

Addressing Extraordinary Risks and Conflict Resolution

OVERVIEW

An important part of USRA's overall compliance and risk management process involves how USRA identifies, reports and addresses extraordinary risks and actual or potential conflict situations. The intent of this procedure is to ensure that extraordinary risks and conflict situations are promptly identified, immediately reported up the management chain, and that appropriate efforts are made to manage and resolve situations and to minimize adverse effects.

SCOPE

ALL USRA employees have a responsibility to recognize and notify the appropriate manager, director or executive in their management chain of any situation defined as a potential or actual extraordinary risk or conflict situation. USRA's policy aims to address these situations in a fair and expeditious manner.

Extraordinary risks or conflict situations have the potential to disrupt or detrimentally impact the accomplishment of USRA's strategic, financial, operational, or regulatory compliance goals. They may also cause harm to or loss of USRA property, to USRA employees' property, or to property that USRA manages for a customer. All of these cases would negatively affect USRA's reputation and harm its potential market.

RESPONSIBILITIES AND GUIDELINES

Threats may be implied and need not be imminent to warrant reporting. Employees should recognize extraordinary risks or conflict situations, such as:

- Actual or threatened claim, in a contractual sense
- Alleged breach of contract
- Actual or threatened legal action
- Notice of unpaid liability
- Stop Work Order
- Notice of formal investigation or informal contact with investigative agencies, for example, an Office of the Inspector General representative, the FBI, DCAA, DCMA, congressional subcommittees or staffers, and other federal or state agencies
- Allegations of unethical dealing
- Failure to control intellectual property (IP); failure to control information technology (IT) or IP infringement
- Fraud or theft
- Occupational health and safety mismanagement and/or liability
- Vulnerability of USRA resources, people, and material

TERMS YOU NEED TO KNOW

Arbitration – A form of alternate dispute resolution (ADR); a technique for resolution of disputes outside the courts.

Conciliation – An ADR process whereby the parties in a dispute use a conciliator who meets with the parties separately to try to resolve their differences

Executive Management Team- USRA's CEO and vice presidents, advised by such internal and external counselors as they choose.

Lawsuit/Litigation – Typically, a civil action brought in a court of law in which a plaintiff claims to have incurred loss resulting from the defendant's action(s), and demands a legal or equitable remedy.

Negotiation – A dialogue between two or more people or parties intended to reach an understanding, resolve points of difference, or to craft outcomes to satisfy various interests.

Once identified, an extraordinary risk or conflict situation should immediately be reported to the reporting employee's supervisor. If the employee observing the extraordinary risk or conflict situation cannot reach, or feels uncomfortable with reporting to his or her immediate supervisor, he or she should report to the next person in the management chain for review, assessment and further guidance on the appropriate follow-up action. If no one in the management chain can be reached within 4 hours of the incident occurring, the reporting employee should contact the Director of Contracts and Compliance.

A written follow-up report, typically in the form of an email, should be provided as soon as practicable after the in person or phone report.

Any USRA employee involved in an extraordinary risk or conflict situation shall be courteous, professional, and cooperative with the other party, particularly with Government personnel, consistent with the duty to seek information, counsel, and the guidance of USRA management.

All information pertaining to extraordinary risks or conflict situations is considered USRA proprietary information. Discussion and /or dissemination of this information should be limited to a need to know basis with prior approval.

The initial reporting employee's Director will ensure his or her Vice President is aware of the situation. In turn, the Vice President has the responsibility to ensure that the Executive Management Team and CEO are promptly alerted of the situation.

Depending on the nature of the extraordinary risk or conflict situation and the ability of the parties to communicate with one another, the issue may be avoided, mitigated, or otherwise resolved before requiring the intervention of third party. Avoidance and mitigation or risk are USRA standards. For conflict resolution, USRA follows conventional methods, including:

- Consensual processes where the parties attempt to reach agreement on their own, with minimal third-party involvement (mediation, conciliation, negotiation, etc.)
- Adjudicative processes whereby a judge, jury or arbitrator determines the outcome (arbitration, litigation, lawsuits, etc.).

REPORTING VIOLATIONS:

All employees should recognize situations involving extraordinary risk or conflict resolution pose potential harm to fellow employees and USRA as an organization. Accordingly, violations of this procedure by USRA employees may be grounds for serious disciplinary action, up to and including termination.

RESPONSIBILITY FOR THIS PROCEDURE: CEO, CFO and VPs
Approved: Jeffrey Isaacson, CEO & President
Effective Date: TBD