

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION NO. 2017-48

APPROVAL OF UPDATES TO THE INTERNAL ETHICS & COMPLIANCE MANUAL
– EMPLOYEE CONDUCT MANUAL

THIS RESOLUTION is adopted this 25th day of April, 2017, by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act"); and

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County; and

WHEREAS, on December 10, 2009, the Authority adopted the Internal Ethics Compliance Manual; and

WHEREAS, from time to time, the Authority reviews, updates and amends the Internal Ethics Compliance Manual to ensure compliance with the latest rules, regulation, code or laws that govern provisions within the manual; and

WHEREAS, on January 16, 2013, the Authority approved updates to the Internal Ethics Compliance Manual; and

WHEREAS, on February 28, 2017, the Authority approved updates to the Internal Ethics Compliance Manual; and

WHEREAS, the Board has determined it is in the best interest of the Authority to update the Internal Ethics Compliance Manual;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

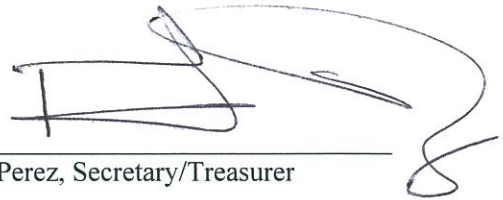
- Section 1. The recital clauses are incorporate in the text of this Resolution as if fully restated.
- Section 2. The Board hereby approves the updates to the Internal Ethics Compliance Manual hereto attached as Exhibit A.
- Section 3. The Board authorizes the Executive Director to implement the updates to the Internal Ethics Compliance Manual as approved.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 25th day of April 2017, at which meeting a quorum was present.



S. David Deanda, Jr., Chairman

Attest:



Ricardo Perez, Secretary/Treasurer

EXHIBIT A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
INTERNAL ETHICS COMPLIANCE MANUAL



INTERNAL ETHICS & COMPLIANCE MANUAL

Adopted December 10, 2009
Revised January 16, 2013
Revised February 28, 2017
Revised April 25, 2017

Table of Contents

I. General Statement of Policy 1

II. Employee Code of Conduct 1

 A. Equal Employment Opportunity 1

 B. Workplace Harassment 1

 C. Conflicts of Interest 2

 D. Gifts and Honoraria 3

 E. Use of HCRMA Property 3

 F. Criminal Activity 4

 G. Maintenance of Agency Records: Fraud & Public Information 4

 H. Fraud 4

 I. Employee Acknowledgement 5

III. Training Regarding Ethics & Compliance Standards 5

IV. Oversight & Monitoring 5

V. Reporting of Suspected Violations 5

VI. Enforcement & Responses to Offense 5

Attachment A - Internal Ethics & Compliance 7

Attachment B – TXDOT PROGRAM REQUIREMENTS 8

I. General Statement of Policy

The Hidalgo County Regional Mobility Authority (HCRMA) is committed to conducting its business in an ethical, honest, and open manner and to maintaining high ethical standards among its officers and employees. In furtherance of that commitment, the HCRMA adopts the Ethics & Compliance Policy set forth herein.

In addition to complying with the requirements of this Ethics & Compliance Policy, HCRMA Officers and employees must at all times abide by applicable federal and state laws and regulations, the HCRMA bylaws and policies.

II. Employee Code of Conduct

Employees of the HCRMA are expected to conduct the business of the authority in an open, honest, and ethical manner. Employees must adhere to the highest standards of ethical conduct in the performance of their responsibilities and must refrain from engaging in any activity that could raise questions as to the honesty or integrity of the HCRMA or damage the HCRMA's reputation or credibility. Additionally, employees must at all times comply with the Employee Code of Conduct set forth in this Section.

- A. Equal Employment Opportunity** – The HCRMA is an equal opportunity employer and is committed to the principles of equal employment opportunity. The HCRMA will not tolerate discrimination based on race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other status protected by law.

All employment decisions, including but not limited to decisions regarding recruitment, selection, hiring, transfers, compensation, benefits, training, promotion, demotion, discipline, discharge, termination, leave of absence, and other terms, conditions, and privileges of employment, shall be based on individual qualifications without regard to an employee's status as a member of a protected class. The HCRMA will make reasonable efforts to ensure that all protected classes have equal access to employment with the HCRMA, and all personnel responsible for hiring, managing, and promoting employees are charged to support the HCRMA's commitment to equal employment opportunity.

The HCRMA will make reasonable accommodations for applicants or employees with disabilities, provided that the individual is otherwise qualified to perform the duties and responsibilities of the position and that an accommodation is not detrimental to the business operations of the HCRMA.

- B. Workplace Harassment** – The HCRMA is committed to ensuring a respectful work environment free from sexual harassment or any type of unlawful discrimination or harassment based on race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other status protected by law.

Harassment based on any of the above is considered a form of illegal discrimination. The HCRMA will not tolerate any form of harassment in the workplace.

Prohibited sexual harassment includes any unwelcome sexual advances, requests for sexual favors, or other unwelcomed verbal or physical conduct of sexual nature where submissions to such conduct affects an individual's employment; such conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or such conduct creates an intimidating, hostile, or offensive work environment. Other forms of prohibited harassment include unwelcome verbal or physical conduct that belittles, shows hostility, or ridicules an individual because of race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other characteristic protected by law.

If an employee believes that he or she is or has been subjected to harassment, including but not limited to any of the conduct listed herein, by any manager, other employee, consultant, customer, vendor, or any other person in connection with employment at the HCRMA, the employee should report the incident to the Executive Director of the HCRMA or the HCRMA Board Chairman.

Similarly, an employee who witnesses harassment directed at another employee should immediately report the matter to the Executive Director or Board Chairman with or without the permission of the employee involved. All complaints of workplace harassment will be investigated promptly and thoroughly and with as much confidentiality as possible. Retaliation against an employee who reports workplace harassment will not be tolerated.

The HCRMA will take complaints or reports of harassment very seriously and will take appropriate remedial action if an investigation reveals that prohibited harassment, discrimination, or retaliation in violation of this Code of Conduct has occurred. Employees who engage in prohibited harassment will be subject to corrective action, up to and including termination of employment.

- C. Conflicts of Interest** - Employees are prohibited from engaging in any activity that could create a conflict of interest or even the appearance of a conflict of interest with the employee's duties and responsibilities to the HCRMA. Activities that could create a conflict of interest include, but are not limited to:
1. Transaction of HCRMA business with any entity in which the employee is an officer, agent, member, or owner of a controlling interest;
 2. Participation in a HCRMA project in which the employee has a direct or indirect monetary interest;
 3. Outside business or professional activities that could interfere with the employee's performance of duties on behalf of the HCRMA or impair the employee's independence of judgment with respect to the employee's performance of HCRMA duties;

4. Personal investments that are likely to create a substantial conflict between the employee's private interest and the interest of the HCRMA; and
5. Any activity that could result in the disclosure of confidential or sensitive information that the employee has access to as a result of the employee's position with the HCRMA.

If an employee is uncertain as to whether a particular activity could create a conflict of interest, the employee should consult the HCRMA's General Counsel prior to engaging in the activity.

D. Gifts and Honoraria –Employees may not accept a benefit from an entity doing business with the HCRMA. For the purposes of this provision, a benefit is anything that is reasonably regarded as financial gain or financial advantage, including a benefit to another person in whose welfare the beneficiary has a direct and substantial interest, regardless of whether the donor is reimbursed. Examples are cash, loans, meals, lodging, services, tickets, door prizes, free entry to entertainment or sporting events, transportation, hunting or fishing trips, or discounts on goods or services.

The following are not benefits for the purposes of this chapter: (1) a token item, other than cash, a check, stock, bond, or similar item, that is distributed generally as a normal means of advertising and that does not exceed an estimated value of \$25; (2) an honorarium in the form of a meal served at an official, mobility-related event such as a conference, workshop, seminar, or symposium; or (3) reimbursement for food, travel, or lodging to an event described by paragraph (2) of this subsection in an amount allowable if the recipient were to seek reimbursement from the HCRMA, or a greater amount if preapproved.

Pursuant to Texas Transportation Commission Minute Order 114559 governing the Texas Department of Transportation and adopted as the policy for the HCRMA, employees may no longer accept ordinary working meals from entities doing business with the Authority. Employees may accept promotional items that do not exceed an estimated \$25 in value and are distributed as a normal means of advertising.

If an employee is uncertain as to whether he or she may accept a gift, favor, or benefit, the employee should consult the HCRMA's General Counsel prior to acceptance.

E. Use of HCRMA Property – Computers, including all software, hardware, internet, and email systems, modems, printers, telephones, cellular phones, fax machines, and other electronic and communications equipment owned or leased by the HCRMA may be used for official HCRMA purposes only. Employees may; however, make brief personal telephone calls for which the HCRMA does not incur any additional charges. Employees do not have an expectation of privacy when using the HCRMA electronic and communications equipment, and all emails, computer files, and telephone records are the property of the HCRMA and are subject to disclosure under the Texas Public Information Act, discovery in litigation, and/or examination by management.

Employees must immediately report lost or stolen HCRMA property to the Executive Director, or designee. Misuse or theft of HCRMA property may result in disciplinary action, including criminal prosecution.

- F. Criminal Activity** – The HCRMA will perform criminal background checks on all final applicants for any position involving the disbursement of HCRMA funds or the handling of cash, checks or credit cards; negotiable documents and materials; or highly confidential or sensitive information. All applicants admitting a felony conviction on their application materials will also be subject to a criminal background check. Additionally, the HCRMA may at its discretion perform criminal background checks on applicants for any other position.

If an employee is charged with a felony or a misdemeanor other than a traffic violation, the employee is required to immediately inform the Executive Director, or designee. The HCRMA may take steps to respond to criminal violations consistent with Section V below, up to and including termination of employment.

- G. Maintenance of Agency Records: Fraud & Public Information** – Employees must maintain all HCRMA records for at least the minimum amount of time prescribed by the records retention schedules applicable to local governmental entities adopted by the Texas State Library and Archives Commission. In the event that litigation is filed against the HCRMA or is reasonably anticipated to be filed, the HCRMA’s General Counsel may determine that it is necessary to implement a litigation hold in order to ensure the preservation of all records related to the lawsuit. Employees must refrain from destroying any records that are the subject of a litigation hold. Additionally, employees must comply with the HCRMA’s Policies and Procedures for retention of records.

Given the need for accurate and honest business records, any false or misleading report or record (including but not limited to financial documents; resumes, employment applications; contracts; and reports) will be taken very seriously. Employees who become aware of any suspected fraudulent act or falsification of the HCRMA records must immediately report the concern to the Executive Director, or designee, who shall respond to the evidence by taking appropriate remedial action. Discovery of a fraudulent act related to a person’s employment or job responsibilities may result in corrective action, up to and including termination of employment.

Members of the public may make written requests for records maintained by the HCRMA. Employees must comply with the HCRMA’s process for Responding to Public Information Act Requests and applicable law and regulations when responding to a request for records. Employees must refrain from destroying any records that are subject of a pending public information request.

- H. Fraud** - The HCRMA is committed to protecting its revenue, property, information, and other assets from any attempt to gain, by deceit, financial or other benefits at the

expense of taxpayers. Fraud and misuse of HCRMA revenue, property, information, or other assets is prohibited.

The HCRMA has developed Fraud Reporting policies and procedures to identify fraud and/or misuse of HCRMA's revenue, property, information, or other assets, and to set forth specific guidelines and responsibilities regarding appropriate actions to prevent and/or respond to such incidents.

- I. Employee Acknowledgement** – All employees must sign an acknowledgment, in the form attached as “Attachment A”, acknowledging that they have received, read, and understand this Employee Code of Conduct and that they will comply with the requirements set forth herein.

III. Training Regarding Ethics & Compliance Standards

Upon beginning service or employment with the HCRMA, all officers and employees shall be provided with a copy of this Ethics and Compliance Policy and shall receive orientation on ethics laws and policies. Additionally, officers and employees of the HCRMA shall receive periodic training on the requirements of this Ethics and Compliance Policy and on ethics issues generally.

IV. Oversight & Monitoring

The Executive Director and/or designee are responsible for monitoring and enforcing employee compliance with this Ethics and Compliance Policy. The HCRMA will also take reasonable steps to achieve compliance to this Policy by having annual audits performed by an external Independent Auditor. In addition, internal compliance reviews may be performed periodically.

V. Reporting of Suspected Violations

If an officer or employee becomes aware of a suspected violation of this Ethics and Compliance Policy, a violation of law, or a breach of fiduciary duty by any officer, employee, or agent of the HCRMA, he or she must immediately report the suspected violation to the Executive Director, or designee. The Executive Director, or designee, shall respond to evidence of any suspected violation or breach by taking appropriate action, including adopting or enforcing appropriate remedial measures or sanctions. Retaliation against those who come forward to raise concerns or report suspected violations will not be tolerated by the HCRMA.

VI. Enforcement & Responses to Offense

The HCRMA will not tolerate unethical or illegal conduct or conduct that discredits or interferes with the operations of the HCRMA. The HCRMA may discipline employees for any conduct that violates state or federal laws or regulations or the terms of this Ethics and Compliance Policy, up to and including immediate dismissal.

Examples of behavior that may result in an employee's immediate dismissal include, but are not limited to:

- Gross negligence of job duties
- Theft or misuse of HCRMA properties
- Fraud, dishonesty, or falsification of HCRMA records
- Unlawful use, sale, manufacture, distribution, dispensation, or possession of narcotics, drugs, or controlled substances while on HCRMA premises.
- Prohibited sexual harassment or offensive or degrading remarks about another person's race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other characteristic protected by law in violation of the Employee Code of Conduct set forth in Section II.
- Assault of or verbal threat to a fellow employee, officer, agent, or customer
- Criminal conduct
- Failure to address a recurring problem for which the employee has already been disciplined
- Unprofessional conduct or behavior that negatively impacts the HCRMA's public image, credibility, or integrity.

The HCRMA may, but is not required to, take corrective action to make an employee aware of a problem related to the employee's conduct and to provide an opportunity for the employee to remedy the problem. Such corrective action may include an oral conference, a written warning, and/or suspension. However, nothing herein shall limit the HCRMA's right to terminate an at will employee at any time, for any reason, with or without cause or notice.



Attachment A - Internal Ethics & Compliance
ACKNOWLEDGEMENT FORM

I have received a copy of the HCRMA’s Internal Ethics and Compliance Manual.

I understand that I am responsible for reading and understanding this Code of Conduct.

I understand that the policy is effective immediately and that compliance with it is a condition of my employment.

I agree to comply with the requirements set forth and understand that failure to do so is a violation of the HCRMA’s Internal Ethics and Compliance Program and will be subject to disciplinary action up to and including termination of employment.

Employee # _____

Employee Name (Signature)

Date

Employee Name (Print)

Title

Executive Director (Signature)

Date

Signed Acknowledgment Form will be maintained in the employee’s personnel file.

Attachment B – TXDOT PROGRAM REQUIREMENTS

<u>TITLE 43</u>	TRANSPORTATION
<u>PART 1</u>	TEXAS DEPARTMENT OF TRANSPORTATION
<u>CHAPTER 10</u>	ETHICAL CONDUCT BY ENTITIES DOING BUSINESS WITH THE DEPARTMENT
<u>SUBCHAPTER B</u>	OTHER ENTITIES' INTERNAL ETHICS AND COMPLIANCE PROCEDURES
RULE §10.51	Internal Ethics and Compliance Program

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- (a) Various sections of this title require an entity to adopt and enforce an internal ethics and compliance program. To comply with that requirement, the entity must certify to the department that the entity:
- (1) has adopted an internal ethics and compliance program that:
 - (A) is designed to detect and prevent violations of the law, including regulations, and ethical standards applicable to the entity or its officers or employees; and
 - (B) satisfies all requirements of this section; and
 - (2) enforces compliance with its internal ethics and compliance program.
- (b) An entity's internal ethics and compliance program must be in writing and must provide compliance standards and procedures that the entity's employees and agents are expected to follow. At a minimum, the program must provide that:
- (1) high-level personnel are responsible for oversight of compliance with the standards and procedures;
 - (2) appropriate care is being taken to avoid the delegation of substantial discretionary authority to individuals whom the entity knows, or should know, have a propensity to engage in illegal activities;
 - (3) compliance standards and procedures are effectively communicated to all of the entity's employees, including members of the governing board if the entity has a governing board, by requiring them to participate in periodic training in ethics and in the requirements of the program;
 - (4) compliance standards and procedures are effectively communicated to all of the entity's agents;
 - (5) reasonable steps are being taken to achieve compliance with the compliance standards and procedures by:
 - (A) using monitoring and auditing systems that are designed to reasonably detect noncompliance; and
 - (B) providing and publicizing a system for the entity's employees and agents to report suspected noncompliance without fear of retaliation;
 - (6) consistent enforcement of compliance standards and procedures is administered through appropriate disciplinary mechanisms;
 - (7) reasonable steps are being taken to respond appropriately to detected offenses and to prevent future similar offenses; and
 - (8) the entity has a written employee code of conduct that, at a minimum, addresses:
 - (A) record retention;
 - (B) fraud;
 - (C) equal opportunity employment;
 - (D) sexual harassment and sexual misconduct;
 - (E) conflicts of interest;
 - (F) personal use of the entity's property; and
 - (G) gifts and honoraria.
- (c) The department may, at its discretion, request that the entity provide the department with written evidence of the entity's internal ethics and compliance program.

Source Note: The provisions of this §10.51 adopted to be effective January 6, 2011, 35 TexReg 11951;