

SUFFOLK COUNTY WATER AUTHORITY

POLICIES AND PROCEDURES

**SUBJECT: CONFLICT OF INTEREST
AND DISCLOSURE**

FILE UNDER SECTION NO.: 2

EFFECTIVE DATE: July 30, 2012

POLICY NO.: 202

SUPERSEDES: September 29, 2010

APPROVED:



POLICY

As a public benefit corporation, the Suffolk County Water Authority must conduct its operations in a professional manner. The Authority expects all officers, directors and employees to adopt a high ethical standard of conduct in the performance of their duties, observe all laws and regulations governing business transactions, and use Authority funds and resources only for legitimate and ethical purposes.

Interests in contracts are prohibited pursuant to Public Authorities Law 1087, as follows:

It shall be a misdemeanor for any of the Members of the Authority, or any officer, agent, servant, or employee thereof, employed or appointed by them to be in any way or manner interested directly or indirectly in the furnishing of work, materials, supplies or labor, or in any contract thereof which the Authority is empowered by this title to make.

The Authority respects the rights of personnel in their activities outside their employment that are private in nature and which in no way conflict with or reflect upon the Authority. However, personnel must avoid conflicts of interest. A conflict of interest arises when the private interests of an employee (including Board Members and all full time, part time and temporary employees) of the Suffolk County Water Authority (hereinafter referred to as the Authority) clash with their responsibilities as employees of the Authority.

PROCEDURE

Certain situations, as outlined in the following pages, are prohibited. All situations presenting a direct conflict of interest must be avoided. All conflict of interest situations must be reported to the Chief Executive Officer. If there is any doubt as to whether a particular situation may give rise to a conflict of interest, the employee should consult with Internal Audit. If in the opinion of Internal Audit a conflict of interest may exist, the Chief Executive Officer shall present the case to the Authority Board Members.

The following situations are those that are specifically prohibited under the Authority's Conflict of Interest Policy:

1. Receipt, by the employee or a member of the employee's family (defined as related by blood, marriage, or domestic bond), of gifts, entertainment, discounts, services, loans or anything of value from suppliers, customers, or other persons with whom the Authority does business. Gifts must be returned to the donor with the explanation that Authority policy will not permit acceptance of the gift. The Authority will reimburse the employee the expense of returning gifts.
2. Speculation or dealing in equipment, supplies, or materials normally purchased by the Authority.
3. Borrowing money from suppliers, customers, individuals or firms with whom the Authority does business loans or mortgages from banks or individuals doing business with the Authority are exempted if the terms are at current rates and the customary collateral for such transactions is provided.
4. Acquiring an interest in real estate in which it is known the Authority also has an interest, or which may improve in value because of the Authority's activities in the vicinity of such property.
5. Misusing information to which the individual has access by reason of his or her position – such as by: disclosing confidential information (e.g., confidential information of a technical, financial, or business nature or other “inside information”) to others outside or inside the business (whether or not a consideration is received), or using such information for his or her own or family's (as previously defined) benefit.
6. Soliciting funds or other items of value from Authority vendors, suppliers or consultants for oneself or to benefit any other organization, club or person, be the organization, club or person charitable, religious, profit-making, etc.
7. Providing or being in any way or manner interested directly or indirectly in the provision of work, materials, supplies, labor or information for any off-duty plumbing or other services that require Authority inspection and/or approval (including but not limited to installing private service lines, installing backflow prevention devices and expediting water supply applications) to existing or future Authority customers.

Also, previous resolutions of the Authority are herein included as follows:

The Authority shall not employ relatives of employees as defined to mean an employee's spouse, child, stepchild, stepparent or direct descendant of grandparents of the employee as defined in the New York State General Municipal Law 810.

All non-union employees, officers, deputy officers, executive directors, directors, managers or supervisors shall not hold political party leadership in Village, Town, County, State or Federal political organizations.

The following situations are some, but not all, of those situations that must be disclosed:

1. Holding more than one percent financial interest, directly or indirectly (as an owner, stockholder, securities holder in a publicly owned corporation, partner, joint ventures, creditor, guarantor, director, trustee, or beneficiary of a trust) in a firm that provides services or supplies materials or equipment to the Authority, or in a firm to which the Authority makes sales or provides services, or engaging in such activities with the Authority as an individual.
2. Serving as an employee, owner or consultant of another organization providing goods and/or services to the Authority or its customers, or functioning individually and providing said services to the Authority or its customers.
3. Receiving compensation for services rendered to other employees (e.g., plumbing work, electrical work, legal services, accounting and tax services, etc).
4. Membership on or employment by any governmental or political board, commission, committee, council or other body that has jurisdiction within the area serviced by the Authority.
5. Membership on or employment with any entity where such employment, service or membership is incompatible with the proper discharge of official duties, or would impair independent judgment or action in the performance of official duties.
6. Selling goods, services or other items of value to Authority vendors, suppliers or consultants for oneself or to benefit any other organization, club or person be the organization club or person charitable, religious or profit making, etc.

The Suffolk County Water Authority Office of Internal Audit shall be responsible for the distribution of this policy and the submissions of and compliance with Conflict of Interest/Disclosure forms relating thereto. Non-compliance or violation shall be reported by the Office of Internal Audit to the Chief Executive Officer who shall present the case to the Authority Board members for appropriate review, action and written determination.

The Human Resources Department shall secure a completed Conflict of Interest form from all new employees at the time of hire and forward said form to Internal Audit.

Each January, Internal Audit shall be responsible for the distribution of this policy and a Conflict of Interest disclosure form to all employees. Internal Audit shall report to the Chief Executive Officer any employee refusing or failing to complete and return this form. Any employee, after appropriate investigation, found in violation of any portion of this policy may be subject to immediate disciplinary action up to and including termination of employment.