

Office of the President

Whistleblower and Fraud Reporting Policy

Purpose

As explained in its [Code of Conduct](#), HHMI is committed to conducting its activities in accordance with the highest standards of integrity and ethics. The purpose of this policy is to encourage the reporting of suspected fraudulent or dishonest use or misuse of HHMI resources or property.

Scope

This policy applies to any suspected fraudulent or dishonest use or misuse of HHMI resources or property by an HHMI employee, consultant, contractor, supplier, or service provider, and to anyone who reports such activities using the [Whistleblower and Fraud Reporting Procedures](#). Fraudulent or dishonest use or misuse of HHMI resources or property means a deliberate act or failure to act with the intention of obtaining an unauthorized private benefit or personal gain. In addition to theft of HHMI assets, examples of conduct that may be subject to this policy, if undertaken for unauthorized private benefit or personal gain, include:

- Forgery or other deliberate and wrongful alteration or destruction of HHMI documents or files;
- Unauthorized and wrongful alteration or manipulation of HHMI systems or databases;
- Deliberately reviewing confidential HHMI files, such as files that include confidential information about HHMI's banking, procurement, or investment relationships or transactions, or files that include personal information of other HHMI employees, without appropriate permission, or deliberately forwarding confidential HHMI files to others without appropriate permission;
- Misappropriating or misusing HHMI resources, including investment assets or HHMI's relationships with suppliers;
- Knowingly authorizing or receiving payment or reimbursement by HHMI for goods not received, expenses not incurred, or services not performed;
- Knowingly providing false or misleading information for HHMI's filings with government agencies, including the Internal Revenue Service;
- Knowingly providing false or misleading information about HHMI's finances or investments to HHMI's Trustees or independent auditors;
- Knowingly destroying, concealing, or falsifying records related to an official proceeding involving HHMI, in violation of federal, state, or local law or regulations, or otherwise obstructing or impeding any such proceeding in violation of federal, state, or local law or regulations; and
- Knowingly violating HHMI's [Code of Conduct](#) or another HHMI policy addressing potential conflicts of interest.

This policy does not apply to the following:

- Employee activities that are protected under federal, state, or local law regarding the terms and conditions of employment, and employee complaints regarding workplace behavior or performance, which are handled under HHMI's Human Resources policies, including the [Workplace Behavior policy](#) and the [Complaint Resolution Procedure](#);
- Allegations of scientific misconduct, which are handled under HHMI's [Scientific Misconduct policy, SC-200](#); and
- Reports of suspected noncompliance with the terms of an HHMI grant or contract, which are generally directed to the HHMI department responsible for the grant or contract and are addressed by that department with support from the Internal Audit Department and the Office of the General Counsel, as appropriate.

For clarification, negotiating with a supplier to obtain a discount or benefit that will be available to all HHMI employees for personal transactions, or taking advantage of such a discount or benefit as an HHMI employee, is not a misuse of HHMI resources or property and would not be a basis for a report under this policy.

Policy

Reporting and Investigation

Anyone who works for, does business with, or is otherwise part of the HHMI community is expected to act as a “whistleblower” by reporting suspected fraudulent or dishonest use or misuse of HHMI resources or property by HHMI employees, consultants, contractors, suppliers, or service providers. As outlined in the [Whistleblower and Fraud Reporting Procedures](#), you may report through any of several avenues, including HHMI supervisors; the Director of Internal Audit; the Chief Financial Officer and Treasurer; the Controller; the Vice President and General Counsel; or a third-party whistleblower and fraud reporting service retained by HHMI. If you wish to make an anonymous report, you may do so through the whistleblower and fraud reporting service, which will not require you to give your name or other identifying information.

Reports received via the whistleblower and fraud reporting service are automatically routed to the Director of Internal Audit and the Vice President and General Counsel for follow-up. The service will also provide an informational copy of reports it receives to the Chairman of the Audit and Compensation Committee of HHMI's Trustees, so that he or she can ensure that appropriate follow-up is done.

In keeping with HHMI's commitment to the highest standards of integrity and ethics, HHMI will investigate suspected fraudulent or dishonest use or misuse of its resources or property by HHMI employees, consultants, contractors, suppliers, or service providers. Investigations are normally handled by HHMI's Internal Audit Department in coordination with the Office of the General Counsel and others as appropriate. HHMI may decline to conduct an investigation in circumstances that clearly indicate no investigation is warranted.

All HHMI employees are expected to provide assistance as requested in investigations of reports made under this policy.

The Director of Internal Audit is responsible for reporting each quarter to the Chairman of the Trustees and the Chairman of the Audit and Compensation Committee all whistleblower reports made under this policy in the preceding quarter and their status, as well as the status of all previous unresolved whistleblower reports made under this policy. For quarters in which the director of Internal Audit is submitting a regular report to the Audit and Compensation Committee, he or she will include this information in the report. For quarters in which the Director of Internal Audit is not submitting a regular report to the Audit and Compensation Committee, he or she will provide this information as part of his or her interim report to the Chairman of the Audit and Compensation Committee, and in a separate communication to the Chairman of the Trustees.

Confidentiality

Whistleblower reports, whether anonymous or not, will be shared only with those who have a need to know so that HHMI can conduct an effective investigation and determine an appropriate course of action. Those with a need to know may include such third parties as HHMI's external auditors, outside counsel, or law enforcement personnel to the extent necessary. Should disciplinary or legal action be taken against a person or persons as a result of a whistleblower report, such persons may also have the legal right to know the identity of the whistleblower.

If you are a whistleblower, you are likewise expected to maintain the confidentiality of your report and any ongoing investigation and refrain from discussing these matters except as needed to assist HHMI with its investigation. You may also be asked to continue to maintain confidentiality after an investigation has been completed and any corrective action taken, depending on the circumstances. However, this policy is not intended to restrict you from conduct that you have a right to engage in under law.

No Retaliation against Whistleblowers or Witnesses

HHMI will not tolerate retaliation against any person who makes a report in good faith under this policy or against any individuals (e.g., witnesses) who participate in an investigation of a report under this policy. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if the allegations of retaliation are substantiated. This policy will not prevent, limit, or delay HHMI from taking action, including disciplinary or other employment action, against any individual, when HHMI concludes that action is appropriate.

Reports are considered to be made in bad faith if they are made maliciously or with reckless disregard for their truth or falsity. If you make a report in bad faith, you may be subject to disciplinary or other employment action by HHMI and may also be subject to legal claims by the individuals about whom the bad-faith reports were made.

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Whistleblower and Fraud Reporting Procedures

Reporting

If you have a concern about possible fraudulent or dishonest use or misuse of HHMI resources or property, you should report the concern to your supervisor or, if you are not an employee, to the HHMI employee with whom you work or do business. If for any reason you find it difficult to report your concerns to that person, you may report the concerns in a signed letter or email directly to any of the following members of HHMI management:

- Director of Internal Audit;
- Controller;
- Chief Financial Officer and Treasurer; or
- Vice President and General Counsel.

If you do not wish to report concerns in writing, or if you wish to remain anonymous, you may instead choose to report concerns to the Whistleblower and Fraud Reporting Service engaged by HHMI for this purpose. You may file your report on the web site for the service, https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=21984, or by telephone at 888-247-3213. The service will send the report to HHMI's Director of Internal Audit and Vice President and General Counsel, for follow-up. The service will also provide an informational copy of the report to the Chairman of the Audit and Compensation Committee of HHMI's Trustees.

Response to a Report Made to an HHMI Supervisor

A supervisor to whom a concern is brought must promptly inform at least one of the four members of HHMI management listed above, in writing, unless the concern is resolved through informal discussion with the person raising it.

Due to the important yet sensitive nature of concerns raised under the Whistleblower and Fraud Reporting policy, effective professional follow-up is critical. Supervisors should not perform any investigative or other follow-up steps on their own. Accordingly, a supervisor who becomes aware of such concerns should report them to at least one of the above members of HHMI management, but should not without prior permission from HHMI management discuss the case with the media,

law enforcement personnel, attorneys representing individuals involved in the matter, or anyone else other than the above members of HHMI management.

Response to a Report Made to a Member of HHMI Management Listed Above

If the Director of Internal Audit, the Controller, the Chief Financial Officer and Treasurer, or the Vice President and General Counsel receive a report under this policy from a source other than the whistleblower and fraud reporting service, he or she will make sure the others are aware of it. If the consensus of this group is that an investigation is warranted, the Director of Internal Audit will advise the Vice President of Operations, the President, the Chairman of the Audit and Compensation Committee of the Trustees, and the Chairman of the Board of Trustees. The Director of Internal Audit will also keep this group advised of the progress and outcome of the investigation.

If the consensus of the Director of Internal Audit, the Controller, the Chief Financial Officer and Treasurer, and the Vice President and General Counsel is that an investigation is not warranted, the Director of Internal Audit will follow up as appropriate with the individual who made the report (if his or her identity is known) and any supervisor involved in the reporting procedure. The Director of Internal Audit will also advise the President and the Vice President of Operations of the situation. Situations in which an investigation may not be warranted include, for example:

- The alleged fraudulent or dishonest use or misuse of HHMI resources or property has already been investigated by HHMI and there are no significant new facts or information that would justify another investigation; or
- The person who is reporting fraudulent or dishonest use or misuse of HHMI resources or property made one or more previous similar reports that were found, after investigation, to be made in bad faith.

Response to a Report Made to the Whistleblower and Fraud Reporting Service

Reports received via the whistleblower and fraud reporting service are automatically routed to the Director of Internal Audit, the Vice President and General Counsel, and the Chairman of the Audit and Compensation Committee of the Trustees. If a report comes in from the service, the Director of Internal Audit and the Vice President and General Counsel will discuss it, determine whether one or both of them believe an investigation is warranted, and consult with the Chairman of the Audit and Compensation Committee of the Trustees. If any of these three individuals believe that an investigation is warranted, an investigation must be done. The Director of Internal Audit will inform the President, the Vice President of Operations, and the Chairman of the Trustees of any report that will be investigated, and will keep the President, the Vice President of Operations, the Chairman of the Trustees, and the Chairman of the Audit and Compensation Committee apprised of the progress and outcome of any investigation.

If the Director of Internal Audit, the Vice President and General Counsel, and the Chairman of the Audit and Compensation Committee agree that an investigation is not warranted, the Director of Internal Audit will follow up as appropriate with the individual who made the report if his or her identity is known. The Director of Internal Audit will also advise the President and the Vice President of Operations of the situation.

Personal Conflicts

As a general rule, if a person with a role in these procedures is alleged in a report to be personally involved in fraudulent or dishonest use or misuse of HHMI resources or property, that person must not participate in the procedures for reviewing and investigating that report. That person is responsible for recusing him- or herself if the report comes to his or her attention, and forwarding the report to others to handle in accordance with these procedures.

Investigation of Reports

It is normally the responsibility of the Internal Audit Department to investigate reports made under this procedure, in coordination with the Office of the General Counsel and others as appropriate.

The Internal Audit Department should notify the Chief Communications Officer of reports or investigations under this procedure if the matter is likely to receive media or other public attention. All inquiries from the media regarding a report or investigation under this policy should be directed to the Chief Communications Officer or his/ her designee.

Once the investigation is complete, the department that handled the investigation (normally, the Internal Audit Department) is responsible for making sure that appropriate corrective action is identified and taken, if necessary, and that findings are communicated to the appropriate individuals with appropriate instructions or reminders regarding confidentiality.

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