Lighthouse Hotline Implementation

A Guide for Success
Hotline Implementation - A Guide for Success

Welcome to Lighthouse Services. Our comprehensive menu of anonymous ethics hotline services can be a valuable tool in your effort to establish a corporate culture built on a foundation of integrity and trust. Used appropriately, a hotline will augment the effectiveness of other key ethics program components such as a code of conduct and ongoing ethics training.

This implementation guide is designed to help you set up a successful hotline program for your organization. Launching your hotline program may seem daunting at first, but following this guide will help the process go smoothly and effortlessly.

1. **What to call your hotline?** How you refer to the hotline is completely your choice and depends on your type of business and your goals for the hotline program. Here are some suggestions: Compliance Hotline, Ethics Hotline, Employee Hotline, Fraud Line, Theft Line, Integrity Line, Safety Tipline, Anonymous Reporting Hotline, etc.

2. **Who will receive your hotline reports?** All reports are sent via email to your “Designated Recipients.” Your hotline agreement provided you the opportunity to specify who will receive which types of reports, such as Fraud, Compliance & Ethics and HR. If you require customization of incident types, we’ll need to understand your organizational requirements and then provide feedback.

3. **Make security a top priority.** Confidentiality and anonymity are critical factors in a properly managed ethics hotline. Be sure that all hotline information, including passwords and copies of reports, are kept in a secure environment and that access to this information is limited only to those individuals who “need to know.”

4. **Consider sending reports alleging fraud and accounting matters to an independent board member.** Based on your organizational structure, it is a best practice for employee reports alleging fraud or accounting irregularities to be forwarded to an independent board member or audit committee member directly. Including senior management on the recipient distribution of fraud reports may be acceptable, as long as the independent director is receiving the same information at the same time as senior management without senior management's ability to interfere or intercept the communication from Lighthouse.

5. **Case Management System (CMS).** For customers with high report volume, tracking hotline reports can be complicated and labor-intensive. Customers can save time and energy by deploying our secure web-based CMS to manage hotline reports and investigations. With the CMS, you can track every issue from report receipt through resolution, optimizing investigations, reducing administrative oversight, ensuring due diligence and creating an audit trail. With the CMS you can:
   - View the report online at your convenience
   - Assign the incident to the appropriate party for investigation
   - Set the risk level, priority and status of reports
   - Record follow-up and outcome notes
   - Anonymously dialogue with complainant as needed
   - Create reports and charts to help you track activity and analyze trends
   - Create an audit trail for added internal control
   - Attach digital files and documents to a record
   - Search the database using keywords and date filters
   - Permit multiple user levels
a. **What is the difference between a Designated Recipient and a CMS Administrator?**

   A Designated Recipient is a person who receives an email with a copy of the transcript of a report when a report is submitted to Lighthouse. A CMS Administrator is someone with access to your online database of reports who is responsible for managing your hotline program and updating the information related to your report investigation activity and outcome. Typically a customer will have fewer CMS Administrators than they would have Designated Recipients. A Designated Recipient can be a CMS Administrator. However, Designated Recipients are not automatically added as users in the CMS and must be added by the CMS Administrator.

b. **Choosing the Administrator** – We suggest that one person be in charge of the CMS. They will add new users and delete users who have left the company. The CMS is your tool to manage your reports and you can allow access to as many Administrators (who see all reports) and Investigators (who see only the reports assigned to them by an Administrator).

c. **CMS help documentation** – All users of the CMS will receive a welcome email with information on using the system and links. There is extensive help documentation for the CMS available on the site.

d. **CMS is easy to use and very flexible.** We’re available to answer any questions you have and will provide a consultation session to help, when requested.

   For more details on CMS – [click here](#).

6. **Make using the hotline simple.** As part of your setup, you received your hotline phone numbers, web reporting website URL, email address for reports and a fax number. There are many ways you can extend a hotline to employees; an 800 toll-free number, mail, fax, Lighthouse website, e-mail, local exchange number, or corporate intranet. However, offering too many alternatives to your employees can be counterproductive by adding excessive complexity. Keep it simple and offer the most appropriate means of submitting a report based on the geographic and demographic diversity of your employees.

7. **Make sure every employee in your organization is aware of the hotline.** Not enough exposure of your hotline will result in its ineffectiveness. Use vehicles such as a company-wide meeting or e-mail communications to unveil your hotline, and be sure to incorporate hotline training into your new-hire orientation process. Make sure that your hotline policy at a minimum is included in your employee handbook and consider the use of collateral materials such as posters and wallet cards.

8. **Communicating the importance of your hotline.** In addition to making employees aware of the hotline’s existence, they also need to have a clear understanding of its importance to your organization. Top management should stress its value through written and verbal communication methods. The hotline should be an integral part of your company’s code of ethics, and should be promoted through ethics training, employee handbooks, and the use of educational materials. Continual awareness via postings, articles, and corporate publications will reinforce the value of your hotline.

9. **Do not let your hotline policy replace your grievance policy.** It is preferable for employees who do not require anonymity to submit their grievances in harmony with your company's grievance policy. When publishing your hotline policy, we suggest you direct your employees to use the hotline when the matter they want to report requires anonymity. Over marketing a hotline may result in it being used inappropriately or excessively and can diminish a company’s ability to manage grievances through its normal grievance procedures.

10. **Make it apparent that your hotline is not an emergency service.** Some employees may confuse your ethics hotline with an emergency contact service or Employee Assistance Program (EAP). Make certain that any promotional or informational materials you distribute clearly state the purpose of your hotline.
11. **Human Resource issues.** It is recommended that employees with HR related issues that do not require anonymity should be discouraged from using the hotline services and encouraged to work with a customer’s HR representative directly. Please consider how to effectively communicate use of your anonymous hotline service so that employees continue to work with your HR department as appropriate.

12. **Can the hotline be extended to customers and vendors?** You may extend your hotline program to customers and vendors; however, we suggest you do so with clarity. You want to make sure that your customers don’t confuse the hotline with your customer service department, whereby they call Lighthouse thinking it’s your organization they are calling. For example, placing your hotline on the homepage of your website would probably be ill advised.

13. **Code of conduct.** An organization’s code of conduct outlines the principles by which you operate and serves as a guideline of the behavior that is expected of each employee. Our whitepaper will help you successfully draft your code, one of the most important documents your company will ever produce – [click here](#). If you currently have a code, please include your hotline information and instructions in your document. We also offer a sample code template for you to customize – [click here](#). Your code of conduct may also be added as a link on your web reporting page.

14. **Collateral materials - posters and wallet cards.** Using posters and wallet cards is an excellent method to inform your employees about the hotline. To review our library of collateral material click on or place in your internet browser the following link [https://www.lighthouse-services.com/collateral.html](https://www.lighthouse-services.com/collateral.html). To place an order select the Request Material button on the collateral materials webpage and we will mock up samples customized with your hotline information. We can also edit collateral material text to meet your program needs. We require the following information with your order:
   - # of posters and sizes
   - # of wallet cards, black & white or color
   - Company logo in the highest resolution possible.

15. **Web reporting landing page customization.** In your setup documentation you received a link to your company’s web reporting URL. We customize your web landing page with your company’s name and logo. In addition, you have the option to add an introductory paragraph and a link to your ethics policy. To view the Webpage Introductory Examples – [click here](#). Choose or alter an introductory statement to suit your needs and return it to us via email for uploading to your web reporting page.

16. **Implementation letters.** We offer sample template documents that will assist you in disseminating your hotline program information directly to your employees via letter, pay envelope or email. Please customize to suit your needs.
   - For employees within North America:
     - Anonymous Hotline implementation Letter [basic] – [click here](#)
     - Anonymous Hotline implementation Letter [personalized] – [click here](#)
   - For employees outside of North America:
     - Anonymous Hotline implementation Letter [basic] – [click here](#)
     - Anonymous Hotline implementation Letter [personalized] – [click here](#)

17. **Ethics hotline training.** As part of your hotline implementation, if you wish to provide ethics training for your employees, we also offer a free online ethics training video. To view a sample presentation – [click here](#). If you are interested in your own video, please let us know, and we will customize the presentation with your hotline information and send you a link. It can also be embedded into your intranet if you like.
18. **Set your report volume expectations.** In 2013, on average our customers received 1 report per 200 employees. This may be a reasonable benchmark to consider for your organization. Organizations with a healthy work environment where employees trust management and do not fear retaliation tend to experience lower call volumes as compared to those employers who have a less cohesive work environment. Although our programs are not priced per report, call volume is monitored for excessive use insuring that the hotline program is used for it’s intended purpose and report volume is consistent with the anticipated call volume for an organization your size. Feel free to review our Reasonable Use Policy for more details: [http://www.lighthouse-services.com/documents/reasonable_use_policy.pdf](http://www.lighthouse-services.com/documents/reasonable_use_policy.pdf).

19. **What to do when you receive a report.** Conducting an effective investigation and avoiding potential pitfalls are critical. We have developed a whitepaper to help organizations identify best practices regarding ethics investigations and how they can be developed and implemented for their own use. A “real world” example of best practices in corporate ethics investigation policies and procedures is outlined – [click here](http://www.lighthouse-services.com/documents/reasonable_use_policy.pdf). Also, Lighthouse offers customers a free consultation with subject matter experts regarding matters reported through our hotline.

20. **Importance of timely and appropriate report handling.** To protect the interests of all parties involved in an incident as well as the organization as a whole, it is imperative that reports are forwarded to the proper department(s) in a timely manner and that all investigations are conducted expeditiously. Establish procedures for the handling of reports and have them reviewed periodically by legal counsel. If an ethics code violation occurs, appropriate disciplinary action must be taken in accordance with organizational policy. If there are recurring ethics issues or behavioral trends within certain areas of your organization, additional ethics training may be in order.

21. **Whistleblower protection.** To ensure compliance with the law and for the overall effectiveness of the hotline program, whistleblower protection must be clearly communicated and documented. At minimum, your organization’s whistleblower protection policy should contain a statement indicating that whistleblowers will not be subject to any form of retaliation such as firing, demotion, harassment, or denial of opportunities for advancement. Your policy should also outline the potential repercussions faced by those who retaliate against whistleblowers.

22. **Employees outside of North America.** While whistleblower hotlines are prevalent in the United States, hotline implementation by U.S. multinationals within their European operations should be judiciously placed into operation. Please view our whitepaper titled Launching a Whistleblower Hotline Across Europe which provides an overview of implementation best practices – [click here](http://www.lighthouse-services.com/documents/reasonable_use_policy.pdf). Toll-free dialing protocols are different for employees outside of North America. Please insure that you consult our Worldwide Calling Instructions and Access Codes document provided with your program setup documents.

Lighthouse Services is here to help you. Please let us know if you have any additional questions or need assistance with your hotline.