



STANDARDS OF CONDUCT AND BUSINESS ETHICS

LOS ALAMOS NATIONAL LABORATORY

Providing Best Business Practices in
Support of our National Security Mission

Table of Contents

Foreword	iv
Introduction	1
Purpose of the Booklet	1
Policy	1
Guiding Principles	2
LANS' Ethics and Compliance Group	3
Responsibilities	3
Employees	3
Supervisors	3
Managers	4
General Guidelines	4
Fair Treatment	4
No Misrepresentation	4
Do Not Use the Laboratory's Size or Association with DOE Unfairly	4
Using and Protecting Information and Other Property	5
Proprietary and Technical Data and Privileged Information	5
If you leave LANS or the Laboratory	5
If you are asked for information	5
Using inside information	6
Government-Classified Information	6
Obligations Relating to the Protection of Intellectual Property	6
Patents	7
Copyrights	7
Software disclosure and distribution	7
Workplace Security and Protecting LANS and Customer Assets	7
Searches at work	7
E-mail, network, Internet, and telephone access	8
Copyright Compliance	8
Written material guidelines	9
Software guidelines	9
Proper Records Maintenance and Reporting	9
Time records and expense reports	10
Accounting standards and documentation	10
Conducting Business with Coworkers and Customers	10
Responsible Conduct in Research	10
Scientific misconduct	10
Research misconduct	10
Professional misconduct	11
Working with Suppliers, Contractors, and Third Parties	11
Contracting Activities and Other Representational Activities	12
Selling and marketing	12
Negotiations	12
Subcontract performance and administration	12
Payment requests and invoices	12
Transactions and Interactions with Non-Government Employees	13
Relationships with Government Personnel	13
Gratuities	13

Employment offers and discussions	13
Diversity	14
Work Environment	14
Meeting Legal Requirements	14
Antitrust Laws	14
Anti-Bribery Provisions of the Foreign Corrupt Practices Act	15
Antiboycott Provisions of the Export Administration Regulations.....	15
Export Control Laws	15
U.S. Equal Employment Opportunity Laws	16
Environmental Laws.....	16
Safety and Health	17
Nuclear Safety	17
Political Activities	17
Lobbying	17
Alcohol and Substance Abuse	17
Avoiding Conflicts of Interest	18
Personal Conflicts of Interest.....	18
Personal Financial Interests.....	18
Organizational Conflicts of Interest.....	19
Intergovernmental Personnel Act and Change of Station Assignments	19
Cooperative Research and Development Agreements.....	20
Competing with LANS or the Laboratory	20
Supplying LANS	20
Using LANS' Time and Assets	20
Public Service.....	20
Participation in Outside Organizations.....	21
Addressing Noncompliances	21
Compliance and Disclosure.....	21
Reporting Unethical or Unlawful Conduct.....	21
Review Process.....	22
Disciplinary Action	22
Education and Training	22



FOREWORD

Fellow Employees:

For more than six decades, the Los Alamos National Laboratory (Laboratory) has served the nation by developing and applying the best science and technology to ensure the nation's safety and security. In addition to the Laboratory's commitment to a continued legacy of excellence in science, the Laboratory is also committed to implementing best business practices to provide assurance that the Laboratory is a diligent steward of the Federal funds entrusted to it by the U.S. Department of Energy's National Nuclear Security Administration.

The Laboratory's success depends upon our ability to deliver quality without compromising our ethics, morals, or values. Consistently applied ethical values are the cornerstones of a commercially successful and socially responsible business enterprise. Accordingly, it is imperative that each of you understands the importance of conducting business with an indisputable standard of ethics and that you recognize and sustain the Laboratory's deep commitment to these standards. Our major involvement in government contracting brings us under close examination from the government, the public, and other stakeholders. Therefore, it is essential that you demonstrate compliance and uphold the highest of ethical standards in all that we do. Even the appearance of wrong doing can significantly damage our reputation.

This Standards of Conduct and Business Ethics booklet guides employees and helps each of us become more aware of ethical concerns. This booklet outlines the rules and guidelines that must be followed and is essential reading for all employees. Although it is detailed, it cannot be completely comprehensive. Should a situation arise where you are unsure of what should be done, please contact the Ethics and Compliance Group. Its members can answer questions and provide direction on the appropriate action to take. Our high ethical beliefs have been, and will continue to be, a vital element of the Laboratory's success. Conducting ourselves with unwavering honesty, integrity, and truthfulness in all aspects of our business will ensure that we gain and maintain the respect of our customers, partners, and communities. The Laboratory depends on this reputation and your commitment to it.

Michael R. Anastasio
Director, Los Alamos National Laboratory
President, Los Alamos National Security, LLC

INTRODUCTION

Los Alamos National Security, LLC (LANS), a team composed of four top U.S. organizations with extensive experience in nuclear defense programs—Bechtel National, University of California, BWX Technologies, and Washington Group International—is committed to operating the Los Alamos National Laboratory (Laboratory) in accordance with the highest standards of ethics and compliance.

At the Laboratory, our core values are service to our nation, ethics, excellence, personal accountability, mutual respect, and teamwork. All Laboratory employees are expected to adhere to these core values and to comply with all laws, regulations, contractual obligations, and Laboratory policies and procedures in order to safeguard the Laboratory's resources and reputation.

Purpose of the Booklet

The purpose of the booklet is to:

- Communicate LANS' values and standards of conduct and business ethics to its employees.
- Establish Laboratory-wide processes to assist employees in obtaining guidance and resolving questions regarding compliance with the LANS' standards of conduct and business ethics.

After you have read this material, you should have a clear understanding of acceptable business behavior. Naturally, you may still have questions, and new questions undoubtedly will arise. Because each employee is expected to know the rules and is ultimately responsible under Laboratory policies and the law for his or her own actions, you are urged to resolve any questions with your supervisor or through the other sources of guidance described in this booklet.

In keeping with our commitment to compliance, we will investigate any reported violations of laws, regulations, and policies and take appropriate disciplinary action, up to and including termination of employment, against employees who violate them. We have a responsibility to demonstrate to our customers and to the public that we are accountable for our actions and that we conduct our business in a trustworthy manner. By sharing this commitment, the Laboratory can look forward to many more years of providing successful and rewarding service to our government and commercial customers.

Policy

LANS has a firm commitment to fair and ethical behavior. This commitment to adhere to high ethical standards will prove to be one of the Laboratory's most valuable assets. LANS' policies, along with this Standards of Conduct and Business Ethics booklet, establish the criteria for business ethics and conduct at the Laboratory. All LANS' employees, officers, directors, and agents working at the Laboratory, are required to comply with these standards and with applicable local, state, and federal laws.

Any action that you take in the course of your day-to-day activities as a LANS' employee and in relationships with customers, subcontractors, suppliers, and others is expected to be fully justifiable, not to be a cause for concern, and not to bring unfavorable publicity or embarrassment to the Laboratory if disclosed. These standards apply to your conduct both on and off the job.

You are expected to avoid both unethical actions and any actions that may appear unethical to others. In short, your actions must always be beyond reproach.

LANS' policy requires that you:

- Conduct yourself and the Laboratory's business with honesty and integrity and avoid both actual and apparent personal and organizational conflicts of interest.
- Comply with local, State, and Federal laws, rules, and regulations; contractual obligations with the U.S. Department of Energy (DOE); and Laboratory policies and procedures.
- Promptly report dishonest, unethical, or illegal activities committed by Laboratory employees to a supervisor or manager, Ethics and Compliance Group, Human Resources, or Legal Counsel.
- Provide full, fair, accurate, timely, and understandable disclosure in reports and documents that the Laboratory files with, or submits to, DOE.
- Protect and maintain the security of confidential, classified, and privileged information related to the Laboratory or associated with its activities, including financial data related to Laboratory operations and that furnished by customers, subcontractors, suppliers, or others under conditions of confidentiality.
- Responsibly use and control all tangible and intangible assets and resources owned or entrusted to the Laboratory.
- Offer no payments or favors to influence others.
- Value open and fair competition and respect the rights of our customers, subcontractors, and suppliers.
- Cooperate fully with internal inquiries and reviews of unethical behavior or improper activities.

Guiding Principles

Since there may not always be regulations or standards to guide you in every situation, you are expected to apply your own high personal sense of ethics, which should extend beyond minimum compliance with applicable laws, in the day-to-day performance of Laboratory business. The following are guiding principles that you should follow:

- Treat others with respect and dignity – your coworkers, clients, vendors, and all others with whom you interact on behalf of the Laboratory.
- Support your fellow employees and share experiences and lessons learned.
- Earn trust by accepting and honoring agreements and keeping promises.
- Work to understand the Laboratory's core values, mission, and vision and proactively support these initiatives through discussions, communications, and actions.
- Never undermine colleagues directly or indirectly.
- Work jointly and in good faith to resolve disagreements.
- Contribute constructively by exercising the highest level of professional and ethical behavior.
- Maintain a safe workplace to protect and preserve the well-being of Laboratory staff, the public, and the environment.
- Conduct yourself and the Laboratory's business with honesty and integrity.
- Promote continuous use of these guiding principles.

When unsure whether an action complies with LANS' Standards of Conduct and Business Ethics, ask yourself the following questions:

- Is the action legal?
- Is it ethical?
- Does it comply with or violate policy?
- Does it appear inappropriate?
- If it became known, might it embarrass LANS or its customers?

Any concerns raised by these questions must be resolved before you proceed. If there is, or appears to be, an issue that you are unable to resolve, you should consult your supervisor, manager, the Ethics and Compliance Group within the Ethics and Audits Division, Human Resources, or Laboratory Counsel.

LANS' Ethics and Compliance Group

The Laboratory has established an Ethics and Compliance Group within the Ethics and Audit Division that is responsible for defining and developing LANS Standards of Conduct and Business Ethics and for developing and implementing related education and training programs. The Ethics and Compliance Group incorporates the following Laboratory programs: Ethics and Compliance, Conflict of Interest, and Employee Concerns.

RESPONSIBILITIES

Employees

- Be thoroughly familiar with LANS' policies and procedures and always adhere to them.
- Be thoroughly familiar with the LANS Standards of Conduct and Business Ethics guidelines, and always adhere to them.
- Be thoroughly familiar with the standards of conduct applicable to your position and profession and always adhere to them.
- Be sensitive to situations that could lead, or appear to lead, you or others to engage in illegal, improper, or unethical conduct.
- Report illegal, improper, or unethical behavior. If you encounter such behavior, advise your supervisor, manager, the Ethics and Compliance Group, Human Resources, or Laboratory Counsel.
- Cooperate fully with internal inquiries and reviews of unethical behavior or inappropriate activities. Never hinder or impede another employees' cooperation in an inquiry or audit.

Supervisors

- Maintain a work environment that encourages open communication regarding ethical problems and concerns.
- Make a personal commitment that your group will operate in accordance with the highest standards of ethical business conduct. Communicate this commitment to your employees.
- Periodically discuss ethical issues and review LANS' Standards of Conduct and Business Ethics with your employees.
- Ensure that all LANS employees working on Laboratory projects attend appropriate training sessions on government and business conduct issues.
- Be familiar with the resources available to resolve ethical questions and concerns.

Managers

- Be knowledgeable about the laws, regulations, and industry practices applicable to your activities.
- Implement LANS' Standards of Conduct and Business Ethics and create a work environment and culture that promote a high standard of conduct.
- Provide all LANS' employees with clear guidelines on matters relating to ethical business conduct, and provide training relevant to their individual job responsibilities.
- Communicate clearly that LANS neither tolerates nor condones improper behavior.
- Oversee administration of appropriate disciplinary action for policy violations.
- Inform employees about resources that may help them in addressing ethical concerns.
- Create an open atmosphere in which ethical concerns may be brought forward by employees and resolved without fear of retribution; protect the confidentiality of employee reports, to the extent practical, and advise the employees of the outcome of such reports.

GENERAL GUIDELINES

LANS interacts with numerous organizations in order to conduct its operations. It is LANS' policy to deal only with those whose ethical standards are compatible with our own. You must report any conduct you encounter in the course of your work that you believe is inconsistent with Laboratory policy to your supervisor or manager, as you must similarly report unethical, unlawful, or unsafe situations, including situations that potentially involve such conduct. In addition, you should observe the following general standards in your business dealings with other companies:

Fair Treatment

All persons with whom you do business are entitled to fair treatment. This standard applies no matter what your job entails.

Whether or not you directly influence business transactions, you must avoid doing anything that might create the appearance that customers or suppliers have "a friend at the Laboratory" who could exert improper influence on their behalf.

No Misrepresentation

Do not misrepresent yourself or the Laboratory to anyone. If you believe someone may have misunderstood you, try to clarify the situation immediately. Honesty is an integral part of ethical behavior, and trustworthiness is essential for productive, lasting relationships.

Do Not Use the Laboratory's Size or Association with DOE Unfairly

Because of its size and close association with DOE/NNSA, the Laboratory gains some legitimate advantages such as those derived from large-scale buying and selling. However, LANS does not wish to be known as an entity that unfairly pressures other companies, organizations, governments, or the public. Therefore, you should never use the Laboratory's size or association with DOE to intimidate, threaten, or slight another person or organization.

USING AND PROTECTING INFORMATION AND OTHER PROPERTY

Proprietary and Technical Data and Privileged Information

You may not use or disclose proprietary and technical data or privileged information obtained through your employment by LANS for personal purposes, for favoritism in the purchase of goods or services, or in any unauthorized manner. Proprietary and technical data and privileged information must be kept confidential. This information includes, but is not limited to:

- unpublished information relating to technological and scientific developments;
- planned or proposed changes in programs, organization, funding, or personnel assignments;
- research and engineering data, engineering drawings and associated lists, specifications, standards, technical reports, and related information;
- information about patents or other intellectual property;
- subcontractor and supplier bids or proposals;
- anticipated materials requirements or pricing actions;
- knowledge about potential subcontract awards before the official announcement is made; and
- data or information that is classified as “Official Use Only,” confidential, privileged, and/or sensitive.

All of this information is considered valuable and must be safeguarded. You must ensure that proprietary and technical data and privileged information are not disclosed to others. Protection of this information is vital to our continued growth, our ability to compete, and our reputation in the community.

To avoid being accused of misappropriating or misusing someone else’s privileged information, you must remain alert to the nature of the information you are using. If you are not sure whether certain information actually is privileged, the best approach is to ask the other party. Second, do not accept privileged information unrelated to your job. If someone tries to pass along privileged information or if there is reason to believe that its release is unauthorized, notify your supervisor.

If you leave LANS or the Laboratory

Even if you retire or leave the Laboratory, you may not disclose or misuse privileged information that you obtained during your work here. LANS or DOE/NNSA probably own the proprietary information you developed or were exposed to as an employee, even after your departure.

If you are asked for information

If someone outside the Laboratory asks you a question that you are not authorized to answer, refer the question to the appropriate person or entity. For example, if a bank calls requesting employment verification about one of your coworkers, refer the caller to Human Resources. If a reporter or anyone connected with the news media contacts you, refer that person to the Communication and Government Affairs Office. Similarly, refer any questions from a lawyer to Laboratory Counsel. If you are not sure where to refer a question, ask your supervisor or manager.

If you are contacted by a person who professes to represent a federal or state agency, for the purpose of investigating alleged improper activities at the Laboratory, courteously obtain the person's name, title, agency, and phone number and immediately notify Laboratory Counsel. Laboratory Counsel will verify that the individual is a duly authorized law enforcement or investigatory official and tell you how to proceed.

Using inside information

The improper use for personal gain of inside information, or nonpublic information, about another company is strictly forbidden. Trading securities while in possession of material nonpublic information learned in connection with your duties is a violation of these ethics guidelines and may also violate the law. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision or if the disclosure would be expected to alter significantly the total mix of information in the marketplace about the company. Here are some examples:

- You should not buy or sell stock in a Laboratory business partner's company or a subcontractor's or supplier's company while in possession of material nonpublic information you obtain about the company in the course of your work. This information may include new products, resource allocations, budgets, personnel changes, results against a business plan, or the progress of a major project.
- If you know that the Laboratory is about to make a purchasing decision that could affect the price of the stock of a subcontractor or supplier, you should not buy or sell the stock of that company until at least several days after the information becomes public.

Passing material, nonpublic information to a friend, relative, or acquaintance who uses the information to buy or sell securities may be against the federal securities statutes and regulations and providing such information is inconsistent with Laboratory policy.

Government-Classified Information

Only individuals who have a government-granted security clearance and a need to know may have access to classified information. These individuals are responsible for protecting and controlling all classified material in their possession. Any questions regarding classified information control should be referred to the Security Division. If an uncleared individual comes into possession of classified material, he or she should contact the Security Division immediately for instructions. In addition, individuals should not solicit or obtain government-classified or proprietary information except through proper and established means.

Do not assume that a government representative has the proper security clearance or need-to-know to discuss classified matters or programs. Proper clearance and need-to-know should be verified before proceeding to discuss classified matters.

Obligations Relating to the Protection of Intellectual Property

LANS' and the Laboratory's ability to use the results of its own scientific research and to effectively meet its congressionally mandated technology transfer mission depends on how well it protects intellectual property. This intellectual property includes the inventions, discoveries, software, drawings, and technical know-how of Laboratory staff. When you joined LANS, you signed an agreement to report any potential intellectual property developed during your employment.

Patents

You are required to report to Laboratory Counsel any possibly patentable device, process, or product that you invent or discover while employed at the Laboratory, regardless of whether Laboratory resources or time were used in making that invention or discovery.

Copyrights

The Technology Transfer Division recommends that you obtain copyright protection for any work you do that is subject to commercial distribution.

If you write a book and would like to publish it, contact Laboratory Counsel for legal advice before proceeding.

Software disclosure and distribution

You have specific obligations and responsibilities related to the dissemination of scientific and technical software developed at the Laboratory. Software must be reviewed by the Classification Office before dissemination, and the Technology Transfer Division must evaluate the software for intellectual property protection requirements.

All software developed at the Laboratory must be deposited with the Energy Science and Technology Software Center operated by DOE's Office of Scientific and Technical Information in Oak Ridge, Tennessee.

Workplace Security and Protecting LANS and Customer Assets

You are responsible for adhering to all security procedures and for protecting company and customer property entrusted to you. Your attention to security and to situations that could lead to the loss, misuse, or theft of Laboratory, government, or customer property is the best way to help ensure a secure workplace and to protect LANS' assets. Be sure to promptly report any unusual or suspicious situation to your supervisor, manager, or security personnel.

The property that needs to be protected ranges from physical property to intangible goods such as research results, proprietary and confidential information, and stored data. Protecting these assets against loss, theft, and misuse is of prime importance.

LANS' property and government-furnished facilities, supplies, and equipment are not intended for personal use. All such facilities, equipment, and supplies must be used only for Laboratory business or associated purposes specifically authorized by management. This rule applies to office supplies and equipment, personal computers, software, and associated support items. Proper authorization must be obtained before LANS' or government property is removed from the workplace.

Internal information systems, communications facilities and systems (including e-mail, interoffice mail, and telephone, and voice mail networks), and databases are provided for business purposes only. Personal use, unless specifically authorized by other LANS' policies, constitutes misappropriation of Laboratory or government assets.

Searches at work

LANS strives to maintain a balance between business needs and personal rights, including employee safety and privacy. Expectations of privacy at the workplace are different from those at home or elsewhere. LANS reserves the right, for security, business, or other reasons, to conduct searches of Laboratory property or any other property on Laboratory premises, including computer hard drives and networks.

E-mail, network, Internet, and telephone access

The Laboratory's computing and communications resources are provided for conducting Laboratory business. LANS provides, and may revoke, at its discretion, access to these systems. Unauthorized use constitutes a misappropriation of Laboratory assets.

You must familiarize yourself and comply with LANS' management instructions regarding e-mail, network, and Internet access, which are accessible on the Laboratory intranet. When you access the Laboratory's e-mail, network, and Internet systems, you are expected to do so responsibly and to uphold company policies and standards of professional and personal courtesy and conduct. You should not transmit anything in an electronic message that you would not feel comfortable writing in a printed letter or memorandum.

All LANS' policies apply to use of these systems, including the Laboratory's policies on intellectual property, misuse of company resources, harassment, information and data security, and confidentiality. Using the system to send fraudulent, illegal, harassing, offensive, or obscene messages and files, including racial or sexual slurs, is strictly prohibited. For example, you may not use Laboratory computing and communications resources, either during or after working hours for:

- Political activities.
- Commercial purposes, personal financial gain (including consulting and other outside employment for profit or non profit endeavors) or unlawful activities (fraud, theft, or gambling, for example).
- Viewing, reading, or distributing sexually explicit material.
- Unauthorized release of proprietary and technical data and privileged information.
- Discrimination, harassment, or retaliation.
- Use of computers, networks, or other information resources in a manner intended to, or likely to result in, damage to any system, database, or operation.
- Any use that violates applicable state or federal laws or regulations.

E-mail, network, Internet, and telephone communications are not private, and confidentiality cannot be guaranteed. LANS reserves the right to monitor all e-mail messages and network, Internet, and telephone connections. LANS also reserves the right to disclose inappropriate uses of these systems to federal or state law enforcement agencies. Inappropriate uses of these systems could result in disciplinary action, up to and including termination of employment.

Employees may use LANS' e-mail, network, Internet, and telephone systems for incidental personal use, provided such use does not interfere with the Laboratory's business operations or the employee's obligations to the Laboratory. Excessive personal use of the system is not acceptable.

Copyright Compliance

It is LANS' policy to fully comply with provisions of applicable laws and licensing agreements pertaining to copyrighted materials, including written materials, photographs, and software. Certain limited copying of copyrighted works for educational or research purposes is permitted without the permission of the copyright owner. However, this "fair use" is a limited exception to

the exclusive use of the copyright owner, which if exceeded, can subject both the one making unauthorized copies and the Laboratory to severe penalties. Unauthorized reproduction or transmission of written materials or software is illegal, harmful to LANS' interest, and against LANS policy.

Written material guidelines

“Written material” means newspapers, trade journals, magazines, educational and training materials, books, technical and scientific journals, and other matter, whether textual or graphic or in printed or electronic form. Making multiple copies normally requires the permission of the copyright holder. Even making a single copy may require permission, especially if the copying is systematic or part of a routine pattern of activity.

Software guidelines

LANS licenses necessary software and furnishes it to employees for their use in carrying out the Laboratory's mission. LANS' policy prohibits copying of software it has acquired unless the applicable license permits such copying (e.g., for backup or archival purposes). Employees are responsible for strict compliance with this policy and must:

- use software only in accordance with the license agreement between LANS and the software licensor, and only for the software's intended use;
- refrain from duplicating software acquired by LANS for use on a specified computer and refrain from using it on other computers within the Laboratory or anywhere else, in violation of any license agreement; and
- refrain from copying any computer software materials, regardless of the medium (electronic or printed manuals, etc.) except as necessary for backup or archiving, and then only as the license agreement allows.

You may obtain further information regarding copyright issues by contacting the Information Systems and Technology Division.

Proper Records Maintenance and Reporting

You should make sure that all of your records and reports are as accurate and complete as possible. Inaccurate or dishonest reporting, both inside and outside the Laboratory, is strictly prohibited and could expose both LANS and the employees involved to civil liability, criminal prosecution, and/or adverse publicity. Dishonest reporting includes conveying or organizing information in a way that is intended to mislead or misinform those who receive it. It is also a criminal violation and a felony offense to knowingly make a false statement to an agency or branch of the U.S. government. The intentional omission of material information may also be treated as a false statement.

Types of reporting include time records, expense reports, educational qualifications and work history listed on your employment application, material and equipment test reports, completion of technical data sheets, Chief Financial Officer recording of revenues and costs, and as-built documentation at the jobsite. Accuracy in these and all reports is essential.

LANS' Ethics and Audit Division periodically conducts audits of various aspects of our compliance with government regulations. External auditors such as DOE's Office of Inspector General, the U.S. Government Accountability Office, client organizations, and client auditing firms also may audit our activities from time to time.

Time records and expense reports

It is essential that all LANS employees and other personnel working on Laboratory projects charge their labor costs to the proper accounts. Every error on an employee's time record has the potential to be a criminal and civil false claim and/or statement, so every claim for payment carries a legal and ethical responsibility for accuracy. Managers must provide employees with detailed guidelines on time-charging practices, and employees must understand and strictly adhere to those guidelines. Employees who charge time to more than one project during a pay period are expected to record their time accurately and in accordance with LANS policies.

Expenses incurred in performing company business must be documented promptly and accurately. Your supervisor will help you obtain detailed guidelines on the completion and filing of expense reports. Contract terms and conditions and federal regulations impose strict limitations on government contractors with respect to what can and cannot be reimbursed. You are strongly advised to review with your supervisor the guidelines and limitations before you incur any business expense.

Accounting standards and documentation

LANS is responsible for maintaining accurate and auditable records of all financial transactions within the established accounting system. Accounts must conform to generally accepted accounting principles so that information is readily available to and reviewable by internal and external auditors.

Funds or accounts may not be established or maintained for purposes that are not properly documented. Receipts and disbursements must be described fully and accurately in the company's books and records. No false entries in the books or records may be made, nor may any false or misleading reports be issued. Payments may be made only to the contracting party or a valid assignee and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

CONDUCTING BUSINESS WITH COWORKERS AND CUSTOMERS

Responsible Conduct in Research

You are responsible for insuring the integrity of the research process, including the conduct and reporting of research, in order to sustain the highest degree of intellectual honesty and integrity.

Scientific misconduct

Scientific misconduct includes both research misconduct and professional misconduct. It does not include instances of honest error, honest differences of opinion, differences in interpretation of scientific data, or disagreements involving experimental design.

Research misconduct

Research misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results.

- Fabrication is making up data or results and recording or reporting them.
- Falsification is manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.

- Plagiarism is the appropriation of another person's ideas, processes, results, or words without giving appropriate credit, including those obtained through confidential review of others' research proposals and manuscripts.

Professional misconduct

Professional misconduct includes but is not limited to exploitation of research associates, conferring or denying authorship inappropriately, duplicative publication, misstating your research credentials, failing to retain significant data for a reasonable period, unauthorized use of data, or failing to publish significant data in a timely manner without reasonable cause.

LANS prohibits scientific misconduct. Employees engaged in research are not to: fabricate data or results; change or knowingly omit data or results to misrepresent results in the research record; or intentionally misappropriate the ideas, writings, research, or findings of others. All those engaged in research are expected to pursue the advancement of knowledge while meeting the highest standards of honesty, accuracy, and objectivity. You are also expected to demonstrate accountability for sponsors' funds and comply with specific terms and conditions of contracts and grants.

LANS responds to any allegation of scientific misconduct through the Director for Science and Technology Base Programs.

Working with Suppliers, Subcontractors, and Third Parties

LANS' Acquisition Practices (APs) set forth LANS policies to which all employees must conform when dealing with suppliers, subcontractors, and third parties. These policies, which address issues such as professional conduct, confidentiality, qualification of bidders, and price negotiations, are summarized below.

You are expected to treat all suppliers and subcontractors fairly and equally. For example, specifications should be developed that reflect intended use or performance and should not be biased in favor of a particular supplier's product.

All aspects of the bid evaluation process are considered confidential. All potential bidders are to be selected on the basis of their financial and performance capabilities, their ability to meet technical and commercial requirements, and the suitability of their services or products. You are not permitted to request or consider "courtesy bids," or check bids (i.e., bids that are used merely to present the appearance of competition, or that are only used to bring another bidder's price down). Bid shopping is expressly prohibited.

Acquisition Services Management representatives will select suppliers and conduct applicable negotiations in accordance with the Acquisition Practices.

When LANS contracts for goods and services, every employee involved in the process must avoid any appearance of favoritism in the allocation of Laboratory business. You may not accept money or benefits from any supplier or potential supplier for advice or services related to the supplier's business—and any such offers must be reported immediately to your supervisor. Although there may be exceptions under special programs established by the company, you may not, as a general rule, be a supplier or subcontractor to LANS or work for or represent any supplier or subcontractor to LANS.

Business courtesies from suppliers and contractors that could be perceived as affecting an employee's impartiality, judgment, or decisions must be rejected.

Contracting Activities and Other Representational Activities

Selling and marketing

You may not make a payment or attempt or offer to make a payment, either directly or indirectly, to influence others. Payment for or receipt of anything of value as an inducement for the award of a subcontract or order, or any favorable treatment in connection with a prime contract or subcontract related to a prime contract, is a crime (bribe or kickback) punishable by a substantial fine and imprisonment under U.S. law.

Negotiations

Employees involved in the negotiation of the prime contract or subcontracts should make reasonable efforts to ensure that all statements, communications, and representations made to customer representatives are accurate and current. During negotiations with the government, they must comply with the provisions of the Truth in Negotiations Act (TINA). While negotiating government contracts subject to TINA, the company negotiator must disclose to the government negotiator all current, accurate, complete, and reasonably available cost and pricing data. Failure to submit or disclose such information as required can result in civil and criminal proceedings against both the company and the individual responsible.

Subcontract performance and administration

Once a subcontract has been negotiated, it is imperative that employees who manage and control the subcontracted work understand the detailed requirements for the performance of the work as delineated in the subcontract and its related plans and specifications. Care should be taken that there are no material substitutions or deviations from specifications and that the final product meets contractual requirements. Changes to government contracts and some government-required subcontract clauses require written approval by an authorized government contracting representative. Improprieties, such as the failure to conduct required testing, manipulation of test procedures, or unauthorized material or product substitution, are considered violations of our standards and may also lead to criminal prosecution or substantial civil penalties. Personnel with management responsibility for work that is subcontracted must ensure that all required reports and documentation are accurately prepared, issued, and filed.

Only specifically delegated individuals have the authority to make contractual commitments to expend Laboratory or government funds. LANS employees other than those who have received a written delegation of authority are not authorized to execute purchase orders or subcontracts on behalf of LANS. Unauthorized employees may not make any commitments or changes that affect price, quality, delivery, or other terms or conditions of the subcontract or purchase order.

Payment requests and invoices

In government contracts (or quasi-government subcontracts such as those awarded by LANS), it is especially important to understand and adhere to regulations concerning requests for payment. It is specifically prohibited for any employee to submit, or to concur in the submission of, any claims, bids, proposals, billings, or other documents of any kind that are false, fictitious, or fraudulent. Requests for progress payments and provisional payments are documents expressly covered by this prohibition; all employees involved in the process of submitting these documents must familiarize themselves with the regulations governing their submission. Failure to properly adhere to the regulations can result in substantial civil penalties and criminal prosecution of both the company and the employees involved.

Transactions and Interactions with Non-Government Employees

You may not give, solicit, accept, or attempt to give or accept any favors or gratuities that may be perceived as kickbacks or bribes to or from anyone LANS does business with or to or from anyone competing for a LANS' subcontract. Business transactions should always be free from even the perception that favorable treatment was sought or received as the result of a gift, gratuity, entertainment, or similar transaction.

A business courtesy is a gift or favor for which fair market value is not paid by the recipient. It might be a tangible or intangible benefit, and it includes all forms of hospitality, recreation, transportation, discounts, tickets, passes, promotional material, and the recipient's use of the donor's time, material, or equipment.

It is recognized that in the normal course of business you may offer or receive a business courtesy. Gifts, entertainment, or business meals provided by or to a potential or current customer or supplier must be reasonable, must be for a specific business purpose, and must not occur repeatedly. Gifts of money may not be given or received. If you receive an unsolicited gift of more than nominal value, you are required to return it with an explanation that this is prohibited by company policy. Employees should seek guidance from their supervisor or manager, Ethics and Compliance Group, or Laboratory Counsel for assistance in defining nominal value.

Relationships with Government Personnel

Gratuities

The government has particularly restrictive and complex rules regarding the acceptance of meals, entertainment, gifts, and other business courtesies by government personnel and officials. Each government agency may establish its own interpretation of these rules and what it considers to be nominal value. Gratuities could include meals, transportation, lodging, services, conference fees, vendor promotional training, and discounts not available to the general public. Thus, you are prohibited from offering any of these gratuities to government personnel. Such a gesture, intended to promote goodwill, may have the opposite effect by making the government employee uncomfortable about having to turn down (and possibly report) the offer.

Meals incidental to a business meeting may be offered to government personnel only with their prior understanding that they will pay the stated meal prices. To collect the cost of business meals provided to government personnel, it is not sufficient to "pass the hat." You should exercise reasonable attempts to obtain the exact amounts, and if you are not successful, document the situation on your expense report.

Laboratory employees may generally offer government employees light refreshments such as soft drinks, coffee, and doughnuts, when not part of a meal. Also, very modest advertising or promotional items, such as Laboratory coffee mugs, calendars, or pens, are acceptable to give to government employees.

Employment offers and discussions

Complex rules govern the circumstances when a government employee or ex-government employee may discuss potential future employment with a government contractor such as LANS. You must obtain clearance from Laboratory Counsel before engaging in such discussions.

Diversity

LANS is committed to diversity in its workforce. The company strives to ensure that its employees are respected and valued for their individual uniqueness, experience, and skills. By respecting and valuing differences, we enhance teamwork and thereby build a competitive advantage.

Work Environment

LANS strives to provide all employees with a healthful, safe, and supportive work environment. This environment must also be free of unlawful discrimination, free of harassment of any kind, including sexual harassment, and free of retaliation against individuals who report potentially unethical or illegal conduct. LANS does not tolerate any conduct that creates an intimidating or otherwise hostile, offensive, or unprofessional work environment, including violent behavior; threats of violence; possession of weapons; and the use, distribution, sale, manufacture, or possession of alcohol, illegal drugs, or other controlled substances (except for approved medical purposes).

MEETING LEGAL REQUIREMENTS

Antitrust Laws

Antitrust or competition laws are laws which prohibit anti-competitive behavior and unfair business practices. The laws make illegal certain practices deemed to hurt businesses or consumers or both, or generally to violate standards of ethical behavior. Antitrust law violations expose both the company and any participating employees to civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive treble damages. Violations include agreements among competitors to fix or control prices; rig bids; boycott particular suppliers or customers; allocate products, territories, or markets; or limit the production or sale of products or services. In some instances, the antitrust laws may prohibit price discrimination in the sale or purchase of goods.

The antitrust laws apply to both formal and informal communications. If you are involved in trade association activities or in other situations involving informal communication among competitors, customers, business partners, or suppliers, be especially alert to the requirements of the law in that jurisdiction. In such situations, do not discuss prices, pricing policy, terms and conditions, marketing plans, and similar matters of competitive interest. If a competitor tries to initiate improper discussions regarding these topics with you, disengage from the discussion and contact your supervisor or manager and Laboratory Counsel.

You should also be aware of the special antitrust concerns related to U.S. government contract teaming agreements. You are encouraged to read Subpart 9.6 (Contractor Team Arrangements) contained in Part 9 (Contractor Qualifications) of the Federal Acquisition Regulation, which discusses antitrust restrictions on teaming agreements.

If you have questions about the applicability of antitrust laws to your activities, you are encouraged to consult Laboratory Counsel.

Anti-Bribery Provisions of the Foreign Corrupt Practices Act

The anti-bribery provisions of the U.S. Foreign Corrupt Practices Act (FCPA) makes it unlawful for U.S. companies or their employees to make payments to a foreign official for the purpose of inducing the foreign official to use his or her influence to affect a government act or decision in order to obtain, retain, or direct any business or obtain any other improper advantage. The prohibition applies both to offers and payments made directly by the Laboratory and to those made through intermediaries such as partners, agents, consultants, and family members. Directors, officers, and employees of government-owned companies may be considered to be foreign officials subject to these restrictions. Prohibited offers or payments may include entertainment, money, and other gifts.

Violation of any of these laws may result in severe criminal penalties for the company and the individual, including imprisonment.

Because determining what the law allows or prohibits is complicated, you should consult Laboratory Counsel before initiating any business relationship, whether direct or indirect, with any person who might be considered to be a foreign official. Particular care should be taken in selecting partners and retaining marketing and other consultants operating outside the U.S. In accordance with LANS' policies, you must obtain management's and Laboratory Counsel's approval to engage such consultants and partners, and you must obtain appropriate assurances that no improper payments will be made by or on behalf of such consultants or partners. You must also properly account for all payments on the applicable company books and records.

Antiboycott Provisions of the Export Administration Regulations

The U.S. Export Administration Act makes it a criminal or civil violation for a U.S. company or its employees to participate in or cooperate with any foreign boycott not sanctioned by the U.S. government. The boycott that has been most frequently encountered in business dealings is the Arab League boycott of Israel. The antiboycott laws, in this instance, prohibit LANS from complying with the boycott by, for example, excluding firms with Israeli business interests from bidders' lists for a project we may conduct in a boycotting Arab country.

An illegal boycott request can be made in documents such as bid invitations, purchase contracts, and letters of credit, or orally in connection with a transaction. Such a request might even take the form of a contractual provision requiring compliance with a country's law that mandates participation in a prohibited boycott. Even when a company refuses to comply with a prohibited boycott, U.S. law requires the company to report promptly to the U.S. government any request it receives to support or furnish information regarding a boycott. The rules governing LANS' obligations under the antiboycott law are complex, and the penalties for violating them are severe. Therefore, in all cases, you should be attentive to situations where boycott requests may occur, and immediately consult Laboratory Counsel if a boycott-related matter comes to your attention.

Export Control Laws

LANS must comply with all applicable U.S. export control laws and regulations, such as the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR). Under U.S. law, an export occurs when a commodity, software, or technology is transferred from the U.S. to a foreign national, a foreign company, or a foreign country. Export laws apply to intercompany transactions; transactions with suppliers, equipment manufacturers, and joint venture partners; and disclosures to Laboratory employees who are foreign nationals. Software or technology can be exported during meetings, electronically, or through a facsimile transmission.

It is against LANS policy, and a violation of U.S. export laws, to export certain commodities, technology, and software to certain countries without first obtaining a license; or to engage in exports to sanctioned countries, entities, or individuals. Because these laws are complex, you must seek guidance from Laboratory Counsel before entering into an activity that might implicate export control laws.

U.S. economic sanction laws also restrict exports and other transactions with governments of, and persons and entities associated with, sanctioned countries such as Cuba, Iran, Libya, and North Korea, among others, and with specially designated individuals and entities affiliated with other countries. Because the list of sanctioned countries and specially designated individuals is subject to change—and because the laws regarding economic sanctions are particularly complex—it is essential that you seek guidance from Laboratory Counsel regarding any contact or transaction that might involve sanctions concerns.

U.S. Equal Employment Opportunity Laws

U.S. Equal Employment Opportunity (EEO) laws prohibit discrimination on a number of bases, including race, color, religion, sex, age, national origin, pregnancy, physical or mental disability, citizenship, and disabled veteran, Vietnam-era veteran, or other covered veteran status. Various state and local EEO laws may also prohibit other forms of discrimination, such as discrimination on the basis of marital status, sexual orientation, HIV status, gender identity, spousal affiliation, or ancestry.

In keeping with its EEO commitment, LANS does not tolerate discrimination toward or harassment of applicants or employees by anyone, including managers, supervisors, coworkers, other employees, suppliers, business partners, contractors, and customers. These policies govern your employment regardless of workplace location, which may include a customer's premises or an offsite business meeting. They also govern conduct at all company-sponsored activities. As a LANS employee, you must familiarize yourself with EEO policies, abide by them, and immediately report any conduct that you believe is inconsistent with them to the Office of Equal Opportunity and Diversity.

Environmental Laws

LANS is committed to environmental excellence. Achieving excellence demands that we have knowledge of and comply with applicable environmental laws. Environmental laws can apply to virtually every aspect of LANS' business activities—especially the storage, transport, treatment, and disposal of hazardous wastes—and they govern compliance with regulations and permit conditions (e.g., wetlands, endangered species, air and water standards) related to construction activities. Many incidents, such as accidental releases and spills of hazardous or toxic substances, must be promptly reported to government agencies.

Environmental laws are aggressively enforced. Employees who violate these laws may face serious consequences, including criminal prosecution, and may subject the Laboratory to fines and other penalties. It is important to note that prosecutions are not limited to willful violations. Under certain circumstances, supervisory personnel may be held individually liable for the conduct of those under their direction and control, regardless of whether they personally participated in an act of noncompliance. The Environment, Safety, Health, and Quality Division and Laboratory Counsel are available to help you understand and comply with environmental requirements related to your work.

Safety and Health

LANS and its employees are responsible for maintaining a safe and healthful work environment. Strict adherence to LANS' safety practices and guidelines benefits everyone. Employees have a duty to immediately report any safety or health concerns to their supervisors, managers, or the Environment, Health, Safety, and Quality Division. LANS' policy strictly forbids retaliation or reprisals against an employee for reporting a safety concern.

Nuclear Safety

LANS is committed to meeting all nuclear safety and safety-related quality. Every employee is responsible for ensuring that our work adheres to all applicable nuclear safety standards, and is both encouraged and expected to identify and report nuclear safety concerns. Employees may raise nuclear safety concerns with their supervisors or managers, the Laboratory's Nuclear Criticality Safety Group, the Environmental, Health, Safety, and Quality Division, or DOE's National Nuclear Security Administration, without fear of harassment, retaliation, or intimidation.

Political Activities

LANS neither encourages nor discourages employee discussion of political beliefs or participation in political activities. However, as a general rule, no political contribution of corporate funds or use of Laboratory property, services, or other assets (including employee work time spent on such activities) may be made, including costs charged to a non-reimbursable charge number. It is LANS' policy not to directly or indirectly pressure any employees to make or refrain from making any political contribution or supporting any political party, the political candidacy of any individual, or any political cause. Moreover, you are in no way required to make a contribution if you receive requests from a political action committee (PAC). You may, however, voluntarily participate in political causes or PACs.

Lobbying

Our government contract prohibits employees from influencing or attempting to influence an officer or employee of a federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered federal action. A covered federal action is defined as awarding a federal contract, grant, or loan; entering into a cooperative agreement; or modifying a federal contract, grant, loan, or cooperative agreement.

Alcohol and Substance Abuse

Laboratory policy and our government contract prohibit the use, sale, purchase, transfer, manufacture, or possession of alcoholic beverages by employees while on Laboratory premises or jobsites. Similarly, Laboratory policy and our government contract prohibit the illegal use, sale, purchase, transfer, manufacture, possession, or impairing presence in one's system of controlled substances while on Laboratory premises or jobsites. Possession and use of medically prescribed drugs is allowed provided such use does not impair an employee's ability to perform his or her job.

AVOIDING CONFLICTS OF INTEREST

A conflict of interest means that because of other activities or relationships:

- An individual, group of employees, LANS, or LANS' members or their affiliates, its subcontractors or other research participants, are, or are perceived to be, unable or potentially unable to render impartial assistance or advice to the government, or to maintain objectivity in performing government contract work, or
- LANS, its members or their affiliates, subcontractors or other research participants, has, or is perceived to have, an unfair competitive advantage, in future business opportunities with LANS or other federal government agencies.

A conflict of interest can arise because of circumstances alone, without any deliberate action on your part. Each situation is different, so you need to consider many factors; including how substantial and how realistic the risk is to LANS' commercial interests. Consult with your supervisor or manager and the Conflict of Interest Officer if you have any questions concerning whether your circumstances constitute a conflict of interest.

The most common types of conflicts and their implications are explored here to help you make informed decisions.

Personal Conflicts of Interest

A personal conflict of interest arises when your outside financial, business, or personal relationships are inconsistent with the interests of LANS or the government, and as a result, your independent judgment related to Laboratory matters might be compromised.

Specific requirements regarding personal conflicts of interest are discussed more fully in Laboratory policy documents pertaining to: outside employment, writing for outside publications, and expert witness testimony.

If you find yourself in a conflict of interest situation, you are required to notify your supervisor or the Conflict of Interest Officer and refrain from making or attempting to influence any Laboratory decisions which may materially affect your financial interests until either the conflict is resolved or you are disqualified from participation in the matter.

Personal Financial Interests

You should not have a financial interest in an actual or potential supplier, competitor, customer, or any other organization that could cause a conflict of interest. A financial interest would be improper if the combination of your job, the amount of your investment, and the company you invest in could influence your actions as a LANS employee. If you are considering a personal investment in such an organization, ask yourself these questions:

- What is the nature and extent of the relationship between LANS and the other company?
- If the other company is in more than one line of business, how significant is the part that competes with LANS or supplies the Laboratory?
- What is the amount of my investment, and how does it compare with my salary and other family income, including that from other investments?

- Could my investment influence me to take some action as a LANS' employee to protect or enhance it?
- Given my job at the Laboratory, to what extent could my actions as a LANS' employee affect the value of my investment in the other company?
- Could my actions significantly enhance my investment, even if it is a relatively modest one?

In the case of a supplier, ask yourself if you have anything to do, directly or indirectly, with LANS' decision to do business with this company. If so, you should not have any financial interest in the other company.

You may not evade these guidelines by acting through someone else, including members of your family.

Organizational Conflicts of Interest

An organizational conflict of interest exists when an offeror or a contractor has past, present, or planned interests that, either directly or indirectly, through a client, contractual, financial, organizational, or other relationship, may relate to the work to be performed under a government contract and which may:

- diminish the individual's or organization's capacity to render impartial assistance or advice to the government;
- impair the individual's or organization's objectivity in performing the work; or
- result in an unfair competitive advantage.

In assessing whether a specific situation creates an organizational conflict of interest, the exercise of common sense, good judgment, and sound discretion is required in both the decision on whether a significant potential conflict exists and, if it does, the development of an appropriate means for avoiding it. You are encouraged to contact the Conflict of Interest Officer for assistance and advice on avoiding or mitigating personal and organizational conflicts of interest.

Intergovernmental Personnel Act and Change of Station Assignments

Intergovernmental Personnel Act (IPA) and Change of Station (COS) assignments provide for the temporary assignment of LANS' employees to federal agencies, state and local governments, colleges and universities, Indian tribal governments, federally funded research and development centers, and other eligible organizations. In addition to LANS' standards of conduct, employees on IPA or COS assignments are expected to follow the standards of conduct that apply to employees of the agencies or organizations to which they are temporarily assigned.

During the conduct of an IPA or COS assignment, you are prohibited from:

- acting as a LANS or Laboratory spokesperson;
- disclosing to anyone, including LANS' management or employees, any non-public, confidential, or third-party proprietary information obtained during the course of the agency assignment; and

- participating in matters involving the Laboratory, LANS, or LANS' members or affiliates.

Prior to participating in an IPA or COS assignment, you must attend an out-briefing with the Conflict of Interest Officer to discuss potential conflicts of interest associated with your specific assignment. In addition, upon return to the Laboratory at the conclusion of your IPA or COS assignment, you must attend an in-briefing with the Conflict of Interest Officer to discuss potential conflicts arising from the work performed during your assignment.

Cooperative Research and Development Agreements

A Cooperative Research and Development Agreement (CRADA) is a legal instrument to improve the transfer of commercially useful technologies from the Laboratory to the private sector. A CRADA allows LANS and one or more non-federal entities to enter into an agreement to jointly conduct specified research-and-development-related technology transfer activities that are consistent with the Laboratory's mission.

You may not have a substantial role in the preparation, negotiation, or approval of a CRADA if you or your spouse, domestic partner, child, parent, or sibling holds a financial interest in any entity that has a substantial interest in the preparation, negotiation, or approval of a CRADA.

You must certify to DOE, through LANS' Technology Transfer Division, that a conflict of interest does not exist.

Competing with LANS or the Laboratory

You may not perform services in competition with LANS or the Laboratory. Further, you may not, without LANS' consent, work as an employee, consultant, officer, or member of the board of directors of a company competing with LANS or the Laboratory because such work could create a divided loyalty.

Supplying LANS

As a LANS officer, director, or employee, you may not accept money or any benefit from a supplier or potential supplier for advice or services that relate to the supplier's business. You also may not represent a supplier to LANS, be a part of its operating management, or work on anything that the supplier offers LANS.

Using LANS' Time and Assets

You may not perform outside work or solicit business while on Laboratory premises or time. You also may not use LANS, government, or customer materials, resources, or proprietary information for any outside work.

Public Service

Many LANS' employees participate actively in civic life. LANS commends and encourages public participation. In that role, however, you may at times find yourself in a difficult or awkward situation, such as a conflict of commitment. For example, you may sit on a board considering a resolution opposing the funding for construction of nuclear components at the Laboratory or you may sit on a zoning board that affects Laboratory property. In these circumstances, if your interest in LANS or the Laboratory and your obligation to the civic organization pull you in opposite directions, LANS policy requires you to abstain and to notify

your supervisor or manager of your abstention. When you abstain, you should explain to the others involved that you are a LANS employee and that you are abstaining to avoid a conflict of interest or the appearance of one.

When you speak out on public issues, make sure to do so as an individual. Do not give the impression that you are speaking or acting on LANS' behalf.

Participation in Outside Organizations

You are encouraged to participate in professional, national, regional, and community organizations, provided there is no implied LANS or government endorsement or sponsorship.

ADDRESSING NONCOMPLIANCES

Compliance and Disclosure

As a LANS employee, you are responsible for your own ethical behavior. You are also responsible for promptly reporting possible noncompliance to your supervisor or manager. If you do not feel comfortable directing your concerns to your supervisor or manager, you may go directly to the Ethics and Compliance Group.

Supervisors must be careful in word and conduct to avoid placing, or seeming to place, pressure on subordinates that could cause them to deviate from acceptable norms of conduct. Supervisors should seek guidance from the Ethics and Compliance Group on any issues requiring clarification.

Questions about Laboratory policy should normally be addressed to your supervisor, who will relay them to the Ethics and Compliance Group, if necessary. Questions regarding interpretation of law should be directed by the supervisor to Laboratory Counsel.

Reporting Unethical or Unlawful Conduct

You have an obligation to inform management of any unlawful or unethical conduct, conflict of interest, unsafe condition, lack of proper security for information or property, or other violations (or potential violations) of LANS' policy that come to your attention. You may report in person, by phone, via e-mail, or in writing by name or anonymously. You may call the LANS Ethics and Compliance Helpline at (505) 665-9999, send an email to: ecp@lanl.gov, or write to:

Business Ethics Correspondence
Los Alamos National Laboratory
Mail Stop A249
Los Alamos, New Mexico 87545

If you are not comfortable directing your concerns to the Ethics and Compliance Group, either by name or anonymously, you may call the Ombuds Office at (505) 665-2837 and discuss your concern either by name or anonymously.

Refer to the Ethics and Compliance website at <http://lanl.gov/orgs/ea/> for further information.

Review Process

What happens when you report a concern?

- Your report will be investigated promptly.
- It will be kept confidential to the extent permitted by law and consistent with LANS' need to fully investigate the matter. However, if LANS discovers criminal or otherwise improper activity, it may report such activity to appropriate law enforcement authorities.
- Only those with a need to know will be involved in or informed of the investigation.
- LANS will not tolerate threats or acts of retaliation against you for reporting unethical or illegal conduct.
- LANS will not tolerate threats or acts of retaliation against an individual who participates or provides information during an investigation.

A report of unethical or illegal conduct must be taken very seriously, both by the person reporting the possible violation and the person who receives the report.

Disciplinary Action

A violation of the rules and standards set forth in LANS' Standards of Conduct and Business Ethics and LANS' policies and instructions may be grounds for disciplinary action, up to and including termination in the most egregious cases.

Disciplinary action may be taken against any individual who:

- authorizes or participates in a violation of the LANS' Standards of Conduct and Business Ethics rules or LANS' policies and instructions;
- improperly or negligently supervises a person who commits a violation;
- fails to report a violation or withholds relevant information about a violation;
- attempts to retaliate against an employee who reports a suspected violation;
- attempts to retaliate against an employee who participates in or provides information during an investigation of a suspected violation; or
- attempts to use the employee concerns process to harm or slander another employee through false accusations.

Education and Training

The Ethics and Compliance Group makes education and training programs available to familiarize employees with these standards of conduct, to explain how to consistently conduct our business in an ethical and compliant manner and to keep employees updated as new laws and regulations are enacted.

Online training is available on the Laboratory intranet. Instructor-led training is scheduled in advance at project or office locations as needed. If you have any questions, suggestions, or

comments concerning education and training programs, please contact the Ethics and Compliance Group.

In addition, all employees must ensure that they are aware of the company policies, procedures, and instructions that apply to their activities. All company policies, procedures, and instructions are available for review on the Laboratory Intranet site <http://policies.lanl.gov/>.

DRAFT