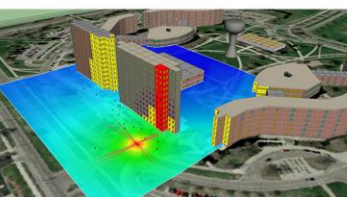




# ARA

## Code of Ethics and Standards of Conduct Handbook



Applied Research Associates, Inc.

Revised 8/6/2024

# Message from the CEO



To ARA Employees:

ARA was founded in 1979 with a staff of three and has grown to be a nationally recognized research and engineering firm with over 50 offices and over 2,200 employees.

Characteristics that distinguish ARA from others – passion, freedom, service, and growth – rest on the cornerstone of unquestioned integrity and compliance, in both letter and spirit, with the highest ethical standards. This handbook explains ARA's ethical and moral standards. We expect all employees to live and work by these values in order to be considered for a position or advancement in our organization.

Our great company provides solutions to some of the nation's most challenging problems and each of us is responsible for ensuring its reputation. We are trusted by customers because of the cutting-edge technology that we develop, the passion we bring to our work, and the service and dedication we demonstrate in getting the job done. We earn the credibility of our employees, customers and suppliers by acting with integrity, transparency, and mutual respect. We give our best to the customer and each other. If we make a mistake, our history is that we admit it, and make it right.

As you read this handbook, you will discover many of the complex areas where upholding our values and practices are critically important. If you have questions about what they mean or how they apply to your job, ask your manager, or reach out to the many resources listed here.

Thank you for your dedication and for all you do to make ARA a great company and a great place to work.

Robert H. Sues, Ph.D., P.E.  
President & CEO

# Table of Contents

<a href="#">Ethics Philosophy</a>	4
<a href="#">Ethics Responsibilities</a>	6
<a href="#">Integrity in Accounting and Contracts</a>	7
<a href="#">Time Reporting</a>	7
<a href="#">Allowable or Unallowable Costs</a>	9
<a href="#">Full, Accurate, and Timely Disclosure</a>	11
<a href="#">Avoidance of Conflicts of Interest</a>	12
<a href="#">Gifts and Gratuities</a>	14
<a href="#">Honesty and Disclosure of Facts</a>	16
<a href="#">Confidentiality of Information</a>	18
<a href="#">Safeguarding Property</a>	20
<a href="#">Employment Policies</a>	21
<a href="#">Harassment-Free Workplace</a>	21
<a href="#">Drug-Free Workplace</a>	23
<a href="#">Equal Employment Opportunities (EEO)</a>	24
<a href="#">Information System Privacy</a>	25
<a href="#">Export Control Regulations</a>	26
<a href="#">Standards of Conduct</a>	31
<a href="#">Reporting Suspected Improper Conduct</a>	32
<a href="#">Whistleblower Protections</a>	33
<a href="#">Business Ethics and Conduct Checklist</a>	35
<a href="#">Restrictions and Prohibited Practices</a>	36
<a href="#">Resources Available</a>	37
<a href="#">Ethics Signature Page</a>	38

# Ethics Philosophy

Long-term successful personal and professional relationships depend upon honesty and trustworthiness. ARA has historically promulgated two fundamental principles which underpin our philosophy on ethics. The first is that **ARA insists on “frank, open, and ethical dealings with each other, with our clients, and with our subcontractors.”** This statement implies, and herein is explicitly broadened, to encompass all organizations and individuals with which we interact and/or do business, including all auditors, auditing agencies, and the communities in which our staff and offices reside. The second principle is that **ARA insists on “corporate and individual acceptance of responsibility.”** The word “individual” includes management and staff. If problems with our conduct and/or performance arise, **we honestly admit our failings, deal with them, and fix them. We do not cover up problems nor do we tolerate those that might try to do so.**

Ethical behavior is behavior based on right or good conduct. This means that we should all look at the big picture and take actions that are good for the whole of the company and our clients. We all have a stake in ARA’s success and must hold each other and ourselves accountable for doing the right thing. To help you make the right decision when faced with a difficult situation, ask yourself some of the questions listed here.

## LITMUS TEST

**TO HELP YOU MAKE THE RIGHT DECISION WHEN FACED WITH A DIFFICULT SITUATION, QUESTIONS THAT YOU SHOULD ASK YOURSELF INCLUDE:**

- ⬢ Is my intended action improper or does it have the appearance of an inappropriate act?
- ⬢ Am I being fair and honest?
- ⬢ Do I feel uneasy with my intended course of action?
- ⬢ Will my actions stand the test of time?
- ⬢ How would I feel if my family, friends, and neighbors knew what I was doing?

# Ethics Philosophy (Continued)

## ARA ETHICS PRINCIPLES

- |   |   |
|---|---|
| ◆ KNOW AND FOLLOW THE LAW.                                    | ◆ MAKE ACCURATE PUBLIC DISCLOSURES.                             |
| ◆ STRICTLY ADHERE TO ALL COMPANY POLICIES AND PROCEDURES.     | ◆ CAREFULLY BID, NEGOTIATE, AND PERFORM GOVERNMENT CONTRACTS.   |
| ◆ ENSURE APPROPRIATE USE OF CUSTOMER AND COMPANY ASSETS.      | ◆ PROTECT ARA'S PROPRIETARY INFORMATION.                        |
| ◆ AVOID CONFLICTS OF INTEREST.                                | ◆ REPORT QUESTIONABLE CONDUCT.                                  |
| ◆ KNOW THE RULES ABOUT EMPLOYING FORMER GOVERNMENT OFFICIALS. | ◆ AVOID ILLEGAL AND QUESTIONABLE GIFTS AND BUSINESS GRATUITIES. |
| ◆ KEEP ACCURATE AND COMPLETE RECORDS.                         | ◆ PROTECT EMPLOYEE'S PRIVATE INFORMATION.                       |





# Ethics Responsibilities

**The Board of Directors** – ARA’s Board of Directors has affirmed ARA’s commitment to ethical principles and behavior and has directed management to ensure that strong ethical requirements are part of the ARA culture.

**Management** – ARA managers at all levels are responsible for reinforcing ethical conduct and creating a supportive work environment in order to sustain our principles and ensure compliance with our policies and procedures. The actions, conduct, and decisions of managers reflect our ethical principles. They will train their staff in ethical requirements and how to deal with issues in a timely and appropriate manner.

Managers are responsible for reinforcing ARA’s dedication to ethical conduct and must create a supportive work environment that sustains ARA’s ethical principles.

Managers are also expected to:

- Deal fairly and forthrightly with people on ethical matters;
- Ensure that the workplace is free of harassment and illegal drugs;
- Report suspected violations of our policies to any senior manager or executive, to the Audit Committee of the Board of Directors, and/or to ARA’s independent internal auditors; and
- Prohibit retaliation of employees who report suspected ethical violations (there is no tolerance for this at ARA).

**ARA Employees** – All ARA employees and directors will receive Code of Ethics and Standards of Conduct training once each fiscal year. New employees will receive this training within the fiscal year of their hire date, preferably within one month of their hire date.

All employees are responsible for understanding ethics requirements, abiding by them, and reporting breaches to person(s) designated in this policy. Refer to the Code of Ethics and Standards of Conduct [policy](#) and [procedures](#).

**Ethical Behavior** – Ethical behavior means behavior based on right or good conduct and covers every aspect of the lives of ARA management and staff. Specifically, ethical behavior must be observed in every aspect of ARA’s activities including dealings within the company, with clients, with advisors, with subcontractors and suppliers, with all government agencies that maintain oversight on our activities, and with the communities in which our offices reside.

*The next several pages address specific policies that relate to ethics and standards of conduct.*

# Integrity in Accounting and Contracts

Integrity in accounting and contracting includes timely and accurate allocation of labor and other costs to appropriate direct and indirect projects. As a government contractor, we are required to segregate our direct costs (costs incurred which benefit one contract) from indirect costs (costs that benefit more than one contract or benefits the operation of a division, sector, or the overall company).

## Time Reporting

Labor is ARA's principal product and labor charges form the basis for invoices to our customers. **False or inaccurate charges on your timesheet may be considered fraud and a violation of the False Claims Act.**



Time reporting is audited by the federal government's Defense Contract Audit Agency (DCAA). In addition, because it is so important, ARA's Audit Committee of the Board of Directors routinely engages internal audit to perform their own floorcheck.

ARA has developed a one page [Timekeeping Basic Instructions \(TBI\)](#) guide, to help both new hires and existing employees understand ARA's timekeeping policies. You should also understand your responsibilities under ARA's [Time Reporting Procedures \(TRP\)](#). Both documents are posted on the ARA Intranet in the Policy Manual section.

To ensure that you are accurately recording your time, it is important to:

- Record your time daily.
- Record all hours worked (see the TRP for a definition of what is considered time worked).
- Charge only to the actual project, proposal, or indirect activity that you are working. A best practice is to request a charge number before beginning work. Never charge the wrong project or enter time to overhead with the intent to move the time later. Division holding projects may be used temporarily when there is a delay in receiving a new charge number; however, the charge must include a note describing the project you are working and be corrected as soon as the new project number is assigned.

No one may direct employees to charge time to a project different from the one they are working on.

- If you are unsure about the direction you've been given, you should ask your supervisor for clarification.
- If you are not comfortable discussing with your supervisor or if you have done so and are still unsure, you can contact your division or sector manager.
- You may also contact ARA's Compliance Officer, who will take these complaints seriously and investigate. Refer to page 37 for contact information.

# Integrity in Accounting and Contracts (Continued)

- You may also make an inquiry or complaint via [ARA's internal hotline](#) which is manned by Pulakos CPAs at 505-338-1500.

In addition to our ARA complaint procedures, the Department of Defense (DoD) offers a hotline (800-424-9098) for reporting fraud, waste, and abuse. The DoD hotline is posted on the home page of the Intranet or in a breakroom or other location in your office where required posters are displayed.

Changes to timesheets are met with additional scrutiny by our auditors. Be sure that any changes you make are clearly documented in your timesheet. Explain why you are making the change. The system already captures the change itself. Never make a change to your timesheet that you do not understand or cannot explain.

**Accurate and complete progress reports are crucial because they support our billing to the customer.** Progress reports must document the work performed on the contract and should be complete and consistent with contract scope and ARA billing to the customer.

Travel and subsistence expense procedures require that ARA employees be good stewards of ARA's and the customer's resources.

- All ARA employees who travel must comply with ARA's Travel and Subsistence Expense [policy](#) and [procedures](#).
- In addition to ARA's travel procedures, our customers may have certain travel restrictions required by the contract. It is important for you to know any specific contract requirements before traveling.
- As a government contractor, ARA is required to ensure that air travel funded with U.S. federal contract dollars (including all indirect, B&P, and IR&D travel) is in accordance with lowest airfare and Fly America Act requirements. As a traveler, you need to understand these rules and comply with them.



**ARA has zero tolerance for fraudulent activities.** While fraudulent financial activities usually appear to occur at the highest levels, employees at all levels could potentially be involved, and ARA's zero tolerance policy applies to everyone.

## **Some examples of fraudulent financial activities include:**

- Mischarging on timesheets to include not properly recording all time worked
- Falsifying travel expense reports
- Asset misappropriation including purchasing materials on one project for use on another project



# Integrity in Accounting and Contracts (Continued)

- Theft or embezzlement
- Financial misconduct
- Financial statement manipulation or other schemes with potential material impact on financial statements
- Disclosure fraud
- Aiding and abetting any type of fraudulent financial activities



ARA also has no tolerance for any anti-trust activities including collusion or price fixing. Collusion and price fixing exist when companies get together to decide who will submit the winning proposal to in order to ensure each benefit from the end result, thereby creating an unfair advantage. It is an agreement among firms to divide the market, set prices, or limit production.

## **Allowable or Unallowable Costs**



As a government contractor, some expenses are considered allowable, and some are considered unallowable. Unallowable expenses cannot be proposed or reimbursed, either as an overhead expense or as a direct cost, on a cost reimbursable contract. ARA policy and our customers define what is unallowable. ARA employees should know what costs are unallowable to ensure proper coding, so these costs are not inadvertently billed to the client.

On federal government contracts, FAR 31.201-2 requires that the cost be reasonable, allocable, comply with government and accounting standards, the terms of the contract, and not be expressly unallowable.

In addition, the cost must be in accordance with our established policies and practices, adequately documented and supported, and must be consistently charged.

- Reasonableness (FAR 31.201-3) – Our government customers have defined a cost as reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of a competitive business. The burden to prove a cost as being reasonable belongs with us as a contractor.
- Allocability (FAR 31.201-4) – The cost is associated with or charged to the project or indirect pool that required the expense or benefited from the expense.

# Integrity in Accounting and Contracts

## (Continued)

- Expressly Unallowable (see FAR 31.205 for a complete list) – The government has identified specific costs that it considers unallowable. Specifics regarding the types of costs that are allowable and unallowable are identified in FAR 31.205. Some common unallowable costs include costs such as:
  - Alcoholic beverages
  - Entertainment costs
  - Lobbying and political activity costs
  - Public relations and advertising (including manning a trade show booth to sell our product/services within the U.S.)
  - Unjustified over per diem
  - Contributions or donations
  - Fines, penalties, and mischarging costs
  - Acquisitions and reorganizations
  - Gifts

Costs directly associated with the unallowable costs are also unallowable and must be identified and coded properly. An example of this includes the travel and labor costs associated with a lobbying trip or attending a trade show with the primary purpose of selling product or services within the United States.

Unallowable costs must be identified and excluded from any billing, claim, or proposal to the government. Unallowable costs will receive any applicable burden (i.e., fringe, OH, G&A) which will also become an unallowable cost.

For questions regarding the allowability or proper charging, please ask your supervisor, refer to [Section 1.1.1.4](#) of the Business Processes Manual, or contact us at [accounting.support@ara.com](mailto:accounting.support@ara.com).

ARA expects full, accurate, and timely disclosure of financial, accounting, and other data as required by oversight organizations, financial institutions, the Board of Directors, and other affected authorized parties.

FAR 52.203-13 established a mandatory requirement for disclosure of credible evidence of violations of federal criminal law involving fraud, conflict of interest, bribery or gratuity violations, any violations of the False Claims Act, or significant overpayment.

The requirement for disclosure exists for at least 3 years after final payment on a contract.

The law requires contractors to fully cooperate with investigators which means disclosure to the government of information sufficient for law enforcement to identify the nature and extent of the offense and the individuals responsible for the conduct.

- It includes providing timely and complete responses to the government's requests for documents and access to employees for information.
- It does not restrict a contractor from completing an internal investigation.
- The federal government expects us to report to them in a timely manner (5-10 days) when there is credible evidence that a violation of law or policy has occurred.

# Full Accurate and Timely Disclosure

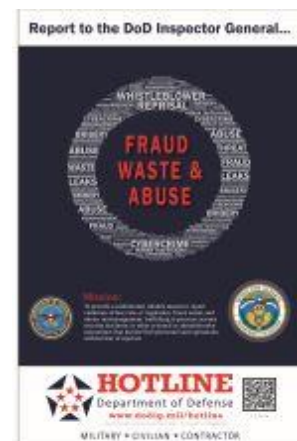
There are some general guidelines to support ARA employees in identifying problems and making the appropriate disclosures. These include:

- Maintaining accurate books and records that fairly and accurately reflect project cost and ARA's financial transactions.
- Not tolerating creation or insertion of false or misleading information in any ARA financial records or other business records. As an example, changes to your timesheet that you do not understand or agree with may be considered misleading or false.
- Cooperating fully with internal, independent, and government/customer auditors. Do not delay in responding to them and do not conceal information from them.
- DCAA expects same day turnaround for documents that should be readily available. This includes invoices, subcontracts and purchase orders, and proposals including backup for materials, subcontracts, and other direct costs.

Remember that it is unlawful to destroy, conceal, alter, or falsify any ARA records, documents, or objects in order to obstruct or influence any lawsuit or other legal, regulatory, or governmental proceeding or investigation. Doing so may subject ARA and you to severe civil and criminal penalties including substantial damage awards, fines, and imprisonment.

ARA employees do not cover up problems nor do we tolerate those who might try to do so.

Employees should be able to locate the [DoD Fraud, Waste, & Abuse hotline poster](#) on the Intranet or in your local office. This is a required communication and a standard question asked by the DCAA auditors during floorchecks.



# Avoidance of Conflicts of Interest

Avoidance of conflicts of interest between personal and professional interests includes conflicts between outside ownership or employment and ARA interests.

## **Personal Conflicts of Interest**

Personal conflicts of interest may impact you and your immediate family members.

In general, you and members of your immediate family should not be involved in any business transaction with ARA wherein a conflict of interest exists, could exist, or is perceived to exist.

As an ARA employee, you should not conduct any financial transaction that involves the direct or indirect use of inside information (information that has not become public knowledge) gained through your position with ARA to further a private interest for yourself, another person, or entity.

ARA employees should not use their position to induce or coerce or provide a financial benefit to them, another person, or entity.

You, or any member of your immediate family, should not have a substantial financial interest in an organization with which ARA does business. This includes being a proprietor or partner or owning stocks or bonds in excess of 10 percent of the total stocks or bonds of a corporation.

Some other examples of how to avoid a conflict of interest include outside employment activities.

- Employees must obtain division manager approval to engage in *any* outside compensated activity. Approval should normally be granted for any activity that does not compete with any ARA business and does not have the potential for placing mental or physical demands on the employee to the detriment of his/her performance.
- When the employee seeks permission to serve as a director, officer, or employee of; serve in any managerial capacity for; or be retained or compensated in any capacity by any private or public entity, including the federal, state, or local government that is a customer, vendor, or competitor of ARA, the manager must notify the CEO and the CEO must obtain approval of the ARA Board of Directors.
- You and members of your household or immediate family (your relatives or your spouse), should not use insider information to speculate in materials, equipment, supplies, or property to be purchased by ARA.

You may refer to ARA's [Employee Nondisclosure, Conflict of Interest, and Discoveries and Inventions Agreement](#) that you signed as a new employee for additional details.



# Avoidance of Conflicts of Interest (Continued)

## **Organizational Conflicts of Interest**

Organizational conflicts of interest may exist when an individual or organization has an interest that might compromise their actions or cause divided loyalties.

- This may include activities or relationships with other people where someone is unable or potentially unable to provide impartial assistance or advice to the client.
- It may also be situations in which someone's objectivity in performing the subcontract work is, or might be otherwise impaired, or a person has an unfair competitive advantage.

The requirement to avoid or prevent organizational conflicts of interest is covered in [FAR Subpart 9.5, Organizational and Consultant Conflicts of Interest](#). Non-federal contracts may contain their own organization specific regulations relating to conflicts of interest. This FAR guidance includes specific examples that relate to providing systems engineering and technical direction, preparing specifications and work statements, as well as providing evaluation services. All of these are work that ARA does on a regular basis.

There are two underlying principles regarding organizational conflicts of interest.

- First, we must prevent bias in conflicting roles. ARA and our employees should act to prevent the existence of conflicting roles that could bias a contractor's judgment because of our past, present, or currently planned interests.
- Second, we must prevent unfair competitive advantages. This exists when a contractor competing for award of any federal contract possesses:
  - Proprietary information that was obtained from a government official without proper authorization; or
  - Source selection information as defined in FAR 2.101 that is relevant to the contract but is not available to all competitors, and such information would assist that contractor in obtaining the contract. This information could include government program plans or actual or anticipated resources.

A contract should not be negotiated or executed if the interests of ARA's customer are of such that it compromises or threatens ARA's ability to maintain unbiased objectivity in serving its other customers. For example, ARA should not have a contract to design a prototype and have a contract to evaluate prototypes which would include the ARA article.

When potentially conflicting situations may be created, we may enter into an agreement if all parties involved have full knowledge of the potential conflict and consent to the organizational conflict of interest mitigation plan in advance.

As ARA continues to grow, the opportunity for organizational conflicts of interest to exist also grows and we must be diligent in vetting opportunities to ensure conflicts of interest don't arise.

There is a documented process to ensure that all teaming agreements and proposals are being reviewed by Corporate Contracts, division managers, and customer portfolio managers (CPM) to identify and address any potential conflicts.



# Gifts and Gratuities

**ARA's business relationships must be free from even the perception that favorable treatment was sought, received, or given as the result of a gift or gratuity of significant value.** It is everyone's responsibility to know the rules and comply with all laws and regulations.

This applies to gifts and gratuities to federal, state, and local government employees, employees of other businesses and organizations, and vendors. It could expose the giver, the recipient, and ARA to potential civil, criminal, and administrative liability.



Keep in mind that employment opportunities may be considered of value and so discussing them with government employees, including military personnel, may be off limits. Be sure to ask your manager before having any conversations about employment with them.

Providing modest refreshments on occasional basis for legitimate business activities only is okay. Modest refreshments may include water, coffee, soda, donuts, etc.

In addition to working with government and military personnel, we work with people from other businesses and companies. In this case, accepting unsolicited meals, refreshments, entertainment, and other business courtesies such as local transportation and promotional items of nominal value, such as hats, coffee mugs, or lanyards are okay on an occasional basis.

When considering whether to accept a gift or courtesy, think about these things:

- Would you feel comfortable discussing what you received with a manager or co-workers or having them known by the public?
- It is consistent with customary business practice?
- Are the courtesies infrequent and from different sources?
- Is the offer from a non-governmental source?
- Would the acceptance foster good business relations?
- Is it a widely-attended gathering with multiple organizations invited?
- Is it an item provided to the general public?

If the answer to any of these questions is no, then you should graciously decline the offers.

Visit the [U.S. Office of Government Ethics website](#) for a comprehensive list of laws and regulations relating to our ethical responsibilities.

# Gifts and Gratuities (Continued)

**Foreign Corrupt Practices Act** – ARA also complies with the Foreign Corrupt Practices Act (FCPA). Employees are prohibited from offering or giving anything of value (a bribe) either to win government business overseas or to obtain an unfair advantage. The FCPA makes it illegal to pay or promise to pay money or give anything of value either directly or indirectly to a non-U.S. government official to bring in or keep business or to gain any improper advantage. This applies to payments and gifts paid by companies and their employees, as well as third parties such as sales agents. FCPA also requires us to record all transactions accurately and thoroughly.



# Honesty and Disclosure of Facts

An important requirement of the public contracting process is contractor honesty in dealings with governmental agencies. It is the duty of each employee to maintain the accuracy and reliability of the Company's business records.

These records are crucial for compliance with regulatory, tax, and financial reporting requirements. All contractor employees who enter information into business records or regulatory or financial reports are responsible for doing so in a truthful, accurate, legible, and timely manner.



- If an employee believes his or her representations have been misunderstood, the employee is responsible for making a clarification.
- If information required to be provided by the contractor was inadvertently omitted, the information must be supplied promptly.
- If an employee is asked to enter information into business records that he or she does not believe is accurate or reliable, such employee must refuse to make the entry and should contact ARA's Compliance Officer.

*Several of the key regulations and their requirements/consequences are detailed below. There is a more extensive list of restrictions and prohibited practices on page 36 of this handbook. If you have any questions concerning any of these, contact the Director of Contracts or the Compliance Officer. Refer to page 37 for contact information.*

## **False Claims Act**

The False Claims Act is a basis for liability against any person who *knowingly* submits a *claim for payment* to the federal government that is *false* or *fraudulent*. "Knowingly" includes deliberate ignorance of the truth or falsity of the information or reckless disregard of the truth or falsity. Civil fraud carries damages of triple the amount of damages suffered by the U.S., plus between \$5,000 and \$10,000 per false claim. Each invoice may constitute a false claim. Criminal fraud is punishable by 5 years of imprisonment and/or a fine.

## **False Statements**

The U.S. Code provides for criminal liability for *knowingly and willfully* falsifying, concealing, or covering up a *material fact*, or making *false, fictitious, or fraudulent statements* to an employee of a federal agency. Punishment is up to 5 years in prison and/or a fine.

# Honesty and Disclosure of Facts

## (Continued)

### **Contractor Integrity Reporting**

Government contractors are required to notify the government whenever the contractor has “credible evidence” of the violation of a federal *criminal* law in connection with the award or performance of any government contract performed by the contractor or a related subcontractor. A contractor may be suspended or debarred for a knowing failure to disclose.



### **Truthful Cost or Pricing Data Act**

The purpose of the Truthful Cost or Pricing Data Act (previously called the Truth in Negotiations Act or “TINA”) is to ensure that the government has the same factual data as the contractor at the time of price negotiations. The Act requires the contractor on contracts over \$2,000,000 to submit and certify that cost or pricing data were accurate, complete, and current as of the date of agreement on price. The government can get a reduction where the contract price was increased as a natural and probable consequence of defective data.

### **Contract Disputes Act**

Under the Contract Disputes Act (CDA), a contractor pursuing a claim against the government for over \$100,000 must certify that: the claim is made in good faith; the supporting data are accurate and complete to the best of the certifier’s knowledge and belief; and the amount requested accurately reflects the contract adjustment for which the contractor believes the government is liable. The CDA provides sanctions against the contractor for the misrepresentation of facts or fraud when submitting a claim.

### **Procurement Integrity Act – Obtaining Information Improperly**

Government personnel are prohibited by law from providing advance knowledge concerning future acquisitions to any prospective contractor. Contractors are likewise prohibited from receiving such information. The government may promote early exchanges of information regarding future acquisitions through conferences, research, one-on-one meetings, etc., but may not create an unfair competitive advantage. The Contracting Officer must furnish identical information concerning a proposed procurement to all prospective contractors.

Unless authorized, a contractor may not request or accept other contractors’ bid or proposal information or source selection information from federal government employees or consultants during the conduct of a federal procurement. Contractors may not disclose such information to any person not authorized to receive it.

# Confidentiality of Information

Maintaining confidentiality of information entrusted to individuals by ARA, its customers, or its suppliers is essential.



In addition to real or expendable property, ARA employees either have access to, or are responsible for, proprietary and confidential information of our company, our competitors, our clients, current and former ARA employees, and previous employers.

Proprietary information has value and ARA employees have both a legal and moral responsibility to handle it appropriately. All employees are required to sign an Employee Nondisclosure, Conflict of Interest, and Discoveries and Inventions Agreement which addresses these responsibilities.

Below are some examples of confidential information you have a responsibility to protect:

## **ARA Information**

Except in the performance of your duties for ARA, employees may not disclose or use company proprietary and confidential information while employed *and* after leaving the company.

- Do not disclose ARA proprietary information outside ARA, except when authorized.
- Within ARA, only disclose to employees who have a valid business reason for the information in the course of their job.
- All ARA employees are expected to understand what information is considered confidential and proprietary and to ensure that documents are appropriately marked

Some examples include:

- Information in ARA-owned computers and sent across ARA's networks
- Information concerning ARA's organization and management
- Pricing structure, business costs, financial information, and business practices
- Computer and software development and code
- Research, methods, plans, etc.
- Marketing and business development information
- Trade secrets, discoveries, and inventions

## **Employee Personal Information**

We also respect the privacy and confidentiality of employee personal information acquired in the course of ARA business.



# Confidentiality of Information (Continued)

- Employee records are handled in accordance with privacy act laws and ARA takes every measure to protect your information, including social security numbers, addresses, medical information, etc.
- ARA employees have access to employee records on a business need-to-know basis only.
- You should not share or misuse any personal confidential information, including salary information, about another ARA employee. This includes giving out home telephone numbers or other personal contact information.
- You may share only your own salary information with others or information of another that they have authorized you to share.

## **Proprietary Information of Other Companies and Customers**

The proprietary information of competitors must be handled appropriately.

- It is a standard business practice to execute a proprietary non-disclosure agreement with companies to discuss opportunities or enter into teaming agreements. These agreements are legally binding and address specific items that are protected, how long they are protected, and what should happen to proprietary data after the end of the agreement.
- It is acceptable to obtain public information about a competitor, but it is unethical and illegal to wrongfully obtain a competitor's trade secrets or other confidential information or to use a competitor's trade secrets or other information without authorization.

## **Proprietary Information of Potential and New Employees**

ARA should never ask for proprietary information from potential employees or new hires about their former employers.

- Likewise, new employees should not use any proprietary information about their former employers in the execution of their duties at ARA.
- All ARA employees are expected to understand what information is considered confidential and proprietary and to ensure that documents are appropriately marked.

Except in the performance of your duties for ARA, you should not disclose or use any proprietary and confidential information either while employed or after you have left the company.

Refer to ARA's [Non-Disclosure Agreement](#) and [Employee Nondisclosure, Conflict of Interest, and Discoveries and Inventions Agreement](#) for additional information.



# Safeguarding Property

Safeguarding property, both physical and intellectual, of ARA, its customers, and suppliers from theft, loss, and/or misuse is crucial. All employees should protect the company's assets and ensure that they are used for legitimate business purposes.

This property includes physical, capital, and intellectual property. All of these items have value and must be protected.

- Damaged property and theft or misuse of company property must be reported immediately to your supervisor.

You must obtain authorization and approval to remove customer and/or company property from ARA premises for valid business reasons.

- Without proper authorization, customer/company property should not be taken, sold, loaned, given away, damaged, destroyed, or otherwise disposed of, regardless of the condition or value.

In addition, ARA is committed to honoring its legal and contractual obligations with respect to the proper use of copyrighted or licensed materials of third parties, including personal computer software licensed from outside vendors. Keep in mind:

- The use of unlicensed or illegally-copied software at ARA is strictly forbidden.
- Copyrighted materials, including printed matter such as books, magazines, and software, must not be reproduced or distributed without proper authorization from the copyright holder.
- ARA employees may not use their company computer for illegal purposes.

ARA employees are required to comply with U.S. regulations governing the export and re-export of controlled items and technology to certain persons, entities inside or outside the U.S., and imports into the U.S. In addition, U.S. persons are prohibited from investing or transacting business with designated countries and entities.

ARA employees are responsible for protecting export-controlled information and technology from unauthorized disclosure to foreign persons or entities. All controlled information and technology must be protected properly through technology security measures including established firewalls, information approval processes, physical protection, and technology control plans.



# Employment Policies

## Harassment-Free Workplace

ARA strives to create and maintain a work environment in which people are treated with dignity, decency, and respect. Therefore, all employees are expected to treat their fellow employees in a professional, courteous, and respectful manner. We want you to work in an environment where you feel comfortable and safe.

ARA prohibits harassment of our employees which includes sexual harassment, intimidation, threats, coercion, and discrimination based on any individual characteristic protected by federal or state law.

ARA will take appropriate and immediate action to investigate complaints and address violations of our policy.

It is important to know that ARA has a no-retaliation policy. This means that we will not tolerate retribution against any employee for cooperating in an investigation or making a complaint of harassment.

What constitutes harassment? Harassment is unwelcome verbal or physical behavior based on individual characteristics protected by law that unreasonably interferes with work performance. Such behavior can take on many forms which may include slurs, offensive jokes, epithets or name calling, physical assaults or threats, intimidation, ridicule or mockery, insults or put-downs, statements, gestures, offensive objects or pictures, or cartoons based on race, color, religions, sex (including pregnancy), gender identity, sexual orientation, national origin, age, physical or mental disability, genetic information, status as a qualified covered veteran within the limits imposed by law, or any other characteristics protected by law.

**Harassment is defined by the receiver, so the rule of thumb is to never assume. Just because you find something funny or non-offensive doesn't mean others will feel the same. It's important to consider what you say and do. Ask, "could a reasonable person be offended?" If the answer is maybe or yes, just don't say it.**



# Employment Policies (Continued)

Typically, the unwelcome conduct is considered harassment when:

- It creates an intimidating, hostile, or offensive work environment;
- It interferes with your ability to do your job and impacts your performance;
- Submission to the conduct is made either an explicit or implicit condition of employment; or
- When it is used as the basis for an employment decision.

Sexually harassing conduct includes all of these prohibited actions, but may also include other unwelcome conduct such as:

- Requests for sexual favors;
- Conversations containing sexual comments;
- Unwelcome sexual advances; or
- Other verbal or physical conduct of a sexual nature.

## **Harassment-Free Workplace Grievance Procedure**

It is important that employees understand what to do if they feel they are subject to harassment. You can report any incidents of harassment to your supervisor, division manager, and/or to someone in Corporate Human Resources. ARA emphasizes that employees are not required to complain first to their supervisor if the supervisor is the individual committing harassing treatment or if the employee is not comfortable complaining to the supervisor for any reason.

We take every reported complaint seriously and will investigate on a fair and impartial basis, thoroughly, promptly, and in as confidential a manner as possible. Sometimes investigations require that we talk with others who are involved or witness to the incident to ensure a fair outcome.

If we find that an ARA employee has violated our policy, we will take appropriate action to discipline them. Disciplinary action for violation of this policy can range from verbal or written warnings up to immediate termination, depending upon the circumstances.

It is ARA's policy to ensure employees have a safe way to report inappropriate behaviors and we will not retaliate against any employee for making a harassment complaint or for cooperating in an investigation.



# Employment Policies (Continued)

## Drug-Free Workplace

In accordance with the Drug-Free Workplace Act of 1988 and the Department of Defense Drug-Free Workforce Rules, ARA strictly forbids substance abuse in the workplace. While on ARA premises or while conducting ARA business, no employee may use, distribute, manufacture, dispense, have in their possession, or be under the influence of any unlawful controlled substance.

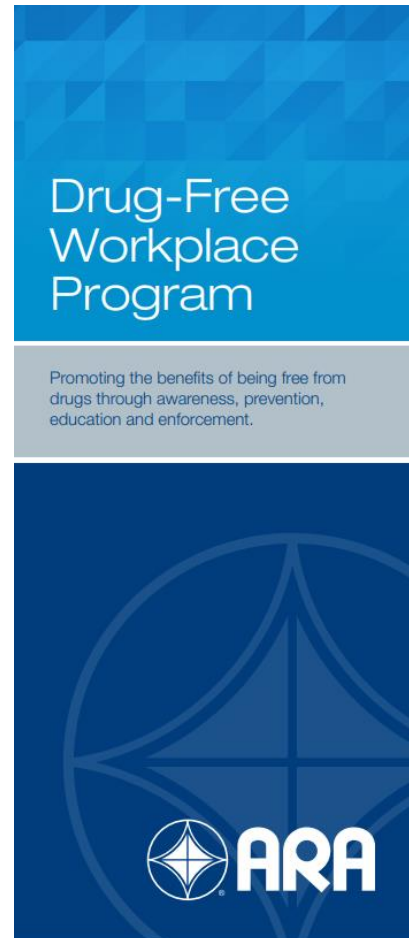
Employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

In addition, employees must notify ARA of a criminal conviction for drug-related activity that occurred in the workplace within 5 calendar days of the conviction. Within 10 days of receiving notice, ARA will notify the contracting or granting agency, if required by such contracting or granting agency, if a covered employee has been convicted of a criminal drug violation in the workplace.

It is also important to know that employees with drug problems that have not resulted in, nor are immediately subject to, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program.

Employees who have substance abuse problems or know of colleagues who have such a problem should advise their supervisor so they can help the employee find the resources they need.

For more information on ARA's Drug-Free Workplace program, please visit our program [brochure](#) posted on the Intranet. You can also get help through our Employee Assistance Program.





# Employment Policies (Continued)

## **Equal Employment Opportunities (EEO)**

ARA is committed to providing equal employment opportunities and to taking affirmative action to ensure there is no discrimination in hiring and employment actions and decisions.

It has been, and will continue to be, our policy that we are an equal opportunity employer and that no one at ARA will discriminate against any person in any phase of employment. Likewise, we will act affirmatively to ensure that we:

- Recruit, hire, and promote for all job classifications without regard to race, color, religion, sex (including pregnancy), gender identity, sexual orientation, national origin, age, physical or mental disability, genetic information, status as a qualified covered veteran, or any other characteristic protected by law.
- Base all employment decisions, including promotions, solely upon an individual's qualifications and interest in the position being filled.

All employees with questions or concerns about any type of discrimination or harassment in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, division manager, and/or Corporate Human Resources.

The Office of Federal Contract Compliance Programs (OFCCP) is the government entity responsible for ensuring employers comply with non-discrimination and affirmative action laws and regulations when doing business with the federal government. From time to time, the OFCCP conducts audits to ensure we're following our policies and to verify that our practices are indeed non-discriminatory.



# Employment Policies (Continued)

## **Information System Privacy**

All information stored or processed on ARA-owned computers or sent across ARA's networks, including remote access through VPN or other technology, is subject to monitoring and disclosure by ARA at any time. Such monitoring and disclosure may be conducted with or without the employee or system user being notified. All information on ARA owned or operated information systems should be considered ARA proprietary information.

All employees must sign a statement acknowledging that they have read and understand this policy.

This has always been true but requiring employees to acknowledge the practice strengthens ARA and federal agencies legal position when prosecuting wrongdoing such as stealing ARA information or other illegal activities.

This basically means that if you use company equipment and networks, then ARA has the right to monitor this information and disclose it as necessary.

Employees should review the [IT Security Awareness Training](#) for more information on this and also [ARA's Information Security Policy](#) for all other IT security-related information.



# Export Control Regulations

Export controls are federal regulations that apply to all U.S. persons and entities. These regulations control the export of items, technical data, and software for reasons related to national security and U.S. foreign policy. Violations of export control regulations can result in severe criminal and civil penalties including fines up to \$1 million per violation. ARA employees whose contracts require a potential export of hardware, service, technical data, or technology must familiarize themselves with these export control laws and regulations and understand how these laws apply to their activities.



All hardware, services, and technical data must be evaluated by Trade Compliance and classified under the International Traffic in Arms Regulations or the Export Administration Regulations to determine if a license is required for export. Classification is a process that may require submission to the U.S. Government for determination. ARA employees are encouraged to submit their products, services, or technical data at least 60 days prior to the export date.



#### **U.S. Department of State, Directorate of Defense Trade Controls (DDTC)**

Regulations: International Traffic in Arms Regulations (ITAR).

Controls military items, technical data and defense services designed, developed, configured, or adapted for a military application.



#### **U.S. Department of Commerce, Bureau of Industry and Security (BIS)**

Regulations: Export Administration Regulations (EAR).

Controls commercial and *dual use items (could be for commercial or military use)*, and less sensitive military products ("600-series").



#### **U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC)**

Enforces economic and trade sanctions, including embargoes to countries such as Cuba, Iran, North Korea, Sudan, and Syria.



#### **U.S. Department of Commerce, Bureau of the Census**

Regulations: Foreign Trade Regulations.

Requires ARA to file Electronic Export Information for all export shipments valued over \$2,500, for all ITAR, licensable products, and certain EAR exceptions.

For national security and foreign policy reasons, the U.S. maintains comprehensive controls and sanctions on the export and re-export of U.S.-origin goods and technology to all destinations around the world. The legal authority for these controls is authorized by a variety of laws and administrated by several different government agencies, depending on the nature of the goods to be exported or the country of ultimate destination.

# Export Control Regulations (Continued)

Regulations that address the export and temporary import of defense and military-related technical data, defense services, and items are under the control of the International Traffic in Arms Regulations (ITAR) which is administered by the Department of State, Directorate of Defense Trade Controls.

The Department of Commerce, Bureau of Industry and Security enforces regulations under the Export Administration Regulations (EAR). This agency is responsible for items that are considered dual-use, commercial, and less sensitive military products, also called “600-series” items. Dual-use means that the items are usually used for commercial purposes but can also have military applications. All goods and services that are not covered under the Department of State, U.S. Munitions List, fall within the purview of the EAR.

Economic and trade sanction programs are addressed through the Office of Foreign Assets Control (OFAC) which is a part of the Department of Treasury. The regulations from this agency include specific sanction programs such as the embargo against Cuba, Iran, North Korea, and Syria as well as the specially-designated nationals list and sanctions against groups of individuals such as terrorists and narcotic traffickers.

The Bureau of the Census, part of the Department of Commerce, requires exporters to file the Electronic Export Information for all export transactions valued over \$2,500 for all ITAR exports, for licensable shipments, and for certain EAR exemptions. The data submitted as part of this requirement is used by the Bureau of the Census to monitor statistics on export records, and by the Department of State and Commerce to track the quantity and value exported against approved licenses.

## What is an Export?



An export can be an actual shipment or transmission of items or information out of the U.S.; or it can be a shipment or transmission of items to a foreign person in the U.S. It is important to emphasize that an export to a foreign person in the U.S. is deemed to be an export to the country where the foreign national is from. In either circumstance, an export might be a physical shipment through the mail or hand carrying materials or an object like a laptop overseas. This includes materials or laptops you bring with you to conferences, meetings, and demonstrations. It also includes the exchange of controlled technology with a foreign person in the U.S. or abroad. This exchange of controlled technology can be through email, server access from a foreign country, visual inspection, or oral exchange of controlled technology by a foreign person in the U.S. or abroad. It is essential to know when transmitting or discussing technology or information that is controlled that all parties on the telecon or email are authorized to obtain the information.

# Export Control Regulations (Continued)

So how do you know when information or an item is controlled and a license review might be required? The answer to this question is not always so easy to answer, as there are a number of factors that need to be considered. For example, information is not subject to export regulations if it is publicly available and is already published.

A license may be required when you are conducting research or activities involving equipment, software, or technology, which uses technology not in the public domain. This includes technology or technical data received under a non-disclosure agreement. A license might also be required when conducting activities that involve sanctioned countries such as Cuba, Iran, North Korea, or Syria including travel, research, or collaboration.

Finally, there are some situations where a license is required based on the U.S. Munitions List or the Export Control Classification Number. A license may also be required if you are dealing with prohibited countries or a prohibited end-user. ARA is required to verify that it is not conducting business with a company or individual who has been placed on a restricted parties list. All ARA divisions who export items, services, or technical data are required to submit all parties to the transaction to the Trade Compliance Manager for review.

All exports are required to be reviewed by the Trade Compliance Manager prior to export. You must contact ARA's Trade Compliance Manager (contact information is on page 37) for help in obtaining a license.

Remember that it can take 6-8 weeks to obtain an export license. Please get ARA's Trade Compliance Manager involved early in the process to help determine the export licensing requirements for any activities you are involved in.

All items, services, and technical data must be assigned a United States Munitions List (USML) number if controlled under the ITAR, or an Export Control Classification Number (ECCN) if controlled by the EAR, prior to export from the United States. If a product has not been properly classified, the item cannot be exported from the United States.

## **Export Control Compliance**

Generally, any person or entity that brokers, exports, or attempts to export a controlled item without prior authorization or in violation of their export license, is subject to penalties. Violators may incur both criminal and/or civil penalties. Violation examples include exporting without a license, false representation, or actions with knowledge of a violation. A series of violations occurring over a period of time may result in hundreds of thousands or even millions of dollars in penalties and possible debarment from any export activities for the company. If you suspect any export violations, please contact ARA's Trade Compliance Manager immediately.

Remember that export control regulations may change frequently. It is essential that each export transaction be worked in conjunction with ARA's Trade Compliance Manager to confirm exporting requirements, including export licensing, screening of individuals and entities, and that proper recordkeeping documents are being maintained for a period of 6 years at the division level, until a centralized location is implemented.



# Export Control Regulations (Continued)

## U.S. Import Regulations and U.S. Customs

U.S. Customs and Border Protection (CBP) is responsible for enforcing import regulations to ensure the safety, security, and compliance of goods entering the United States. CBP's primary role in regulating imports includes assessing and collecting duties, enforcing trade laws and regulations, and protecting against illegal imports.



ARA is required to maintain all documents generated as a result of the import transaction for a period of 6 years. Some of the documents ARA is required to keep include the Commercial Invoice, Packing List, Airway Bill or Bill of Lading, the Entry Summary, and any email communication about the import.

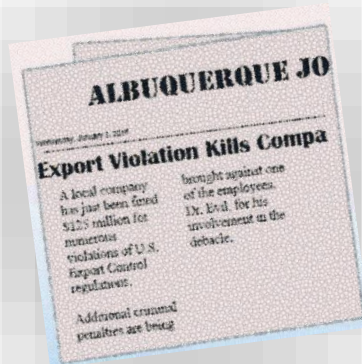
In order to assess and collect duties, all items imported must be classified under the Harmonized Tariff Schedule of the United States (HTS). The HTS is a 10-digit number used by CBP to categorize and classify imported goods based on their nature, purpose, and composition. The HTS along with country of origin, and value are used by Customs to determine the rate of duty ARA will pay for the item imported. It is essential that the correct HTS be used at the time of import, failure to declare the correct HTS could result in ARA underpaying or overpaying duties. Contact the Trade Compliance Manager for assistance determining the correct HTS.

An Assist is when ARA supplies, directly or indirectly, and free or at a reduced cost, materials, component, parts, tools, dies, molds, etc. by ARA for the production or sale of product imported into the United States. This also includes engineering, deployment and design work undertaken outside of the United States that is necessary for the production of the importer merchandise. Assists are required to be reported to Customs at the time the items are entered into the United States. ARA is required to notify the Customs Broker of such assist in order for them to properly notify Customs.

# Export Control Regulations (Continued)

ARA has a list of approved Customs Brokers and Freight Forwarders. Please contact the Trade Compliance Manager for a list of the approved Customs Brokers and Freight Forwarders.

For more information, please visit ARA's [Export Control](#) page on the Intranet. For additional guidance on exports, licensing, and compliance, contact ARA's Trade Compliance Manager for all your export control needs. Refer to page 37 for contact information.



Violations can result in jail time or fines from \$250,000 to \$1 million per violation for ARA and the individual.

# Standards of Conduct

Federal law requires that transactions related to the expenditure of public funds be conducted in a manner above reproach and with complete impartiality. Government contractors are expected to maintain high standards of conduct.

While the general rule is to avoid any action that could create a perception of dishonesty or preferential treatment, our government contracts set forth a number of specific prohibitions and restrictions. These are identified on page 36 along with applicable statutory or regulatory references. Any question or request for guidance in a particular situation should be referred to the Director of Contracts.

Government contractors are required to adopt standards of conduct and to establish internal controls and self-policing to ensure that operations are conducted with the highest degree of integrity and honesty. The internal control system shall establish standards and procedures to facilitate timely discovery of improper conduct and ensure corrective measures are promptly and appropriately executed.

The Defense Contract Audit Agency (DCAA) has recently begun to request documentation of contractors including:

- Compliance trainings, agendas, attendees, etc.
- Effective compliance plans and reporting options
- Violations of ethics codes and current investigations



The government requires disciplinary action for anyone who fails to take reasonable steps to detect or prevent improper conduct. **Employees are our first line of defense – we’re all responsible.**

ARA is required to have a system in place to maintain the integrity of all records and statements and ensure the efficiency and effectiveness of business operations.

The risks to ARA and to all of us are significant as we are all held to high standards by our clients and customers. ARA is held responsible for overall compliance with applicable laws and with our own plans, policies, and procedures. We must also ensure we give training to our employees in all of these areas, and that we are aware of, and that we properly investigate and report on any violations of ethics.

All ARA employees are responsible for taking reasonable steps to detect and prevent improper conduct. For that reason, it is important for you to understand our policies and procedures in this area.

# Reporting Suspected Improper Conduct

It is important to also know what to do if you suspect any improper conduct in any of the areas we have addressed. Going back to one of our founding principles, we do not cover up problems nor do we tolerate those that might try to do so.

ARA will make timely reports to government officials of any credible evidence that a principal, employee, or subcontractor has committed a violation of law or other irregularity in connection with government contracts and will fully cooperate in any subsequent investigations. Any corrective actions will be promptly carried out.

There are a number of points of contact for reporting improper conduct. They are posted on the ARA Intranet and include:

- ARA's Compliance/Risk Officer;
- Any senior manager or executive at ARA;
- The Audit Committee of the Board of Directors; or
- ARA's internal auditors, who can be contacted through our internal fraud and abuse hotline: 505-338-1500 and 505-338-1546.

All reports will be treated as confidentially as possible.

In addition to our ARA complaint procedures, the Department of Defense (DoD) offers a [hotline](#) (800-424-9098) for reporting fraud, waste, and abuse.

- ARA posts the DoD hotline poster on all of our employee bulletin boards and this information is also posted on the home page of the ARA Intranet.
- The DoD hotline is a system wherein complaints are received, evaluated, investigated, and corrective measures are instituted.
- This system has enabled the government to save or recover hundreds of millions of dollars, and more importantly, many cases have resulted in safer products and equipment for military personnel and DoD employees.



# Whistleblower Protections

## **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections**

There was a pilot program for Enhancement of Contractor Employee Whistleblower Protections that was fully implemented by the 2017 National Defense Authorization Act and will be updated in the FAR upon final approval of the regulation language.



In 2013, this interim rule implemented the four-year pilot program and suspends the application of the current whistleblower protection regulations.

[FAR 3.908](#) applies to all contracts with Title 41 agencies, subject to two exceptions:

- The rule specifically exempts those contracts issued under the American Recovery and Investment Act of 2009.
- The rule does not apply to contracts with executive agencies subject to Title 50.
- The rule does apply to contracts for commercially available off-the-shelf items.

The program protects contractor and subcontractor personnel against reprisal for disclosing to specifically-listed entities:

- Gross mismanagement of a federal contract or grant;
- A gross waste of federal funds;
- An abuse of authority relating to a federal contract or grant;
- A substantial and specific danger to public health or safety; or
- A violation of law, rule, or regulation related to a federal contract or grant.

The rules do not authorize the disclosure of classified information not otherwise protected by law. To qualify under the statute, the employee's disclosure must be made to an official entity listed in [FAR 3.908-3](#).



# Whistleblower Protections (Continued)

Employees who believe they were discharged, demoted, or otherwise discriminated against in violation of the regulations may, within 3 years of the date of the alleged reprisal, submit a complaint to the agency Inspector General (IG). The IG must investigate the employee's allegations and issue a report of the findings to the employee, the contractor involved, and the head of the agency. Upon receipt of the IG's report, the agency head shall determine whether the contractor or subcontractor subjected the complainant to a reprisal.

If the agency head concludes the complainant has insufficient basis, the agency head may issue an order denying relief. If, however, they determine a sufficient basis exists, the interim rule mandates ordering one or more of the following remedies:

- Order the contractor or subcontractor to abate the reprisal;
- Order the contractor or subcontractor to reinstate the complainant and pay compensatory damages (including back pay), employment benefits, and other terms and conditions of employment that would apply to the person in that position if the reprisal had not been taken;
- Order the contractor or subcontractor to pay the complainant all costs and expenses (including attorneys and expert witnesses' fees) incurred in connection with the complaint regarding the reprisal.

If a contractor fails to comply with an order of an agency head, the interim rules require the agency head to file an action in federal district court to enforce the order. The interim rule also allows the complainant to bring an action against the contractor after exhausting their administrative remedies. Contractor and subcontractor employees may not waive these rights by agreement or condition of employment.

The new whistleblower protection statute is effective September 30, 2013, and applies to:

- All contracts and grants awarded on or after July 1, 2013;
- All task orders entered on or after July 1, 2013; and
- All contracts that are modified on or after July 1, 2013.



# Business Ethics and Conduct Checklist

## **BUSINESS ETHICS AND CONDUCT CHECKLIST – *ALL EMPLOYEES MUST:***

- ⦿ Read and annually review ARA's Code of Ethics and Standards of Conduct policy and procedures
- ⦿ Attend annual training
- ⦿ Strictly adhere to all company policies
- ⦿ Obtain advance guidance where needed
- ⦿ Carefully perform government contracts
- ⦿ Keep accurate and complete records
- ⦿ Avoid conflicts of interest
- ⦿ Treat fellow employees in a professional manner
- ⦿ Report all improper activity

# Restrictions and Prohibited Practices

**Fraud** – 18 U.S.C. 1031 – Complete truthfulness is required in representations, claims, certifications, contract performance, and all actions undertaken for the government.

**False Claims** – 31 U.S.C. 3729 – Prohibits knowing submission of an inflated claim, or falsified statement, record, document, or certification under a government contract.

**Defective Pricing** – 10 U.S.C. 2306 – Part of the Truth in Negotiations Act requiring that cost or pricing data submitted to the government is current, accurate, and complete.

**Bribery and Gratuities** – 10 U.S.C. 2207 – Prohibits offering anything of value to a government employee.

**Personal Conflict of Interest** – 18 U.S.C. 201 and 41 U.S.C. 2303 – Prohibits government employees from using public office for personal gain or providing preferential treatment to anyone and also restricts contractor employees serving in acquisition functions.

**Organizational Conflict of Interest** – Section 8141 of Public Law 100-463 – Prohibits a contractor from obtaining an unfair competitive advantage as a result of technical assistance or proprietary data provided to the government.

**Procurement Integrity Violations** – 41 U.S.C. 2102 – Generally includes offers of future employment or gratuities to a government official in an attempt to influence or solicit proprietary or source selection sensitive information from a government official.

**Buying-In** – FAR 3.501 – Policy addressing submission of an offer at a price below cost with the future expectation of excessively priced change orders or follow-on contracts.

**Kickbacks** – 41 U.S.C. 51 – Prohibits paying or receiving any sort of compensation as an inducement to, or acknowledgment for, award of a subcontract under a prime contract.

**Contingent Fees** – 10 U.S.C. 2306a – Prohibits payment of a fee contingent on the degree of success a representative has in securing government contracts for the client.

**Antitrust Violations** – 10 U.S.C. 2305 and 15 U.S.C. 41-58 – Prohibits numerous practices dealing with price fixing, collusion, restraint of competition or trade, sharing business, and bid-rigging such as follow-the-leader pricing, rotated low bids, or other forms of collusion.

**Lobbying Disclosure Act** – 2 U.S.C. 1601 – Requires the disclosure of lobbying activities to influence the Federal Government.

**Payment of Appropriated Funds to Influence Federal Transactions** – 31 U.S.C. 1352 – Using appropriated contract or grant funds in an attempt to influence government officials is prohibited.

**Whistleblower Protection for Contractor Employees** – 10 USC 2409 – An employee of a contractor or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of reportable acts listed in this statute.

**Contractor Code of Business Ethics and Conduct** – FAR 52.203-13 – Contractors shall properly prevent, detect, and report criminal behavior, implement a written ethics and standards of conduct program, and institute suitable compliance programs and internal control systems to ensure good business ethics are enforced.

**Combating Trafficking in Persons – FAR 52.222-50** – Contractors shall comply with the government's policy prohibiting trafficking in persons including the trafficking-related activities in this clause.

# Resources Available

[ARA Intranet](#)

[ARA Internal Fraud & Abuse Hotline](#)

[ARA Code of Ethics & Standards of Conduct Policy](#)

[Ethics and Standards of Conduct Training](#)

[DOD Fraud and Abuse Reporting Hotline](#)

## **Company Resources – 505-881-8074**

- [Chief Executive Officer](#)
- [Deputy to CEO, Technical Operations](#)
- [Chief Financial Officer and Secretary/Treasurer](#)
- [Director of Corporate Operations](#)
- [Corporate Director of Business Development](#)
- [ARA Compliance/Risk Officer](#)
- [Director of Accounting and Controller](#)
- [Director of Contracts & Procurement](#)
- [Director of Human Resources](#)
- [Director of Information Technology](#)
- [Trade Compliance Manager](#)

# Ethics Signature Page

My signature below certifies the following:

- I have taken ARA's Code of Ethics and Standards of Conduct training or read the Code of Ethics and Standards of Conduct handbook, and I understand that it represents company policy and our commitment to each other, and agree to comply with all ARA policies.
- I have sought and received clarification from a responsible party (such as management, Compliance Officer, Human Resources, or the appropriate corporate policy owner) of any portion of ARA's Code of Ethics and Standards of Conduct that is unclear to me.
- I understand my responsibilities and agree to report to one of the company's specified reporting channels all actual and potential violations of applicable law, the Code of Ethics and Standards of Conduct, and the policies and procedures it represents.

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Employee Signature

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Printed Name

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Employee Number

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Date