FINAL ASSESSMENT

ALION SCIENCE & TECHNOLOGY CORPORATION

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
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<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>15%</td>
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<tr>
<td>Risk Management</td>
<td>5</td>
<td>10%</td>
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<tr>
<td>Company Policy and Codes</td>
<td>12</td>
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<tr>
<td>Training</td>
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<td>30%</td>
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<tr>
<td>Personnel and Helplines</td>
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<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>39.7%</strong></td>
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TI has found no evidence that the company is involved in offsets and has therefore removed the two relevant questions (A13a and A13b).
A1:
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

0

Comments:
Based on public information, there is limited evidence of a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company. TI notes the statement at the beginning of the Code of Ethics, Conduct and Responsibility (2013), but does not assess this to be strong enough evidence to score higher here.

References:
Public:
TI notes:
Code of Ethics, Conduct and Responsibility (2013), Introduction:
‘At the root of Alion’s commitment to success are the fundamental principles that legal requirements must be satisfied, financial statements must be complete and accurate, and customers and other stakeholders must be treated fairly.
The Alion Code not only requires compliance with laws and regulations, but embodies a commitment to positive behavior that builds honesty, promotes fairness, and demonstrates integrity. This leads to Alion’s success by producing customer satisfaction, loyalty, trust, and respect. We honor our commitments, communicate openly, and hold ourselves accountable. Operating within the framework of the Code, Alion creates and sustains value for its stakeholders.’
A2:
Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company.

References:
Public:
NA
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s Chief Executive Officer demonstrates a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure.

References:

Public:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:
1

Comments:
Based on public information, there is evidence that the company publishes a statement of values but these fall short of the values covered by the question (honesty and integrity are included) and the company does not explain the importance or demonstrate the application of these values. The company therefore scores 1.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.1:

‘Values
The Alion core values by which we navigate are:
• Integrity of work, people and results
• Fairness to our employees, suppliers, consultants and customers
• Honesty
• Commitment to the personal success and professional growth of our people, the success of our projects and the long-term success of Alion
• Respect for our co-workers, customers, partners and competitors
• Highest quality of effort and work product
Our employee-ownership culture is the cornerstone of Alion. Employees who act like owners contribute significantly to our success. Ownership builds employee satisfaction, commitment and retention and these attributes are directly linked to customer satisfaction.’
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company belongs to one or more national or international initiatives, that promote anti-corruption or business ethics with a significant focus on anti-corruption.

References:
Public:
NA
A6: Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score: 1

Comments: Based on public information, there is evidence that the Corporate Governance and Compliance Committee is responsible for providing overall guidance with regard to the Ethics Programme. The company therefore scores a 1. To score higher the company would need to provide evidence of terms of reference detailing what this responsibility entails.

References:
Public:
Company Website, Press Release:
‘Alion Science and Technology, a global engineering, technology and operational solutions company, today announced that Kevin Boyle has joined the company as General Counsel. Mr. Boyle’s expertise includes government contracts law and litigation, M&A, equity and debt financing, SEC compliance and intellectual property. He will support Alion’s worldwide growth strategy as well as corporate governance and ethics initiatives.’

Code of Ethics, Conduct and Responsibility (2013), p.3:
‘When there is any question or uncertainty regarding these requirements, it is incumbent upon each employee to seek guidance from his/her supervisor, Group Compliance Officer, the Corporate Compliance Officer/Office of the General Counsel or Human Resources.’

‘ Governing Authority Responsibilities
The Corporate Governance and Compliance Committee of the Board of Directors is responsible for providing overall guidance with respect to the Program. In addition, the
Audit and Finance Committee of the Board of Directors has established procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, auditing, or other financial matters. These procedures allow for the confidential and anonymous submission of concerns regarding questionable accounting or auditing matters.

A7:
Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

1

Comments:
Based on public information, there is evidence that the company has appointed a person at a senior level to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board. This is the Corporate Compliance Officer. The person is not publicly identifiable by name. The company therefore scores 1.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.5:
‘The Corporate Compliance Officer (“CCO”), appointed by the Chairman and Chief Executive Officer, shall serve as the chief compliance officer for the Company, reporting to the CEO and the Committee, by monitoring and reporting results of Program efforts of the Company and by providing guidance for the Board and the senior management team on matters relating to compliance. The CCO implements all necessary actions to ensure achievement of the objectives of an effective compliance program.’
A8:  
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:

0

Comments:

Based on public information, there is no readily available evidence of regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda.

References:

Public:
NA
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

0

Comments:
Based on public information, there is no readily available evidence of a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, or evidence of improvement plans being implemented when issues are identified.

References:
Public:
NA
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal process for review and where appropriate updates its policies and practices in response to actual or alleged instances of corruption.

References:
Public:
NA
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure implemented enterprise-wide.

References:

Public:
NA
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied.

References:
Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting or reappointing its agents.

References:

Public:
NA
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:
0

Comments:
Based on public information, there is evidence that contracted third parties are expected to comply with the Code of Ethics, Conduct and Responsibility (2013) or similar standard; however, there is no readily available evidence that the company has contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption.

References:
Public:
TI notes:
Code of Ethics, Conduct and Responsibility (2013), p.5:
‘Responsibilities of Consultants, Subcontractors and Suppliers
Although Alion does not control its subcontractors, consultants, agents and vendors, such entities are expected to comply with this Code or their own Code, provided such Code imposes similar standards of ethics and integrity as are expected of Alion employees.’
A13:
Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

1

Comments:
Based on public information, there is evidence that the company passes its ethics and anti-corruption standards down the supply chain. The Code of Ethics, Conduct and Responsibility (2013) states that contracted third parties are expected to comply with the Code of Ethics, Conduct and Responsibility (2013) or similar standard. The company therefore scores 1. To score higher the company would need to provide evidence that it has contractual rights to apply sanctions in the event of a breach of its contract.

References:
Public:
TI notes:
Code of Ethics, Conduct and Responsibility (2013), p.5:
‘Responsibilities of Consultants, Subcontractors and Suppliers
Although Alion does not control its subcontractors, consultants, agents and vendors, such entities are expected to comply with this Code or their own Code, provided such Code imposes similar standards of ethics and integrity as are expected of Alion employees.’
A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

NA

Comments:
Based on public information, there is no readily available evidence that the company engages in offset contracting.

References:
NA
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:

2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013):
‘Gratuities, Bribes and Kickbacks (See Policy No. LE2.06) Except as provided below, employees shall not offer or give any gift, gratuity, bribe or kickback to any Alion customer, supplier or government employee or official nor shall employees accept or solicit any gift, gratuity, bribe or kickback from any such person that would violate law, regulation, or the policies of the Company or the recipient’s Company, or cause embarrassment to or negatively reflect on the Company’s reputation. This applies to both Alion employees and any member of an Alion employee’s household or immediate family (any relative of the employee or the employee’s spouse).’
A16:
Is the anti-corruption policy explicitly one of zero tolerance?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company’s anti-corruption policy is explicitly one of zero-tolerance.

References:

Public:
NA
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

1

Comments:
Based on public information, there is evidence that the company's anti-corruption policy is easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company. It is available on-line. However, it appears to be available in only one language. The company therefore scores 1.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013):
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:

2

Comments:
Based on public information, there is evidence that the company’s anti-corruption policy is easily understandable and clear to Board members, employees and third parties.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013):
A18:

Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score:

2

Comments:

Based on public information, there is evidence that the anti-corruption policy explicitly applies to all employees and members of the Board.

References:

Public:
Code of Ethics, Conduct and Responsibility (2013), CEO Introduction:
‘To measure compliance with the Code, the Board of Directors and the Committee require all employees, officers, and directors to complete the attached Certification upon joining the Company and then again each year during Annual Mandatory Ethics Training. In addition, any violation or apparent violation of the Code should be reported immediately without waiting for the next Certification form.’
A20:
Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:
2

Comments:
Based on public information, there is evidence that the company has a policy on potential conflicts of interest that applies to both employees and board members. The Code of Ethics, Conduct and Responsibility (2013) statement is extensive and covers both Personal and Organisational conflicts of interest.
TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.9:
‘PERSONAL Conflicts of Interest
(See Policy No. LE2.07)
Employees and their immediate families should avoid any situation that may create or appear to create a conflict between personal interests and the interests of the Company. Employees and their immediate families must not engage in any outside interest, activity, or investment which, in the opinion of Alion, may reflect against Alion or conflict with its best interests.
The following are examples of conflicts of interest:
• Engaging in employment or any other activity that interferes with your ability to devote the required time and attention to your job responsibilities at Alion
• Holding a significant financial interest in a current or prospective customer, supplier, or competitor of Alion, or serving as an employee, consultant, or director of that business
• Directing Alion business to a supplier owned or managed by a relative
• Supervising the job performance or compensation of a relative
• Using confidential Company information or improperly using Company assets for personal benefit or the benefit of others
If a conflict of interest or appearance of a conflict of interest develops, an employee must report the matter to his or her supervisor and the Corporate Compliance Officer. It is important to remember that even if a conflict exists, it will not necessarily result in corrective action. Conflicts can arise innocently, and most are investigated to the extent
necessary to determine that the Company’s interests are being best served. Each conflict must be reported so that an independent determination can be made of the situation.

Organizational Conflicts of Interest
(See Policy No CN3.10)
Alion policy prohibits any contract from being negotiated or executed if the interests of a particular customer are of such a nature as to compromise or threaten Alion’s ability to maintain unbiased objectivity in serving its other customers, resulting in a potential Organizational Conflict of Interest (“OCI”).
Examples of potential OCIs include:
• Competing for a management/services contract that might require the contracting company to evaluate its own or its competitors’ products for use by the government;
• Competing to supply products/services for which Alion has designed the specifications;
• Access to other companies’ proprietary information that has not been authorized for use in landing/performing the contract; and
• Access to other companies’ proprietary information obtained by leveraging the contract in question, which might provide an unfair competitive advantage.
Where an actual or potential OCI may occur by entering into a contractual agreement or by accepting a task under an awarded contract, such contractual instruments may be entered into only after all of the following conditions have been satisfied:
• Full and complete disclosure of the actual or potential OCI has been made to the appropriate government official(s) with a proposed means of avoiding, mitigating or neutralizing all perceived conflict(s); and
• Consent to the execution of the contractual arrangement has been obtained from the appropriate government official(s), along with any necessary government approvals of an appropriate OCI avoidance and mitigation plan where required.
A21:
Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

2

Comments:
Based on public information, there is evidence that the company has a comprehensive policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery. Specific limits are stated.
TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.7:
‘Gratuities, Bribes and Kickbacks
(See Policy No. LE2.06)
Except as provided below, employees shall not offer or give any gift, gratuity, bribe or kickback to any Alion customer, supplier or government employee or official nor shall employees accept or solicit any gift, gratuity, bribe or kickback from any such person that would violate law, regulation, or the policies of the Company or the recipient’s Company, or cause embarrassment to or negatively reflect on the Company’s reputation. This applies to both Alion employees and any member of an Alion employee’s household or immediate family (any relative of the employee or the employee’s spouse).

U.S. Government Customers, Employees and Officials:
Alion employees may not offer or give prohibited business courtesies such as entertainment, meals, gifts, gratuities, and other things of value to any actual or potential U.S. Government customers, employees and officials or their families. The following exceptions apply:
• Modest items of food and refreshments such as soft drinks, coffee and donuts on an occasional basis in connection with necessary and legitimate business activities.
• Unsolicited gifts (including meals, transportation, lodging, or entertainment) having an aggregate value of $20 or less per government employee, per occasion, provided such items do not in aggregate exceed $50 per person in a calendar year, may be provided. This is commonly referred to as the “20/50 Rule.”
• Marketing or promotional items such as a coffee mug, pen, or T-shirt listed in the Alion Promotional Catalog, intended solely for the purpose of presentation and displaying the company logo, are permissible so long as the item conforms to the 20/50 Rule. There are a few additional exceptions to the general prohibition against gifts. However, no expenditure for such gifts is reimbursable to the employee AND the employee MUST contact the Law Department prior to procuring or providing any such gifts. Such items may include:
  • Awards and honorary degrees
  • Gifts based on outside business or employment relationships (e.g., flowers for illness or death)
  • Social invitations from persons other than prohibited sources
  • Gifts authorized by supplemental agency regulations
  • Gifts accepted under specific statutory authority
  • Gifts motivated by longstanding personal or family (non-business) relationships
  • Discounts and similar benefits

Foreign Customers: Meals, entertainment and reasonable gifts may generally be provided to foreign customers who are NOT foreign officials or officials of state owned companies provided they are permissible under local law and in accordance with the above 20/50 Rule. Any and all requests for payment or provision of business courtesies (meals, gifts, lodging, transportation, etc.) to a foreign official (including officials of state-owned companies), foreign political party or party official, or candidate for foreign political office must be submitted in advance to the Law Department for approval.

Domestic Non-Government Customers: Alion does not prevent employees from socially entertaining non-U.S. Government business acquaintances. Meals, refreshments, entertainment and reasonable gifts (having a market value of $100 or less) may generally be provided to non-U.S. Government (domestic) customers, provided they are in support of business activities and permissible under the rules of the recipient’s company policy and approved in advance by the Law Department.

Business Courtesies to Alion Employees - Meals, Refreshments and Entertainment: Although an employee may not use his or her position at Alion to solicit a personal benefit of any kind or amount, it is permissible to accept unsolicited meals, refreshments, entertainment, and other business courtesies such as local transportation, on an occasional basis, provided all of the conditions set forth in Policy No. LE2.06 are met.

Gifts to Alion Employees: Alion employees are not permitted to accept compensation, honoraria, funds in any form or amount, or any other form of gift or gratuity from any entity, representatives of any entity, or any person that does or seeks to do business with Alion, unless approved in advance by the Law Department. Gifts from U.S. Government customers, suppliers or vendors must not be accepted, except for advertising, promotional or other items of nominal value (generally $25 or less). Reasonable gifts (having a market value of $100 or less) from non-U.S. Government (domestic) customers, suppliers or vendors may be accepted provided they are in support of business activities and permissible under the rules of the donor’s company policy and approved by the Law Department.

Be Mindful of Appearances: Alion employees must avoid any situation (such as the offering or acceptance of meals, gifts, gratuities, or entertainment) that may create or appear to create a conflict between the employee’s personal interests and the interests of Alion.'

A22:  
Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:

2

Comments:

Based on public information, there is evidence that the company has a comprehensive policy for the giving and receipt of hospitality to ensure that such transactions are bona fide and not a subterfuge for bribery. Specific limits are stated. TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:

Public:
Code of Ethics, Conduct and Responsibility (2013), p.7:  

‘Gratuities, Bribes and Kickbacks
(See Policy No. LE2.06)

Except as provided below, employees shall not offer or give any gift, gratuity, bribe or kickback to any Alion customer, supplier or government employee or official nor shall employees accept or solicit any gift, gratuity, bribe or kickback from any such person that would violate law, regulation, or the policies of the Company or the recipient’s Company, or cause embarrassment to or negatively reflect on the Company’s reputation. This applies to both Alion employees and any member of an Alion employee’s household or immediate family (any relative of the employee or the employee’s spouse).

U.S. Government Customers, Employees and Officials:
Alion employees may not offer or give prohibited business courtesies such as entertainment, meals, gifts, gratuities, and other things of value to any actual or potential U.S. Government customers, employees and officials or their families. The following exceptions apply:
• Modest items of food and refreshments such as soft drinks, coffee and donuts on an
occasional basis in connection with necessary and legitimate business activities.

- Unsolicited gifts (including meals, transportation, lodging, or entertainment) having an aggregate value of $20 or less per government employee, per occasion, provided such items do not in aggregate exceed $50 per person in a calendar year, may be provided. This is commonly referred to as the “20/50 Rule.”

- Marketing or promotional items such as a coffee mug, pen, or T-shirt listed in the Alion Promotional Catalog, intended solely for the purpose of presentation and displaying the company logo, are permissible so long as the item conforms to the 20/50 Rule.

There are a few additional exceptions to the general prohibition against gifts. However, no expenditure for such gifts is reimbursable to the employee AND the employee MUST contact the Law Department prior to procuring or providing any such gifts. Such items may include:

- Awards and honorary degrees
- Gifts based on outside business or employment relationships (e.g., flowers for illness or death)
- Social invitations from persons other than prohibited sources
- Gifts authorized by supplemental agency regulations
- Gifts accepted under specific statutory authority
- Gifts motivated by longstanding personal or family (non-business) relationships
- Discounts and similar benefits

Foreign Customers: Meals, entertainment and reasonable gifts may generally be provided to foreign customers who are NOT foreign officials or officials of state owned companies provided they are permissible under local law and in accordance with the above 20/50 Rule. Any and all requests for payment or provision of business courtesies (meals, gifts, lodging, transportation, etc.) to a foreign official (including officials of state-owned companies), foreign political party or party official, or candidate for foreign political office must be submitted in advance to the Law Department for approval.

Domestic Non-Government Customers: Alion does not prevent employees from socially entertaining non-U.S. Government business acquaintances. Meals, refreshments, entertainment and reasonable gifts (having a market value of $100 or less) may generally be provided to non-U.S. Government (domestic) customers, provided they are in support of business activities and permissible under the rules of the recipient’s company policy and approved in advance by the Law Department.

Business Courtesies to Alion Employees - Meals, Refreshments and Entertainment: Although an employee may not use his or her position at Alion to solicit a personal benefit of any kind or amount, it is permissible to accept unsolicited meals, refreshments, entertainment, and other business courtesies such as local transportation, on an occasional basis, provided all of the conditions set forth in Policy No. LE2.06 are met.

Gifts to Alion Employees: Alion employees are not permitted to accept compensation, honoraria, funds in any form or amount, or any other form of gift or gratuity from any entity, representatives of any entity, or any person that does or seeks to do business with Alion, unless approved in advance by the Law Department. Gifts from U.S. Government
customers, suppliers or vendors must not be accepted, except for advertising, promotional or other items of nominal value (generally $25 or less). Reasonable gifts (having a market value of $100 or less) from non-U.S. Government (domestic) customers, suppliers or vendors may be accepted provided they are in support of business activities and permissible under the rules of the donor’s company policy and approved by the Law Department.

Be Mindful of Appearances: Alion employees must avoid any situation (such as the offering or acceptance of meals, gifts, gratuities, or entertainment) that may create or appear to create a conflict between the employee’s personal interests and the interests of Alion.”
A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:
Public:
NA
A24:

Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent? Does the company record and publicly disclose all political contributions?

Score:

1

Comments:

Based on public information, there is evidence that the company prohibits political contributions by employees. Political contributions on behalf of the company are made through the PAC, in accordance with federal law. However, it is not clear that recipients are publicly declared. Therefore, the company scores 1.

TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:

Public:

Code of Ethics, Conduct and Responsibility (2013), p.12:
‘Political Activities
(See Policy No. AP1.01)
There are federal, state and local laws that govern contributions made to political candidates. No political contributions may be made by an employee on behalf of Alion. For purposes of this section, the term “contributions” includes the use of Alion facilities and employee time in connection with an election for public office. In addition, there are additional federal, state and local laws that govern the activities of government lobbyists. All such activities on behalf of Alion must be coordinated with the Director of Government Relations.
The Alion Science and Technology Corporation Political Action Committee (“Alion PAC”) makes all political contributions on behalf of Alion’s business interests. Alion PAC is funded by the voluntary contributions of eligible employees of Alion and its affiliates. Consistent with federal regulations, only eligible employees are asked to consider supporting the Alion PAC.’

A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:
2

Comments:
Based on public information, there is evidence that the company has a policy on engagement in lobbying activities. All such activities must be coordinated with the Director of Government Relations. There is also evidence that the company publically discloses the issues on which it lobbies.

TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.12:
‘Political Activities
(See Policy No. AP1.01)
There are federal, state and local laws that govern contributions made to political candidates. No political contributions may be made by an employee on behalf of Alion. For purposes of this section, the term “contributions” includes the use of Alion facilities and employee time in connection with an election for public office. In addition, there are additional federal, state and local laws that govern the activities of government lobbyists. All such activities on behalf of Alion must be coordinated with the Director of Government Relations.’

US Senate website: Lobbying Report
‘2014’
‘Alion Science and Technology’
‘16. Specific lobbying issues
H.R.4870, Department of Defense Appropriations Act, FY2015, Acquisition and procurement related issues; and Science, engineering and technology related issues.
H.R.4355, Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015, Acquisition and procurement related issues; Science, engineering and technology
related issues; and Veterans employment issues.
S.2410, Carl Levin National Defense Authorization Act for Fiscal Year 2015, Acquisition and procurement related issues; Science, engineering and technology related issues; and Veterans employment issues.’
http://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=4a3367f7-f04c-4c58-a72d-55ffe1e1d365&filingTypeID=80
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company prohibits charitable contributions, or regulates such contributions in order to prevent undue influence or other corrupt intent.

References:

Public:
NA
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

1

Comments:

Based on public information, there is evidence that the company provides written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda. The Code of Ethics, Conduct and Responsibility contains an ethical decision making model and key do’s and don’ts. The Company therefore scores 1. To score higher the company would need to provide evidence of written guidance that contains numerous scenarios and case studies.

References:

Public:
Code of Ethics, Conduct and Responsibility (2013), p.2:
‘Quick Reference – The Code in a Nutshell
Violations and Reporting Misconduct: Employees are obligated to report immediately any violation or apparent violation of the Code, or of Alion policies or procedures, or violations of law or regulation. Call the Ethics Hotline at 877-439-9227.
Compliance with Laws and Regulations: No employee may take any action on behalf of Alion that the employee knows, or reasonably should know, would violate any law or regulation.’
‘Gratuities, Bribes and Kickbacks: Employees must not offer, solicit, accept, or provide, or attempt to offer, solicit, accept or provide any improper payment or inducement that may be described as a gratuity, bribe, or kickback from or to any actual or potential Alion customer, supplier or government employee or official.
Doing Business Overseas: Alion policy and the U.S. Foreign Corrupt Practices Act prohibit the giving of money or anything of value to a foreign official for the purpose of influencing a foreign official, even if local practice or custom permits it.
Organizational Conflicts of Interest ("OCI"): Employees are required to disclose all actual or potential OCIs.’
‘Conflict of Interest: Employees and their immediate families should avoid any situation that
may create or appear to create a conflict between personal interests and the interests of the Company.’

(p.3): ‘Ethical decision making

Although Alion believes that its employees will be guided to the right decisions by their own personal values, discretion, and good judgment, there are times when a situation may not be clear. It is not always easy to determine the ethical thing to do in business situations.

As employees and representatives of Alion, we must always consider how our behavior and actions affect the integrity, credibility, and reputation of the Company as a whole. If you encounter a situation and are not sure of the appropriate course of action, you should always discuss the issue with your supervisor, Group Compliance Officer, the Corporate Compliance Officer/Office of the General Counsel or Human Resources. When faced with an ethical dilemma, there are four basic questions that you should ask to assist in determining the correct course of action:

1. Define the Problem: What feels wrong about this situation, behavior, or action? What is the issue about which you are unsure?
2. Solution Development: What are the solutions and resources available to solve the problem? Who should be involved in addressing the situation?
3. Solution Selection: What are the potential consequences? Which solution has the maximum benefit to all parties involved and causes the least harm?
4. Implementation: How do I put the solution into action? Who should be consulted and informed of the solution?

Some other basic questions to ask yourself when making ethical decisions include the following:

- Is this situation/course of action against the law or Company standards?
- How will our customers, fellow employees, or community be affected?
- Am I being honest and impartial?
- Would I be comfortable describing my decision to my colleagues, Company management, and my family?
- How would this situation look if it made headlines?’

(p.14): ‘Key Dos and Don’ts

- Avoid any situation, activity or investment which affects or appears to affect your ability to exercise impartial judgment on the job or adversely affects the Company’s interests, and disclose any actual, potential or perceived conflict of interest
- Don’t offer, give or receive anything of value under circumstances that are unlawful or could be viewed as an attempt to improperly influence a recipient’s decisions affecting the Company
- Don’t give or offer anything of value, directly or indirectly, to any foreign official or entity for the purpose of influencing any act or decision in their official capacity in order to help Alion obtain or retain business or to direct business to any particular person or company or to secure any improper advantage
- Comply fully with Alion policies and all federal laws and regulations dealing with the recruitment and employment of current or former federal government employees, and ensure that all recruitment and hiring practices comport with such laws and regulations.
- Don’t make false or misleading entries of any kind on Company records or accounts at any level.
- Ensure accuracy in all communications with federal, state and local governments.
- Comply fully with Alion policies and all federal laws and regulations dealing with labor charging, and ensure total time accounting to appropriate charge numbers.
- Follow OCI compliance measures by understanding the OCI categories and rules.
- Don’t destroy any information (hard copy or electronically stored) that is protected by a document hold notice.
- Don’t buy or sell securities based on non-public Company information, including changing investment selections or balances in the Company ESOP Plan.
- Don’t make or participate in any racist, sexist or other types of discriminatory jokes or comments.
- Don’t view, download, possess, copy, send, post or access any illegal, sexually explicit, pornographic or obscene material of any kind.
- Follow safeguarding measures to ensure proper protection of all Alion Confidential and Proprietary Information as well as capital assets including intellectual property such as trade secrets.
- Report immediately any violation or apparent violation of the Code, or of Alion policies or procedures, or violations of law or regulation."
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:

1

Comments:
Based on public information, there is evidence that the company has an ethics training programme but it is not clear if this explicitly covers anti-corruption. The company therefore scores 1.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.5:
‘Employees are required to participate in mandatory ethics training on an annual basis. In addition, non-mandatory ethics training is provided on an intermittent basis.’
A28:

Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

1

Comments:

Based on public information, there is evidence that employees are required to participate in mandatory annual ethics training. However, it is unclear if this training is provided to all employees in all sites of operation. The company therefore scores 1.

References:

Public:
Code of Ethics, Conduct and Responsibility (November 2013), p.5:
‘Employees are required to participate in mandatory ethics training on an annual basis. In addition, non-mandatory ethics training is provided on an intermittent basis.’
A29:  
Does the company provide targeted anti-corruption training to members of the Board?  

Score:  
0  

Comments:  
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to Board members.  

References:  
Public:  
NA
A30: Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score: 0

Comments: Based on public information, there is no readily available evidence that the company provides tailored ethics and anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31: Does the company have a clear and formal process by which employees declare conflicts of interest?

Score: 0

Comments:
Based on public information, there is no readily available evidence of the formality of the process by which employees declare conflicts of interest. TI notes that there are additional policies referenced from the Code of Ethics, Conduct and Responsibility that are not publicly available.

References:
Public: Code of Ethics, Conduct and Responsibility (2013), p.9:
‘If a conflict of interest or appearance of a conflict of interest develops, an employee must report the matter to his or her supervisor and the Corporate Compliance Officer.’
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:

1

Comments:
Based on public information, there is evidence that the company ‘may’ apply disciplinary procedures to employees, Directors and Board members found to have violated the Code, company policies or procedures or law or regulation. The company therefore scores 1. To score higher, the company would need to provide evidence of a stronger commitment using ‘will’ rather than ‘may’.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.3:

‘Violations and Reporting Misconduct
(See Policy Nos. LE2.01, LE2.02, LE2.03 and LE2.05)
Violations of this Code, or of Alion policies or procedures, or violations of law or regulation, by any employee may result in disciplinary action up to and including termination. Alion may apply such disciplinary measures to any employee who directs or approves of prohibited activities, or who has knowledge of them and does not act promptly to correct or report them. Employees who fail to take reasonable steps to prevent or detect improper conduct are also subject to disciplinary action. Additional criminal or civil penalties may apply for violations of laws or regulations (federal, state, and local) governing activities outlined in this Code. Violations captured through the Reporting Mechanisms as well as through internal reviews and/or audits are subject to disciplinary action up to and including termination.
Employees are obligated to report immediately any violation or apparent violation of the Code, or of Alion policies or procedures, or violations of law or regulation, in accordance with Alion policy LE2.01–Ethics Compliance Program, LE2.02–Ethics Hotline, LE2.03–Internal Investigations and LE2.05–Disclosing Violations of Law and Contract Overpayments. Alion fosters open and free communication within the Company to ensure that all reported violations are promptly investigated in accordance with applicable Alion policies and procedures. Employees must not conduct their own preliminary investigations. Alion will
investigate all incidents reported to the Company to the fullest extent possible and will take appropriate action to address the situation. Employees have a duty to cooperate fully with such investigations and to provide all information that they possess regarding such violations. Failure to cooperate fully in a forthright manner with any such investigation is grounds for disciplinary action up to and including termination.

In doing business with the U.S. Government, Alion must also comply with the mandatory disclosure rule under the Federal Acquisition Regulations (“FAR”). Under the FAR, U.S. Government contractors and subcontractors are required to disclose to the federal government credible evidence of certain violations of U.S. criminal law, the civil False Claims Act, and significant overpayments involving the award, performance, or closeout of a U.S. Government contract or subcontract. Alion requires the prompt good faith reporting of any violation or apparent violation of this Code, or of Alion policies or procedures, or violations of law or regulation. Anyone to whom such a disclosure is made (i.e., Human Resources Manager, Supervisor) must immediately forward the report to the Corporate Compliance Officer.’

A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:
Based on public information, there is evidence that the company has multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee, to report concerns or instances of suspected corrupt activity. However, it is not clear whether the hotline is an independent channel. The company therefore scores 1.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.4:
‘Reporting Mechanisms
(See Policy Nos. LE2.02 and LE2.03)
Ethics Hotline: Employees can call the Ethics Hotline or Report Online to express a concern or report possible violations of the Code, or of Alion policies or procedures, or violations of law or regulation. When reporting a concern, employees may be asked to provide the time, location, names of the people involved, and other details so that a proper investigation can be conducted. Every call to the Ethics Hotline or online submission is handled promptly, discreetly, and professionally, and may remain anonymous if so desired. The Company will investigate reports of illegal or unethical conduct received through these reporting mechanisms and take appropriate action to resolve each reported matter.
Ethics Contacts: Employees may also directly contact a supervisor, Group Compliance Officer, the Corporate Compliance Officer, the Group Human Resources Manager, the Law Department or Internal Audit.
These reporting mechanisms can be found on the Alion Intraweb at:
• http://intraweb.alionscience.com/ethics (internal)
• https://iweb.alionscience.com/ethics (external)
A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:

2

Comments:
Based on public information, there is evidence that the whistleblowing channels are available to all employees in all geographies. Channels include several designated internal officers, the Law Department, Internal Audit, and the Ethics Hotline.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.4:
‘Alion Ethics Hotline
877-439-9227
24 hours a day, 7 days a week
From outside the U.S., call collect 770-776-5697
Report Online: www.tnwinc.com/alion’
‘Reporting Mechanisms
(See Policy Nos. LE2.02 and LE2.03)
Ethics Contacts: Employees may also directly contact a supervisor, Group Compliance Officer, the Corporate Compliance Officer, the Group Human Resources Manager, the Law Department or Internal Audit.
These reporting mechanisms can be found on the Alion Intraweb at:
• http://intraweb.alionscience.com/ethics (internal)
• https://iweb.alionscience.com/ethics (external)’
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively.

References:
Public:
NA
A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:
2

Comments:
Based on public information, there is evidence that the company has well-publicised resources available to all employees where help and advice can be sought on corruption-related issues.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013) , p.4:

‘Ethics Contacts': Employees may also directly contact a supervisor, Group Compliance Officer, the Corporate Compliance Officer, the Group Human Resources Manager, the Law Department or Internal Audit.
These reporting mechanisms can be found on the Alion Intraweb at:
- http://intraweb.alionscience.com/ethics (internal)
- https://iweb.alionscience.com/ethics (external)’

A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:

2

Comments:
Based on public information, there is evidence of a commitment to non-retaliation for bona fide reporting of corruption, including the application of disciplinary measures to those who breach this commitment.

References:
Public:
Code of Ethics, Conduct and Responsibility (2013), p.4:

‘NON-RETALIATION
Enforcing this Code requires the participation and support of all employees at all levels. The Company may not be aware of a serious breach of the Code unless employees fulfill their duty to raise ethical concerns immediately and escalate them as necessary to all appropriate resources within the Company. Alion does not discharge, demote, suspend, threaten, harass, retaliate, or discriminate against any person based upon the lawful action of any such employee with respect to good faith reporting of a violation or potential violation. No hardship, loss of benefit, or penalty—which may include downgrading an employee’s performance rating, limiting an employee’s opportunities for assignments or advancement, excluding an employee from corporate or departmental functions, or general mistreatment—may be imposed on an employee as punishment for filing or responding to a good faith complaint or cooperating in an investigation. Any acts of retaliation against employees who follow the requirements of the Program, will not be tolerated and, in accordance with Company policies and procedures, will result in disciplinary action up to and including termination.’
Information Sources:

Company Website:
http://www.alionscience.com/

Code of Ethics, Conduct and Responsibility (2013):