

## SDCRAA HUMAN RESOURCES STANDARDS AND PROCEDURES

Section: **Workplace Practices**  
Standard: **CONFLICTS OF INTEREST**  
Section #: **D-2**  
Effective: May 13, 2008

See Also: Equal Employment Opportunity; Outside Employment; Employment of Relatives and Individuals with Close Personal Relationships; Workplace Privacy; Personal Use of Authority Property; Harassment and Other Prohibited Conduct; Formal Discipline; Corrective Action;

### ***GENERAL STANDARDS***

The Authority consistently demonstrates its commitment to high standards of trust, honesty, and integrity and adhering to principles of ethical conduct and standards in all aspects of its business operations. These principles, and the values on which they are based, also govern the Authority's relationships with its employees, vendors, local communities, and industry associations.

Employees are expected to understand and follow the Authority's principles of ethical conduct and standards in every aspect of their performance and as they assume and carry out their responsibilities. Employees are expected to exercise good judgment so their decisions, actions, and conduct are consistent with the letter and spirit of the Authority's principles and standards.

It is incumbent upon each employee to recognize and demonstrate that strong ethical standards are a fundamental way of life for the Authority and that such standards must be evident in both the fact and the appearance of all the Authority does. To that end, the Authority strives to create an atmosphere that encourages free discussion of ethics and related issues, expecting that voluntary employee commitment to and compliance with the letter and spirit of this Standard. In addition, employees are responsible for assisting the Authority in maintaining high ethical standards by reporting any situations, practices or conduct that may be in violation of this Standard, without fear or retaliation or adverse action.

## ***PRINCIPLES OF ETHICAL CONDUCT***

In carrying out their responsibilities, all Authority employees are expected to adhere to the following principles of conduct:

1. Employees will demonstrate scrupulous honesty and ethical behavior in their personal conduct, business operations, and management practices, avoiding any conduct or action that would create the appearance of violating legal or ethical standards.
2. Employees will exercise their discretion in business decisions and dealings with co-workers, vendors, consultants, tenants, and others in a fair, objective, and truthful manner.
3. Employees will not place themselves in any situation, pursue any interest, or demonstrate any conduct that conflicts, or appears to conflict, or has potential to conflict and/or interfere with performing their jobs and carrying out their responsibilities in an impartial manner. This requirement extends to the acceptance of gifts from vendors, suppliers, tenants, and others with whom the Authority has business relationships when such gifts exceed the Authority's limits.
4. Employees will maintain and respect the confidentiality of information about Authority employees and the Authority.
5. Employees will exhibit mutual respect in their interactions with co-workers, tenants, customers, and others through civil, courteous, and business-like behavior.
6. Employees will respect others and participate in maintaining a work place free of unlawful or inappropriate conduct, including discrimination or harassment of any kind.
7. Employees will take initiative to resolve any situations in their area of responsibility that are inconsistent with legal requirements or these principles, and will report any other situations or actions that may appear to be in violation of same.

## **STANDARDS FOR ETHICAL PERFORMANCE**

No employee of the Authority shall:

1. Release confidential information about members, co-workers, the Authority, or other parties to individuals who have no business reason for access to the information.
2. Take any action or engage in any conduct that violates the law and/or regulations governing conduct of the Authority's business.
3. Take any action on a matter in which s/he or a member of the employee's family or personal household has a personal or economic interest or in circumstances under which their impartiality may be questioned. This prohibition also applies in situations involving business organizations in which the employee or a member of the employee's family or household serves as an officer, director, trustee, general partner, or employee.
4. Misuse his/her position for personal or another's private gain.
5. Accept a gift or gratuity of any amount or value from anyone in exchange for special consideration.
6. Accept a personal gift, gratuity, service, bribe, or reward from any person business or organization with business interests with the Authority without prior discussion with management to ensure no conflict of interest or ethical violation may or would exist. (Note: An exception may be made for gifts of minimum value.)
7. Obtain, use, or divert any Authority property for personal use or benefit; or remove from the premises, alter, or destroy any Authority property without prior approval from management.
8. Knowingly report information of material importance to the Authority inaccurately or dishonestly, including attendance reports, or applications for employment and benefits.
9. Fail to report any action, conduct or situation they reasonably believe may represent a violation of the Authority's legal and ethical obligations.

10. Engage in any other conduct that would be viewed by a reasonable, prudent individual as representing a breach of these principles and standards.

## ***GUIDELINES AND PROCEDURES***

The Human Resources Department personnel and managers are responsible for administering this Standard and for training, informing, and updating employees on its requirements.

Employees are permitted to accept standard business gifts of limited intrinsic value, such as lunches, refreshments, or other items, provided acceptance of such gifts does not create a conflict, violate provisions of the Principles of Ethical Conduct, or violate the Authority's Codes or state law.

If an employee receives a gift that cannot be accepted, the employee shall return the gift. If the gift is perishable or not practical to return, the gift, with management approval, may be shared in the office or given to a charity.

Employees who believe they may be in a potential conflict of interest situation with respect to a pending business decision should discuss the situation with their manager and, if warranted, with the Director, Human Resources and the General Counsel. An employee should remove him or herself from the decision process if a conflict of interest is determined.

Employees may report a potential violation of legal requirements or provisions of the Authority's principles of ethical conduct and standards to an individual in their management chain of command or the Director, Human Resources. Employees may also report potential violations to the President/CEO if they believe the seriousness of the situation warrants such.

Managers who receive reports of potential legal or ethics violations from members of their staff or other sources must notify the Director, Human Resources, immediately. The Director, Human Resources will conduct or coordinate a thorough investigation. If warranted, the Director may refer the matter to an outside agency for investigation.

Any employee of the Authority found to have engaged in conduct in violation of

this Standard will be subject to corrective or disciplinary action, up to and including termination of employment.

Conduct involving theft, fraud, embezzlement, or other unlawful activity is subject to immediate termination of employment, without regard to the dollar amount involved. Further, it is the practice of the Authority to pursue prosecution of employees found to have engaged in unlawful activities to the fullest extent permitted by law, except in situations in which there are compelling mitigating circumstances.

If there is uncertainty as to whether a certain transaction, activity, or relationship constitutes a conflict of interest, employees should discuss the situation with the immediate supervisor or the Director, Human Resources, for clarification. While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts that employees should avoid include the following:

1. Accepting personal gifts, service, or entertainment from customers, vendors, or tenants;
2. Working for an Authority vendor, tenant, or customer without prior approval from management;
3. Engaging in self-employment in competition with the Authority;
4. Using Authority property or labor for personal use;
5. Releasing confidential information about Authority employees or Board members, the Authority, or other parties to individuals who have no business reason or legal authority for access to the information;
6. Misusing/using their positions for personal or another person's private gain;
7. Committing the Authority to give its financial or other support to an outside activity or organization; or
8. Developing a personal relationship with a subordinate employee of the Authority or with an employee of a competitor, supplier, or customer that

interferes with exercising impartial judgment in decisions affecting the Authority or any employees of the Authority.

Failure to adhere to this Standard, including failure to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

Note: Attendance at official functions where an employee attends as a representative of the Authority may constitute a “gift,” so it is necessary to obtain clarification from General Counsel before accepting an invitation to attend. Items received by commercial delivery, or where initial refusal is not possible, should be returned to the sender unless the cost of returning the items is greater than the value of the gift. Food items can be accepted provided they are placed in an open area available to other employees and/or the general public.