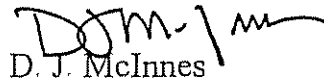


TO THE EMPLOYEES OF ALDOT

Each of us has a right to expect ALDOT to conduct its business in accordance with the highest ethical, moral, and legal standards. These standards of conduct apply to all of us no matter where we work in ALDOT. A proportionately heavier responsibility is borne by those who are in positions that more directly influence policy and practice.

A review of ALDOT's principles, values and standards of conduct should be of help for at least two reasons: It can lead to a better understanding of the values that are the foundation of ALDOT's policies, and it can help each of us determine the most appropriate course of action in situations that confront us in our own jobs, sometimes suddenly and unexpectedly.

The pride we have in our own personal conduct and standards should parallel that which we have in ALDOT's conduct and standards. It is in this spirit that this statement in ALDOT's **Principles of Business Conduct** is presented.



D. J. McInnes

Director

March, 2003

I. GENERAL PRINCIPLES

A service enterprise such as ALDOT is usually thought of in broad economic terms. But more realistically and more importantly, it is an institution of people. As such, it has moral standards and ethical responsibilities as well as a basic economic role. It must understand and conform to law, to custom if within the law, and to human values. Consequently, ALDOT is publishing these **Principles of Business Conduct** in order to provide all employees with clear guidance as to their conduct as representatives of ALDOT and all of its bureaus, divisions, districts and affiliates. This policy does not grant or create any rights or privileges not otherwise provided by applicable State law. Also, this policy does not supersede any State law governing ethical conduct, in some instances it may be more limiting. It is, however, intended to compliment and supplement these laws.

No “code of conduct” can hope to spell out the appropriate moral conduct and ethical behavior for every situation with which we, as employees, will be confronted. Whenever we find ourselves with a hard decision to make, we must seek guidance and/or assistance—from our colleagues, from our management, and most

importantly, from our own good judgment. Further, whenever we find ourselves in situations that represent possible violations of these principles, we must disclose the facts immediately to our supervisors or to management representatives.

There is no conflict between attention to service and attention to ethics. In fact, the two should go hand in hand. We will prosper most in an environment that is fair, open, and morally secure, and as we contribute to such an environment we will also contribute to the good reputation of the Department, its people, and its mission.

Ethical behavior is a matter of spirit and intent as well as a matter of law. Consequently, the policy of the ALDOT organization starts with these basic principles, values and standards.

■ ALDOT will conduct its affairs with honesty and integrity. These qualities are characterized by truthfulness and freedom from deception or fraud and do not vary by service, by discipline, by geography or by culture. These qualities dictate one standard of conduct Department wide. If we are steadfast in this belief, questions of ethical behavior will be easily answered in most situations. Some acts,

which appear inappropriate or dishonest, can open the door to serious violations.

■ ALDOT believes its employees are the key to its success, and it will treat them in a way that fosters individual self-respect, loyalty, and dedication.

■ ALDOT prospers to the degree—and only to the degree—that it serves its customers, the taxpayers of Alabama, well. As a department, we are committed to providing quality services and to delivering them at efficient, fair value.

■ ALDOT will always be responsive and responsible in dealing with the public. While we do not control our environment, we have a significant impact on it and the public we serve. We believe that requires us to be open and timely in our communications to the public and to play an important role in the communities in which we operate.

These are the overriding principles, which must guide us in the conduct of our business. What follows is more specific and deals with the ways in which we will implement these principles and how the responsibilities of an

individual employee impact on these principles. This document is only a summary. What counts is how we follow through at every level within the organization.

II. INDIVIDUAL RESPONSIBILITIES

ALDOT has a policy of strict compliance with all laws that are applicable to ALDOT's business, wherever conducted.

In some instances, laws and regulations may be ambiguous and difficult to interpret. In such cases we should seek legal advice through ALDOT's Legal Bureau in order to assure that we are in compliance with this policy as it pertains to legal matters and that we are observing and obeying all applicable laws and regulations.

Compliance with the law means not only observing the law, but also conducting our affairs so ALDOT will receive recognition as a law-abiding organization.

Entertainment, Gifts, Favors, and Gratuities

ALDOT's guidelines governing acceptable levels of entertainment, gifts, favors, and

gratuities, be they offered by ALDOT employees to others or extended to them or their family members by others are as follows:

■ No ALDOT employee should solicit or accept, directly or indirectly, other than as stated in the following paragraphs, gifts, entertainment, services, travel, lodging accommodations or any other form of compensation or personal benefit from any outside source which does or seeks to do business directly or indirectly with ALDOT.

■ Advertising novelties or seasonal items which are widely distributed such as day books, calendars, pencils, pens, coffee cups, etc., may be accepted if the value is less than \$25, in the aggregate not more than \$50 per calendar year.

■ Gifts received that are more than \$25 in value, cannot be accepted and should be returned to the sender with an appropriate explanation of this policy. Perishable gifts, which are impractical to return, should be given to a charity or shared with co-workers as appropriate. Exceptions to the return of gifts may be made by the employee's immediate supervisor if it is deemed to be in the best interest of ALDOT not to return the gift to the sender. Appropriate

disposition of the gift should be made in concert with the recipient's immediate supervisor. Any retention and disposition of such gifts should be documented for file with a copy sent to the Director's office and a copy to the recipient's personnel file.

■ Acceptance of reasonable business-related entertainment such as meals, attendance at sporting events, golf outings, theatre, etc., is not considered improper if such entertainment occurs very infrequently, involves reasonable and not lavish expenditures, is done with the host in attendance, and is appropriate for the business at hand. If the entertainment involves travel and/or lodging at the expense of the host, such expenditure is strictly prohibited unless prior written approval is obtained from the Director of ALDOT.

■ No employee should give or offer to give any entertainment, gifts, favors, or gratuities to any person if it is unlawful to do so under the laws of the United States or the laws of Alabama. All relations with other government or public officials should be conducted in a manner that will not adversely reflect on ALDOT or the official's integrity and with the expectation that

all such actions will become a matter of public knowledge.

Accountability

The law requires that ALDOT keep accurate books, records, and accounts to reflect ALDOT's transactions and that ALDOT maintain an adequate system of internal controls for all its business transactions, records and accounts. Therefore, it cannot be overemphasized that ALDOT's books and records must exhibit the highest degree of integrity.

Employees should fulfill their responsibilities to assure that ALDOT's books, records, and accounts are complete, accurate, and supported by appropriate documents in auditable form. All vouchers, bills, invoices, expense accounts, and other business records should be prepared with care and complete candor. No false or misleading entries and no undisclosed or unrecorded funds or assets will be permitted for any reason.

Conflict of Interest

The term "conflict of interest" describes any circumstance that could cast doubt on an

employee's ability to act with total objectivity with regard to ALDOT's interest. As employees, we should want to be loyal to ALDOT, and that loyalty should come easily, and free from any conflicting interests.

While ALDOT fully respects the privacy of its employees in the conduct of their personal affairs, it does insist that, as employees, we fully discharge our obligations of faithful service to the State of Alabama. Activities, which involve the unauthorized use of ALDOT time, equipment, or information, which interfere with job performance, which could damage your own or ALDOT's good reputation, or which otherwise conflict with ALDOT's business interests, are to be avoided. Of particular concern are situations in which an employee's personal interests may conflict with the interests of the Department in relations with present or prospective suppliers, customers, contractors, consultants, or constituents. In essence, you should not use your position or the assets or influence of the organization for personal advantage or for the advantage of others and you should always act in the best interests of ALDOT.

By policy, ALDOT prohibits certain types of personal involvement in time or financial

investments where a conflict or perceived conflict may exist.

Sometimes conflicts of interest will develop accidentally or unexpectedly. If this happens, any employee having knowledge of the situation must report the matter directly to a supervisor, to management representatives, or to ALDOT's Legal Bureau. Usually these problems can be resolved if they are handled quickly and openly.

III. THE FOLLOW-THROUGH

There are two broad actions we can take to ensure that our written commitment to ethical business conduct pays off in practice:

■ The first is to provide a mechanism that will help us handle difficult judgment decisions—those “gray areas” where it is often hard to pinpoint right from wrong. None of us should be uncomfortable in handling a question of ethics.

When such situations arise, you must seek guidance and assistance. The ALDOT system is very simple—**Ask your Bureau Chief, Division Engineer, Higher Management or contact the Assistant Director, Transportation.** All

managers are to maintain an open-door policy with regard to questions of ethics. They are to make themselves easily available to any employee who has such questions. You are reminded that the time to bring up a question of moral standard or ethical behavior is before the fact, rather than after the fact. You must never hesitate to talk to supervisors about a question of business conduct, no matter how small or insignificant it may seem to be.

■ The second action consists of several responsibilities that will make attention to this policy an integral part of managing ALDOT's business. These responsibilities are as follows:

The Director of Transportation serves as the ultimate authority with regard to ALDOT's policy on business conduct.

The Assistant Director, ALDOT, is assigned oversight responsibility for ALDOT's **Principles of Business Conduct** and is responsible for specifying procedures to implement a follow-through program. The Assistant Director will report the results of these efforts in this area to the Director as appropriate.

Each Division/Bureau will establish a procedure to ensure that periodically these **Principles of Business Conduct** are reviewed

with its employees. Additionally, Divisions/ Bureaus will designate at least one person to whom any employee may communicate freely on matters concerning the interpretation, application, or possible violation of these principles. Such designees will, routinely, keep the Assistant Director apprised of activities/ inquiries with respect to these principles, which arise in the ordinary course of business. Urgent matters will be communicated immediately to the Assistant Director, who will consult, as appropriate, with Audit and Legal personnel as to the appropriate course of action.

Any allegation or suspicion that unethical or illegal activities are taking place will be reported to the Assistant Director and, where appropriate, will be thoroughly and to the extent reasonably possible confidentially investigated. Employees who wish to report violations of these principles via telephone may call the ALDOT Business Conduct Hot Line at (334) 242-6785. After you hear a recording stating express messaging to mail box, enter 26776# and leave a recorded message including your name, location and telephone number. This hot line is available 24 hours per day. Written reports of violations may be submitted to:

Assistant Transportation Director
Alabama Department of Transportation
1409 Coliseum Boulevard
Montgomery, Alabama 36130

Reports must contain enough specific information to allow for an objective investigation based on facts.

Any investigation with respect to alleged unethical or illegal activities will be conducted in a competent and fair manner and to the greatest extent possible, in a confidential manner. Any employee found to be in violation of ALDOT's **Principles of Business Conduct shall be subject to appropriate disciplinary action, including termination of employment.** It is ALDOT's policy to seek and assist in the prosecution of persons who are believed to have committed criminal acts.

The Assistant Director of ALDOT will, through established procedures, monitor ALDOT's compliance with these **Principles of Business Conduct** and will report the results of this effort to the Director.

YOUR COOPERATION

The cooperation of each and every employee in the Department is required to ensure that instances of violation of these policies are called to the attention of those in ALDOT who should be informed. Furthermore, in order to maintain these high standards, as employees, we must also understand that the Department's best interests are our best interests and that we are expected to exercise good judgment as well as moral courage in the reporting of matters which may be covered in this policy. The sensitive situation in which an employee is placed when encountering a violation or a possible violation of ethics by another employee is recognized and, under no circumstances, will any employee reporting such information in good faith be penalized or suffer reprisals or retribution of any form. ALDOT has no intention of over-complicating the workplace with unnecessary procedures. But, at the same time, ALDOT wants it clearly understood that adherence to these policies carries the highest priority throughout each and every location in which the Department has a presence.

Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or these principles. Whether

particular circumstances create an appearance that the law or these principles have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

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