

ETHICS GUIDELINES FOR ALL ESDC EMPLOYEES

These guidelines are intended to apply to all ESDC employees and to employees of ESDC subsidiaries. Any questions as to the applicability of a guideline to a particular employee should be directed to the ESDC General Counsel.

I. Guidelines of General Application

1. No ESDC employee shall have any interest, financial or otherwise, direct or indirect, or engage in any activity, or incur any nature, which is in conflict with the proper discharge of his or her duties in the public interest, whether such conflict be real or apparent, existing or potential.

2. Each ESDC employee shall pursue a course of conduct which will avoid encouraging the public to assume or believe that he or she is likely to engage in acts of violation of his or her trust.

3. No ESDC employee shall use his or her position to secure unwarranted privileges or exemptions for himself or herself or another.

4. No ESDC employee shall disclose or use to further his or her personal interest or the interest of another, information acquired by him or her during the course of his or her official duties, which is not public knowledge or information, including the purchase or sale of property or securities.

5. No ESDC employee shall have any direct or indirect financial interests that conflict with his or her responsibilities to ESDC; or any financial interest, direct or indirect, in any entity or business that has or is expected to have a substantial business relationship with ESDC.

6. In addition to any penalty contained in any other provision of law, any person who knowingly and intentionally violates these guidelines shall be subject to discipline, suspension or termination from ESDC.

II. Issues Arising During Course of Employment

1. No ESDC employee shall receive, or agree to receive, compensation for services in connection with any case, proceeding, application, or other matter before any State agency, if the compensation is dependent or contingent on action by the State agency.

2. No ESDC employee shall receive, or agree to receive, directly or indirectly, any compensation for appearances or services by himself or another against the interest of ESDC or the State.

3. No ESDC employee, no corporation 10% or more of the stock of which is owned or controlled by a ESDC employee, and no firm or association of which a ESDC employee is a member may:

- (i) sell any goods or services worth \$25.00 or more to a State agency;
- (ii) enter into a contract to provide goods or services with or to any private entity which contracts with a State agency unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.

4. No ESDC employee may solicit; accept, or receive any gift having a value of \$75.00 or more under circumstances in which it could reasonably be inferred that the gift was intended to influence the employee, or could reasonably be expected to influence the employee in the performance of official duties, or was intended as a reward for any official action. Gifts under \$75.00 may also be suspect and should not be accepted if they are intended to influence or reward the recipient.

5. No ESDC employee may enter into any agreement, express or implied, for any compensation for any services, case, proceeding, application or other matter before a State agency regarding:

- (i) purchase, sale, rental or lease of real property, goods or services or a contract;
- (ii) any proceeding relating to rate making;
- (iii) adoption or repeal of any rule or regulation having force and effect of law;
- (iv) obtaining grants of money or loans.
- (v) licensing; or
- (vi) anything related to franchises described in the public service law.

6. No ESDC employee, while involved with an entity on ESDC's behalf, may discuss with representatives of that entity possible future employment at such entity nor should an employee participate in any activity on behalf of ESDC with respect to an entity with which he or she is negotiating or has made arrangements for post-ESDC employment, except with prior written approval from the ESDC Chief Operating Officer.

III. Prohibition Against Investment In ESDC Bonds

No ESDC employee involved in the issuance of ESDC bonds may invest in or purchase ESDC bonds during his or her term of employment with ESDC. Investments in municipal bonds or other governmental obligations, including obligations of the Federal Government, the State or any of their agencies or subdivisions, excluding ESDC's bonds, are permitted. Caution must be

exercised in making such investments where the employee is privy to information by reason of his or her employment activities that is not public information at the time of his or her investment. Investments in bond funds, which may include ESDC bonds in their portfolio, are permitted. See generally, Section I, ¶4, above.

IV. Honoraria and Travel Reimbursement

“Honorarium” shall mean

(i) a payment, fee or other compensation to an employee for services rendered by the employee which are not related to the employee’s official duties, which payment, fee or other compensation is made as a gratuity, or as an award or honor, e. g., for delivering a speech, writing or authorizing an article or publication or attending a meeting or conference, and

(ii) a payment, whether to a lodging site or a provider of transportation, for travel expenses made to or on behalf of an employee, or reimbursement made to the employee for travel expenses incurred, for such services rendered by an employee not related to the employee’s official duties.

“Honorarium” shall not mean

(i) a travel payment in the form of a gift from a relative; or

(ii) a payment in lieu of an honorarium made to ESDC or the State or a travel payment provided by non-governmental sources for activities related to an employee’s appropriate or authorized outside employment.

1. No ESDC employee shall accept an honorarium or travel reimbursement from an entity or person other than ESDC unless participation in the event for which the honorarium or travel reimbursement is offered and acceptance of the honorarium or travel reimbursement have been approved in writing by the ESDC Chief Operating Officer, in advance of acceptance of the invitation. In considering whether such approval will be granted, the ESDC Chief Operating Officer will consider whether the entity or individual offering the honorarium or travel reimbursement is an individual who or an organization which:

(i) does business with or has contracts with either ESDC or a ESDC employee in his or her official capacity on behalf of the ESDC;

(ii) attempts to influence either ESDC or the individual in his or her official capacity on behalf of ESDC;

(iii) is involved in litigation against ESDC; or

(iv) has received or applied for funds from ESDC during the previous calendar year, up to the date of the proposed receipt of the honorarium.

2. Without the prior written approval of the ESDC Chief Operating Officer, no ESDC employee may use State equipment, personnel and time to prepare a speech or publication or render a service for which an honorarium is offered. Prior approval may not be granted unless the employee can demonstrate that the honorarium will be paid by the granting organization or individual directly to the general fund of the State or to such ESDC account as is appropriate, and that the speech to be delivered or services to be rendered is related to the covered individual's professional interest or discipline. If the honorarium is in the nature only of travel expense reimbursement, then the employee must demonstrate that the travel expenses could be paid by ESDC consistent with its travel reimbursement policies, that the expenses being reimbursed relate only to the employee and are at a rate not greater than ESDC's rate of reimbursement and that the period for which travel expenses are paid not longer than that reasonably required for the event in question.

3. Upon approval by the ESDC Chief Operating Officer for the receipt of an honorarium, ESDC must file each approval of acceptance of an honorarium or travel reimbursement with the State Ethics Commission.

4. Procedures for Obtaining Approval. Prior to committing to an activity for which an honorarium or travel reimbursement has been offered, any ESDC employee who wishes to accept the honorarium or travel reimbursement or use ESDC personnel, time and equipment in connection with the activity, must submit a request for approval to the ESDC General Counsel. The request should set forth in reasonable detail the circumstances of the service which will be rendered, a description of the organization for whom the service will be rendered, and the relationship between the ESDC employee and the organization for whom the service will be rendered. The request must include a certification by the ESDC employee that, to the best of his or her knowledge, the individual or organization to whom the services are to be rendered:

- (i) does no business with ESDC;
- (ii) does not attempt to lobby or to influence actions or positions on legislation or rules affecting ESDC;
- (iii) is not involved in litigation against ESDC; and
- (iv) has neither received nor applied for funds from ESDC at any time during the previous calendar year, up to and including the date of the proposed receipt of the honorarium.

The ESDC General Counsel will forward the request, together with his or her recommendation whether it should be granted, to the ESDC Chief Operating Officer, who will either approve or disapprove the request. A written explanation will be given in connection with any request that is disapproved.

V. Limitations on Outside Activities of ESDC Employees

A. All ESDC Employees

1. No ESDC employee who is classified as an exempt employee* may engage in any private employment, profession or business or other activity from which more than \$1,000 annual compensation is received or anticipated without obtaining prior written approval from the ESDC Chief Operating Officer. ESDC employees who have been designated as policy makers are further governed by the guidelines set forth in Section V. B., below.

2. Any ESDC employee who becomes a declared candidate for a full-time elected position must resign his or her employment with ESDC. The resignation must be effective at the point when active fund-raising commences and, in all events, must be effective before the date of filing to put oneself on the ballot.

3. Regardless of whether it is a compensated position, no ESDC employee may hold public office or other public employment without prior notice being given to the ESDC Chief Operating Officer. This notice provision is intended to insure that all appropriate steps are taken both by the employee and by ESDC to avoid any appearance of impropriety that might be created by the outside activity. For these purposes, term "public office or other public employment" shall be broadly construed to include, *inter alia*, service on public advisory boards, community boards, business improvement districts. ESDC employees who have been designated as policy-makers are further subject to the guidelines in Section V. B., below.

4. Except for employees designated as policy makers, a ESDC employee may not be a candidate for elected office which would be a part time position or serve as an officer of any political party or political organization, including political clubs, or serve as a member of a political party committee including political party district leader, or serve as a member of a national committee of a political party while on the ESDC payroll without the prior written approval from the ESDC Chief Operating Officer. The ESDC Chief Operating Officer may only approve such activities if there is a written opinion by the General Counsel that there is no likely conflict between the proper and effective discharge of the individual's duties and responsibilities at ESDC and those of the public office of political office being pursued.

5. No ESDC employee may use his or her official ESDC title in advertisements or other publicity for charitable causes unless all other participants will be using their titles in the publicity materials and there is a clear notation next to the ESDC employee's name and title that the title is being used for identification purposes only.

B. Policy-Makers

1. ESDC employees designated as policy-makers are prohibited from serving as officers of any political party or political organization, including political clubs, and from serving as members of a political party district leader, and from serving as a member of a national committee of a political party.

* "Exempt employees" are employees who are paid a straight salary, *i.e.*, they do not qualify for overtime pay.

2. ESDC employees designated as policy-makers are prohibited from holding public office or other public employment, without prior approval from the ESDC Chief Operating Officer. If more than \$4,000 is to be received in annual compensation, prior approval must also be received from the Ethics Commission.

3. ESDC employees designated as policy-makers are prohibited from engaging in any private employment, professional or business or other activity where more than \$4,000 is received annually or anticipated to be received, without prior approval from the Ethics Commission. As indicated in Section V. A. 1., above, all ESDC employees are obligated to obtain written approval from the ESDC Chief Operating Officer prior to engaging in any private employment, profession or business or other activity from which more than \$1,000 annual compensation is received or anticipated.

4. ESDC employees designated as policy-makers are prohibited from serving as either director or officer of a profit-making corporation or institution, without prior approval from the Ethics Commission and the ESDC Chief Operating Officer.

5. ESDC employees designated as policy-makers may not be a candidate for public office which would be a part time position unless the Ethics Commission has approved, in writing, the individual serving in the public office while still being employed by ESDC. If approval is obtained, the candidate must take particular care to ensure that his or her positions on issues are not attributed to ESDC.

C. Procedures for Obtaining Approval

1. Prior to committing to engage of engaging in any activity for which approval by the ESDC Chief Operating Officer is required by these guidelines, the employee must submit a request for such approval to the ESDC General Counsel. The request should set forth in reasonable detail a description of the employee's job, description of the outside activity and an explanation why it neither conflicts with nor creates an appearance of conflict with the duties and responsibilities of the employee at ESDC. The request must include a certification by the employee that no actions in connection with the outside activity will occur during ESDC work hours or will utilize ESDC equipment or supplies. Within a reasonable period of time after receipt of the request, the ESDC General Counsel will forward the request, together with his or her recommendation whether it should be granted, to the ESDC Chief Operating Officer, who will, again, within a reasonable period of time, either approve or disapprove the request. A written explanation will be given in connection with any request that is disapproved.

2. Any action which must be approved by the Ethics Commission, must first be approved by the ESDC Chief Operating Officer. In order to obtain that approval, the procedure set forth in paragraph 1 should be followed.

VI. Issues Arising After Termination From ESDC

1. No person who has been a ESDC employee shall, within two years after the termination of such employment, appear or practice before ESDC or any subsidiary of ESDC or receive any compensation for services rendered by such former employee in relation to any case, proceeding or application before ESDC or any subsidiary of ESDC.

2. All former ESDC employees shall be permanently barred from appearing or practicing before any State agency or receiving compensation for any services rendered on any matter in which he or she was personally involved as a ESDC employee or which was under his or her direct supervision.