with the client to investigate and pursue criminal cases. The whistleblower remains anonymous to protect the individual from possible retaliation by the culprit.

Take-aways:

- It is difficult to raise issues if there is fear of retaliation. DAI has a strict non-retaliation policy, but often reporters are concerned about retaliation outside of the office by the culprit or the community.
- Employees are more comfortable reporting if they believe DAI management can be trusted to take appropriate action.
- Don't be a bystander waiting for others to report. Be an "upstander" and take personal responsibility, as this person did, in reporting concerns.



Case study 2

Shortly after participating in DAI's anti-harassment training, a female employee met with her Team Leader to report that one of her colleagues on the project was experiencing sexual harassment. The Team Leader asked for more details, but the woman said that her colleague asked her not to say anything to anyone because she was afraid of retaliation. The Team Leader pressed the woman for details but respected that her colleague was not ready to report. The Team Leader said that DAI has a strict non-retaliation policy, but the woman said she was not concerned about DAI retaliation, but rather the man's retaliation outside of the office. She was also concerned that if the allegations become public, it may hurt the project.

What could be said to the woman that will help her feel more comfortable reporting the sexual harassment and more confident that DAI will handle it appropriately?

Actions Taken:

An HR manager messaged the alleged victim through the colleague. She explained the process and that the only way to deal with the continued sexual harassment was to report it, identifying the man and providing details of his behavior. The victim met with the HR manager and provided her with the details. An investigation determined that the allegations were credible. The male supervisor was fired and the client was informed.

Take-aways:

- Reporting an allegation can take time as the victim makes a rational decision regarding who she talks to.
- Taking personal responsibility in speaking up is the right thing to do. Stand up and report, rather than stand by and let problems get worse.
- DAI has a strict non-retaliation policy, but sometimes a victim is more concerned about retaliation outside of the office. DAI will do its best to protect the identity of victims to insulate them from threats or retaliation in the community.

The Reporting and Investigation Process

We understand that reporting concerns and allegations is not as simple as "if you see something, say something." There may be "mystery" around how the reporting process works, who responds, and whether they can be trusted with the information you need to share. Ethics reporting is treated confidentially, with sensitivity for all staff concerned and limited communications on an investigation until it's complete. However, there is no secrecy in how DAI approaches ethics concerns. We aim to be as transparent about how we address ethical concerns as we are with other topics.

Who can report to DAI?

Anyone can report, including employees, beneficiaries, subcontractors, grantees, and vendors. They can identify themselves, report for third parties, or remain anonymous.

What happens when someone reports to DAI?

Ethical allegations are initially reviewed by the Ethics and Compliance Officers (ECO): Mike Walsh for U.S.-based activities or Jeremy Finch for Europe-based activities. They respond to the person reporting (the "reporter") to acknowledge receipt and to ask any necessary follow-up questions. Depending on the nature of the issue, Mike or Jeremy will reach out to the designated HR and/or Internal Audit staff to consult on the next steps for the investigation. Once it is established that the evidence of an ethical violation is credible, Mike or Jeremy will quickly disclose the details to the client to assure the client is properly informed. The client investigators then either authorize DAI to investigate or they retain control of the investigation themselves. Given the sensitivity of allegations, the distribution of details on the allegations are strictly controlled.

Here are some common questions the Ethics & Compliance team addresses as they investigate the allegations:

- Is there sufficient information to investigate, take management action, and/or disclose to the client?
 - Is there a breach of policy? What rules/policies were violated?
 - Does the reporter allege an unethical, immoral, illegal offense?
 - Is there an identified victim or subject of complaint?
 - Are there immediate actions necessary to protect an employee or property? If so, has Global Security or the police been informed?
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How is a complaint resolved?

Incidents of fraud and bribery are usually investigated by Jeremy Finch for Europe-based activities while Raul Pinto and his team from Internal Audit are responsible for investigating U.S.-based activities. Internal Auditors are independent, have ready access to electronic documentation, and are familiar with DAI business processes, so they can quickly and effectively investigate transactions associated with the allegations.

Human Resource Managers—including Amanda Page, responsible for the United Kingdom and Belgium; Judith Ogedegbe, responsible for Nigeria; and Sonja Lichtenstein and Kristina Mascelli, responsible for U.S.-based programs—are involved in all issues related to harassment. They are also closely involved if the ethics culprit is a DAI employee who will face disciplinary action. They work closely with project management to assure compliance with local labor law.

The Ethics and Compliance Officers respond to the reporter with the outcome of the investigation. Given the requirements to preserve confidentiality, they are sometimes not permitted to provide many details on the outcome. At times, DAI is unable to substantiate the allegations, and the investigation is closed as inconclusive.

In the February 2019 report to DAI's Board of Managers, we noted that in 2018 we reported 114 allegations and conducted and closed 99 investigations, with the remaining 15 still under investigation. Of these reports, 39 percent were made to the ECO; 30 percent to supervisors, COPs, or Team Leaders; 20 percent were made through the hotline; and 11 percent were through other avenues, such as the client or client hotlines. Approximately \$150,000 of project costs were returned or not billed to the client due to fraud. Further, 14 employees were terminated and 14 were reprimanded for ethical issues.

If you have questions about reporting issues or have any ethical issues to report, you can always reach out directly to: Mike Walsh, Chief Ethics & Compliance Officer (mike_walsh@dai.com 301-771-7998) or Jeremy Finch, DAI Europe's Director of Internal Audit and Ethics & Compliance Officer (jeremy_finch@dai.com +44-7834-439974).

Reporting issues matter! It is the only way we can pursue justice.

HOW TO REPORT ETHICS ISSUES AT DAI

At DAI, you have multiple avenues to **report ethical issues**, questions, and concerns.

CONTACT THE ETHICS & COMPLIANCE OFFICER (ECO) AT ethics@dai.com

Mike_Walsh@dai.com for activities managed through Bethesda.

Jeremy_Finch@dai.com for DAI activities managed through the UK, Nigeria or Brussels offices.

Talk with your supervisor, manager, Chief of Party/Team Leader, or their deputy.

Reach out to management, Human Resources, or other project support staff.

NATIONAL HUMAN TRAFFICKING HOTLINE

24/7 Toll free Confidential 200+ languages

CALL 1-888-373-7888

TEXT "BeFree" (233733)

EMAIL help@befree.org

GET HELP **REPORT TRAFFICKING**

Alert the client directly or email the client's hotlines, such as USAID's at ighotline@usaid.gov or DFID's at reportingconcerns@dfid.gov.uk or EC's at comp-whistleblower@ec.europa.eu

Call the Ethics Hotline anonymously at +1-503-597-4328 or www.dai.ethicspoint.com.

All reports ultimately go through the Ethics & Compliance Officer for review and next steps.

WHAT HAPPENS WHEN DAI RECEIVES AN ETHICS REPORT ?

The typical investigation process is as follows:

