

POLICY MANUAL
HUMAN RESOURCES POLICIES
6.30 EMPLOYEE STANDARDS OF CONDUCT

PURPOSE:

The Mississippi Lottery Corporation (“MLC” or “Corporation”) is committed to promoting and maintaining the highest standards of ethical conduct. The success of the MLC is dependent on trusting relationships, which are built on the foundation of integrity. This document establishes a uniform policy defining standards of conduct for MLC employees. This policy applies to all MLC positions below the level of corporate officer.

DEFINITIONS:

The following terms, as utilized in this context, are defined as follows¹:

- A. “Financial Interest” - Any interest that yields or has the potential for yielding, directly or indirectly, a monetary or other gain or benefit. Financial interest shall not include an investment by an employee in a mutual fund that holds shares of a Vendor or Retailer.
- B. Immediate Family:
 - 1. Parent or Grandparent
 - 2. Spouse
 - 3. Mother-in-Law or Father-in-Law
 - 4. Child or Stepchild
 - 5. Sibling
 - 6. Son-in-Law or Daughter-in-Law
 - 7. Aunt or Uncle
- C. “Major Procurement Contract” - Any gaming product costing in excess of \$100,000 or service costing in excess of \$1,000,000, including, but not limited to, major, advertising contracts, annuity contracts, prize payment agreements, consulting services, equipment, tickets and other products and services unique to the MLC but not including materials, supplies, equipment, and services common to the ordinary operation of a corporation.
- D. “Person” – Any individual, corporation, partnership, unincorporated association, or other legal entity.
- E. “Personal Relationship” – Any familial relationship, whether by blood, marriage, adoption, or domestic partnership, that might create a conflict of interest or an appearance of a conflict of interest. Any non-relative residing in the same household as the employee.

¹ Please note that the definitions contained in this policy may differ from those contained in the Alyce G. Clarke Mississippi Lottery Law.

- F. “Retailer” - A Person who sells lottery tickets or shares on behalf of the MLC pursuant to a contract.
- G. “Vendor” - A Person who provides or proposes to provide goods or services to the MLC pursuant to a Major Procurement Contract, but does not include an employee of the MLC, a Retailer, or a state agency or instrumentality thereof. Such term does include any corporation whose shares are publicly traded, and which is the parent company of the contracting party in a major procurement contract.

POLICY:

- A. The MLC shall not employ any individual who has a Financial Interest in or a Personal Relationship with any Vendor or Retailer, including their directors and employees, doing business or proposing to do business with the Corporation. (Upon written approval of the President, MLC positions with very limited or no management or decision-making authority may be excluded from the dictates of this subsection A.)
- B. The MLC will not contract with a Retailer, Vendor or Person that has a Personal Relationship with an employee of the Corporation.
- C. The solicitation and/or acceptance of any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service to any employee of the MLC or to an Immediate Family member residing in the same household as the employee by: (1) a Retailer; (2) applicant to be a Retailer; (3) Vendor; (4) applicant or prospective applicant for a Major Procurement Contract; (5) an officer, director or employee of a Vendor or applicant, or a member of such officer’s or director’s or employee’s Immediate Family residing in the same household, is expressly prohibited. The solicitation and/or acceptance of the above noted items strikes at the very essence of the MLC’s goals and functions and fosters the appearance of impropriety. This prohibition does not apply to food or beverages having an aggregate value not exceeding \$100 in any calendar year.
- D. No officer or employee of the MLC who terminates his or her employment with the MLC may represent any Vendor or Retailer before the MLC for a period of one (1) year following termination of employment with the MLC.
- E. The MLC will not employ, transfer, promote or demote an employee to a supervisor-subordinate position, if a Personal Relationship exists between the parties.
- F. No one shall be employed, demoted, promoted, or transferred to a position where his/her Personal Relationship could conflict with the interests of the MLC.
- G. If, while employed in supervisor-subordinate positions, current employees become related by marriage, enter into a domestic partnership, adopt or jointly parent a child, the MLC shall require one (1) of the employees to transfer to another department, if possible, or this may result in dismissal of the supervisor, if other arrangements cannot be made by the MLC.
- H. Dating between supervisors and their subordinates (to include anyone in the chain of command) is prohibited. If such relationships are discovered, MLC

management will counsel affected employees on the potential adverse effect of such activity on the supervisor-subordinate working relationship. As a corrective action measure, one (1) of the employees will be transferred to another department, if possible, or the supervisor may be dismissed, if other arrangements cannot be made.

- I. No ticket or share shall be purchased, for any reason, including for use as a gift, or prizes paid to an employee or any individual with a Personal Relationship residing in his/her household. No ticket or share shall be purchased, for any multi-jurisdictional game in which the MLC is a participant, for any reason, including use as a gift or prizes paid to an employee or any individual with a Personal Relationship residing in his/her household.
- J. Any employee interested in obtaining outside employment (including self-employment) must request and have written approval from the appropriate management staff prior to starting any outside work assignment.
- K. Employees have a duty to protect and conserve the MLC's property, information and trade secrets.
- L. Employees have a duty to report any illegal activities of other employees, officers or directors which the employee should know adversely affects the integrity of the MLC.
- M. The MLC is a drug-free workplace and offers of employment are subject to the successful completion of a drug test.
- N. The MLC provides equal employment opportunities to all employees and applicants without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by applicable law.
- O. The MLC will not tolerate harassment of any type directed by, or at, its employees, Retailers, suppliers, or Vendors.
- P. No employee of the Corporation shall have been convicted of any felony; a misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor; or any violation of the Mississippi Lottery Corporation policies and procedures.
- Q. Internet service, computers, e-mail, pagers, facsimile, telecommunications equipment, corporate vehicles, calling cards and long-distance service are all to be used primarily for business purposes. As applicable, charges for personal use of these items are to be reimbursed to the MLC.
- R. Upon being hired, periodically and/or as required by law, employees are subject to background checks, including criminal history checks. Applicants and employees will be required to execute relevant authorizations as requested.

- S. Upon being designated to drive an MLC vehicle and annually thereafter, employees approved to drive a corporate vehicle will be required to complete the Mississippi Department of Safety release, authorizing the MLC to receive the employee's driver's information on file with the Mississippi Department of Safety.
- T. The MLC's Human Resources Department will review this policy with employees and ensure at the time of employment and annually thereafter that every employee sign a Standards of Conduct Disclosure Statement. (Officers are subject to the reporting requirements of these policies; thus, they are not required to complete this Standards of Conduct Disclosure Statement). Disclosures are a continuing employee obligation. Although the MLC will make periodic reviews, it is the employee's responsibility to disclose immediately any matter, which may involve a possible code of conduct disclosure that presented itself after the date of the employee's last annual statement.

Conflict of Interest/Ethics:

- A. All Mississippi Lottery Corporation (the "Corporation") officers and employees are "public servants" as defined in Miss. Code §25-4-103 and are thus subject to the requirements and restrictions of the Mississippi Ethics in Government Act, Miss. Code §25-4-101 et seq. All division chiefs and officers are subject to §25-4-25 and must file a Statement of Economic Interest with the Mississippi Ethics Commission. Without limiting the ethical obligations thereby imposed, the Corporation requires the following of all its directors, officers and employees. For purposes of the following paragraphs, "financial interest" excludes a passive investment amounting to less than 1% of the ownership of a publicly traded business.
- B. The name of a board member, officer, director, or employee shall not appear on any Lottery ticket, Lottery game, Lottery form or paper used in playing any Lottery game;
- C. Only the President or the Board may authorize disclosure of a confidential communication with the Corporation's legal counsel; no unauthorized disclosure may be made by any of us;
- D. All officers and employees must cooperate with the independent auditor retained to perform any audit pursuant to the Lottery Law;
- E. No board member, officer, director or employee, nor any spouse, sibling, ascendant or descendant of a board member, officer, director, or employee, may have a Financial Interest in any Vendor doing business with or proposing to do business with the Corporation;

- F. No director, officer or employee with relevant decision-making authority shall participate in any decision regarding a Retailer if he or she, his or her spouse, sibling, ascendant or descendant has a Financial Interest in that Retailer.
- G. No director, officer or employee shall commit or assist another to commit any crime or actionable civil wrong affecting Lottery operations, including but not limited to skimming Lottery proceeds or possessing or using an illegal lottery device.
- H. No director, officer or employee shall engage in conduct that, if publicized, would provoke public doubt of the Lottery’s fairness or financial trustworthiness;
- I. Each director, officer or employee who has knowledge of a breach of this Code of Ethics must report that knowledge promptly to the President, the Board, legal counsel or through a toll-free number to be established; and
- J. For a period of one year after separation from employment with MLC:
 - i. No employee, officer, or director, may represent any Vendor or Retailer before the MLC; and
 - ii. No former board member, director or officer, directly or through an entity owned in whole or in part by said member, director, or officer, may solicit or accept employment or enter into a contract for compensation of any kind with a Vendor.
- K. Any director, officer or employee who violates this Code of Ethics is subject to dismissal from office or termination of employment and other criminal and civil penalties as prescribed by applicable law.
- L. The following persons shall not purchase tickets for any Lottery game, nor shall prizes be paid to any of the following persons:
 - (i) Any member of the board;
 - (ii) Any officer or employee of the corporation;
 - (iii) Any Vendor, including Lottery Retailers; or
 - (iv) Any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of any person listed in subparagraph (i), (ii) or (iii) of this paragraph.

REPORTING:

THIS POLICY SETS FORTH GENERAL GUIDELINES ONLY AND MAY NOT INCLUDE ALL CIRCUMSTANCES THAT WOULD FALL WITHIN THE INTENT OF THIS STANDARDS OF CONDUCT AND BE CONSIDERED A VIOLATION OF ETHICAL BEHAVIOR THAT SHOULD BE REPORTED. REPORTS OF VIOLATION OF ETHICAL BEHAVIOR SHOULD BE COMMUNICATED TO MLC MANAGEMENT. THE MLC HAS ESTABLISHED A HOTLINE (hr@mslot.org) FOR EMPLOYEES TO SUBMIT VIOLATIONS OF ETHICAL BEHAVIOR FOR SITUATIONS WHERE AN EMPLOYEE IS UNCOMFORTABLE COMMUNICATING DIRECTLY WITH MLC MANAGEMENT. EMPLOYEES SHOULD REPORT ALL SUSPECTED DISHONEST OR ILLEGAL ACTIVITIES WHETHER OR NOT THEY ARE SPECIFICALLY ADDRESSED IN THESE STANDARDS OF CONDUCT TO THEIR IMMEDIATE SUPERVISOR AND THE MLC'S VICE PRESIDENT OF HUMAN RESOURCES.

Standards of Conduct Disclosure Statement
ATTACHMENT A

- 1) Do you, on your own behalf or on behalf of any other person, including a Personal Relationship, have a Financial Interest (as defined in Policy 6.30) in any business or transaction in which the Mississippi Lottery Corporation (MLC) is directly or indirectly involved?

____ YES ____ NO

If YES, please provide the details of the business or transaction: _____

- 2) Do you have a Financial Interest in or Personal Relationship (as defined in Policy 6.9.2 A and E) with any other MLC employee, Vendor, Vendor employee, Retailer or Retailer employee?

Vendor means a person who provides or proposes to provide goods or services to the MLC pursuant to a major procurement contract, but does not include an employee of the MLC, a Retailer, or a state agency or instrumentality thereof as defined by the Mississippi Lottery Corporation (“Act”).

Retailer means a person who sells lottery tickets or shares on behalf of the MLC pursuant a contract.

____ YES ____ NO

If YES, please detail the name of the employee, vendor or Retailer and the nature of the Financial and/or Personal Interest:

- 3) Do you, your spouse or anyone residing in your household, have a Financial Interest in or a Personal Relationship with any Vendor or supplier that has a non-major procurement contract with the MLC?

Non-major procurement contract means any contract with the MLC other than a major procurement contract (as defined in MLC Policy 6.9.2 above).

____ YES ____ NO

If YES, please detail the name of the contractor supplier and the nature of Financial or Personal interest:

- 4) Do you hold or plan to seek public office in the immediate future?

____ YES ____ NO

If YES, what office?

- 5) Do you hold or plan to hold an additional job outside the MLC?

____ YES ____ NO

If YES, where? _____

Describe your position and duties:

- 6) By **initialing** each item below, I hereby affirm my understanding of the following conditions, and understand that violation of such conditions may result in disciplinary action.

____ *Purchase of MLC tickets for any reason, including for use as gifts, by an employees or anyone with whom an employee has a Personal Relationship and resides in their household is strictly prohibited.

____ *Purchase of a ticket(s) for any multi-jurisdictional game, in which the MLC participates, for any reason, including for use as gifts, by an employee or any anyone with whom an employee has a Personal Relationship and resides in their household is strictly prohibited.

