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Date: February 7, 2014

**TO: MEMBERS, AUDIT COMMITTEE**

<b>I. AGENDA ITEM # AND TITLE :</b>	Open Agenda Item 5 - Whistleblower Hotline
<b>II. NAME AND PROGRAM:</b>	Andreas Acker, Human Resources and Dante Robinson, Internal Audit
<b>III. ACTIVITY:</b>	<input checked="" type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
<b>IV. JUSTIFICATION:</b>	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

**V. EXECUTIVE SUMMARY:**

This report is a recap of the quarterly ethics hotline activity for fourth quarter, 2013.

**VI. ANALYSIS:**

There were 60 reports received for the fourth quarter.

- a. Ethics Hotline – 23
- b. Management Referral – 4
- c. Privacy – 33

**VII. RECOMMENDATION:**

Management works with Human Resources and the Privacy to implement corrective actions and to execute disciplinary action. Management will continue to educate State Fund Workforce of their responsibility for preventing the improper disclosure or use of private/confidential.

**VIII. APPENDIX: 2013 4th Quarter Ethics Hotline Report**



**APPENDIX: 2013 4th Quarter Ethics Hotline Report (Open Session)  
10/1/2013 – 12/31/2013**

Corporate Investigations and Programs investigate matters raised through the Ethics Hotline, Management Referrals, and Privacy.

For the 4th quarter, there were 60 reports received highlighted in the tables below based on the category the reporting employee or individual used. The tables show the breakdown based on the Investigation Status, Category, and Sources.

The table below provides a breakdown and number by investigation status.

<b>Investigation Status</b>	<b>Grand Total</b>
Investigation Completed - Allegation not Substantiated	7
Investigation Completed and Substantiated. Disciplinary Action Taken	11
Investigation Completed and Substantiated. Employee Separated / Retired	3
Investigation Completed Pending Disciplinary Action	15
Investigation in Process	23
Investigation Withdrawn. Business Need Substantiated	1
<b>Grand Total</b>	<b>60</b>

The table and chart below provides a breakdown by category and sources.

	<b>Ethics Hotline</b>	<b>Management Referral</b>	<b>Privacy Office</b>	<b>Grand Total</b>
Accounting and Financial Control				0
Claims Practices	1			1
Compliance and Regulatory Matters				0
Conflict of Interest	2	1		3
Human Resources	8	3		11
Information Security				0
Inquiry	1			1
Other				0
Privacy	10		33	43
Vendor and Contract Relations	1			1
<b>Grand Total</b>	<b>23</b>	<b>4</b>	<b>33</b>	<b>60</b>

The graph below shows the violations received for the fourth quarter and the status of the investigation.

