

2010 SCoPM Performance Excellence Award Application Cover Sheet

Team Name	Internal Compliance Program Team
Date Team Operating from	January 29, 2007 to February 16, 2010
Organization Name	Texas Department of Transportation
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The following information is an overview of the project and, if selected for recognition, will be used for publicity. This part of the application is not scored; however, the narrative is used as background information for the application. By submitting this application, the organization agrees to publication of award winning applications.

Team Purpose: In June 2007, current Executive Director (ED) Mike Behrens instructed the Office of General Counsel (OGC) to research practices utilized in private and governmental organizations and develop a plan for a TxDOT Internal Compliance Program (ICP). To meet the challenge, Bob Jackson, Director of OGC formed an Internal Compliance Program Team.

The team included two Subject Matter Experts (SMEs) from OGC. The team recruited several SME's from other areas of TxDOT as the project progressed. They developed the following outline and goals for Phase One: Infrastructure, Education & Awareness:

- Develop an ICP that promotes an ethical workforce educated in the laws and policies that govern TxDOT, while avoiding excess bureaucracy.
- Comply with United States Sentencing Guidelines.
- Create an internal infrastructure for an Internal Compliance Office including designation of TxDOT's Deputy Executive Director (DED) as Compliance Officer.
- Delegation of authority for the management of the ICP.
- Perform a survey of ethics law.
- Develop a TxDOT Ethics Policy.
- Develop Employee Standards of Conduct.
- Provide education and training for the Texas Transportation Commission.
- Provide education and training for all TxDOT employees.
- Establish a TxDOT Ethics Hotline and database with reporting capabilities.
- Establish an ICP web site.

Impact of Team's Improvement(s): The ICP team improved ethical awareness and stressed the importance placed on this issue by Administration and the Commission with the creation of an Internal Compliance Program Office. In addition we developed an Ethics Policy which was formally and publically adopted which sets forth uniform standards of ethical conduct for all employees and the Employee Standards of Conduct which is readily accessible to each employee and consolidates ethics information from several TxDOT manuals and resources. We contracted with Chemtel to deliver TxDOT Watch and are able to document data which evidences that our employees and the public are very interested and actively participating in our program. We provided a training program for the Commission as leaders in the department's commitment to promote ethical conduct and a commitment to compliance with the law. We directed HRD to develop an ethics training course (IDEA 100) and scheduled to train over 14,000 TxDOT employees during the months of February, March and April of 2009. We established an ICP web site which provides ethics information and links to all resources included in our policy. Each of

these initiatives combined to create an organizational culture which encourages ethical conduct and results indicate the program is affecting and improving the day-to-day ethical thinking of the department.

Category 1 - Customer Focus

1.1 List the key customers of the team

1.1a TxDOT Administration - Executive Director (ED) and Deputy Executive Director (DED)

1.1b Texas Transportation Commission

1.1c TxDOT employees

1.2. Explain why you determined that these were key customers

1.2a The Administration was determined to be key customers because they tasked the team to develop the initiative and provided the team with an expectation.

1.2b The Texas Transportation Commission is considered a key customer because they have the authority to approve the Internal Compliance Program Office.

1.2c TxDOT employees are considered key customers because they are the ultimate end-user of the program and corresponding products.

1.3. Explain how the team listened to and collected information from the key customers

1.3a Team members interviewed the ED and DED in-person, by phone, written correspondence and e-mail. The interviews consisted of questions regarding expectations about functionality, timelines and requirements for success.

1.3b Team members interviewed members of the Texas Transportation Commission using the same methodology as used with the Administration.

1.3c Team members reviewed and analyzed “ethics questions” collected by the HRD and OGC.

1.4. Explain how the team turned information collected from customers into requirements

1.4a Information collected from interviewing Administration revealed the desire for an ICP with a commitment to compliance and increased ethical awareness and training of each employee.

1.4b The Commission expressed the need for appropriate infrastructure and delegation of authority for management of the ICP.

1.4c Review of ethics questions received from TxDOT employees allowed the team to focus on the topics that were of high interest and/or needed clarification.

1.5. Explain how the team determined both customer satisfaction and dissatisfaction

1.5a The team collected feedback on customer satisfaction/dissatisfaction through a variety of methods: interviews, phone calls, e-mails, surveys and analysis of reports. The team provided frequent updates to Administration as requested. At the instruction of the ED or DED, the team would address requested changes or supply additional information and/or SMEs until approved.

1.5b Prior to the Commission Meetings, the team provided detailed reports on Minute Orders submitted for Commission approval. Questions were answered by the Program Manager (PM) both verbally and in written form.

1.5c A formal survey was conducted for district adjunct instructors to ascertain their opinion of the ability of the course and written materials to increase employee awareness of ethics.

(Fig. 3.1a) The survey also included a rating of the Train the Trainer classes.(Fig.3.1b)

1.5d The TxDOT Watch hotline resulted in customer activity which can be analyzed by categories, results of investigations, and corrective actions taken. (Fig. 3.3c, 3.3d, 3.3e)

Category 2 - Process Management

2.1 List process(es) as applicable to the team’s purpose & performance expectations

2.1a The team used project management methodology and developed a model which identified the project mission, goals, objectives, scope, schedule/phases, and assumptions/constraints- fully

aware that final approval was required by the Texas Transportation Commission. Realizing that many subject matters experts within TxDOT would need to be utilized, the team appointed a PM as the lead for the entire program. An overall project plan was developed to ensure successful project completion of each phase. The model used a table which listed Phase One tasks in order of precedence, roles, responsibilities, and projected timelines for completing each task. (Fig.3.2a.) The goal was to deliver the project according to the Administration's expectation and timeline, with documented legal compliance as required by the Commission while streamlining access to ethics resources for ease of use by the end-user customer.

2.2. Describe the steps taken to achieve the purpose of the team

2.2a The team researched the United States Sentencing Guidelines and applicable Texas laws.

2.2b The team performed an AASHTO Conflicts of Interest Survey. (Fig.3.2b)

2.2c The PM researched The University of Texas Institutional Compliance Program and interviewed various staff members.

2.2d The PM interviewed the ED, DED and the Commission.

2.2e The team reviewed and analyzed employee ethics questions maintained by OGC and HRD.

2.2f The PM prepared the Minute Orders establishing the ICP.

2.2g The PM requested that the ED establish internal Work Groups of SMEs, including: Regulatory, Environmental; Record Retention and Open Records; Ethics/Employee Conduct; Commission Activities; Contracts; and Grant Management.

2.2h The PM requested that the ED appoint an Internal Compliance Officer, an Oversight Committee, and an Executive Internal Compliance Committee.

2.2i The team developed the TxDOT Ethics Policy and the employee Standards of Conduct.

2.2i The team established a contract with Chemtel for a fraud hotline: TxDOT Watch.

2.2j The team coordinated with HRD's Training, Quality and Development (TQD) staff to create Increasing Departmental Ethical Awareness (IDEA) curriculum. The team provided resources and support, reviewed drafts, and attended a Train-the-Trainer Session provided by TQD.

2.2k The team worked with Technology Services Division (TSD), creating a website and ICP database.

2.2l Throughout the process, the team apprised Administration of plans before implementation.

2.3. Explain how the steps taken to achieve the purpose of the team affected efficiency, effectiveness, quality, and/or customer satisfaction attributes

2.3a The team used project management methodology to track tasks, responsibilities and deadlines. Using this methodology, the team met deadlines for developing the ICP office.

2.3b The team researched ICP programs developed by other states and educational institutions to ascertain functionality, quality and feasibility of their compliance programs.

2.3c Frequent in-person interviews with both the ED and the DED provided information and authority needed to coordinate the appointment of committees of SMEs to accomplish tasks within timeframes assigned by the team.

2.3d The team developed the employee Standards of Conduct as a document which encompassed ethics policies from several TxDOT manuals. (Fig. 3.3b)

2.3e The team coordinated with TQD to develop ethics training for employees emphasizing ethical awareness and providing a consolidation of ethics information.

2.3f The team contracted with Chemtel to produce TxDOT Watch which allows any individual to report a compliance issue via a toll-free number or internet site 24 hours a day / 7 days a week.

2.3g The team coordinated with TSD to create a website including links to resources regarding ICP and a database with reporting capabilities.

2.4. Explain how the team gathered data, analyzed it, and the tools used to make decisions

2.4a To develop the program, the team researched other compliance programs and gathered legal data as detailed in Items 1.3. and 2.2. Data was entered into spreadsheets for comparative purposes and assignment of legal references to each corresponding portion of the ethics policy. The team followed TxDOT policy and procedures in preparation of minute orders presented for approval by the Commission to create the infrastructure of the program. The team analyzed ethics questions from employees collected from HRD and OGC and assembled a table organized by consistent topics. The team also reviewed current TxDOT resources for ethics such as the HR Manual, Purchasing Manual, Contract Management Manual, Information Security Manual etc. and assembled a table with subjects and corresponding policy information. The team drafted the Standards of Conduct as a resource of first response for employees and a guide/link to more in-depth information. The team identified expectations of the Administration and Commission by frequent interviews and updates of research and recommendations.

2.4b Identify the tools used

2.4b The team used: **1.** Microsoft Word™ tables to (a) chart the project's components such as tasks, expected timeline, person responsible; (b) organize employee ethics questions collected by HRD and OGC and (c) prepare a survey of AASHTO Internal Compliance Programs.

2. Microsoft Excel™ spreadsheet to chart (a) Texas Law v. TxDOT Ethics Policy; (b) District Adjunct Trainer Survey; (c) Incident Reports received from TxDOT Watch.

3. Microsoft Access™ – to create a database of incident reports filed in TxDOT Watch and generate corresponding reports.

Category 3 – Results

3.1. Provide current levels/trends in indicators for customer satisfaction and dissatisfaction

Figure 3.1a results from a survey of district adjunct trainers which reflects that these highly trained employees value the content of the course. **Figure 3.1b** results from a survey of district adjunct trainer approval rating of the Train-The-Trainers course. **Figure 3.1c** quote from the Executive Director expressing his approval of the ICP. **Figure 3.1d** quote from Commissioner Underwood voicing his approval of the progression of the ICP initiatives.

3.2. Provide current levels/trends in indicators for the process(es) listed in Category 2

Figure 3.2a a portion of the Project Management Table for the Ethics Training IDEA Class including tasks, roles of primary responsibility, assignments and expected due dates.

Figure 3.2b reflects responses to our AASHTO Survey and percentage of Internal Compliance Programs which have written policies; provide employee education and require employee signature forms.

3.3. Provide current levels/trends in key measures or indicators of effectiveness, efficiency, and/or quality

Figure 3.3a shows a comparison and Texas Law v. TxDOT Policy chart established to document which laws govern each portion of our ethics policy. **Figure 3.3b** is a portion of content page of the Standards of Conduct which is a consolidation of topics from all TxDOT resources. **Figure 3.3c** depicts the number of reports received via TxDOT Watch from April 16, 2009 through February 16, 2010 analyzed by topic. **Figure 3.3d** depicts the number of investigations which were substantiated. **Figure 3.3e** depicts the types of actions resulting from the substantiated investigations.

Figure 3.1a

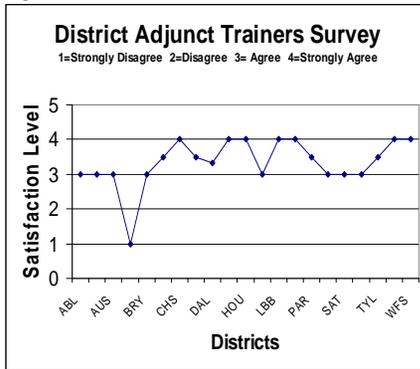


Figure 3.2a

Phase One - Task	Date Assigned	Date Due	Primary	Assigned to:
Develop Ethics Training Class for Employees	12/01/09	01/30/09	SM	HR-TQD JW, PB-J
SM to meet with HR-TQD	12/4/08	12/4/08	SM	
Send Case Files to TQD		12/4/08		
Project charter approval by Steve Simmons	12/04/08	12/10/08	SM	
Review case scenarios from TQD	12/12/08	12/12/08	SM	JW, PB-J
Send TQD draft Code of Conduct	12/12/08	12/12/08	SM	SV
Sent TQD language re intent of program, overview, etc.	12/12/08	12/12/08		
Prepare memo for Steve Simmons for Districts re adjunct instructors	12/12/08	12/16/08	SM	
Review First Draft; edits due back to TQD	01/05/09	01/07/09	SM	JW, PB-J, BW
ICP/TQD update meeting		01/07/09	SM/TQD	BW
TQD completes edits		01/14/09	TQD	
Review 2 nd Draft, edits due back to TQD	01/14/09	01/16/09	SM	JW, PB-J, BW

Figure 3.3b

<ul style="list-style-type: none"> Confidential Information Employee Responsibility Medical Records Personal Gain Personnel Files Sexual Harassment Information 	<ul style="list-style-type: none"> Environmental P Environment Federal Regs Natural Resou Road Constr Management Statement
<ul style="list-style-type: none"> Conflict of Interest Contracts with Former Employees Department Transactions Employee Responsibility Interest in a Project Outside Employment Owning Property Acquired for Right of Way Personal Investments Personal Relationships Revolving Door Law 	<ul style="list-style-type: none"> Equal Employm Compliance Cultural Div Recruiting In Sexual Har Grievances T Supplements Work Environ Fraud Audit Fraud and Ab Training Reacting to A Inappropri
<ul style="list-style-type: none"> Contracting and Purchasing Competitive Purchasing Conflict of Interest Employee Certification of Contract Financial Interests Guidance Negotiated Procurement Process Personal Gain Purchasing Purchasing Authority 	<ul style="list-style-type: none"> Gifts Honoraria Gifts meant t Gifts to TxDC Information Sec Technology Computer Ac Computer Sc Information S Confidentialit Personal File Savers Use of State Resources
<ul style="list-style-type: none"> Employment Issues Employee Evaluations Overtime Separation from Department Time Sheets Vacation Leave Work Schedule 	<ul style="list-style-type: none"> Records Destruction o Litigation Hol Records Man Open Record Retention Sc
<ul style="list-style-type: none"> Employee Conduct Driving Requirements Electronic Recordings Falsifying Information Gambling and Related Activities Incident Reporting Media Contact Obscene Material Professional Conduct Political Activities Romantic Relationships Sexual Harassment Smoking Solicitation Substance Abuse Violence Prevention Weapons 	

Figure 3.1b

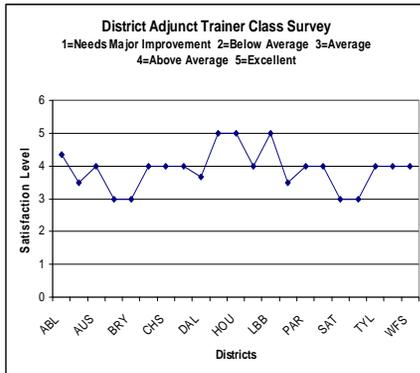


Figure 3.3a

TxDOT Policy	Texas Law*
<p>Conflict of Interest (Human Resources Manual, Section 10)</p> <ul style="list-style-type: none"> Employees are responsible for avoiding conflicts of interest or even the appearance of conflicting activities. Employees will not transact any department business with any business entity in which they are an officer, 	<p>Texas Government Code § 572.001(a)</p> <ul style="list-style-type: none"> It is the policy of this state that a state officer or state employee may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the officer's or employee's duties in the public interest.

“One of the greatest assets of TxDOT is its reputation for being an ethical organization whose employees conscientiously strive to be good stewards of the State’s resources. The creation of an ICP infrastructure, education and ethical awareness provides our employees with the tools necessary to carry out TxDOT’s ethical mission.”

Amadeo Saenz, Jr.
Executive Director, TxDOT

Figure 3.1c

“The Internal Compliance Program at the Texas Department of Transportation is turning into a great success. I am very pleased with how it has been implemented and the positive direction it is going. All of our employees throughout the state now, more than ever, have the feeling that their voice can be heard.”

Fred Underwood
Texas Transportation Commission

Figure 3.1d

Figure 3.2b

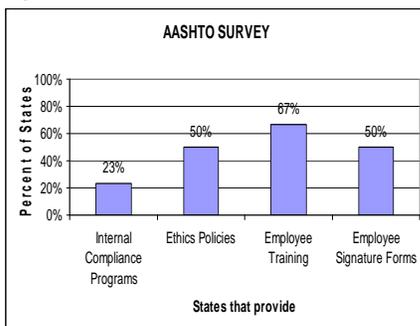


Figure 3.3c

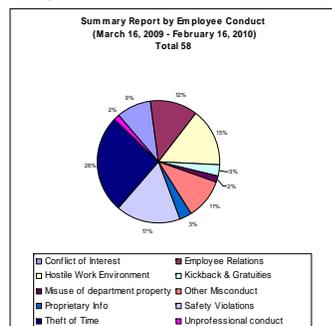


Figure 3.3d

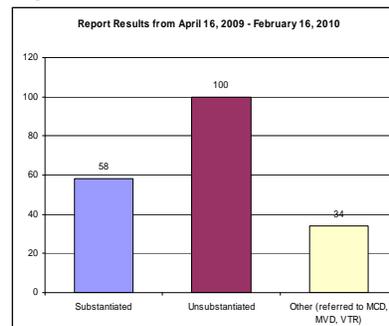


Figure 3.3e

