

## **FRAUD NOTICE**

For purposes of this policy, misconduct and dishonesty include but are not limited to:

- theft or other misappropriation of assets, including assets of the company, our customers, suppliers, or others with whom we have a business relationship
- misstatements and other irregularities in company records, including the intentional misstatement of the results of operations
- wrongdoing
- forgery or other alteration of documents
- fraud and other unlawful acts
- any similar acts

Preferred Care at Home (PCAH) specifically prohibits these and any other illegal and inappropriate activities in the actions of its employees, managers, executives, directors and all others responsible for carrying out the organization's activities.

Every employee, supervisor, manager, and executive is responsible for immediately reporting suspected misconduct or dishonesty to the Chief Executive. Retaliation against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.

Due to the important, yet sensitive nature of the suspected violations, effective professional follow-up is critical. All relevant matters, including suspected but unproved matters, should be referred immediately to those with follow-up responsibility,

Employees with supervisory and review responsibilities at any level have additional deterrence and detection duties. Specifically, personnel with supervisory or review authority have three additional responsibilities.

- First, you must know what can go wrong in your area of authority.
- Second, you must implement and maintain effective monitoring, review, and control procedures to prevent wrongdoing.
- Third, you must put into place and maintain effective monitoring, review, and control procedures that will detect acts of wrongdoing promptly should prevention efforts fail.

The authority to carry out these three additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with the managers.

Investigations when warranted will have:

- Unrestricted access to all records
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities (whether in electronic or other forms) without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of investigative or related follow-up procedures

All investigations of alleged wrongdoing will be conducted under applicable laws and company procedures.

Care must be taken in the follow-up of suspected misconduct and dishonesty to avoid acting on incorrect or unsupported accusations, to avoid alerting suspected individuals that a follow-up and investigation is underway, and to avoid making statements that could adversely affect the company, an employee, or other parties. Accordingly, the general procedures for follow-up and investigation of reported incidents are as follows:

- Employees and others must immediately report all factual details to the Chief Executive.
- All records related to the reported incident will be retained wherever they reside.
- Do not communicate with the suspected individuals or organizations about the matter under investigation.
- Neither the existence nor the results of investigations or other follow-up activity will be disclosed or discussed with anyone other than those persons who have a legitimate need to know in order to perform their duties and responsibilities effectively.
- All inquiries from an attorney or any other contacts from outside of the company, including those from law enforcement agencies or from the employee under investigation, should be referred to the Chief Executive.

Investigative or other follow-up activity will be carried out without regard to the suspected individual's position, level, or relationship with the company.

#### Whistleblower Protections:

31 U.S.C. 3730(h) provides that any employee who is subject to retaliation or discrimination by an employer in the terms and conditions of employment because the employee lawfully sought to take action or assist in taking action under this act "shall be entitled to all relief necessary to make the employee whole." This includes reinstatement with seniority restored to what it would have been without the retaliation or discrimination, double the amount of back pay, interest on back pay, and compensation for any special damages sustained as a result of the employer's actions, including litigation costs and reasonable attorney's fees.

#### 6. Conscientious Employee Protection Act, "Whistleblower Act", N.J.S.A. 34:19-4

New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:

- A. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy, or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes violates a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care;
- B. Provides information to, or testifies before, any public body conducting an investigation, hearing, or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an employee who is a licensed or certified

health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care;  
or

- C. Provides information involving deception of, or misrepresentation to, any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
- D. Provides information regarding any perceived criminal or fraudulent activity, policy or practice of deception or misrepresentation which the employee reasonably believes may defraud any shareholder, investor, client, patient, customer, employee, former employee, retiree, or pensioner of the employer or any governmental entity.
- E. Objects to, or refuses to participate in, any activity, policy, or practice which the employee reasonably believes:
  - a. violates a law, or a rule or regulation issued under the law or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;
  - b. is fraudulent or criminal; or
  - c. is incompatible with a clear mandate of public policy concerning the public health, safety welfare, or protection of the environment. N.J.S.A. 34:19-3.

The protection against retaliation, when a disclosure is made to a public body, does not apply unless the employee has brought the activity, policy, or practice to the attention of a supervisor of the employee by written notice and given the employer a reasonable opportunity to correct the activity, policy or practice. However, disclosure is not required where the employee reasonably believes that the activity, policy, or practice is known to one or more supervisors of the employer or where the employee fears physical harm as a result of the disclosure, provided that the situation is an emergency in nature.