



U.S. SQUASH Whistleblower Policy

General

The United States Squash Racquets Association, Inc. d/b/a U.S. SQUASH (“U.S. SQUASH”) Ethics, Principles and Conflict of Interest Policy (“Ethics Policy”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of U.S. SQUASH, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Whistleblowing

Whistleblowing is defined as the act of reporting wrongdoing within the organization to internal U.S. SQUASH parties.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Ethics Policy and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Ethics Policy shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within U.S. SQUASH prior to seeking resolution outside U.S. SQUASH.

Reporting Violations

This Whistleblower Policy intends to highlight U.S. SQUASH’s open door approach to transparency in all aspects of U.S. SQUASH business and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s

supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the CEO or Board Chair. The CEO is required to report suspected violations of the Ethics Policy to U.S. SQUASH's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization's open door policy, individuals should contact U.S. SQUASH's Compliance Officer directly.

Compliance Officer

The U.S. SQUASH's Compliance Officer is the Chairperson of the Board of Review. The Organization's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Ethics Policy and, at his or her discretion, shall advise the Board Chair, the CEO and/or the Chairperson of the Finance, Audit and Compensation Committee. The Compliance Officer has direct access to the board of directors and is required to report to the board at least annually on compliance activity.

Accounting and Auditing Matters

The Finance, Audit and Compensation Committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall notify the Chairperson of the Finance, Audit and Compensation Committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Ethics Policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Ethics Policy. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within twenty (20) business days. All reports will be investigated according to Disciplinary and Grievance Procedures of the Board of Review and appropriate corrective action according to these Procedures will be taken if warranted by the investigation.

Policy Adopted by the Board of Directors on April 10, 2008.

Policy Attribution

Sample Text Provided by the National Council of Nonprofit Associations.
Copyright 2004, National Council of Nonprofit Associations, www.ncna.org.

The National Council of Nonprofit Associations (NCNA) is the network of state and regional nonprofit associations serving over 22,000 members in 46 states and the District of Columbia. NCNA links local organizations to a national audience through state associations and helps small and mid-sized nonprofits: manage and lead more effectively; collaborate and exchange solutions; save money through group buying opportunities; engage in critical policy issues affecting the sector; and achieve greater impact in their communities.

What Is Whistleblowing?

From the CPA Journal Online, A Publication of the New York State Society of CPAs.

In its simplest form, whistleblowing involves the act of reporting wrongdoing within an organization to internal or external parties. Internal whistleblowing entails reporting the information to a source within the organization. External whistleblowing occurs when the whistleblower takes the information outside the organization, such as to the media or regulators.

Whistleblowers have garnered attention due to the worldwide media exposure of recent accounting scandals. In 2002, Time magazine named whistleblowers Cynthia Cooper of WorldCom, Sherron Watkins of Enron, and Coleen Rowley of the FBI as its "Persons of the Year." While the first two individuals are well known and involve financial scandals, Rowley's whistleblowing was a noncorporate case but with very serious ramifications involving lapses in the intelligence community in the weeks prior to the September 11, 2001, terrorist attacks.

Legislative History

The origins of whistleblowing go back well over a century. Some recent significant acts include:

1989 and 1994: The Whistleblower Protection Act. Under the Whistleblower Protection Act, passed in 1989 and amended in 1994, federal employees are protected from workplace retaliation when disclosing waste and fraud. The purpose of the Act and subsequent amendments was to strengthen the protections available to federal employees. Congress has considered reforms that would overhaul the act and enhance protections for federal employees who expose fraudulent activity, waste, and threats to public safety. Such legislation was debated last year, and in 2007, the House of Representatives approved the Whistleblower Protection Enhancement Act, which overhauls federal whistleblower law.

2002: SOX requirements. In addition to the changing attitude toward whistleblowing, changes in laws and rights related to whistleblowing have followed. SOX provides an example of how publicly traded companies have been required to reshape their businesses and their attitudes toward workplace crime. Sections 806, 301, and 1107 of SOX provide additional guidance for whistleblowing.

Section 806 extends protection to employees of publicly traded companies who report fraud to any federal regulatory or law enforcement agency, any member or committee of Congress, or any person with supervisory authority over the employee. This regulation states that whistleblowers who provide information or assist in an investigation of violations of any federal law relating to fraud against shareholders or any SEC rule or regulation are protected from any form of retaliation by any officer, employee, contractor, subcontractor, or agent of the company. Employees who are retaliated against will be “entitled to all relief necessary to make the employee whole” (SOX section 806), including compensatory damages of back pay, reinstatement of proper position, and compensation for litigation costs, expert witness fees, and attorney fees.

SOX also requires audit committees to take a role in whistleblowing and reducing corporate fraud. Section 301, amending the Securities Exchange Act of 1934, compels audit committees to develop reporting mechanisms for the recording, tracking, and acting on information provided by employees anonymously and confidentially. By mandating policies and protection for reporting wrongdoing, the SOX standards go beyond merely encouraging companies to be more responsive to employee whistleblowers.

In SOX section 1107, the reach of whistleblowing policies extends beyond public corporations. This section extends protection to any person who reports to a law enforcement officer information related to a violation of a federal law. These whistleblowers are protected from any retaliation by the offender. A violator may be fined and imprisoned for up to 10 years.

Why Implement a Whistleblower Policy?

Consider these important facts from the Association of Certified Fraud Examiners’ 2006 “Report to the Nation on Occupational Fraud and Abuse”:

- More than \$600 billion in annual losses is attributed to fraud.
- Anonymous reporting mechanisms are the antifraud measure with the greatest impact on reducing losses: Companies with anonymous reporting mechanisms reported median losses of \$100,000, while those without reported median losses of \$200,000.
- Tips from employees, customers, and vendors and anonymous tips account for:
 - 34% of the detection of all fraudulent activity;
 - 34% of the detection of fraudulent activity for not-for-profit organizations;
 - 39.7% of the detection of fraudulent activity for government agencies; and
 - 48% of the detection of owner/executive fraud schemes.

Reporting on internal controls was recommended to the corporate community in the late 1970s, but it took the large scandals (such as Enron) for the SOX legislation to impose such reporting. Recent legislation in California (California's Nonprofit Integrity Act of 2004) and proposed legislation in other states suggest that nonprofit organizations should consider "best practice" governance policies and mechanisms similar to the provisions of SOX, as doing so may prepare them for future legislative requirements.

IRS data indicate that many nonprofit organizations would be categorized as small businesses. Most small businesses struggle with an appropriate level of segregation of duties, making a whistleblower policy a good mitigating control. A whistleblower policy and effective enforcement has the potential not only to significantly reduce fraudulent activity but also to send a signal to both internal and external constituencies that the organization exercises good corporate governance. Just as corporations must answer to shareholders, universities, government entities, and nonprofit organizations must answer to the public regarding the stewardship of resources.