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Owner **Sheryl Vacca:**
SVP Chief Risk Officer

Policy Area **Compliance**

Applicability **Providence**
Systemwide + PGC

PSJH-RIS-732 Anti-Corruption Compliance Policy

Executive Sponsor:	Rod Hochman, MD, President/CEO
Policy Owner:	Sheryl Vacca, SVP, Chief Risk Officer
Contact Person:	David Lane, VP, Chief Compliance Officer

Scope:

This Anti-Corruption Compliance Policy ("Policy") applies to Providence and its Affiliates¹ (collectively, "Providence") and their caregivers (employees); employees of affiliated organizations; members of system, community ministry and foundation boards; volunteers; trainees; independent contractors; and others under the direct control of Providence (collectively, "Workforce Members"). This Policy also applies to Providence's agents, consultants, and any other third parties acting on Providence's behalf (collectively, "Business Partners").

☒ Yes ☐ No Is this policy applicable to Providence Global Center (PGC) caregivers?

This is a management level policy reviewed and recommended by the Policy Advisory Committee (PAC) to consider for approval by senior leadership which includes vetting by Executive Council with final approval by the President, Chief Executive Officer or appropriate delegate.

Purpose:

As an organization, we strive to conduct ourselves according to the highest standards of ethical conduct, and to operate in a manner that is consistent with our mission and values. Providence seeks to avoid even the appearance of impropriety in the actions of its Workforce Members. Providence strictly prohibits all forms of corruption and will take all necessary steps to ensure that corruption does not occur in its business activities. This Policy reiterates our commitment to integrity, and explains the specific requirements and prohibitions applicable to Providence's operations.

Policy:

All Workforce Members and Business Partners are required to conduct business in accordance with applicable legal and ethical standards, and must comply with all applicable laws that prohibit bribery and counter corruption (collectively, the "Anti-Corruption Laws"), including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"). In compliance with these laws Providence does not provide or receive illegal payments, bribes, kickbacks, or other questionable inducements to facilitate any business transaction. It is a violation of this Policy and applicable laws for Workforce Members or Business Partners to directly or indirectly give, offer, promise, approve, receive, or solicit a bribe to or from any person in order to: (a) obtain or retain business for or from Providence or for any improper business purpose; (b) improperly, or inaccurately reflect Providence's books or records; or (c) override Providence's internal controls (including financial accounting controls).

Requirements:

1. Prohibited Payments:

Providence's Workforce Members and Business Partners shall not directly or indirectly make, receive, or solicit, any payment, offer, promise or gift of anything of value to or from, any party in order for a party to secure an improper advantage, obtain or retain business, **or direct business to any other person or entity.**

- a. Anything of Value: "Anything of value" includes not only cash, but also gifts, gift cards, electronic equipment, favors, kickbacks, clothing, meals, entertainment, travel, lodging, transportation, loans, use of property or equipment, charitable contributions, and job offers.
- b. Person: A "person" includes any individual or entity in the private or public sectors, including government officials or employees.
- c. Improper Advantage: An "improper advantage" exists when a payment is requested, offered, or made to influence a person to do, or stop doing, something in violation of their duty. The advantage exists, and is improper, even if the purpose is to influence the person to make a sound business decision. Payments to secure an improper advantage are a violation of this policy (and may violate Anti-Corruption laws) whether the improper advantage was actually secured in the end (e.g. whether it resulted in a successful business outcome for Providence or the payer).

Should a Workforce Member or Business Partner be approached with an attempted solicitation or extortion for anything of value from, any party in order to secure an improper advantage, the Workforce Member or Business Partner must inform the person that Providence does not engage in such conduct and immediately contact Providence's Chief Risk Officer.

Questions regarding whether a particular payment, offer, or gift is prohibited by this Policy or applicable Anti-Corruption Laws, should be directed to Providence's Chief Risk Officer.

2. Permitted Payments:

This Policy permits payments to be made to persons in connection with Providence's business operations in specific circumstances. These circumstances include:

- a. Payments to government officials that are lawful under applicable law; and
- b. Payment of reasonable and bona fide expenses directly related to the marketing and promotion of the Providence's services or directly related to the performance of a contract.

Because of the technical nature of these limited exceptions, all Providence personnel should consult Providence's Chief Risk Officer prior to making any such payments in order to verify that they are permissible under this Policy and applicable law.

3. Agents, Consultants and Other Third Parties:

The Prohibited Payments defined in this policy include both direct and indirect payments. Providence may be subject to legal liability under applicable Anti-Corruption Laws if any Providence Workforce Member knows or has reason to believe that any Business Partner has made or may make a prohibited payment on Providence's behalf.

All Providence Workforce Members should take appropriate precautions to avoid violations of this Policy by any Business Partner and should report to Providence's Chief Risk Officer and/or report via the hotline identified in the "7. Duty to Report" section below, any suspected violations. In particular, before engaging the services of any Business Partner the responsible Providence Workforce Member must notify Providence's Chief Risk Officer, who will work directly with the Workforce Member to ensure proper due diligence regarding such third-party has been conducted, appropriate assurances of compliance with applicable Anti-Corruption Laws and this Policy have been obtained, and ongoing monitoring of the relationship for compliance with this Policy occurs.

4. Record Keeping:

It is Providence's practice to implement and maintain internal accounting controls based upon sound accounting principles. All accounting entries in Providence's books and records must be timely and accurately recorded and include reasonable detail to fairly reflect transactions. These accounting entries and the supporting documentation must be periodically reviewed to identify and correct discrepancies, errors, and omissions. Applicable law and this Policy prohibit any Workforce Member from mischaracterizing or omitting any transaction on Providence's financial records. Providence Workforce Members must follow applicable standards, principles, laws, and practices established by Providence for accounting and financial reporting. Personal funds must not be used to accomplish what is otherwise prohibited by this Policy.

In addition, Providence has set forth the following requirements in connection with transactions involving non-U.S. government officials:

- a. **Authorization for Transactions.** All transactions involving the provision of anything of value to a non-U.S. government official or their family members must occur only with appropriate Providence authorization.

b. **Recording Transactions.** All transactions involving the provision of anything of value to a non-U.S. government official or their family members must be recorded in accordance with U.S. Generally Accepted Accounting Principles.

c. **Tracking Transactions.** All transactions involving the provision of anything of value to a non-U.S. government official or their family members must be tracked and separately identified in a log or record, with supporting documentation showing:

- i. The name and position of the Workforce Member requesting and authorizing the transaction.
- ii. The name and position of the non-U.S. government official involved in the transaction.
- iii. A description, including the value of the payment or provision, and where applicable, a description of Providence's products or services being promoted or the relevant contractual provision if the payment was made pursuant to a contract.

5. Cash Payments:

Physical cash payments are only permitted if properly documented, approved, provided through a proper channel, and don't otherwise violate the requirements of this policy. Providence checks shall not be written to "cash," "bearer," or anyone other than the party entitled to payment.

6. Training, Compliance, and Corrective Action:

Management is responsible for ensuring that Providence Workforce Members and Business Partners are educated about the requirements of this policy, and Workforce Members are responsible for performing their duties according to the requirements of this Policy. Additionally, all Providence Workforce Members who engage in relevant activities on behalf of Providence must complete appropriate anti-corruption training, with documented completion and certifications of compliance, as determined from time to time by Providence's Chief Risk Officer and Providence's Chief Compliance Officer.

Providence Workforce Members who violate this Policy will be subject to disciplinary action, up to and including termination. Business Partners who violate this Policy may be subject to termination of all commercial relationships with Providence.

7. Duty to Report:

Any Providence Workforce Member or Business Partner who suspects that this Policy may have been violated shall immediately notify Providence's Chief Risk Officer directly or by calling Providence's hotline set up for this purpose at:

1-877-512-7119 (for domestic calls) or

For Caregivers in India:

- o From an outside line, dial the direct access number: 000-117
- o At the English prompt dial 888-294-8455

When in doubt about the appropriateness of any conduct, Providence requires that Workforce Members seek additional guidance from Providence's Chief Risk Officer before taking any action that may subject Providence to potential liability.

8. Duty to Cooperate:

Providence may review specific transactions as part of its monitoring duties. All Workforce Members shall cooperate with Providence's internal legal counsel, outside legal counsel, Providence's Chief Compliance Officer, internal auditors, external auditors, law enforcement, or other parties as required as part of the review. Failure to cooperate is a violation of this policy and will lead to corrective action as befitting the situation up to and including termination.

9. Non-Retaliation:

In accordance with Providence's policy "[PSJH-RIS-733 Non-Retaliation](#)" Providence prohibits retaliation against Workforce Member for making a good-faith report of their concerns about actual or potential violations. This commitment is also expressed in our Code of Conduct. Providence expects Workforce Members and Business Partners to be familiar with the Code of Conduct and other policies and to follow them.

10. Questions About the Policy:

Questions regarding this Policy should be directed towards Providence's Chief Risk Officer.

References:

- Providence Non-Retaliation Policy [PSJH-RIS-733](#)
- [Foreign Corrupt Practices Act](#) - 15 U.S.C. §§ 78dd-1, et seq.
- Providence Counseling and Corrective Actions Policy (available on the HR Portal)
- Providence Fraud, Waste and Abuse Prevention and Detection Policy [PSJH-RIS-711](#)
- Contracting Policy for Providence Global Center (draft currently under review)

Attachments:

No attachments.

[Applicability](#):

¹For purposes of this policy, "Affiliates" is defined as any not-for-profit or non-profit entity that is wholly owned or controlled by Providence St. Joseph Health (PSJH), Providence Health & Services, St. Joseph Health System, Western HealthConnect, Kadlec, Covenant Health Network, Grace Health System, Providence Global Center*, NorCal HealthConnect, or is a not-for-profit or non-profit entity majority owned or controlled by PSJH or its Affiliates and bears the Providence, Swedish Health Services, St. Joseph Health, Covenant Health, Grace Health System, Kadlec, or Pacific Medical Centers names (includes Medical Groups, Home and Community Care, etc.). *Policies and/or procedures may vary for our international affiliates due to regulatory differences.

Approval Signatures

Step Description	Approver	Date
PSJH President/CEO	Joel Kim: Assoc Compliance Spec PSJH	01/2020
PSJH President/CEO	Cynthia Johnston: Compliance Spec PSJH	01/2020
PSJH Executive Committee	Joel Kim: Assoc Compliance Spec PSJH	01/2020
PSJH Executive Committee	Cynthia Johnston: Compliance Spec PSJH	01/2020
PSJH Policy Advisory Committee	Cynthia Johnston: Compliance Spec PSJH	01/2020
PSJH Policy Advisory Committee	Joel Kim: Assoc Compliance Spec PSJH	01/2020

Standards

No standards are associated with this document