

PERSONNEL POLICIES RELEVANT TO ETHICSPPOINT

Note: The following policies are part of the larger *Personnel Policy Handbook* for the Diocese of San Jose. These policies are highlighted below because review of these policies may be helpful in determining whether a violation may have taken place.

INDEX

- [PERSONAL ADVANTAGE/CONFLICT OF INTEREST POLICY](#)
- [SECONDARY EMPLOYMENT AND PRIVATE BUSINESS POLICY](#)
- [SAFETY AND HEALTH POLICY](#)
- [ANTI-RETALIATION POLICY](#)
- [PROGRESSIVE DISCIPLINE/DISMISSAL POLICY](#)
- [TECHNOLOGY USE & INTERNET POLICY OVERVIEW](#)
- [FRAUDULENT OR DISHONEST CONDUCT & WHISTLEBLOWER POLICY](#)

PERSONAL ADVANTAGE/CONFLICT OF INTEREST POLICY

Employees and independent contractors engaged by the Diocese may not use their positions with the Diocese for financial gain, personal advantage, or in any manner which would create a conflict of interest. Employment by the Diocese carries with it a responsibility to be constantly aware of the importance of ethical conduct.

Employees must refrain from taking part in, or exerting influence in, any transaction in which their own interests, including the interests of family members, may conflict with the best interests of the Diocese.

Violation of this policy will subject the employee to discipline, up to and including termination. This policy does not preclude the offering or acceptance of Christmas remembrances, thank you gifts, business meals or occasional gifts of nominal value.

SECONDARY EMPLOYMENT AND PRIVATE BUSINESS POLICY

Engagement by contract or employment by the Diocese does not preclude one's opportunity to engage in a private business which does not in any way conflict with the activities of the Diocese or reflect poorly on the Diocese. The Diocese reserves the right to determine when an employee's outside activities represent a conflict with the Diocese's interest and to take whatever action is necessary to resolve the situation. Engagement in such private practice by an employee shall not interfere in any way with the performance of duties with the Diocese, and shall be consistent with guidelines and restrictions set forth below which relate to private business which are similar in intent, purpose or operation to those which the Diocese and/or its various sites or departments engage in.

Independent contractors and employees will not solicit diocesan clientele or contact them on private business.

It is understood that referrals coming in on diocesan telephones are clients of the Diocese and its sites or departments or are potential clients of the Diocese.

All records and materials pertaining to clients of the Diocese and its sites or departments remain, at all times, the exclusive property of the Diocese and not the employee. Such records and materials may never be removed from any diocesan premises without explicit written approval by the Site Administrator.

Employees involved in private enterprise must use their own facilities as well as stationery, office equipment, telephone and answering service separate and apart from the Diocese.

All work relating to an employee's private enterprise must be conducted on non-Diocese work time.

SAFETY AND HEALTH POLICY

The safety and health of all employees are of vital concern to the Diocese. Employees are not required to work at jobs known to be unsafe, unhealthy, or possibly hazardous. Accordingly, employees who suspect, know of, or become aware of any unsafe or hazardous equipment, conditions, or acts, are required to notify their department head promptly so that steps can be taken to correct the situation. An employee who reports unsafe or hazardous equipment, conditions, or acts will not be retaliated against or suffer other recrimination as a result. In addition, an accident resulting in an injury, no matter how minor the injury may seem, must be reported immediately to the employee's supervisor, Site Administrator, or the diocesan Risk Management, Insurance & Benefits Office who will arrange for the employee to be seen by a physician if necessary. The Diocese expects all employees to share the responsibility for safety and health and to comply with all safety rules and regulations. Failure to do so may result in discipline, up to and including termination.

Each site has on file a written Injury and Illness Prevention Program (IIPP) which outlines the safety program and procedures in place and contains documents for reporting safety hazards. All employees should have access to the IIPP, as well as training related to safety in the workplace.

ANTI-RETALIATION POLICY

The Diocese of San Jose respects the rights of employees to participate in any legally protected activities. Some examples of activities that may be legally protected are:

- Reporting unlawful harassment, including sexual harassment,
- Reporting fraudulent or dishonest conduct or activities,
- Reporting illegal activities to a government agency,
- Filing a claim or report with a government agency,
- Testifying in a judicial proceeding,
- Making an internal complaint,
- Opposing an unlawful practice,
- Performing a legal duty,
- Filing a workers' compensation claim,
- Taking a protected leave (for example, FMLA leave),
- Acting together with other employees to improve working conditions, or
- Refusing to perform unsafe work.

Any retaliation against an employee for participating in legally protected activities is strictly forbidden. Retaliation can take many forms, such as:

- Demotion or reduction in wages,
- Reassignment to a less desirable job or to a different location,
- Increased scrutiny or criticism of the employee's work,
- Any other adverse change in working conditions, or
- Termination.

Any incident of retaliation should be reported promptly to the employee's supervisor, Site Administrator, the Vicar General, or the Director of Human Resources. Employees are not required to complain to their supervisor if that supervisor is the one retaliating against the employee or if they are uncomfortable doing so.

The Director of Human Resources will evaluate each complaint of retaliation and determine whether further investigation is needed. If it is determined that illegal retaliation has occurred, the employee who has retaliated will be disciplined. Disciplinary action may range from warnings to immediate termination, depending on the circumstances.

PROGRESSIVE DISCIPLINE/DISMISSAL POLICY

The supervisor, in consultation with the Director of Human Resources, is generally responsible for the discipline of an employee. Although the Diocese is an at-will employer, there are times when discipline of an employee, including termination of employment, is necessary. For example, disciplinary action up to and including dismissal may result from the commission of acts such as those listed below. In some cases, the action may result in a verbal and/or written warning. In other cases, the action may result in immediate dismissal. The Diocese reserves the right to decide under which circumstances dismissal or some lesser disciplinary action is appropriate. It should be noted that the types of misconduct identified below are merely examples of acts which may lead to disciplinary action. The listing below is not a complete list of all types of conduct which may result in disciplinary action up to and including dismissal, and even one incident of the following conduct may result in immediate dismissal.

1. Insubordination
2. Vandalism
3. Dishonesty
4. Theft
5. Threats or acts of violence
6. Bringing a weapon onto diocesan property
7. Abuse of the diocesan Technology Use and Internet Policy
8. Falsification of records or information, including attendance information
9. Falsification of job application or references
10. Working under the influence of intoxicants/drugs, or possession of illegal drugs/intoxicants on Diocesan property
11. Harassment or sexual misconduct in violation of Diocesan policy
12. Unsatisfactory job performance
13. Unprofessional conduct
14. Breach of professional ethics
15. Inability to work cooperatively with supervisors, peers or subordinates
16. Violation of employer rules
17. Habitual/excessive tardiness/absence from work or from employee's work area

18. Excessive use of sick leave in violation of established attendance standards (See *Section 302 of the Personnel Policy Handbook*)
19. Conduct or activity that reflects negatively upon the Diocese or which could cause scandal for the Church.

This representative list of prohibited conduct should not be construed as changing or abrogating the at-will nature of employment with the Diocese.

When in the opinion of the Diocese, an act of misconduct requires a written warning, the warning should be signed by the employee and the supervisor.

The employee's signature does not necessarily constitute the agreement of the employee to the substance of the warning, but rather indicates that the employee is aware of the information contained therein. If the employee disagrees with or wishes to clarify the contents of the warning, a written statement may be submitted by the employee within 10 working days. The written statement shall be on or attached to the warning. A copy of the warning shall be given to the employee and a copy placed in the employee's personnel file.

TECHNOLOGY USE & INTERNET POLICY OVERVIEW

Technology and the Internet are important resources for the Diocese to provide improved communication services to parishes and schools. The Diocese will creatively use technology and the Internet to improve services and contribute broadly to the mission of the Church. The connection to the Internet and related technology services, including telephone and voice mail, exist and are provided by the Diocese of San Jose to facilitate the official work of the Diocese.

These services are provided for employees and authorized persons affiliated with the Diocese ("users") for the efficient exchange of information and the completion of assigned responsibilities consistent with the mission of the Diocese. The use of these services by users must be consistent with this policy (including all security and confidentiality provisions set forth herein).

Supervisors should work with employees to determine the appropriateness of using the Internet for professional activities and development. The various modes of Internet/Intranet access are diocesan resources and are provided as business tools to employees who may use them for research, professional development, and work-related communications.

All Diocese of San Jose policies and procedures apply to employees' conduct on the Internet and with technology, especially, but not exclusively, relating to: intellectual property, confidentiality, information dissemination, standards of conduct, misuse of Diocese of San Jose resources, anti-harassment, and information and data security.

FRAUDULENT OR DISHONEST CONDUCT & WHISTLEBLOWER POLICY

The Diocese of San Jose is committed to maintaining the highest standards of conduct and ethics. This Fraudulent or Dishonest Conduct & Whistleblower Policy ("Fraud Policy") reflects the practices and principles of behavior that support this commitment. The Diocese of San Jose expects every employee, volunteer, officer and trustee to read and understand the Policy and its application to the performance of his or her responsibilities.

The Diocese of San Jose will investigate any possible fraudulent or dishonest use or misuse of Diocese of San Jose resources or property by management, staff, or volunteers. The Diocese of San Jose will take appropriate action against anyone found to have engaged in fraudulent or dishonest conduct, including disciplinary action up to and including dismissal by the Diocese of San Jose, or civil or criminal prosecution when warranted.

All members of the Diocese of San Jose community are expected and encouraged to report possible fraudulent or dishonest conduct (i.e., to act as a “whistleblower”), pursuant to the procedures set forth in the next section.

How to Report

An employee’s concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to his or her supervisor or manager. If for any reason an employee finds it difficult to report his or her concerns to a manager or supervisor, the employee can report it directly to the Chief Financial Officer, the Manager of Compliance and Parish Financial Services, the Vicar General/Moderator of the Curia, the Director of Human Resources, the Chair of the Audit Committee, or the Chair of the Diocesan Finance Council. The names of the current persons in these positions and their contact information are available in the Diocesan Directory and the list attached to this policy.

Employees are encouraged to report the suspected violation verbally so that the manager or other person receiving the complaint can ask clarifying questions in order to ensure that the concern is fully understood. The recipient of the complaint will generate a written report based upon the conversation which will be reviewed, approved and signed by the complainant. If the employee chooses to submit the initial complaint in writing, the employee should ensure that the concern is described in detail. Less than a thorough understanding may impair any investigation into the concern.

Alternately, concerns about possible fraudulent or dishonest use or misuse of resources or property can be reported through EthicsPoint at www.dsj.ethicspoint.com.

Handling the Reported Complaints

The Chief Financial Officer will acknowledge receipt of the written documentation of the complaint within five business days.

The Chief Financial Officer shall immediately notify the Audit Committee of any complaint. The Audit Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Chief Financial Officer together with the Vicar General/Moderator of the Curia shall investigate all other complaints. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Definitions

Baseless Allegations: allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by the Diocese of San Jose up to and including termination.

Fraudulent or Dishonest Conduct: a deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents
- unauthorized alteration or manipulation of computer files
- fraudulent financial reporting
- pursuit of a benefit or advantage in violation of the Diocese of San Jose's conflict of interest policy
- misappropriation or misuse of the Diocese of San Jose resources, such as funds, supplies, or other assets
- authorizing or receiving compensation for goods not received or services not performed
- authorizing or receiving compensation for hours not worked

Whistleblower: a member of the clergy, a religious or employee who informs a manager, supervisor, the Chief Financial Officer, the Manager of Compliance and Parish Financial Services, the Vicar General/Moderator of the Curia, the Director of Human Resources, the Chair of the Audit Committee or the Finance Council Chair about an activity relating to the Diocese of San Jose which that employee believes to be fraudulent or dishonest.

Rights and Responsibilities

Managers or Supervisors

Managers or supervisors are required to report suspected fraudulent or dishonest conduct to the Chief Financial Officer or the Vicar General/Moderator of the Curia. In addition, managers or supervisors are responsible for maintaining a system of management controls to detect and deter fraudulent or dishonest conduct. Failure by a manager or supervisor to establish management controls or report misconduct within the scope of this policy may result in adverse personnel action against the manager or supervisor, up to and including dismissal. The Chief Financial Officer is available to assist management in establishing management systems and recognizing improper conduct.

Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
- violations of a person's rights under law

Accordingly, a manager or supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution
- should not discuss the case with anyone other than the Chief Financial Officer or the Vicar General/Moderator of the Curia
- should not report the case to an authorized law enforcement officer without first discussing the case with Diocese of San Jose's legal counsel
- should direct all inquiries from any attorney to the Vicar General/Moderator of the Curia for referral to legal counsel
- should direct all inquiries from the media to the Vicar General/Moderator of the Curia for possible referral to legal counsel

Whistleblower Protection

The Fraud Policy is intended to encourage and enable employees and others to raise serious concerns within the Diocese of San Jose. To that end, the Diocese of San Jose will use its best efforts to protect whistleblowers against retaliation as described below.

- Whistleblowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistleblower complaints will only be shared with those who have a need to know so that the Diocese of San Jose can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistleblower complaint, such persons may also have right to know the identity of the whistleblower.)
- The Diocese of San Jose and/or its employees may not retaliate against a whistleblower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, harassment, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. Whistleblowers who believe that they have been retaliated against may file a written complaint with the Chief Financial Officer, the Vicar General/Moderator of the Curia or the Director of Human Resources. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistleblowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).

Contacts

Questions related to the interpretation of this policy should be directed to the Chief Financial Officer.

CONTACT INFORMATION (As of February, 2010)

- The current Chief Financial Officer is Robert Serventi. He can be reached at 408-983-0237 or at serventi@dsj.org
- The current Manager of Compliance and Parish Financial Services is Teresa Conville. She can be reached at 408-983-0241 or tconville@dsj.org
- The current Vicar General/Moderator of the Curia is Msgr. Fran Cilia. He can be reached at 408-983-0154 or at cilia@dsj.org
- The current Director of Human Resources is Linda Bearie. She can be reached at 408-983-0149 or at bearie@dsj.org
- The current Chair of the Audit Committee is Don Waite. He can be reached at 831-439-2216 or at don.waite@seagate.com
- The current Chair of the Diocesan Finance Council is Mike Hope. He can be reached at 408-733-0765 or at hopemf@aol.com