**Nata’s Kids, Inc.**

Preschool Special Education Program

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**CODE OF CONDUCT**

# I. Introduction and Purpose

This Code of Conduct and Ethics (hereinafter referred to as the “Code” and/or the “Code of Conduct”) is applicable to all individuals, including NATA’S KIDS INC’s managers, officers, directors, employees, volunteers, and independent contractors working for or providing services to NATA’S KIDS INC. (“Staff Members”) and is designed to help maintain NATA’S KIDS INC., its subsidiaries or affiliated companies (unless designated otherwise, collectively, the "Company") standards of business conduct and ensures compliance with legal requirements and rules promulgated thereunder.

In addition to securing compliance with legal requirements, the purpose of the Code is to deter wrongdoing and promote ethical conduct, and full, fair, accurate, timely, and understandable disclosure of confidential information in the progress reports of the Company. The matters covered in this Code are of the utmost importance to the Company, our members and our business partners, and are essential to our ability to conduct our business in accordance with our stated values.

The Code is intended to provide general guidelines to assist Staff Members to understand and appreciate the manner in which the Company wishes to conduct business. Although the Code can neither cover every situation in the daily conduct of our many varied activities nor substitute for common sense, individual judgment or personal integrity, it is the duty of every Staff Member to adhere, without exception, to the principles set forth herein. This Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the company, the public and others. This Code applies to NATA’S KIDS INC. and any of its subsidiaries or affiliated companies (unless designated otherwise, collectively, the "Company").

The Company reserves the right to change, amend, or eliminate the Code or any provision in it without prior notice to any employee. The Code does not alter the at-will employment relationship between an employee and the Company.

**II. Compliance with Laws and Regulations**

It is the duty of the Company and its Staff Members to uphold all applicable federal, state and local laws, rules, regulations, and standards (“laws and regulations”). Each individual must be aware of the legal requirements and restrictions applicable to his or her respective position and duties.

While the duty remains the responsibility of each Staff Member, the Company shall implement programs necessary to foster further awareness of applicable laws and regulations and to monitor and promote compliance of such laws and regulations. Any questions about the legality or propriety of any actions undertaken by or behalf of the Company should be referred immediately to an individual’s supervisor or the Compliance Officer.

**III. Code of Ethics:**

Each Staff Member shall adhere to and advocate the following principles and responsibilities governing professional and ethical conduct:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.

2. Provide information that is full, fair, accurate, complete, objective, relevant, timely, and understandable to the Company’s Chief Executive Officer, the Board of Education, and the public.

3. Comply with applicable governmental laws, rules, and regulations.

4. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated.

5. Take all reasonable measures to protect the confidentiality of non-public information about the Company acquired in the course of your work except when authorized or otherwise legally obligated to disclose such information and to not use such confidential information for personal advantage.

6. Assure responsible use of and control over all assets and resources employed or entrusted to you.

7. Promptly report to the Chief Executive Officer:

a. any information you may have regarding any violation of this Code;

b. any actual or apparent conflict of interest between personal and/or professional relationships involving management or any other employee with a role in Company’s reporting disclosures or internal controls;

c. any information you might have concerning evidence of a material violation of the laws, rules or regulations applicable to the Company and its operations;

d. significant deficiencies in the performance of services or operation of the Company’s functions that could adversely affect the Company’s ability to record, process, summarize or report progress data; or

e. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's operations, disclosures or internal controls.

**IV. Conflicts of Interest**

No employee may benefit personally from the Company's dealings with other clients, affiliates, customers, manufacturers or distributors.

No employee may compete in any other business whether as an employee, consultant, owner or in any other company without the express prior written consent of the Company's Chief Executive Officer (the “CEO”) except for passive investments by the employee which do not conflict with the employee's obligations toward the Company or interfere with the performance of the employee's job duties which must be approved by the Company. The Company will not unreasonably withhold its consent to such passive investments.

Whenever the Company enters into an agreement, arrangement or business relationship with another entity, that decision must be free from any improper influence. Consequently, no employee shall enter into, on behalf of the Company, contract, agreement, or other business arrangement with any close family member or with any corporation, partnership, association, or other entity in which the employee or a close family member has any substantial financial interest, without the express written consent of the Company's officers or Managers. Moreover, if you or any immediate family member is already an employee, consultant, owner, contractor or even a passive investor of an entity that (i) engages in any business or maintains any relationship with the Company, (ii) provides to, or receives from the Company any Student referrals, or (iii) competes with the Company, you must complete a “Conflict of Interest Disclosure Statement Form” and submit it to the Company officers or Managers. If you or your family member intends to become such an employee, consultant, owner, contractor or an investor, you must first obtain certain permission from the Company officers or Managers by completing a “Conflict of Interest Disclosure Statement Form.” In this way, the Company can be assured that our business relationships are free from improper influences. For purposes of this Code of Conduct, a close family member includes an employee's spouse, domestic partner, anyone commonly regarded as a "significant other" or any employee’s biological or adopted child, parent, sibling, or grandparent, and also includes any other person who lives in the same household.

**V. Use of Company Resources**

No Company employee may give or accept a bribe. All payments for services shall be reasonable in relationship to the nature of the services provided.

No Company employee will offer gifts to business contacts if the act of giving the gift is prohibited by law or prohibited by the contact's own company policies. Gifts should never be given for the purpose of improperly influencing the recipient.

No Company employee shall accept a gift from a Company customer or client.

Company property, both tangible and intellectual, should be safeguarded as if it

were the employee's own.

**VI. Fraud, Dishonesty or Criminal Conduct**

Fraud, dishonesty or criminal conduct or any violent activity is strictly prohibited by the Company. The Company expects its Staff Members to refrain from any conduct which may violate applicable federal and state laws and regulations, with special emphasis on those related to fraud and/or abuse. Applicable federal and state laws prohibit (a) the transfer of anything of value in order to induce the referral of students or any government program business (i.e., Department of Education and other federal or state programs); and (b) the making of false representations or the submission of false, fraudulent or misleading claims to any government entity or third party payer, including claims for services not rendered, claims which characterize the service differently than the service actually rendered, or claims which do not otherwise comply with applicable program or contractual requirements.

If fraud, dishonesty, criminal conduct or any other activity not condoned by the Company is detected or suspected of any Company employee, or anyone doing business with the Company, it should be reported to the designated member of the Company's executive management. The Company prohibits retribution of any kind against persons who report suspected wrongdoing in good faith. Such action shall be grounds for immediate termination for cause.

**VII. Safeguarding Non-Public Information**

It is the duty of the Company and its Staff Members to protect the privacy rights of the Company’s students. The Company and its Staff Members shall maintain the confidentiality of student educational records and information, as well as proprietary information, by actively protecting and safeguarding such information in a manner designed to prevent the unauthorized disclosure of such information.

Confidential information about the Company or its student or other companies should never be shared with anyone outside the Company without the prior written approval of Company executive management.

It is illegal for former employees to use information about the Company or its students or customers obtained while a Company employee, or to take confidential Company-owned records with them when they leave the employ of the Company.

If there are any questions or concerns concerning the disclosure of information, the question or concern should be referred to an individual’s supervisor, the Company officers or Managers.

**VIII. Business Practices**

All employees are expected to comply fully with all statutes and regulations applicable to the Company businesses, conduct business on the Company’s behalf with honesty and integrity and in a manner that upholds Company’s reputation with students, payers, vendors, competitors, and the community. Staff Members should never engage in violation of unfair trade practice laws, violate nondiscrimination statutes or the Company's trade practice policies. No employee shall discuss competitively sensitive information with a competitor, agree to fix prices, divide markets, boycott students or other companies, engage in other anti-competitive practices, use their positions to profit personally or to assist others in profiting in any way at the expense of the Company. Staff Members must refrain from activities which create conflicts of interest with the Company or give the appearance of impropriety.

Staff Members involved in business transactions on behalf of the Company shall not offer or pay, or solicit or receive any gifts, favors or other improper inducements in exchange for influence or assistance in a transaction or the referral of business. If there is any doubt or concern about whether specific conduct or activities are ethical or otherwise appropriate, the doubt or concern should be referred immediately to an individual’s supervisor, the Company officers or Managers.

**IX. Employment Practices**

The Company forbids employment discrimination or harassment based on race, color, gender, national origin, religion, age, disability, veteran status, sexual orientation, or marital or parental status.

All employees have an obligation to become familiar with and to comply with the Company's policy on non-discrimination.

All employees, especially management, should understand that they have an obligation to report any improper discrimination or harassment to corporate executive management immediately, even if they are not the target of such discrimination or harassment. Managers and even employees can be held personally liable for engaging in unlawful discrimination or harassment. Violence in the workplace will not be tolerated and such behavior will result in immediate disciplinary action, which may include termination.

The Company will not indemnify or provide a defense to any employee or manager who it believes has engaged in unlawful discrimination or harassment in the event that he or she is named as a defendant in any charge or complaint of discrimination or harassment.

The Company is committed to providing a healthy and safe workplace. The Company and its Staff Members will comply with federal, state, and local laws and regulations that promote the protection of health and safety. Staff Members are expected to report workplace injuries or any situation presenting a danger of injury.

**X. Reimbursement**

The Company and its Staff Members have a duty to create and maintain records and documentation which conform to legal, professional and ethical standards. The Company and its Staff Members shall ensure that their billings for reimbursement for care are reasonable, necessary, and appropriate, that services are provided by properly qualified persons, and that services are billed correctly and supported by adequate documentation.

All claims for reimbursement to government and the Department of Education payers must be true and accurate and conform to all applicable laws and regulations. The Company and its Staff Members are prohibited from knowingly presenting or causing to be presented claims for payment or approval which are false, fictitious, fraudulent, or otherwise not in compliance with applicable laws and regulations.

**XI. Interactions with Outside People and Organizations**

All media inquiries regarding the Company should be referred to or discussed with the Company officers or Managers prior to media contact.

**XII. Internal Controls**

Every employee must follow the management guidelines which are designed to provide reasonable assurance to members and regulators that the Company businesses are being operated honestly, ethically, effectively and efficiently under applicable laws and regulations and that progress reports prepared by, for or on behalf of the Company are accurate.

**XIII. Privacy**

Confidential personnel or medical information about Company employees should not be disclosed to persons outside the Company without the employee's written permission or as is required by law. Managers and supervisors should also treat such information as confidential within the Company and should disclose it to other company employees only is there is a significant need to know.

The Company's computers, telephones, voicemail system, email system, other electronic equipment and systems, including software systems, physical files, lockers, desks, and other furniture are the property of the Company. Employees have no right of privacy as to any materials, communications, information, or files maintained in or on the Company's property or transmitted or stored through the Company's computer, voicemail, e-mail, or telephone systems.

**XIV. Intellectual Property**

Intellectual property that is designed, created, developed or modified while performing work-related duties is the Company's property, not the employee's. Company employees may not copy software provided to the Company by vendors unless the Company is licensed to make copies and the employee has received written permission from the Company’s officers or Managers.

**XV. Safety**

Maintaining a safe working environment is of the utmost importance and is the responsibility of everyone. All employees and managers have an obligation to familiarize themselves with and to comply with the safety rules and directives of the Company and its Corporate Guidelines.

In some circumstances managers can be held criminally responsible for injuries caused by their failure to observe proper safety procedures.

**XVI. Open Door Policy**

Company employees will have access to their supervisor without having a formal appointment without any hindrance, on issues of professionalism, legal, counting, medical, insurance or student related fraud. Also covered is sexual abuse, emotional abuse, and harassment of any kind by another employee or supervisor. If an employee abuses such privilege, he or she could face limitations to Open Door Policy. Open door policy is not to take the place of normal discussion between employee and supervisor and not intended to circumvent supervision in work performance, compensation. Employee will have access to the Chief Executive Officer directly if no other supervisor resolves the issue at hand.

**XVI. Destruction and Preservation of Relevant Materials**

Company employees at all levels will preserve all information of a business nature for a minimum of 3 years. Voice Mails can be deleted weekly, electronic communications including emails; electronic files will be kept for two years. Student files, client master files, including engagement letter and all correspondences, audits and the likes will be kept for a minimum of 5 years. Personal emails and files may be deleted at will. All information on the Company's property, computer systems, files, electronic media located on a company owned, leased or managed site will be the property of the Company and as such subject to search and disclosure.

**XVII. Environmental Responsibility**

Company employees should conduct their The Company business in compliance with all applicable environmental laws and regulations. The Company encourages employees to recycle and to conserve energy and other resources.

**XVIII. Reporting Procedure, Process and Accountability**

Staff Members shall promptly report any violation of this Code to the CEO.

Reports of violations under this Code received by the CEO shall be investigated by the CEO.

In the event of a finding that a violation of this Code has occurred, appropriate action shall be taken that is reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code, and may include written notices to the individual involved of the determination that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits, and up to and including, if appropriate, termination of the individual's employment. In determining what action is appropriate in a particular case, the CEO shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individuals in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

**IT SHALL BE A VIOLATION OF THIS CODE OF CONDUCT TO TAKE ANY ACTION IN REPRISAL AGAINST ANYONE WHO REPORTS SUSPECTED VIOLATIONS OF THE CODE OF CONDUCT OR OTHER COMPANY POLICIES OR PROCEDURES, ASSISTS IN THE INVESTIGATION OF COMPLIANCE ISSUES OR ASSISTS WITH REMEDIAL ACTIONS IN GOOD FAITH.**

# XIX. Anonymous Reporting

Any violation of this Code and any violation by the Company or its Managers or officers of the federal or state laws, rules, or regulations, or other laws, rules, or regulations applicable to the Company may be reported to the CEO anonymously.

# XX. No Retaliation

It is against the Company’s policy to retaliate in any way against a Staff Member for good faith reporting of violations of this Code.

**XXI.** **Violation of Code**

Failure to abide by the Code of Conduct or the guidelines for behavior which the Code of Conduct represents may lead to disciplinary action. Disciplinary action will be determined on a case-by-case basis and may, in Company’s sole discretion, range from a warning to termination. If the Company determines that a violation may have included criminal violations of law or regulation, the Company will seek the advice of counsel and cooperate with law enforcement authorities in connection with the investigation and prosecution of the offender.

# XXII. Waiver and Amendment

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Company’s CEO and promptly disclosed pursuant to applicable laws and regulations.

**NATA’S KIDS INC.**

**POLICY AND PROCEEDURES**

**I. DUTIES AND RESPONSIBILITIES.**

An agency that contracts with the Department of Education must comply with certain federal and state laws, and regulations. Specifically, the agency has the following duties and responsibilities:

(a) to prepare and to maintain a contemporaneous records demonstrating the agency’s right to receive payment and to maintain for the appropriate period of time all records necessary to disclose the nature and extent of services furnished and all information regarding claims for payment submitted by, or on behalf of, the agency;

(b) not to illegally discriminate on the basis of handicap, race, color, religion, national origin, sex, or age;

(c) to submit claims for payment only for services actually furnished and which were necessary; and

(d) provide information in relation to any claim for payment that is true, accurate and complete.

**A. The agency will not engage in conduct that includes**:

**1.** **False claims**:

(i) Submitting, or causing to be submitted, a claim or claims for:

(a) unfurnished educational services

(b) an amount in excess of established rates or fees; or

(c) educational services provided at a frequency or in an amount not educationally necessary.

(ii) Including, or seeking to induce, any person to submit a false claim.

**2.** **False statements**:

1. Making, or causing to be made any false, fictitious, or fraudulent statement or misrepresentation of material fact on claiming payment, or for use in determining the right to payment.

(ii) Including or seeking to induce the making of any false, fictitious or fraudulent statement or a misrepresentation of material fact.

**3.** **Failure to disclose**:

Having knowledge of any event affecting the right to payment of any person and concealing or failing to disclose the event with the intention that a payment be made when not authorized or in a greater amount than due.

**4.** **Bribes and kickbacks**:

Unless the discount or reduction in price is disclosed and the department and reflected in a claim, or the payment is made pursuant to a valid employer-employee relationship, the following activities are unacceptable practices:

1. soliciting or receiving either directly or indirectly any payment (including any kickback, bribe, referral fee, rebate or discount), whether in cash or in kind, in return for referring a student to a person for any educational services o for which payment is claimed under the program;

(ii) soliciting or receiving either directly or indirectly any payment (including any kickback, bribe, referral fee, rebate or discount), whether in cash or in kind, in return for purchasing, leasing, ordering or recommending any educational services for which payment is claimed under the Department of Education program; or

(iii) offering or paying either directly or indirectly any payment (including any kickback, bribe, referral fee, rebate or discount), whether in cash or in kind, in return for referring a student to a person for any educational services for which payment is claimed under the Department of Education program; or

(iv) offering or paying either directly or indirectly any payment (including any kickback, bribe, referral fee, rebate or discount), whether in cash or in kind, in return for purchasing, leasing, ordering or recommending educational services for which payment is claimed under the Department of Education program.

**5.** **Unacceptable recordkeeping**:

Failing to maintain records necessary to fully disclose the educational necessity for and the nature and extent of the services furnished.

**6.** **Employment of sanctioned persons**:

Submitting claims or accepting payment for educational services furnished by a person suspended, disqualified or otherwise terminated from participation in the Department of Education program or furnished in violation of any condition of participation in the Department of Education program.

**7.** **Client deception**:

Deceiving, misleading or threatening a client, or charging or agreeing to charge or collect any fee in excess of the maximum fee, rate or schedule amount from a client.

**8.** **Conspiracy**:

Making any agreement, combination or conspiracy to defraud the program by obtaining, or aiding anyone to obtain, payment of any false, fictitious or fraudulent claim.

**9.** **Excessive services**:

Furnishing or ordering educational services that are substantially in excess of the student’s needs.

**10.** **Failure to meet recognized standards**:

Furnishing educational services that fail to meet professionally recognized standards for health care or which are beyond the scope of the person’s professional qualifications or licensure.

**11.** **Unlawful discrimination**:

Illegally discriminating in the furnishing of educational services based upon the student’s race, color, national origin, religion, sex, age or handicapping condition.

**12.** **Solicitation of Students**:

Offering or providing any premium or inducement to a client in return for the client’s patronage of the provider or other person to receive care, services under the Department of Education program.

**B. Billing and Claims Activities That May Violate the Law:**

Examples of improper billing and claims activities, include, but are not limited to:

* Billing for services that were not provided;
* Submitting a claim containing known false information or omitting material information;
* Filing a claim for services not necessary, or, if necessary, not to the extent rendered;
* Altering claim forms to increase payments;
* Arranging to get paid twice for the same service by billing two payers (i.e. duplicated billing);
* Revising a claim for a service that is not covered so it will be covered;
* Misrepresenting the services performed, the fee for the services, the date of the services, or the identity of the student;
* Falsifying records to appear to meet conditions of participation or conditions of coverage;
* Omitting material information when making a claim or when submitting a written statement in support of such claim;
* Scheming with another person to manipulate claims and increase payments.
* Using the adjustment payment process to generate fraudulent payments;
* Billing services over a period of days when all treatment occurred over one visit;
* Improperly completing or obtaining certificates of educational necessity;
* Providing incomplete, false, or misleading information about ownership of an agency;
* Repeatedly charging students more than the permitted amounts or repeatedly violating a participation agreement or assignment agreement;
* Excessive charges for educational services.

**C. Reporting:**

All members, managers, officers, directors, employees, contractors and agents are required to promptly report all known or suspected violations of NATA’S KIDS INC’s billing and claims submission policies to the Company’s officer, Manager, immediate supervisor or other designated party, in writing.

**THERE WILL BE NO RETALIATORY ACTION TAKEN AGAINST ANY PERSON WHO REPORTS IN GOOD FAITH TO THE AGENCY OR ANY GOVERNMENT OFFICIAL OR AGENCY. RETALIATION OR ANY FORM OF REPRISAL BASED UPON A PERSON’S GOOD FAITH REPORTING OF POTENTIAL FRAUDULENT CLAIMS ACTIVITY IS STRICTLY PROHIBITED, AND WILL NOT BE TOLERATED BY NATA’S KIDS INC.**

Further, the Federal False Claims Act, New York False Claims Act, and New York State Labor Law 740 specifically prohibit and provide remedies for such retaliatory action. Improper retaliation includes actual or threatened discharge demotion, suspension, harassment, discrimination or other adverse employment action. Activities protected against retaliation by federal and New York State law and regulation include: disclosing or reporting (or threatening to disclose or report) to a supervisor, the agency or to a governmental official or agency an activity, policy, or practice that is in violation of the law; testifying or providing information for a hearing, investigation or inquiry; initiating or assisting in any action or investigation; and/or objecting to or refusing to participate in any such illegal activity. Members, managers, officers, directors, employees, contractors and agents are expected to report any possible instances of retaliatory action immediately to the Company’s office, Manager or other designated party.

**C. Detecting and Preventing Fraud, Waste and Abuse:**

In accordance with the requirements of relevant false claims laws, and to further ensure the accuracy and appropriateness of claims submitted, NATA’S KIDS INC has adopted the following rules that its members, managers, officers, directors, employees, contractors and agents must strictly follow:

* Detect and prevent the filing of claims for services not rendered. All documentation must be reviewed and checked for accuracy by appropriate staff prior to submission. Furthermore, billing staff must review the completeness and check for inconsistencies in the documentation supporting the bill prior to submitting a claim.
* Detect and prevent the filing of claims and services rendered that were not necessary. Documentation submitted by the staff must record the activity leading to the record entry, the identity of the individual providing the service, and any information needed to support educational necessity and other reimbursement coverage criteria. All administrative and billing staff shall communicate effectively to ensure that documentation is consistent;
* Detect and prevent the submission of any claim, which contains false information. All claim forms must be reviewed for accuracy prior to presentation for payment;
* Detect and prevent any claim for inadequate or substandard services. Professionals must review services rendered and supporting documentation to determine that the level of services provided is adequate to support a claim for payment.

The supervisors and billing staff, in coordination with the Company’s officer, Manager or other designated party, will conduct periodic reviews to determine the accuracy of documentation utilized to support claims for reimbursement. The agency will maintain a process for pre and post submission review of claims to ensure that claims submitted for reimbursement accurately reflect necessary services actually provided, are supported by sufficient documentation, and are in conformity with any applicable coverage criteria for reimbursement.

**II. POLICIES AND PROCEEDURES**

The Company has adopted Policies and Procedures for preventing and detecting fraud, waste and abuse of the Department of Education programs. All members, managers, officers, directors, employees, contractors and agents must strictly follow these policies. These policies and procedures are available for review upon request. To review these policies and procedures, contact the Company’s officer or Manager.

The following represents a summary of relevant policies and procedures:

**1**. **Designation and Responsibilities of the Compliance Officer:**

It is the policy of the Company to ensure that it conducts itself in compliance with all applicable laws, rules, regulations and other directives of the federal, state and local governments, departments and agencies. In this regard, and in furtherance of this policy, the Company shall at all times have an individual designated as a Compliance Officer to oversee and monitor its Compliance Program.

Coordination and communication are the key functions of the Compliance Officer with regard to planning, implementing, and monitoring the Company’s Compliance Program. The Compliance Officer shall develop and assist the agency in putting appropriate compliance processes in place to implement the Compliance Program. Examples of these activities and processes include, but are not limited to, the following:

* Serve as a trusted source of guidance for employees, contractors and others associated with the agency with regard to compliance related matters;
* Identify and report compliance issues to the Department of Education, as appropriate.
* Test the billing and claims reimbursement staff on their knowledge of applicable program requirements and claims and billing criteria;
* Conduct or oversee unannounced audits of claims and billing information;
* Oversee a system to respond to compliance issues identified in self-evaluations and audits;
* Periodically prioritize compliance oversight of activities that are the most serious or likely to occur;
* Ensure that the Company reports, refunds and explains overpayments received from the Department of Education;
* Assess contractual relationships with contractors, consultants, and potential referral sources;
* Determine whether individuals who previously have been reprimanded for compliance issues are now conforming to policies;
* Develop, coordinate and participate in compliance educational and training programs; and
* Coordinate internal and external compliance review and monitoring activities, including annual periodic reviews and oversee any resulting corrective action.

**2. Retention of Records**

It is the policy of the Company that all employees, agents and others associated with the agency maintain and preserve all documents, including compliance, business and student records, and secure them against loss, destruction, unauthorized access, unauthorized reproduction, corruption or damage. The Company will also comply with regulations concerning document retention periods.

The primary components of the Company’s record maintenance, access and retention policies and procedures include, but are not limited to, the following:

* Records will only be accessible by authorized personnel on a need-to-know basis or legally authorized individuals, and in strict conformance with applicable federal, state, and local laws and regulations, including those relating to privacy and confidentiality. Student’s records may only be accessed by authorized individuals and personnel. Questions as to whether student records should be released and/or distributed should be directed to the agency’s Privacy Officer and/or Compliance Officer when appropriate.
* Records will be stored in a systemized manner that preserves confidentiality and takes into consideration environmental elements.
* Security of electronic records shall be in compliance with HIPAA and FERPA regulations.

**3. Individuals Excluded from Federal and State Education Programs**

It is the policy of the Company not to enter into employment, contractual or business arrangements, in any capacity, with individuals or entities that are barred or excluded from participating in federal or state education programs. This shall be accomplished through screening programs, which include reviewing 1) (PETS website ) Department of Education Fingerprint, 2) (SCR website) State Central Registry For Child Abuse And Maltreatment data base, 3) (SEL) Staff Exclusion list.

**4.** **Conflicts of Interest**

It is the policy of the Company that all Staff Members avoid any and all activities that conflict with their responsibilities and obligations to the Company and its Students.

The policies and procedures relating to conflicts of interest include, but are not limited to, the following:

* Staff Members must not have an interest in or serve as director, officer, manager, or member of any entity in competition with the Company, without permission.
* Any members, manager, officer, director, employee, contractor or agent who performs work or renders services for any competitor of the Company or for any organization which does business with or seeks to do business with the Company outside of the normal course of his or her employment or other engagement with the Company shall notify the Corporate Compliance Officer or CEO
* Business with any Company vendor, supplier, contractor, or agency, or any of their officers or employees that is not conducted on behalf of the Company is prohibited, unless previously authorized by the Compliance Officer or CEO.
* Staff Members shall not permit their names to be used in any fashion that would tend to indicate a business connection with any organization which does business with or seeks to do business with the Company without the prior approval of the Compliance Officer or CEO.
* The Company shall not be represented by a member, manager, officer, director, employee, contractor or agent in any transaction in which he or she or an immediate family member has a personal financial interest.
* Staff Members should not discuss any confidential information with anyone outside of the Company. This confidential information includes, but is not limited to, personnel data, student lists, clinical and educational information, financial data, research data, techniques, computer software, and information with a copyright, financial results or business dealings.
* Staff Members shall not accept any gifts, including discounts, from prospective or current suppliers and/or contractors.
* Staff Members shall not engage in any activities or outside interests that influence their ability to make objective decisions in the course of their job responsibilities.
* Staff Members are expected to disclose potential conflicts of interest involving themselves or their immediate family members (spouse, parents, brothers, sister, and children) to the Compliance Officer using the agency’s “Conflict of Interest Disclosure Statement” form.

**5.** **Billing and Claims Reimbursement**

It is the policy of the Company to comply with all relevant billing and claim reimbursement requirements. All personnel involved in coding, billing and claims submissions must maintain high ethical standards and must know and adhere to all requirements for the health care industry, including all rules and regulations pertaining to coding, billing, claims submission and reimbursement, including, among others, Department of Education regulations. All billing personnel are expected to attend training and education sessions. Billing personnel will be regularly monitored to ensure that they are not engaging in any activity which may be fraudulent or abusive under the Department of Education regulations. Compensation for billing department personnel and billing consultants will not offer any financial incentive to submit claims regardless of whether they meet applicable coverage criteria for reimbursement or accurately represent the services rendered.

All Staff Members are required to promptly report all known or suspected violations of the Company billing policies to their immediate supervisor, Compliance Officer or CEO, or other designated party, in accordance with the agency’s Policy and Procedures entitled “Internal Reporting of Compliance Related Matters.”

**6. Compliance Training and Education**

It is the policy of the Company as part of its continued commitment to compliance with legal requirements, to conduct mandatory annual compliance and policy education and training for all of the Company’s members, managers, officers, directors, employees, contractors, agents, and other education professionals.

Each Staff Member is required to participate in a minimum of one (1) hour annually of basic compliance training and education. Individuals involved in specialty fields such as coding, claims development and billing will require additional compliance training and education addressing documentation, claims, billing, and fraud and abuse issues. Additional training attendance may be required as part of an employee performance improvement measure or action plan. Attendance at educational and training sessions is the responsibility of each Staff Member and will be documented. In addition to periodic training and in-service programs, the Company will distribute any relevant new compliance information to affected Staff Members.

**7. Employee and Other Association with the Agency Screening**

It is the policy of the Company to ensure that its members, managers, officers, directors, employees, agents and independent contractors are properly screened in accordance with agency procedures, and in compliance with applicable laws and regulations, prior to employment or engagement with the Company, and periodically during their tenure with the Company. Offers of employment or engagement, as well as continued employment and engagement, shall be contingent upon satisfactory screening.

**8. Monitoring and Auditing**

It is the policy of the Company to ensure that the agency, its members, managers, officers, directors, employees, contractors and agents conduct business and activities in compliance with all applicable laws, rules, regulations and other directives of the federal, state and local governments, departments and agencies. In this regard, and in furtherance of this policy, the Company shall conduct periodic audits designed to address relevant compliance issues. Audits may be conducted by internal or external auditors, and will be overseen by the Compliance Officer.

**9.** **Internal Reporting of Compliance Related Matters**

It is the policy of the Company to maintain and internal reporting mechanism for all members, managers, officers, directors, Staff Members, contractors, and agents to report actual or perceived violations of the Company’s Code of Conduct, Compliance Program, policies and procedures and applicable laws and regulations.

Anyone with knowledge of an event, occurrence or activity that appears to violate applicable laws and regulations, the Company’s Code of Conduct or any of its policies or procedures should promptly communicate the actual or perceived violation to their immediate supervisor, the CEO, the Compliance officer or other designated party.

If the individual reporting prefers not to report the matter to a supervisor, the CEO, Compliance Officer or other designated party he/she should call the Company’s Compliance Hotline at (347) 432-8271. Callers to the hotline will remain anonymous.

**THERE WILL BE NO RETALIATORY ACTION TAKEN AGAINST INDIVIDUALS WHO CONDUCT SELF-EVALUATIONS OR AUDICTS, INVESTIGATE ISSUES, OR REPORT IN GOOD FAITH TO THE AGANCY OR ANY GOVERNMENTAL OFFICIAL OR AGENCY. RETALIATION OR ANY FORM OF REPRISAL BASED ON AN INDIVIDUAL’S GOOD FAITH REPORTING OF POTENTIAL FRAUDULENT CLAIMS OR ACTIVITY IS STRICTLY PROHIBITED, WILL NOT BE PERMITTED OR TOLERATED, AND WILL BE FULLY AND COMPLETELY INVESTIGATED BY THE COMPANY. MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS AND AGENTS ARE EXPECTED TO REPORT ANY POSSIBLE INSTANCES OF RETALIATORY ACTION IMMEDIATELY TO THE COMPLIANCE OFFICER, CEO, MANAGING MEMBER, OR OTHER DESIGNATED PARTY.**

**10. Investigations of Compliance Reports**

It is the policy of the Company to make reasonable inquiry into any report concerning activity, which may be contrary to applicable laws and/or regulations. Upon receipt of a report, which suggests that improper conduct has occurred, an investigation either under the direction and control of legal counsel, the CEO or the Compliance Officer may be commenced. The investigative techniques used shall be implemented in order to facilitate the correction of any practices not in compliance with applicable laws and/or regulations and to promote, where necessary, the development and implementation of policies and procedures to ensure future compliance.

**11. Questions or Concerns**

The Company encourages and invites all members and all employees, to raise questions or concerns, and seek clarification regarding aforementioned laws, rules, regulations or related policy issues with the CEO, the Compliance Officer or other designated party.

**NATA’S KIDS INC.**

**CERTIFICATION OF RECEIPT**

**OF**

**CODE OF CONDUCT AND POLICIES AND PROCEDURES**

**Acknowledgement**

**I HAVE RECEIVED THE NATA’S KIDS INC’S CODE OF CONDUCT AND POLICIES AND PROCEDURES, AND I UNDERSTAND AND AGREE TO CONDUCT MYSELF IN ACCORDANCE AND IN FULL COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS, RULES AND REGULATIONS, AND THE NATA’S KIDS INC’S CURRENT CODE OF CONDUCT, POLICIES AND PROCEDURES.**

**I ACKNOWLEDGE THAT I HAVE A DUTY TO REPORT ANY ALLEGED OR SUSPECTED VIOLATION OF THE PROVISIONS OF THE CODE OF CONDUCT AND POLICIES AND PROCEDURES TO COMPLIANCE OFFICER OF NATA’S KIDS INC. I ACKNOWLEDGE THAT I HAVE THE DUTY TO IMMEDIATELY DISCLOSE IN WRITING TO THE COMPLIANCE OFFICER ANY PROPOSED OR ACTUAL EXCLUSION OR OTHER EVENT THAT MAKES ME INELIGIBLE TO PARTICIPATE IN THE CONTRACTUAL RELATIONSHIP OR EMPLOYMENT WITH THE NATA’S KIDS INC.**

**I FURTHER CERTIFY THAT I AM NOT AWARE OF ANY CIRCUMSTANCES THAT COULD REPRESENT A POTENTIAL VIOLATION OF THE COMPLIANCE PLAN AND CODE OF CONDUCT. I WILL REPORT ANY POTENTIAL VIOLATION OF WHICH I BECOME AWARE PROMPTLY TO THE COMPLIANCE OFFICER OF NATA’S KIDS INC. I UNDERSTAND THAT ANY VIOLATION OF THE CODE OF CONDUCT OR THE POLICIES AND PROCEDURES ARE GROUNDS FOR DISCIPLINARY ACTION, UP TO AND INCLUDING DISCHARGE FROM MY EMPLOYMENT OR CONTRACT WITH NATA’S KIDS INC.**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*Signature*

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*Print Name*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *Date*