



Metropolitan Transportation Authority

Corporate Governance Committee Meeting

November 2014

Committee Members

T. Prendergast, Chairman

F. Ferrer, Vice Chairman

J. Ballan

A. Cappelli

S. Metzger

J. Molloy

M. Pally

A. Saul

J. Sedore, Jr.

MTA Corporate Governance Committee Meeting

347 Madison Ave. - 5th Floor Board Room

New York, NY 10017

Monday, 11/17/2014

2:45 - 3:45 PM ET

1. Public Comments

2. Approval of Minutes

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3. Review MTA By-Laws

By-Laws - 07-24-2013 - Page 6

4. Presentation on Compliance with Procurement Lobby Law

5. Review 2015 Committee Work Plan

Work Plan 2015 Corporate Governance Committee - Page 13

6. Review Governance Committee Charter

Committee Charter - Corp. Gov. 02-26-2014 - Page 14

7. Review MTA Whistleblower Protection Policy (Action Item)

Staff Summary - Whistleblower Policy - Page 17

Whistleblower Policy Redline Updates - Page 18

8. Review Revisions to the MTA All Agency and Board Member Code of Ethics (Action Item)

Staff Summary - Code of Ethics - Page 22

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Board Members' Code of Ethics Redline Revisions - Page 60

MINUTES OF THE MEETING
MTA Corporate Governance Committee
March 24, 2014
347 Madison Avenue
New York, New York

The following MTA Corporate Governance Committee members were present:

Hon. Thomas F. Prendergast, Chairman
Hon. Fernando Ferrer, Vice Chair
Hon. James Ballan
Hon. Susan Metzger
Hon. John Molloy

The following MTA Corporate Governance Committee members were absent:

Hon. Allen P. Cappelli
Hon. Michael Lebow
Hon. Mitchell Pally
Hon. David Paterson
Hon. Andrew Saul
Hon. James Sedore, Jr.

MTA Board member Hon. Robert C. Bickford also attended the meeting.

The following MTA staff attended the meeting:

Catherine Rinaldi, Chief of Staff
Jerome Page, General Counsel
Lamond W. Kears, Chief Compliance Officer
Mary Bernet, Senior Associate Counsel

* * *

Chairman Prendergast called the March 24, 2014 meeting of the MTA Corporate Governance Committee to order at 3:27p.m.

Public Comments Period

There were no speakers in the public comments portion of the meeting.

Approval of Minutes

Upon motion duly made and seconded, the Committee approved the minutes of the Committee meeting held on February 24, 2014.

1. Review and Approval of Safety Committee Charter

The Chairman stated that as a result of the events that transpired over the last 12 months with Metro North in addition with conversations with both the Blue Ribbon Safety Committee and the FRA Deep Dive it became apparent that an overarching Safety function was needed at MTA. Therefore he created a Safety Committee last month which according to Lamond Kears requires a Charter.

Upon motion duly made and seconded the Committee approved a Charter for the Safety Committee.

2. Review and Approval of Revisions to Governance Principals

Kearse advised the Committee that the guidelines were being amended to reflect the creation of the Safety Committee.

Upon motion duly made and seconded, the Committee recommended Board approval of revisions to the Governance Principals.

3. Review and Approval of Mission Statement and Measurement Report

Catherine Rinaldi stated that Public Authorities Law requires the MTA every year to issue a report that sets forth our mission statement and performance measurements.

Rinaldi noted that there was a little bit of confusion at both the Metro North Committee and Long Island Railroad Committee meetings as to whether the numbers in this report match up with what's being reported in the committee books. Rinaldi stated that Kearse had a little bit more detail on this issue but essentially it was just a timing issue in terms of the report was covering a particular period of time which was not the same as the pages that were being referred to in the Committee books for Metro North Committee and the Long Island Railroad.

Upon motion duly made and seconded, the Committee recommended Board approval of amendments to the MTA All Agency Code of Ethics.

4. Review and Approval of Procurement Guidelines

Upon motion duly made and seconded, the Committee recommended Board approval of the Procurement Guidelines.

5. Review and Approval of Revisions to Travel and Business Expense Policy

Kearse advised the Committee that the proposed changes to the Travel Policy would allow for meal reimbursement at the GSA per diem rate for personnel required to remain on duty during emergency declared by the Governor or Chairman or during certain weather events.

Upon motion duly made and seconded, the Committee recommended Board approval of revisions to the Travel and Business Expense Policy.

6. Review of MTA Whistleblower Protection Policy

Mr. Kears stated that MTA Whistleblower Protection Policy had been reviewed and there were no recommended changes to the Policy at this time.

7. Discussion of Board Committee Schedule

Rinaldi noted that often committee meetings exceed the allotted time. She presented the Committee with multiple committee calendar meeting options with their respective advantages and disadvantages. The options included (1) no changes to current schedule or formats; (2) begin committee meetings earlier on Monday; (3) retain current schedule, but allot more time to each meeting; (4) retain current schedule, but shorten regular presentations at Committee meetings; and (5) move some committee meetings to the week preceding the Board meeting.

The Committee discussed the advantages and disadvantages of these and other options.

Adjournment

Upon motion duly made and seconded, Chairman Prendergast adjourned the March 24, 2014 meeting of the Corporate Governance Committee at 3:34pm.

Respectfully submitted

Lamond W. Kears
MTA Chief Compliance Officer

BY-LAWS METROPOLITAN TRANSPORTATION AUTHORITY

ARTICLE 1. OFFICES

The principal office of the Metropolitan Transportation Authority (the "Authority") shall be located in the City of New York, County of New York. The Authority may have such other offices as the board may designate or as the business of the Authority may require from time to time.

ARTICLE II. THE BOARD

Section 1. General Affairs. The business and affairs of the Authority shall be managed by its board.

Section 2. Number, Tenure and Qualifications. The Authority ("the board" or "the board of the Authority") as used herein shall consist of all of those persons who from time to time hold office as chairman or members of the Metropolitan Transportation Authority pursuant to §1263 of the Public Authorities Law of the State of New York. Each member shall hold office for the term established by law and until his successor shall have been appointed and qualified. Members shall meet all requirements of law respecting their qualification for office.

Section 3. Regular Meetings. Regular meetings of the board shall be held without other notice than these by-laws at 10:00 A.M. on the fourth Wednesday of each month except that there shall be no regular meeting in the month of August and except that in the months of November and December the regular meetings shall be held on the third Wednesday of the month. The board may provide by resolution for the time and place for the holding of additional regular meetings without other notice than such resolution. The chairman may adjust the date and time of any regular meeting by written notice provided to members at least forty-eight hours prior to such adjusted date and time. Such written notice shall be provided to members by the same means required by Section 4(b) of Article II of these by-laws for delivery of notice to members of special meetings.

Section 4. Special Meetings. (a) Special meetings of the board may be called by the chairman or, in his or her absence or in case of his or her disability, a vice chairman. In addition, a special meeting of the board shall be called by the secretary or in his or her absence by an assistant secretary upon the request of any two members. The person or persons authorized to call special meetings of the board may fix the time and any place within the City of New York as the place for holding any special meeting of the board called or requested by them.

(b) Written notice of each special meeting shall be given by the chairman or secretary or by an assistant secretary, specifying the time and place of the meeting. Such notice shall be addressed to each member at the

member's postal address on record with the Authority and deposited with the U.S. Postal Service at least forty-eight hours prior to the time fixed for such meeting, and in addition, sent by facsimile or email to each member having a facsimile number or email address on record with the Authority at least forty-eight hours prior to the time fixed for such special meeting. Such notice shall state the purpose of such meeting, and no business other than that stated in the notice shall be transacted at such special meeting unless every member of the Authority then in office is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting. Notwithstanding the foregoing, in the event of an emergency the chairman may call a special meeting without advance notice and by means other than the delivery of a writing to the members.

Section 5. Open Meetings. All meetings of the board shall be conducted in compliance with the provisions of the Open Meetings Law, being Chapter 511 of the Laws of 1976, as amended, and with all rules and regulations promulgated thereunder.

Section 6. Quorum. A majority of the whole number of voting members of the board as defined in §1263 (1) (a) of the Public Authorities Law of the State of New York then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority. Those members of the board appointed upon the recommendation of the chief executive officers of Dutchess, Orange, Putnam and Rockland counties (the "Hudson Valley Member" or "Hudson Valley Members") shall be considered to be a single member, and the presence of that member for purposes of determining a quorum shall be ascertained pursuant to section 10 of this article. Except as otherwise specified by law, for the transaction of any business or exercise of any power of the Authority, the Authority shall have power to act by a majority of the voting members of the board present at any meeting at which a quorum is in attendance with the chairman having one additional vote in the event of a tie vote. For purposes of determining a tie vote, an abstention shall be counted as a vote against a motion. If a meeting is validly called but a quorum is not present, a majority of the members of the board then present may adjourn the meeting from time to time without further notice.

Section 7. Attendance at Meetings. (a) Any one or more members of the board or of a committee thereof may attend a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons attending the meeting to hear each other at the same time; however, attendance by such means shall not constitute presence at a meeting for the purposes of section 6, section 8 or section 10 of this Article.

(b) Notwithstanding the provisions of Section 7(a), a member's attendance by means of videoconferencing shall constitute presence at a meeting for any purposes of this Article, *provided* (i) the public notice given for such a meeting of

such board or committee states that videoconferencing would be used to conduct the meeting and identifies each location at which members may attend the meeting; and (ii) at each such location, opportunity for public attendance at the meeting is provided.

Section 8. Presumption of Assent. A member of the board who is present at a meeting of the board at which action on any matter is taken shall be presumed to have assented to the action taken unless his abstention or dissent is stated at the meeting, which dissent or abstention shall be duly entered in the minutes of the meeting.

Section 9. Committees. The chairman may establish one or more committees of the board, each committee to consist of one or more of the members and each of which committees shall have and may exercise the powers conferred upon it by the chairman. Such committees shall have such names as shall be given them by the chairman. The chairman shall also establish such committees of the board as shall be mandated by law. Except in an emergency, the chairman and each board member shall be given advance written notice of the time and place of any meeting of any committee of the board.

Section 10. Quorum and Voting for members of the Board from the counties of Dutchess, Orange, Putnam and Rockland.

(a) The Hudson Valley Members shall be considered to be a single member. For the purposes of determining a quorum, such single voting member shall be considered present if one or more Hudson Valley Members is present.

(b) The single collective vote of the Hudson Valley Members shall be determined as follows:

(i) if at least three Hudson Valley Members are then in office: (A) if one such member is present, the single collective vote shall be recognized; (B) if two or more such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such member; (C) if two or more such members are present and two or more such members vote, the majority vote shall be recognized as the single collective vote; and (D) if two or more such members are present and two or more of such members vote but no majority is achieved, the single collective vote shall not be recognized; and

(ii) if two or one Hudson Valley Member(s) are then in office: (A) if one such member is present, the single collective vote shall be recognized as the vote of such voting member; (B) if two such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such voting member; and (C) if two such members are present and both vote, only a unanimous vote shall be recognized as the single collective vote.

To evidence the single collective vote, each such member that is present may be polled as to his vote and such poll shall be recorded in the minutes.

ARTICLE III. OFFICERS

Section 1. Number. The officers of the Authority shall be a chairman, one or more vice chairmen (the number and exact designation thereof and the separate functions to be determined by the board if there is more than one), an executive director, if one is appointed by the chairman, a counsel, other senior officials (the number and exact designation thereof and the separate functions to be determined by the chairman), and a secretary. The chairman shall be appointed and shall serve as provided by law. The vice chairmen shall be appointed by the board, upon recommendation by the Chairman, and shall serve at its pleasure. The executive director, if one is appointed by the chairman, shall serve at the pleasure of the chairman. Other senior officials, the counsel, and the secretary shall be appointed by the chairman and shall serve at the pleasure of the chairman. Such other officials or employees as may be deemed necessary may be appointed by the chairman, and each shall serve at the pleasure of the chairman.

Section 2. Chairman. (a) The chairman shall serve as the chairman of the board of the Authority and as the chief executive officer of the Authority. The chairman shall be responsible for providing leadership to the board as it oversees the management of the Authority. The chairman shall preside at all meetings of the board. The chairman may delegate any or all of his or her powers relating to the leadership of the board to a vice-chairman. In the event of a tie vote, the chairman may cast an additional vote.

(b) The chairman shall also serve as the chief executive officer of the Authority. As chief executive officer of the Authority, the chairman shall be responsible for the discharge of the executive and administrative functions and powers of the Authority.

Section 3. The Vice Chairman. In the event of the chairman's death or inability to act, or in the event the position of chairman is for any other reason vacant, a vice chairman designated by the board shall perform the duties of the chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman. Such powers and duties shall terminate upon the appointment by the Governor of a successor chairman as provided by law or upon the cessation of the chairman's inability to act.

Section 4. Such Other Officials and Employees. The chairman may, in his or her judgment, appoint such other officials and employees, including an executive director, as shall in his or her judgment be needed to discharge the executive and administrative functions and powers of the of the Authority. The chairman may delegate such of his or her powers relating to the discharge of the executive

and administrative functions, including the administration and day to day operations of the Authority as the chairman may deem appropriate to such other officials and employees.

Section 5. The Agency Presidents. The presidents of the subsidiary and affiliate agencies of the Authority are primarily responsible for the general management and operation of their agencies.

Section 6. The Secretary. The secretary shall keep the minutes of the proceedings of the board, see that all notices are duly given as required by law, be custodian of the corporate records and of the seal of the Authority, see to it that the seal of the Authority is affixed to all documents the execution of which on behalf of the Authority under its seal is duly authorized, and in general shall perform all duties incident to the office of secretary. The chairman may appoint one or more assistant secretaries who may perform the duties of the secretary in the event of the absence, disability or incapacity of the secretary.

Section 7. Salaries. The salaries fixed by the chairman for those officers and employees appointed by the chairman shall at all times be within the amounts budgeted therefore by the board.

ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board.

Section 4. Deposits. All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board may select.

ARTICLE V. FISCAL YEAR

The fiscal year of the Authority shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE VI. CORPORATE SEAL

The board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Authority and the words "Corporate Seal".

ARTICLE VII. INDEMNIFICATION

The Authority shall save harmless and indemnify any person (or his or her estate) who shall have served as a member, officer or employee of the Authority or of a subsidiary of the Authority against financial loss, including punitive damages, or litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Authority or of a subsidiary of the Authority, or (b) any act or failure to act by any such member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority or its subsidiaries, or the discharge of his or her duties as a fiduciary of a benefit plan for Authority employees or employees of a subsidiary of the Authority. In the event any such claim, demand, suit, action or proceeding shall occur, such member, officer or employee shall be saved harmless and indemnified as herein provided unless such individual is determined by the Authority or its designee not to have acted, in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority or of its subsidiaries or affiliates, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful. The provisions of this Article shall inure only to the members, officers and employees of the Authority or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. The foregoing shall be conditional on (a) the prompt delivery to the Authority of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding; and, in civil cases only, (b) a contemporaneous offer to name counsel to the Authority as counsel to the member, officer or employee in the defense of such claim, demand, suit, action or proceeding; (c) the full cooperation of the member, officer or employee, in the event the offer is accepted, in making of such defense; and (d) an agreement that the Authority may enter into a settlement on behalf of the member, officer or employee. If the Authority or its designee determines that the defense shall not be provided by counsel for the Authority because of a conflict of interests or other grounds warranting separate counsel, the member, officer or employee may select another attorney and the Authority shall pay reasonable attorney's fees and

expenses incurred by or on behalf of such member, officer or employee represented by outside counsel. The Authority's payment of such fees and expenses may be conditioned upon the member, officer or employee's agreement that more than one member, officer or employee shall be represented by the same counsel. The provisions of Section 18 of the Public Officers Law relating to defense and indemnification shall supplement and be available in addition to the provisions of this Article; provided, however, that in the event of any conflict between the substantive provisions of this Article and those of Section 18 of the Public Officers Law, the provisions that afford the greater protection to such members, officers and employees shall control. In the event that the chairman or other member requests indemnification under this by-law, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor is entitled to indemnification under the by-law, such request shall be submitted to the board for determination. In the event that an officer or employee, other than the chairman, requests indemnification under this by-law, the counsel for the Authority shall review and act upon such request; provided that if upon review, the counsel believes that the facts and circumstances warrant denial of such request or raise serious question as to whether the requestor may be entitled to indemnification under the by-law, such request shall be submitted to the chairman or his or her designee for determination. The provisions of this Article replace and supersede the provisions of the prior Article VII governing Indemnification, and govern any claim, demand, suit, action or proceeding that is pending as of the date of the adoption of this Article.

ARTICLE VIII. AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by the board at any regular or special meeting as to which nature of the proposed alterations, amendments or repeals have been sent in writing to the members of the board together with the notice of meeting if it is a special meeting or if at a regular meeting at least seventy-two hours in advance of such regular meeting.

2015 CORPORATE GOVERNANCE COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

	<u>Responsibility</u>
Approval of Minutes	Committee Chair & Members
Governance Committee Work Plan	Committee Chair & Members
Follow-up Items	As Appropriate
Review of any Significant Governance Issues	Chief Compliance Officer
Executive Sessions	As Appropriate
Action items	As listed

II. SPECIFIC AGENDA ITEMS

March 2015

Responsibility

1. Presentation on Recent Developments in Corporate Governance _____ Chief Compliance Officer
2. Review and Approve Mission Statement and Measurement Report _____ Various Staff Members
3. Review and Approval MTA Policies in connection with Provisions of the Public Authorities Law _____ Various Staff Members
4. Review and Approve Procurement Guidelines _____ Chief Procurement Officer

November 2015

Responsibility

1. Review/Update of MTA By-laws _____ General Counsel
2. Presentation on Compliance with Procurement Lobby Law _____ Chief Compliance Officer
3. Approve 2016 Committee Work Plan _____ Committee Chair & Member
4. Review Governance Principles _____ Chief Compliance Officer
5. Review MTA Whistleblower Protection Policy _____ Chief Compliance Officer
6. Review and Approve Any Revisions to Board Committee Charters _____ Committee Chair & Members
7. Review and Approve Revisions to MTA Code of Ethics _____ Chief Compliance Officer

The Metropolitan Transportation Authority
CORPORATE GOVERNANCE COMMITTEE

This Charter for the Corporate Governance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the “MTA”), as amended on February 26, 2014.

I. PURPOSE

The Corporate Governance Committee (the “Committee”) shall assist the Board Chair and the Board in: (i) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers, and employees, and enhance public confidence in the MTA; (ii) developing, recommending to the Board and overseeing implementation of MTA policies relating to corporate governance, including the MTA Corporate Governance Principles; and (iii) reviewing on a regular basis the overall corporate governance of the MTA and recommending improvements when necessary (hereinafter referred to as the “Purpose”).

II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board and shall include the Board Chair, and the chairs of each committee of the Board. All other members of the Committee shall be appointed by the Board Chair. At all times, the Committee shall include at least one member from among those recommended for appointment to the Board by the Mayor of the City of New York. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall be the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair. No member of the Committee shall be employed by a private entity that does, or is likely to do, business with the MTA.

IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 2 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public,

and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Compliance Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

V. COMMITTEE REPORTS

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

VI. KEY RESPONSIBILITIES


The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

1. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, and management in the governance of the MTA;
2. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, any policies or documents relating to the governance of the MTA, including the MTA Corporate Governance Principles;
3. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board regarding such matters;
4. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the procurement of goods and services;
5. monitor the MTA's compliance with MTA policy and the laws and requirements of the State of New York with respect to procurement lobbying;
6. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the protection of whistleblowers from retaliation;

7. review and assess the adequacy of this Charter annually;
8. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

Staff Summary

Subject Revisions to MTA Whistleblower Policy
Department Corporate Compliance
Department Head Name Lamond W. Kearse, Chief Compliance Officer
Department Head Signature 
Project Manager Name Lamond W. Kearse

Date November 19, 2014
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	11/17/14	X		
2	Board	11/19/14	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal	44	
2	Corporate Compliance	22	
3	Chief of Staff	CAR	

Purpose:

To obtain Board authorization of the annexed whistleblower protection policy.

Discussion:

In June 2010, the MTA Board adopted the current version of the All Agency Whistleblower Protection Policy to protect MTA employees who report violations of laws, regulations, policies, or procedures against punitive sanctions, reprisals or other penalties on account of their reporting of such violations.

Subsequently, the Authorities Budget Office ("ABO") issued Recommended Guidance on a Whistleblower Access and Assistance Program to delineate best practices for use of public authorities. The proposed revisions to the All Agency Whistleblower Protection Policy make conforming changes to maintain consistency with ABO's Guidance, as well as to clarify usage of certain defined terms.

Among the changes necessitated by the ABO Guidance are that: a) the identity of the whistleblower and the substance of his or report shall be kept confidential to the extent possible; b) MTA Employees are prohibited from interfering with other MTA Employees' disclosures of a wrongful act; and c) this policy is not intended to limit, diminish or impair the rights of any MTA Employee under any provision of law or regulation.

Recommendation:

It is recommended that the Board adopt the annexed revised policy with respect to whistleblower protection.

All Agency Policy Directive

WHISTLEBLOWER PROTECTION

Policy Number	Responsible Agency/Department	Effective Date	Page
11-041	MTAHQ/General Counsel	June 23, 2010 <u>TBD November 19, 2014</u>	Page 1 of 4

I. PURPOSE

To encourage and enable the reporting by MTA employees of wrongful acts, protect MTA employees from retaliation for whistleblowing and ensure that the MTA complies with applicable law protecting whistleblowers.

II. SCOPE

This policy directive applies to all officers and employees of the MTA including MTA Headquarters (including the Business Service Center); MTA Long Island Rail Road; MTA Capital Construction Company; MTA Bridges and Tunnels; MTA Bus Company; MTA Long Island Bus; MTA Metro-North Railroad; MTA New York City Transit, including the Manhattan and Bronx Surface Transportation Operating Authority and the Staten Island Rapid Transit Operating Authority; and, any future subsidiary or affiliated entity of the Metropolitan Transportation Authority.

III. DEFINITIONS

For purposes of this policy, the following terms shall have the meaning stated below:

Adverse Action means to fire, discharge, discipline, demote, suspend, threaten, harass, or discriminate against an MTA Employee and includes, but is not limited to, an action that adversely affects an MTA Employee's compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement, or evaluation of performance.

MTA Agency means any of the following: MTA Headquarters (including the Business Service Center); MTA Long Island Rail Road; MTA Capital Construction Company; MTA Bridges and Tunnels; MTA Bus Company; MTA Long Island Bus; MTA Metro-North Railroad; MTA New York City Transit, including the Manhattan and Bronx Surface Transportation Operating Authority and the Staten Island Rapid Transit Operating Authority; and, any future subsidiary or affiliated entity of the Metropolitan Transportation Authority.

MTA Codes of Ethics mean the All-Agency Code of Ethics, the MTA Board Member Code of Ethics, and the Vendor Code of Ethics.

MTA Employee means any officer or employee of an MTA Agency and includes, but is not limited to, full-time and part-time employees, those employees on probation, temporary employees including persons hired

Issued by: MTA Board

All Agency Policy Directive

WHISTLEBLOWER PROTECTION

Policy Number	Responsible Agency/Department	Effective Date	Page
11-041	MTAHQ/General Counsel	June 23, 2010 <u>TBD November 19, 2014</u>	Page 2 of 4

on a seasonal, per diem, or part time basis.

Whistleblower means an MTA Employee who pursuant to statute or the All-Agency Code of Ethics reports a Wrongful Act or an MTA Employee who discloses information concerning a Wrongful Act, insofar as the actions taken by the MTA Employee are legal.

Wrongful Act means an act by any MTA Employee or MTA Board member, or by a person doing business with an MTA Agency, of alleged fraud, or corruption, criminal or unethical activity or violating the MTA Codes of Ethics or a law or regulation applicable to an MTA Agency and shall include an act of wrongdoing, misconduct, malfeasance or other inappropriate behavior, concerning any MTA Agency's investments, travel, acquisition of real or personal property, disposition of real or personal property, or procurements of goods or services.

IV. POLICY

A. Reporting of Wrongful Acts.

MTA Employees are encouraged to report any Wrongful Act. Such a report may be made through a number of mechanisms including, but not limited to:

- Direct contact with:
 - the MTA Chief Compliance Officer;
 - the MTA Inspector General;
 - their Agency's Ethics Officer; or
 - any other internal complaint office designated by their Agency President.
- A Report to the Hotline maintained by the MTA Chief Compliance Officer: 888-U-ASK-MTA (888-827-5682). Such a report may be made anonymously.
- A report to the New York State Authorities Budget Office.

The identity of the whistleblower and the substance of his or her report shall be kept confidential to the extent possible.

Issued by: MTA Board

All Agency Policy Directive

WHISTLEBLOWER PROTECTION

Policy Number	Responsible Agency/Department	Effective Date	Page
11-041	MTAHQ/General Counsel	June 23, 2010 TBD <u>November 19, 2014</u>	Page 3 of 4

Reports by an MTA Employee of a Wrongful Act involving corruption, fraud or criminal activity should be made to the MTA Inspector General:

Office of the Inspector General,
Metropolitan Transportation Authority
Two Penn Plaza, 5th Floor
New York, New York 10121
800-MTA-IG4U (800-682-4448)

An MTA Employee should also feel free to discuss concerns about a Wrongful Act with their supervisor, but no supervisor may discourage an MTA Employee from making a report of a Wrongful Act.

B. Investigation of Reported Wrongful Acts

1. Alleged Wrongful Acts that have been reported by MTA Employees to the MTA Chief Compliance Officer, to an Agency's Ethics Officer, or to such other internal complaint office designated by an Agency President shall be promptly investigated by the applicable MTA Agency or, in the case of reports involving alleged corruption, fraud or criminal activity, shall be referred to the MTA Inspector General for investigation.

2. No MTA Employee alleged to have been involved in a Wrongful Act shall supervise or conduct the investigation of such Wrongful Act. Each MTA Employee must cooperate fully and honestly with such investigations of alleged Wrongful Acts.

3. The findings of an investigation undertaken by an MTA Agency pursuant to this policy shall be provided to the President of the applicable MTA Agency or his or her designee, or in the case of MTA Headquarters ~~with to~~ the Chairman/Chief ~~Operating Officer~~ Executive Officer or his or her designee (unless a President ~~or the Chief Operating Officer~~ is the subject of the investigation, in which case the finding shall be discussed directly with the Chairman/Chief Executive Officer), for review and determination of what further action should be taken.

C. No Retaliation for Whistleblowing; Investigation of Adverse Action

Issued by: MTA Board

All Agency Policy Directive

WHISTLEBLOWER PROTECTION

Policy Number	Responsible Agency/Department	Effective Date	Page
11-041	MTAHQ/General Counsel	June 23, 2010 <u>TBD November 19, 2014</u>	Page 4 of 4

1. No MTA Employee shall take any Adverse Action against another MTA Employee because of such MTA Employee's lawful disclosure or reporting of information concerning a Wrongful Act or because of such MTA Employee's role as a Whistleblower. An MTA Employee is prohibited from interfering with another MTA Employee's disclosure of a wrongful act. Violations of this policy are subject to disciplinary action up to and including termination from employment.

2. An MTA Employee who has reason to believe he or she has been the target of an Adverse Action in violation of Section IV.C.1 of this policy directive, or who has reason to believe that an Adverse Action has been taken against another MTA Employee in violation of Section IV.C.1 of this policy directive, shall immediately report such suspected Adverse Action to the MTA Chief Compliance Officer or such other person as may be designated by an MTA Agency President for the receipt of such a report, and an investigation thereof shall be promptly undertaken.

3. All allegations of Adverse Actions in violation of Section IV.C.1 shall be investigated in the same manner as set forth above for investigation of claims of Wrongful Acts. Each MTA Employee must cooperate fully and honestly with such investigations of alleged Adverse Actions. An MTA Employee alleged to have been involved in an Adverse Action shall not supervise or conduct the investigation of such Adverse Action.

D. False Allegations

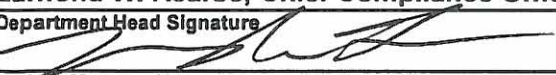
No MTA Employee may knowingly and willfully make a false report of a Wrongful Act or of an Adverse Action. Any MTA Employee who knowingly and willfully makes a false report of a Wrongful Act or of an Adverse Action is subject to disciplinary action up to and including termination of employment.

E. No Impairment of Rights

Nothing in this policy is intended to limit, diminish or impair the rights of any MTA Employee under any provision of law or regulation.

Issued by: MTA Board

Staff Summary

Subject Revisions to MTA Codes of Ethics
Department Corporate Compliance
Department Head Name Lamond W. Kearse, Chief Compliance Officer
Department Head Signature 
Project Manager Name Lamond W. Kearse

Date November 19, 2014
Vendor Name N/A
Contract Number N/A
Contract Manager Name N/A
Table of Contents Ref # N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	11/17/14	X		
2	Board	11/19/14	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Corporate Compliance		
3	Chief of Staff		

Purpose:

To obtain Board adoption of proposed amendments to the existing MTA All-Agency Code of Ethics (the "All-Agency Code of Ethics") and MTA Board Member Code of Ethics (the "Board Code of Ethics") as indicated in this staff summary.

Discussion:

In February 2014, the MTA Board adopted the current version of the All Agency Code of Ethics, which sets forth the MTA's ethical rules, including those relating to such matters as gifts, conflicts of interest, attendance at industry events, outside employment and post-employment service.

Subsequent to the adoption of the February 2014 version of the All Agency Code of Ethics, the Joint Commission on Public Ethics ("JCOPE") issued new/revised regulations on gifts, honoraria and travel reimbursement. The proposed revisions to the All Agency Code of Ethics and the Board Code of Ethics make conforming changes to maintain consistency with the JCOPE regulations, as well as to clarify usage of certain defined terms.

Among the changes necessitated by the JCOPE regulations is expansion of the definition of Prohibited Source to include entities that contract with other State agencies for the benefit of the MTA and entities that apply to the MTA for funds, and to regulate gifts between government entities and MTA employees. In addition, all references to the MTA having to report the receipt of honoraria by its employees to JCOPE have been removed. However, employees must now obtain written approval to accept honoraria.

In addition, the Board Code of Ethics has been revised to include the changes described above and to include restrictions on Board Members' political activities consistent with JCOPE's regulations. Specifically, Board Members are not permitted to serve as: (1) officers of any political party or Political Organization or (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political Organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national party convention. In addition, a Board Member interested in running for elective office shall give notice of his or her intentions to the Chairman so that a determination can be made whether, and upon what conditions, seeking elective public office would be consistent with the ethics laws and regulations.

Alternative:

Not to adopt the revised Codes of Ethics. This is not recommended, as the Codes of Ethics would not comply with the new JCOPE regulations.

Recommendation:

It is recommended that the Board adopt the revised Codes of Ethics.

CODE OF **ETHICS**



Adopted by the MTA Board
~~February 26~~November 19, 2014

Originally Issued

June 1, 2005

Revised

March 29, 2006

March 28, 2007

December 16, 2009

November 16, 2011

February 26, 2014

November 19, 2014

Additional copies may be obtained from
MTA Corporate Compliance or your Agency's Human Resources Department

Internal Control Number GRC001921



Introduction

The Metropolitan Transportation Authority provides services to more than eight million customers a day, each one of whom expects a high standard of service. As ~~Employees~~employees of the MTA, you are entrusted with the duty to provide this high standard of service. The ability to provide a high standard of service is grounded in a strong work ethic, clear corporate policies, and the dedication of a creative work force. The adherence to a strict code of ethics is central to gaining and keeping the trust of our customers.

~~The~~This Metropolitan Transportation Authority All-Agency Code of Ethics (“Code of Ethics”) applies to every ~~Employee~~employee of the MTA, including its current and future subsidiaries and affiliates. For ease of reference, this Code of Ethics will refer to all such ~~Employees~~employees as “~~MTA~~-Employees.” In addition, persons performing services for the MTA and its subsidiaries and affiliates may be subject to the Code of Ethics by contract or agreement.

There is only one Code of Ethics for the entire MTA. You are expected to become familiar with this Code, and the various applicable statutes, regulations, professional codes of ethics, and disciplinary rules. You are expected to read this Code immediately upon receipt.

The Code of Ethics is intended to provide guidance to all ~~MTA~~-Employees with respect to applicable laws governing ethical conduct and the ~~Agency’s~~MTA’s ethical standards, which sometimes exceed the requirements of State law.

While the Code of Ethics sets out specific standards, in our evolving business environment, no written code can anticipate every possible situation. However, this Code of Ethics establishes a standard against which you can measure your daily decisions and actions. The Code of Ethics is not a restatement of all applicable laws and standards; you are expected to be familiar with and comply with all laws and standards related to your specific job. The principal source of most New York State law governing the ethical conduct of public employees and officers is the Public Officers Law, the applicable provisions of which are available from the Law and Human Resources departments at each MTA Agency.

As an ~~MTA~~-Employee, you are expected to be an ethical role model. Managers and supervisors must foster an atmosphere that encourages ~~employees~~Employees to seek assistance if faced with ethical dilemmas. Every ~~MTA~~ Employee must be alert to potential ethical issues and be ready to respond appropriately.

Responsibility for compliance with the applicable rules and standards for ethical conduct, including the related financial disclosure requirements, ultimately rests with you. If you have an ethics-related question, you should ask your supervisor or the applicable Agency Ethics Committee for guidance.

Violations of the Code of Ethics or applicable statutory provisions may subject an ~~employee~~Employee to discipline up to and including dismissal and/or expose the ~~employee~~Employee to civil or criminal penalties. (See Chapter 9)

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Chapter 1: Definitions/Structure

Section 1.01 Definitions

As used in this Code, capitalized terms shall have the following meanings:

Agency Ethics Committee means the ethics committee established at each individual MTA ~~Agencies~~Agency.

All-Agency Ethics Committee means the committee comprised of the chairpersons of each Agency Ethics Committee and the Chief Compliance Officer.

Annual Statement of Financial Disclosure means the financial disclosure statement required to be filed with the Joint Commission on Public Ethics by certain ~~MTA-employees~~Employees pursuant to Public Officers Law Section 73-a and this Code.

Business means any activity, paid or unpaid, by an Employee or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other ~~thing~~things of value or operating an enterprise. Such activity may be for profit or not-for-profit.

Code means this MTA All-Agency Code of Ethics.

Confidential Information means information, whether or not set forth in writing, that is available to an Employee only because of such Employee's position within an MTA Agency and which is treated by such MTA Agency as being confidential or which the Employee has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential.

Department Head means a Department Head as that term is generally used within the applicable MTA Agency.

Employee means an officer or employee of an MTA Agency.

Employment means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

Family Member means (i) an Employee's ~~Spouse, Domestic Partner, Child~~spouse, domestic partner, child or ~~Siblings~~sibling; (ii) a person who is a direct descendant (or the spouse of a direct descendant) of a ~~Grandparent~~grandparent of the ~~MTA~~-Employee or a ~~Grandparent~~grandparent of the ~~MTA~~-Employee's ~~Spouse~~spouse or ~~Domestic Partner~~domestic partner; or (iii) a person living in the same household as an ~~MTA~~-Employee.

Fundraising means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.

Gift(s) means the transfer, without equivalent consideration, of ~~any thing~~anything or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans,



forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. **(See definition of “Items of Nominal Value” below.)** Note: The State Legislature has determined that provision of local transportation by a Prohibited Source for purposes of inspection or touring of facilities, operations or property located in New York State, where such inspection or tour is related to an Employee’s official duties or responsibilities, does not constitute a Gift.

~~**Honoraria Disclosure Unit** means the office within the applicable MTA Agency set forth in Appendix A hereto.~~

Honorarium means (a) payment, fee or other compensation in connection with a service rendered by an Employee not related to the person’s official duties, and for which MTA Agency equipment or staff are not used, which is in the nature of a gratuity or as an award or an honor (e.g., for delivering a speech, for attending a conference, for writing an article); and (b) 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 services rendered by an Employee not related to their official duties.

Items of Nominal Value means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Employee in the performance of such Employee’s official duties. For purposes of determining value, an item is not deemed reduced in value by virtue of its being embossed or otherwise marked with a company logo, identification, or advertising.

Joint Commission on Public Ethics means the Commission established within the New York Department of State under Section 94 of the New York Executive Law pursuant to the Public Integrity Reform Act of 2011.

MTA Agency or MTA means any of the following: Metropolitan Transportation Authority Headquarters, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels and all future affiliated and subsidiary entities of the MTA.

New York State Agency means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.



Participation in the Conduct of an Event means active and visible participation in the promotion, production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the Employee's attendance is not being used by the non-profit to promote the event.

Policy-Making Position means those management and non-management positions designated as policy-making positions by each MTA Agency, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of action or policy for an MTA Agency or has an effective or substantial influence on an individual in such a position; e.g., positions in which Employees have discretion to (i) significantly influence, control, or bind an MTA Agency in the expenditure or receipt of money, (ii) significantly influence the discretionary selection or rejection of Employees, their promotion, transfer, or salary increases, (iii) select or supervise ~~Vendors~~Prohibited Sources, (iv) negotiate leases, real estate agreements, estates, purchase or sale of goods or services, or (v) supervise or approve additional work orders and progress payments to ~~Vendors~~Prohibited Sources retained by an MTA Agency.

Prohibited Source means:

- (a) a Vendor including any person ~~or non-governmental~~, seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which your MTA Agency is doing business, as well as those persons and business entities who have expressed an interest in doing business with your MTA Agency, whose activities directly or indirectly benefit your Agency, or who have a history of doing business with your Agency in the recent past; or
- (b) a tenant or licensee of your MTA Agency; ~~and/or~~
- (c) ~~another individual or non-governmental~~ any person or entity who, on his, her or its own behalf, or on behalf of ~~another non-governmental~~ any other person or entity, ~~satisfies any one of the following:~~
 - (1) is regulated by ~~your MTA Agency~~, ~~(2)~~, negotiates with, appears before ~~your MTA Agency on~~ in other than a ministerial matters, ~~(3)~~ matter, seeks to contract with or has contracts with, or does other business with: (i) the Employee, in his or her official capacity; (ii) your MTA Agency; or (iii) any other New York State Agency when your MTA Agency is to receive the benefits of the contract; or
 - (2) is required to be listed on a statement of registration pursuant to §1-e(a)(1) of article 1-A of the Legislative Law and lobbies or attempts to influence actions, decisions, or policies of your MTA Agency's procurements, or your MTA Agency's positions on legislation ~~Agency; or regulation;~~
 - (3) is the spouse or unemancipated child of any individual satisfying the requirements of subsection (c)(2) above; or



- (4) is involved in ~~litigation~~ any action or proceeding, in which administrative and judicial remedies thereto have not been exhausted, and which is adverse to either: (i) the Employee in his or her official capacity; or (ii) your MTA Agency and no final order has been issued, or; or
- (5) has received or applied for funds from your MTA Agency ~~within the preceding year at any time during the previous 12 months up to and including the date of the proposed or actual receipt of the item or service of more than Nominal Value. This does not include a request for funds received by the MTA in the ordinary course of business. For example, this does not include a customer's request for a refund or MTA's purchase of tickets or a table to an event.~~

For purposes of this definition, the term “your Agency” refers to the Agency by which you are employed. However, certain Employees working on matters involving more than one MTA Agency may be considered an Employee of multiple MTA Agencies for purposes of this Code.

Solicitation means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

State Ethics Law means New York Public Officers Law Sections 73, 73-a, 74 as may be amended or modified by the New York State Legislature and the rules and regulations promulgated thereunder.

Section 1.02 Agency Ethics Committees

The Metropolitan Transportation Authority Headquarters, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA ~~Long Island Bus, MTA~~ Bus Company, MTA Capital Construction Company, and MTA Bridges and Tunnels shall each establish an Ethics Committee and appoint an Agency Ethics Officer thereto to render guidance on ethics-related questions, including conflicts of interest. The procedures for the appointment of the Agency Ethics Officer shall be determined by each MTA Agency upon consultation with the Chief Compliance Officer. However, each Committee will designate one senior-level executive as Chairperson of the Agency Ethics Committee. Upon request, information disclosed to the Agency Ethics Committees and their members shall be deemed confidential, provided that appropriate disclosure of such information must be made in accordance with applicable laws, rules, and regulations.

The Chairperson of each Agency Ethics Committee will serve as a member of an All-Agency Ethics Committee, which will be chaired by the MTA's Chief Compliance Officer. The Committee will meet periodically to review the current state of ethics at the MTA and to review or revise the Code of Ethics as needed.

Section 1.03 Ethics & Financial Disclosure Questions

Questions concerning this Code or potential conflicts of interest may be directed to the applicable Agency Ethics Committee at the phone number set forth in Appendix ~~C.A.~~ It is not the function of



a supervisor, an Agency Ethics Committee, or an MTA Agency lawyer to act as counsel to any individual Employee.

Information regarding violations of this Code or questions concerning ethics-related matters, may also be directed to:

*MTA Corporate Compliance
Metropolitan Transportation Authority
2 Broadway, 16th Floor
New York, New York 10004
888-U-ASK-MTA (888-827-5682)*

Any ~~MTA~~ Employee who has a complaint or allegation regarding the MTA may also contact the MTA Inspector General.

*Office of the Inspector General
Metropolitan Transportation Authority
Two Penn Plaza, 5th Floor
New York, New York 10121
800-MTA-IG4U (800-682-4448)*

Section 1.04 Revocation of Agencies' Ethics Policies

This Code supersedes and by effect rescinds the MTA All-Agency Acceptance of Gifts Policy Statement 11-007, the MTA Guideline Document—Gifts, and all MTA Agencies' Ethics Policies and Codes.

Section 1.05 Duty to Disclose

Employees must promptly report any violation or potential violation of the MTA's Codes of Ethics (All-Agency Code of Ethics, Board Member Code of Ethics or Vendor Code of Ethics) as well as any actual or potential violation of law, regulations, or policies and procedures, relating to the MTA, whether committed by an ~~MTA~~-Employee or by a person doing business with the MTA. Employees should report to the MTA Inspector General allegations or information involving corruption, fraud, criminal activity or abuse.

Employees should report to their Agency's Ethics Officer, their Agency General Counsel, the MTA's Chief Compliance Officer or to the MTA Inspector General, all other violations or potential violations. Employees should feel free to discuss their concerns initially with their supervisor, but no supervisor may discourage an Employee from making a report.

NOTE: To obtain answers to questions or increase their understanding, Employees are encouraged to discuss particular situations or concerns they have regarding violations or potential violations of this Code or any laws, regulations or policies or procedures with their Agency Ethics Officer, the MTA Chief Compliance Officer or the MTA Inspector General.



Section 1.06 No Reprisals/Whistle-Blowing

Employees who report violations or potential violations of this Code or any actual or potential violations of laws, regulations or policies and procedures are protected under MTA All Agency Whistleblower Protection Policy, No. 11-041 and will not be subjected to punitive sanctions, reprisals, or other penalties solely for reporting such violations. Employees who file an intentionally false report may be subject to appropriate disciplinary penalty, up to and including dismissal as well as civil or criminal charges.

Section 1.07 Cooperation with Audits and Investigations

Employees must cooperate fully and honestly with audits and investigations conducted by the MTA Inspector General, Joint Commission on Public Ethics, Auditor General, Chief Compliance Officer, or other governmental agency. Failure to so cooperate will subject an Employee to appropriate disciplinary penalty, up to and including dismissal.

Section 1.08 Mandatory Ethics Training

Employees subject to the financial disclosure requirements of Section 6.01 of this Code must complete a comprehensive ethics training course within three months of becoming subject to that requirement.

Employees subject to the financial disclosure requirements and such other ~~employees~~ Employees as may be determined by their Agency Ethics Committee are required to attend continuing ethics training every three years.

Section 1.09 Certifications

Employees upon hire must certify to the MTA Code of Ethics by signing an Acknowledgment Form. Additionally, Employees may be required periodically to sign a certification or recertification attesting to their familiarity with the MTA Code of Ethics.

Chapter 2: Gifts, Awards and Honoraria

Section 2.01 Gift Prohibition-Zero Tolerance

Employees are prohibited from soliciting or receiving Gifts, directly or indirectly, from any Prohibited Source. The defined term “Gift” does not include items of truly nominal value. **(See definitions of “Gifts” and “Items of Nominal Value.”)**

However, Employees may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA. For example, if the sibling of an MTA Agency Employee worked for a Prohibited Source, the MTA Agency Employee could nonetheless accept a Gift that reflects this personal relationship. In addition, an Employee can accept a modest, reasonable, and customary offering on



an extraordinary occasion, such as a wedding, retirement, funeral, or serious illness. A Gift shall not be considered representative of a personal relationship – and thus permissible – if the donor seeks to charge or deduct the value of the Gift as a business expense or seeks reimbursement from a Prohibited Source or when gifts from the same Prohibited Source are offered to multiple Employees at or about the same time.

Employees are permitted to accept discounts or special offers from a Prohibited Source so long as those discounts or special offers are generally available to similarly situated employees of other public and private sector organizations. Employees should check with their Agency Ethics Officer before accepting such discounts or special offers from a Prohibited Source.

Under no circumstances may an Employee accept an item, even an Item of Nominal Value, under circumstances in which it could be reasonably inferred that the item was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.

Reminders:

- (a) Employees should avoid accepting numerous items of nominal value from the same Prohibited Source because their aggregate value is likely to exceed the nominal threshold. The MTA will aggregate the value of items received from the same Prohibited Source in any 12-month period.
- (b) Accepting Gifts in connection with the performance of official duties from persons or entities **other than** Prohibited Sources could still be a violation of State law and this Code, if it could be reasonably inferred that the Gift was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.
- (c) Proof that an Employee was actually influenced by a Gift is not necessary for a finding of a violation of this Code or State Ethics Law.
- (d) Employees should use caution in accepting such items they believe are of nominal value because it may not always be easy to determine if an item is truly of nominal value.
- (e) An Employee may not designate a friend, ~~family member~~Family Member, or entity (such as a charity) to receive a Gift that the Employee would not be permitted to receive.

Examples:

- (a) A Prohibited Source offers an Employee a briefcase with the Prohibited Source's logo embroidered on it. Because that briefcase, without such logo, would have a retail



cost greater than nominal value, the Employee is prohibited from accepting it, even if the Employee considers it valueless because of the logo.

(b) An Employee receives 10 coffee mugs valued at \$1.00 each within a 12-month period from the same Prohibited Source. Your total value received is \$10.00 and therefore you have received a Gift (the mugs) of greater than nominal value.

Common Gift Issues: It is not practical in a code of this type to describe all of the circumstances that might give rise to a prohibited Gift. The following are some of the situations that have come up in the past and are examples of Gift-related actions that are prohibited:

- (a) Any Solicitation or attempt to Solicit a job for a relative from a Prohibited Source, including a summer job; or
- (b) Any Solicitation or acceptance from a Prohibited Source of:
 - (1) tickets to a concert, play, sporting event, or show;
 - (2) a golf outing, a weekend trip, a vacation, use of a vacation home, or an airline ticket; or
 - (3) individual discounts to Employees on goods or services (such as televisions, computers, clothing, home improvements, or car or appliance repairs).

Section 2.02 Monetary Gifts and Kickbacks

Gifts of money to an Employee from a Prohibited Source are prohibited regardless of amount and shall be **deemed to be a kickback or bribe** intended to influence the Employee in the performance of the Employee's official duties.

Employees may not give or promise to give any portion of their compensation or any money or valuable thing to any person, nor shall any person accept any such money, or valuable thing, in connection with appointment, employment, promotion, assignment, or reassignment by an MTA Agency. Employees may not, directly or indirectly, make (or request that other Employees make) any contribution or pay any assessment in order to secure promotion, compensation, or to affect job status, duties, or functions, or in consideration of being appointed or employed at an MTA Agency.

Section 2.03 Tips

Employees are not permitted to accept tips or other gratuities in connection with the performance of their official duties unless:

- (1) the Employee is represented by a labor union; ~~and~~



- (2) it has been customary in the past for MTA Agency Employees in the relevant job classification to receive tips in connection with the performance of their official duties; and
- (3) in the private sector it would be customary for an Employee in the equivalent job classification (such as a bartender) to receive tips as part of their income.

Section 2.04 Reporting Gift or Gift Offers

An Employee to whom a Gift is offered or given in violation of Section 2.01 above shall promptly report such offer or Gift to the applicable Agency Ethics Committee and, in the case where a Gift has been given, the Employee or Agency Ethics Committee shall promptly return the Gift to the person or entity giving the Gift with a copy of the MTA Gift return letter. A copy of the executed gift return letter shall be sent to MTA Corporate Compliance.

Section 2.05 Awards, Plaques and Honors

Awards and plaques publicly presented in recognition of an Employee's service to an MTA Agency or non-job-related public service may be accepted. Employees must notify and seek the approval of their Agency Ethics Committee prior to accepting an award, plaque, or honor presented by a Prohibited Source.

However, awards or plaques presented by a Prohibited Source in recognition of job-related MTA Agency service and valued at more than seventy-five dollars (\$75) shall become the property of the applicable MTA Agency. The MTA Agency's Ethics Committee can determine the disposition of the award or plaque.

Section 2.06 Honoraria

An Employee may not accept an honorarium for services related to his or her duties for the MTA.

Employees must obtain written approval from their Agency Ethics Committee with the concurrence of Corporate Compliance prior to accepting an Honorarium. The approval request should be in writing and received by the Agency Ethics Committee no less than thirty (30) days prior to the time performance of the service for which the Honorarium is being offered is due to occur or thirty (30) days prior to the receipt of the honorarium. A detailed statement of all of the circumstances in which an Employee may accept an honorarium from a third party is set forth in Title 19 NYCRR Part 930.

The following is a summary of the rules relating to honoraria.

Prohibited Honoraria: An Employee may not accept an Honorarium (or payment in lieu of Honorarium) that is offered for services related to his or her official duties for the MTA. In such circumstances, payment for services related to official MTA duties must be made directly to the applicable MTA Agency.

In addition, an Honorarium may not be accepted by any Employee from ~~any individual or organization that (i) does any business with the applicable MTA Agency, (ii) is regulated by~~



~~the MTA Agency, (iii) is involved in litigation adverse to the MTA Agency, (iv) receives funds from the MTA Agency, or (v) lobbies before an MTA Agency, a Prohibited Source without the written approval of the Chief Compliance Officer.~~

~~Disclosure of Honoraria: Each year the MTA is required to file a report with the Joint Commission on Public Ethics, which lists honoraria, whether approved or not, received by its Employees. Therefore, every Employee who has received one or more honoraria during the reporting period must file a report with the Honoraria Disclosure Unit for their MTA Agency identified in Exhibit A hereto, using the form provided at Appendix B of this Code, as may be amended from time to time. Each Honorarium recipient must file the completed form with such Honoraria Disclosure Unit no later than April 15 of each year for the period April 1 of the previous year through March 31 of the current year. Where prior approval was received, the Employee shall include a copy of the authorizing memorandum as an attachment to the annual report to the applicable Honoraria Disclosure Unit.~~

Irrespective of whether approval was obtained in advance, however, any receipt of an honorarium ~~must be reported to the applicable Honoraria Disclosure Unit~~ in excess of \$1000 must be included in the Employee's annual financial disclosure statement.

Chapter 3: Prohibited-Source Sponsored Events, Receptions, and Meals

Section 3.01 Business Meals

In general, Employees are prohibited from accepting a meal from a Prohibited Source. However, an Employee may accept free **modest** meals or refreshments from a Prohibited Source under the following limited circumstances:

- (a) in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility, when offered unexpectedly during a meeting which the Employee is attending for official reasons, or when offered at a company cafeteria or other company facility at the Prohibited Source's place of business and individual payment is **impractical**; or
- (b) when attending a seminar or conference in connection with an MTA Agency and meals or refreshments are provided to all participants.

A meal is considered modest for purposes of the foregoing if the food and beverage is valued at fifteen dollars or less. Under the MTA Code of Ethics, an Employee may accept such a modest meal only under the circumstances noted above.

An Employee may not accept a meal from a Prohibited Source outside of a Prohibited Source's facility (except at a seminar or conference as set forth in Section 3.01(b) above). If an Employee has a meal with a Prohibited Source, the Employee shall pay the full value of such meal with his or her own funds with or without MTA Agency reimbursement.



Reminders: If you have a meal with a Prohibited Source and simply split the bill, you may be in violation of this Code if you do not pay the full value of your meal. **It is prudent for Employees to obtain proof of payment because simply putting money on the table may not provide an adequate basis for proving that an Employee paid for his or her own meal. The better practice is to get a separate check and keep the receipt.**

Section 3.02 Educational Seminars

Employees are encouraged to continue to participate in events that will enhance their professional development. In certain professions, it is customary for Prohibited Sources, including companies that do business with the MTA, and industry groups, to sponsor lectures and continuing education seminars. Occasionally, such educational events are targeted to ~~MTA~~ Employees and do not include other similarly situated public or private sector employees. Employees may attend such educational events if attendance at the event would further the interests of the MTA Agency, if the event relates to the Employee's official duties, and if the invitation does not involve recreational activities such as golf, tennis, or cruises.

However, Employees who manage the Prohibited Source's work or are involved in the review/approval of payments to the Prohibited Source must consult with their Agency's Ethics Officer before accepting professional continuing education credits.

Section 3.03 Attendance at Prohibited-Source/Industry-Sponsored Events and Receptions

Employees are encouraged to continue to participate in events that will enhance their professional development. Employees frequently receive complimentary invitations to Prohibited Source/industry groups sponsored events that include receptions or hospitality suites sponsored by a Prohibited Source/industry group. **Employees should evaluate any such invitations with caution and obtain prior approval from their Agency Ethics Officer.** Employees may attend complimentary Prohibited Source/industry-sponsored events, including receptions or hospitality suites only if **all** of the following conditions are met:

- (1) Attendance at the event would further the interests of the MTA Agency;
- (2) The event relates to the Employee's official duties or responsibilities or allows the Employee to perform a ceremonial function appropriate to his or her position;
- (3) The event is a "widely attended event" at which at least twenty-five individuals other than ~~MTA employees~~ Employees attend or were, in good faith, invited to attend and the event is also complimentary to such other non-~~MTA employees~~ Employees attending or invited to attend;
- (4) Any reception or hospitality suite is open to all event attendees; and
- (5) The event does not include a formal sit-down meal or involve recreational activities such as golf, tennis, or cruises.



In evaluating approval of such participation, your Agency Ethics Officer will take into consideration a number of factors, including but not limited to: the nature of any pending matter affecting the sponsor or donor's interest, the importance of the event to the MTA, the significance of the Employee's role in the event and whether the MTA Agency's interest in the Employee's participation outweighs the likelihood that such participation would be perceived as improperly influencing the Employee in the performance of his or her official duties, the timing of the event, the purpose of the event, the identity of other expected participants and the monetary value of the event.

In circumstances in which a significant activity at the event will be a speaker or attendee addressing an issue of public interest or concern, the State Legislature has determined the requirement that the event "relate to official duties or responsibilities" is satisfied.

An Employee's travel expenses relating to attendance at an industry or Prohibited Source-sponsored event may not be reimbursed or paid for by the event sponsor or other Prohibited Source. (See Travel Reimbursement Section 3.08)

An Employee may attend a Prohibited Source-sponsored event at his or her own expense but the cost paid by the Employee shall be based on the price paid by the other paying attendees or if there is no admission fee required, then based on the actual cost to the sponsor. **It is prudent for Employees to obtain proof of payment.**

Section 3.04 Senior Management Attendance at Prohibited-Source Sponsored Events

The Chair/Chief Executive Officer of MTA, the President of an MTA Agency, or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. The attendee shall provide advance written notice of such invitation to the MTA Chief Compliance Officer and their Agency's General Counsel.

Section 3.05 Attendance at Banquets, Galas and Fund-Raising Events

(a) Employees may purchase tickets using their own funds and may attend fund-raising and charitable events sponsored by Prohibited Sources on their own time, subject to compliance with the applicable provisions of the State Ethics Law, this Code, and any other applicable statutes, rules, regulations, policies, or procedures.

(b) Employees may attend fund-raising and charitable events with tickets purchased by an MTA Agency in compliance with the applicable policies and procedures relating to such purchases.

(c) Employees may not accept from any individual or firm, directly or indirectly, tickets to any banquet, gala, or fund-raising event by a Prohibited Source, if those tickets were subsidized or paid for directly or indirectly by the Prohibited Source including without limitation the Transit Museum Gala. Such tickets may not be donated by an individual or firm to an MTA Agency and then distributed to Employees of an MTA Agency.



Section 3.06 Charitable/Political Benefits Contributions and Fundraising Activities

Solicitation by Employees of charitable or political contributions from Prohibited Sources, including giving Prohibited Sources invitations to charitable or political functions or events, is prohibited.

Employees are prohibited from using the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization may be granted **only if** the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest.

Employees may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from a subordinate or from persons known to the Employee to be a Prohibited Source.

Section 3.07 Events Honoring an Employee

Prohibited Sources should only be invited to events honoring an Employee (such as an Employee's retirement dinner or an event where the Employee is one of the honored guests) if they have a personal relationship with the honored Employee and there is no actual, implied, or apparent promise of benefit from accepting, or actual, implied, or apparent threat of retaliation from refusing, such invitation. Such invitations should be made with caution.

Section 3.08 Reimbursement of Travel Expenses for Official Duties

Under no circumstances shall an Employee accept reimbursement of travel expenses, including but not limited to, transportation costs, registration fees, food or lodging from a Prohibited Source.

Employees may accept reimbursement from entities other than Prohibited Sources for travel expenses related to the Employees' official duties if the purpose of the travel benefits the MTA Agency in the conduct of its business and prior approval has been received in accordance with the procedures set by the applicable MTA Agency and this Code.

Employees must obtain approval from their Agency Ethics Officer with the concurrence of Corporate Compliance prior to accepting such travel reimbursement. The approval request must be in writing and received by the Agency Ethics Officer reasonably in advance of the time the travel is to begin.

Employees required to file a financial disclosure statement must report any reimbursement for travel expenses which totals in excess of \$1,000.

A detailed statement of all of the circumstances in which an Employee may accept reimbursement of travel expenses from a third party is set forth in Title 19 NYCRR Part ~~930~~931.

Chapter 4: Conflicts of Interest, Other Employment and Political Activities

Section 4.01 Conflicts of Interest



Employees shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is or may be in conflict with the proper discharge of his or her duties. Employees must notify their Agency Ethics Committee regarding any possible conflict of interest.

Reminders:

- (a) If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee should promptly disclose that situation to, and seek guidance from, his or her supervisor, Department Head, the applicable Agency Ethics Committee, or MTA Chief Compliance Officer.
- (b) With respect to all work an Employee performs, such Employee must be vigilant about the existence of any circumstances, interests, or relationships which might create or might be reasonably perceived by others as constituting a conflict of interest. If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee must promptly disclose that situation to, and seek guidance from, such Employee's supervisor, Department Head, applicable Agency Ethics Committee, or MTA Chief Compliance Officer. In order to avoid a conflict of interest or the appearance of one, it may be necessary for Employees to recuse themselves from involvement with a matter before an MTA Agency. Employees must adhere strictly to the conflict of interest guidance they receive from their supervisor, Department Head, applicable Agency Ethics Committee, or applicable Agency law department.

Example: It would be a conflict of interest if an Employee participated in a transaction involving an MTA Agency in which transaction the Employee or someone associated with the Employee (Family Member or by a Business or financial relationship) had, directly or indirectly, a financial or other private interest (other than a de minimis financial interest as discussed in Section 4.04 below).

Section 4.02 Public Trust

- (a) Employees shall not engage in a course of conduct that will raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public trust. Employees shall avoid even the appearance that they can be improperly (1) influenced in the performance of their official duties or (2) induced to violate the public trust or impair their independence of judgment in the exercise of their official duties.

Example: An Employee's undisclosed social relationship with a Prohibited Source might create an impression of impropriety if the Employee were in a position to act favorably toward the Prohibited Source in an MTA Agency matter.

- (b) Employees shall not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.



(c) Employees shall not by their conduct give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position, or influence of any party or person.

Section 4.03 Confidential Information

Employees shall not disclose Confidential Information without the permission of the General Counsel of the MTA Agency at which such individual is employed for any purpose, or use such information to further their personal interests.

Section 4.04 Financial Interest

(a) An Employee, or firm or association of which such Employee is a member, or corporation, ten per cent (10%) or more of the stock of which is owned or controlled directly or indirectly by such Employee, shall not (1) sell any goods or services having a value in excess of twenty-five dollars (\$25) to any New York State Agency, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by a New York State Agency or officer thereof, unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.

Exception: This restriction does not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

(b) Employees shall not knowingly engage in any transaction on behalf of an MTA Agency with any business entity in which they or a ~~family member~~Family Member has a direct or indirect financial interest, excluding mutual ~~funds or exchange traded~~ funds, that might reasonably tend to conflict with the proper discharge of their official duties. These provisions may be waived if **both** the Head of the Agency's Procurement Department and the Agency General Counsel state in writing that it is in the best interests of the Agency to waive the provisions.

In addition, New York Public Officers Law §74 provides for civil penalties in circumstances of self dealing and makes it a misdemeanor offense for an Employee of NYCT to have any interest, direct or indirect, in any contract entered into by the Employee's Agency.

Section 4.05 Employees Engaged in Selection, Award and Administration of Contracts

(a) Employees shall not participate in the selection, award, or administration of a contract if the Employee knows that he/she or any of his/her ~~family members~~Family Members, his/her business partner, or an organization that employs or is about to employ any of the above, has a financial or other interest, other than mutual funds or exchange traded funds, in any of the companies, their parent company, its affiliates or subsidiaries ("the company") that propose or bid on or are awarded such contract. The provisions of Section 4.05(a) may be waived if the Head of the relevant Agency's Department, as well Agency General Counsel, and the Agency's Ethics Officer state in writing that it



is in the best interests of the Agency to waive the provisions of this Section for a specific procurement or contract. Copies of any approved Waiver Request must also be filed with MTA Corporate Compliance.

(b) If a waiver is granted, (1) the Employee engaged in the **award or selection** of a contract, shall not during the selection process and for two weeks after the award of the contract buy or sell any of the company's securities or (2) the Employee engaged in the **administration** of a contract shall not buy or sell any of the awarded company's securities for six months after the award of the contract.

(c) An Employee shall not buy or sell any of the company's securities based upon information received as a result of their employment with an MTA Agency or for two weeks after the public release of information by any MTA Agency regarding the company.

(d) For two years from the commencement of employment with an MTA Agency, an Employee shall not do either of the following in relation to the Employee's immediate past non-governmental employer: (1) participate in the selection or award of a contract in which a bidder or proposer is such immediate past employer; or (2) administer a contract awarded to such immediate past employer, unless the Employee has notified the Employee's Department Head in writing of the potential conflict and has received from such Department Head, Agency General Counsel, and the Agency Ethics Committee a written waiver stating that it is in the best interests of the applicable MTA Agency for such Employee to act in such a role. A copy of such waiver request must be submitted to the MTA Chief Compliance Officer for approval.

(e) No ~~MTA-employee~~Employee may ask a current or former contractor, or any officer, director or employee thereof, to disclose: (i) the political party affiliation of such contractor, or any officer, director or employee thereof; (ii) whether such contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party. No ~~MTA-employee~~Employee may award or decline to award any contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective contractor's refusal to answer any inquiry regarding the above.

Section 4.06 Representation of Other Parties and Certain Appearances and Services

Employees shall not, directly or indirectly, act or appear on behalf of any individual, firm, or corporation, in any Business dealings with, or any matter against the interests of, an MTA Agency, or any other New York State Agency, other than as a fact witness. Employees of an MTA Agency are prohibited from appearing for compensation of any kind before a New York State Agency in connection with the purchase or sale of real estate, any rate-making proceeding, licensing, obtaining grants of money or loans, proceedings related to franchise(s), or the adoption or repeal of any rule having the force of law.

Exceptions

(a) Employees may appear before an MTA Agency or any New York State Agency or tribunal (1) in a representative capacity on behalf of an Employee organization or



association or (2) in connection with a ministerial matter, such as acting as a notary or translator.

(b) Uncompensated work by Employees for not-for-profit entities doing Business with the State or City is not automatically a conflict of interest if the Employee takes no part in such Business dealings and the entity in question is not subject to supervision, control, or regulation by an MTA Agency. For example, an Employee might serve, without fee, on the Board of a community or church-sponsored day-care center that receives State funds. In such a case, the Employee cannot communicate with the State concerning receipt of those funds.

Section 4.07 Other Employment and Outside Activities

Outside employment/activities may pose ethical issues if there is a conflict between the Employee's duties as an ~~MTA~~ Employee and the requirements of the outside employment/activity.

Employees are prohibited from outside employment, business, professional, or other outside activity that interferes or is in conflict with the proper and effective discharge of the individual's official duties or responsibilities. Each MTA Agency requires that Employees devote appropriate time and attention to their employment with that agency. Full-time employment with an MTA Agency is deemed to be an Employee's primary employment. All Employees must be fit for duty during their work hours.

~~MTA~~ Employees who wish to engage in outside employment/activities must consult with their Agency's Human Resources Department or Ethics Committee to determine what dual employment or outside activity policy exists at the employing Agency.

Employees may engage in outside employment/activity provided that (1) such employment/activity does not interfere with their ability to devote appropriate time and attention to their employment with their MTA Agency; (2) such employment/activity does not violate the specific guidelines for other employment set by their MTA Agency; (3) they do not use any MTA Agency resources (e.g., time, equipment, telephone, etc.) in connection with such employment; and (4) they obtain the required approvals as set forth in the specific procedures for approval of other employment set by their MTA Agency. Any ~~MTA~~ Employee interested in running for elective office must also comply with the provisions of Section 4.08 of the Code.

Employees holding Policy-Making Positions must comply with certain additional requirements in connection with engaging in outside employment/activities:

- (1) Employees holding Policy-Making Positions are prohibited from serving as a director or officer of a Prohibited Source (including nonprofit organizations) or corporation or institution engaged in profit-making activities, without the prior approval of the applicable Agency Ethics Committee. Employees must also receive the approval of the Joint Commission on Public Ethics prior to serving as a director or officer of a corporation or institution engaged in profit-making activities.



- (2) Employees in Policy-Making Positions shall not engage in any private employment, profession or Business or other outside activity, without the following prior approvals:
 - (a) Annual compensation up to \$1,000—No approval required.
 - (b) Annual compensation in excess of \$1,000 to \$4,000—~~Approval~~Written approval by the applicable MTA Agency Ethics Officer.
 - (c) Annual compensation in excess of \$4,000—~~Approval~~Written approval by the applicable MTA Agency and the Joint Commission on Public Ethics.
- (3) Employees in Policy-Making Positions with approved outside activities must inform their Agency Ethics Officer if there is any material change to either their approved outside activity or their current job responsibilities which would require a new evaluation of their outside activity approval. ~~In addition, Employees~~In addition, no more than three years following the date of written approval of an outside activity and no more than three years from each subsequent certification employees in Policy-Making Positions with approved outside activities shall file a certification with their Agency Ethics Officer ~~every three years~~ attesting to the fact that there have been no material changes to either their approved outside activity or their current job responsibilities which would require a new evaluation of their outside activity approval.

Remember:

- (a) These approvals are in addition to any approvals which may be required by your Agency.
- (b) Employees must comply with all conflict of interest rules and may not use any MTA Agency resources in connection with such activities.
- (c) Employees holding Policy-Making Positions who request approval from the Joint Commission on Public Ethics to engage in outside activities must file a written request with the Commission which contains the approval of the activity by the applicable MTA Agency. Each Agency Ethics Committee shall establish a form for requests of approval of such outside activity. The Agency Ethics Committee acts as the agent of the applicable MTA Agency in approving or disapproving such requests. The Agency Ethics Committee's disapproval is final.

Section 4.08 Political Activities of Employees

- (a) An Employee interested in running for elective office shall give written notice of his or her intentions to the applicable Agency Ethics Committee, so that it may determine whether, and upon what conditions, seeking elective public office would be consistent with the ethics laws and regulations. Notice and approval of the Joint Commission on Public Ethics may also be required for



Employees holding Policy-Making Positions pursuant to Title 19 NYCRR Part 932. In advance of running as a candidate in any election, the provisions of the Hatch Act should also be evaluated to determine whether such a candidacy is permitted under its terms.

(b) Employees shall not conduct political activities during work hours. MTA Agency property, including, without limitation, telephone, copy machines, computers, and other MTA Agency equipment, vehicles, office space, and services may not be used for political activities under any circumstances.

(c) Employees are prohibited from using federal funds for partisan political purposes of any kind in the administration of MTA Agency programs, either directly or through individuals or organizations with whom the MTA Agency contracts.

(d) Employees shall not use their positions or influence for the purpose of interfering with or affecting the result of an election. No Employee shall, directly or indirectly, use his or her official authority to compel or induce any other Employee or state official to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

(e) Employees holding Policy-Making Positions shall not serve as: (1) officers of any political party or political organization or (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national party convention.

(f) Consistent with this Code, Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Employees of an MTA Agency.

(g) No ~~MTA~~ Employee may during the consideration of an employment decision ask any applicant to disclose: (i) their political party affiliation; (ii) whether they made campaign contributions to any party, elected official or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. The provisions of this paragraph shall not apply where such inquiry is necessary for the proper application of any state law or regulation.

No ~~MTA~~ Employee may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any Employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by this section or for giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

(h) The MTA's Chairman and Chief Executive Officer and Agency Presidents shall not seek nomination or election to any compensated federal, state or local public office, or shall become a candidate for such office, unless such individual first resigns from his or her employment, or requests and is granted a leave of absence without pay, such resignation or leave must commence before such individual engages in any campaign activities, including but not limited to, announcing



a candidacy, circulating petitions, soliciting contributions, distributing literature, or taking any other action to actively promote oneself as a candidate for elective office.

Section 4.09 Other State Employment

Employees who are subject to the New York State Civil Service Law shall not accept appointment or employment on a full-time or part-time basis, in a State department or agency, or in the Legislature or the judiciary, for which compensation is payable, without the prior consent in writing of the Agency President and Agency Ethics Officer. The written consent shall be filed with the NYS Office of the Comptroller and MTA Corporate Compliance.

Chapter 5: Future Employment

Section 5.01 Restrictions on Future Employment-Purpose

Employment with an MTA Agency restricts to a degree the type of employment one may accept upon leaving an MTA Agency. These restrictions are based upon statutory requirements. Both this Code and applicable statutes seek to discourage actual conflicts of interest and conduct from which reasonable inferences may be drawn that Employees of an MTA Agency might not have been loyally serving such MTA Agency's interests during their employment or, thereafter, might be taking undue advantage of inside information or positioning derived from their former employment with an MTA Agency.

Section 5.02 Restrictions on Future Employment – Limited and Lifetime Bars

(a) Two-Year Bar

No former Employee shall, within two (2) years after termination of employment with an MTA Agency, appear before such agency or receive compensation for, or render compensated services on behalf of, any person, firm, corporation, or association in relation to any case, proceeding or application or any other matter before such MTA Agency.

(b) Lifetime Bar

No former Employee shall ever appear, practice, communicate, or otherwise render any services or receive compensation for such services rendered before an MTA Agency or any New York State Agency for, or on behalf of, any person, firm, corporation, or other entity in relation to any case, proceeding, or transaction with respect to which such person was directly concerned and in which he or she personally participated during the period of service or employment, or which was under their active consideration. The definition of what constitutes "ever appear, practice, communicate or otherwise render any services" is given a broad interpretation. Employees should contact their Agency Ethics Officer regarding this definition before rendering any such service.



Exceptions:

- (1) These restrictions on future employment do not apply to subsequent services rendered in an official capacity as an elected official or an Employee of another governmental entity.
- (2) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the Employee has expertise, knowledge, or experience with respect to a particular matter that meets the needs of the agency and is otherwise unavailable at a comparable cost.
- (3) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the services of such former officer or Employee are required in connection with the agency's response to a disaster emergency declared by the governor pursuant to section twenty-eight of the Executive Law.

Reminders:

- (1) For purposes of the post-employment bars, certain Employees, particularly those at MTA Headquarters and MTA Capital Construction, may be considered to be Employees of multiple MTA Agencies based on the scope of their job responsibilities. For clarification of their particular circumstances, the Employees may seek guidance from their former Agency Ethics Officer or MTA Corporate Compliance.
- (2) The Joint Commission on Public Ethics may not consider not-for-profit entities in the transportation field and certain quasi-governmental organizations as governmental entities for purposes of the exception noted above and employment at such entities may be subject to the post-employment bars described above.

The following are examples of the application of the two-year and lifetime bars:

Example 1: A former Construction Manager in the Department of Capital Program Management at New York City Transit (NYCT) may not, within two years after termination of NYCT employment, render services on behalf of a contractor in connection with any Business the contractor has with NYCT.

Example 2: No former Metro-North Employee, for a period of two years subsequent to his or her termination from employment (including retirement) may contract with Metro-North as a consultant to perform services of any kind on behalf of Metro-North, unless MNR has obtained a waiver from the Joint Commission on Public Ethics as set forth above.

Example 3: A former procurement representative in the procurement department at LIRR who was directly concerned with, or was responsible for, the negotiation of a contract during his or her LIRR employment may never appear before an MTA Agency or any other New York State Agency or render services on behalf of any outside person or firm, such as a contractor or subcontractor with regard to that



contract, including but not limited to, the preparation or evaluation of claims, or the negotiations of change orders, relating to the contract.

Section 5.03 Negotiations for Future Employment

(a) Solicited

~~MTA~~ Employees are prohibited from soliciting an employment opportunity with a non-governmental individual or entity that has a specific pending matter before the Employee.

Those Employees seeking employment outside of government with an entity or individual that has a specific pending matter before the Employee may only solicit an employment opportunity with the non-governmental individual or entity after waiting:

- (1) 30 days from the time the matter before the Employee is closed, or
- (2) 30 days from the time the Employee has no further involvement with the matter because of recusal or reassignment.

(b) Unsolicited

~~MTA~~ Employees who receive an unsolicited post-government employment-related communication from a non-governmental individual or entity that has a specific pending matter before the Employee cannot pursue employment with the non-governmental entity or individual unless the following occurs:

- (1) they recuse themselves from the matter and any further official contact with the entity or individual and
- (2) they wait 30 days from such recusal to enter into post-government employment communications with the entity or individual.

(c) Notification

~~MTA~~ Employees must promptly notify their supervisor and Agency Ethics Officer of such outside employment related communications whether or not they intend to pursue the post-government employment opportunity.

In the event of such notification of a solicitation and Employee's desire to pursue the solicitation, the Employee's supervisor is obligated to advise such supervisor's superiors, in writing, up to and including the Department Head, of the Employee's desire to pursue the solicitation and the manager's intention to establish recusal procedures, if practical, to reassign the individual or to refuse reassignment.

(d) Recusal



Recusal procedures shall be applied only if practical and in the best interests of the applicable MTA Agency. Reassignment shall be refused when the manager determines that reassignment would be impractical or inappropriate. The manager may not take action with respect to notifying the Employee of such manager's decision until approved by the Department Head. If recusal procedures are not practical and in the best interests of the applicable MTA Agency or if reassignment is refused, the Employee is prohibited from pursuing the solicitation.

Exception: This provision does not apply to employment negotiations with other government agencies.

Remember: The higher the level of responsibility which an Employee holds within an MTA Agency, the greater the number of matters which are likely to be deemed as specific pending matters before him or her. Employees should take an expansive view as to the existence of possible conflicts when deciding whether to give notice as described in this Section.

The following are examples of the application of the employment negotiation procedures:

Example 1: A Deputy Vice President in the Department of Capital Program Management at NYCT who receives an unsolicited job offer from a Prohibited Source with specific pending matters before such Employee may not negotiate for such position without full compliance with the notice, approval, and recusal procedures set forth above.

Example 2: A manager at LIRR whose duties include procurement is approached by a firm with which he or she has a specific pending matter and told "if you ever decide to leave the LIRR, we have a place for you in our firm." The LIRR manager must notify his or her supervisor and ethics officer of this conversation because it would be considered a communication intended to solicit employment.

Section 5.04 Notice of Future Employment Restrictions

An Employee who provides notice of leaving service at an MTA Agency, either by retirement or resignation, or whose employment is terminated, will receive a memorandum summarizing the future-employment restrictions of the Ethics Law and of this Code. All Employees in management and non-represented titles and Employees in certain represented titles designated by the applicable MTA Agency may be required to sign a certification stating that the policies outlined in the memorandum have been complied with, and to state the name of a new employer, if applicable.

Exception: From time to time, the Future-Employment restrictions have been legislatively modified to permit exceptions to these policies when Employees are laid off. An Employee in such a position should consult with the applicable Agency Ethics Committee if there is a question of whether such exceptions are in force.



Chapter 6: Financial Disclosure

Section 6.01 Covered Employees

Employees must file an Annual Statement of Financial Disclosure if such Employee:

- (a) Has a gross salary within the preceding calendar year that exceeded the annual salary of state employees at the SG-24 job rate as of April 1 of the year in which the Annual Statement of Financial Disclosure is to be filed, unless specifically exempted in accordance with the State Ethics in Government Act; or
- (b) Regardless of income, holds a Policy-Making Position.

Notes:

- (a) The Joint Commission on Public Ethics is required to make Annual Statements of Financial Disclosure available to the public upon request, except as to values and amounts, and except to the extent the reporting individual has obtained a ruling from the Joint Commission on Public Ethics preventing or limiting public disclosure.
- (b) Each MTA Agency shall prepare a list of Employees in Policy-Making Positions and shall, during February of each year, notify the Joint Commission on Public Ethics of the identity of all such titles and persons required to file an Annual Statement of Financial Disclosure with the Commission. Procedures shall also be established for identifying to the Joint Commission on Public Ethics all Employees newly subject to the filing requirements by reason of having assumed Policy-Making Positions. The Joint Commission on Public Ethics may be asked to render advisory opinions or issue guidelines for such determinations.
- (c) The Annual Statement of Financial Disclosure solicits various items of information concerning the finances and employment of the Employee, the Employee's spouse, and unemancipated children.

Exceptions:

- (a) Non-policy making Employees, or their bargaining or other representatives, may request that the Joint Commission on Public Ethics grant exemptions, either in whole or in part, from the reporting requirements. Appeals from denials of such an exemption are to be made to the Joint Commission on Public Ethics.
- (b) Employees who are required to file an Annual Statement of Financial Disclosure based on their gross salary but do not hold Policy-Making Positions may be entitled to an exemption from the financial disclosure requirements, on the grounds that the public interest does not require disclosure and that the Employee is not involved with the discretionary, Business, or regulatory activities of the applicable MTA Agency.



(c) Employees may seek an exemption from any requirement to report one or more items of information pertaining to the financial status of their spouse or unemancipated child. An Employee may also request deletion of portions of information called for on the Annual Statement of Financial Disclosure form that could otherwise be publicly disclosed. Grounds supporting such requests are that the spouse or child (where applicable) objects to providing the information necessary to make such disclosure and that such information would have no material bearing on the discharge of the reporting Employee's duties.

Section 6.02 Dates for Filing and Related Penalties

(a) Employees required to file pursuant to Section 6.01 must file their Annual Statement of Financial Disclosure by May 15th of each year, **or within thirty (30) days of a covered Employee's appointment or promotion**, whichever is later. An Employee may indicate with respect to any item of the Annual Statement of Financial Disclosure that information with respect thereto is lacking and will be supplied in a supplemental statement to be filed no later than the seventh (7th) day following the date to which that Employee could have received an automatic extension to file their income tax returns for that year. The Joint Commission on Public Ethics may also grant hardship applications.

(b) If an Employee fails to file the Annual Statement of Financial Disclosure as required or omits relevant information, he or she shall be subject to discipline, up to and including dismissal. In addition, criminal or civil penalties may be imposed as set forth in Chapter 9 below.

Chapter 7: Books And Records

Section 7.01 Accuracy and Completeness of Financial Records

(a) Employees who are involved in the preparation of the MTA Agency's financial records must ensure that the accounting and financial records of their MTA Agency meet the highest standards of accuracy and completeness. Reporting accurate and complete information about the MTA Agency's financial condition is an essential responsibility of all Employees.

(b) If you have reason to believe that any of the MTA Agency's financial records are not being maintained in an accurate or complete manner, you are expected to report this immediately to your Agency's General Counsel's Office or Chief Compliance Officer or your Agency's Chief Financial Officer or the Auditor General.

Section 7.02 Financial Statements and Accounts

Employees who are involved in the preparation of the MTA Agency's financial statements must do so according to generally accepted accounting principles and other applicable accounting standards and rules, so that the statements fairly and completely reflect the operations and financial condition of the MTA Agency.

Chapter 8: Other Ethics Issues



Section 8.01 Nepotism

It is the policy of the MTA Agencies to ensure that all job opportunities at MTA Agencies are based on merit and qualifications. Employees are prohibited from participating in any hiring or employment decision relating to a ~~family member~~Family Member. If a hiring or employment matter arises relating to a ~~family member~~Family Member, then the ~~employee~~Employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter. There will be no preferential treatment for ~~family members~~Family Members of current Employees and/or union officials.

MTA Agencies must ensure that contracting opportunities are based only on merit and qualifications. There will be no preferential treatment for ~~family members~~Family Members of current or former Employees and/or union officials. Employees are prohibited from taking part in any contracting decision: (i) relating to a ~~family member~~Family Member; or (ii) relating to any entity in which either they or a ~~family member~~Family Member is an officer, director or partner, or in which a ~~family member~~Family Member owns or controls 10% or more of the stock (or 1% or more if in the case of a corporation whose stock is regularly traded on an established securities exchange) of such entity. If a contracting matter arises relating to a ~~family member~~Family Member, then the ~~employee~~Employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

An ~~MTA~~ Employee cannot participate in any decision to invest MTA funds in any security of any entity in which that ~~employee~~Employee or any ~~relative~~Family Member of that Employee has a financial interest, is an underwriter, or receives any brokerage, origination or servicing fees.

~~MTA~~ Employees are required to comply with and should consult the All Agency Policy Directive, Anti-Nepotism Employment Procedures.

Section 8.02 Business Relationships between Employees

MTA managers and supervisors are prohibited from hiring ~~MTA~~ Employees whom they directly or indirectly supervise or manage to work for or with them as full-time, part-time, or temporary employees or as consultants in any outside business entity.

Section 8.03 Financial Transactions between Employees

MTA managers and supervisors are prohibited from engaging in financial transactions with ~~MTA~~ Employees whom they directly or indirectly supervise or manage. MTA managers and supervisors may not obtain or use or attempt to use the credit of any ~~MTA~~ Employee whom they directly or indirectly supervise or manage as applicant, maker, co-signer, or endorser of any credit instrument in any connection with a loan or similar transaction.

Section 8.04 Prohibition Against the Use of MTA Property



MTA's names, logos, supplies, equipment, computers, personnel, and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind except as may be specifically authorized herein:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA Agency stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the ~~MTA employee~~ Employee.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the ~~MTA employee~~ Employee.
- e) MTA vehicles shall be used for official business or incidental use associated with official business away from an Employee's official work station. Individuals who are authorized by their Agency to use a vehicle for personal purposes shall keep records of such use, and the value of such personal use shall be calculated and reported as personal income to such individual for tax purposes.

Any Agency policy regarding use of MTA property must be consistent with or more restrictive than this Section of the Code.

Chapter 9: Discipline/Penalty for Violation of this Code or State Ethics Laws

Section 9.01 General

Employees who violate any provision of the State Ethics Laws or of this Code may be subject to disciplinary action consistent with that administered for violations of the rules and regulations of the applicable MTA Agency, up to and including termination.

Section 9.02 Civil Penalties



A violation of Public Officers Law Sections 73(2), (3), (4), (5), (7), (8), (12), (14), (15), (16), (17) and Sections 73-a, may result in the Joint Commission on Public Ethics imposing a civil penalty of up to forty thousand dollars (\$40,000) and the value of any gift, compensation, or benefit received as a result of such violation. These sections include but are not limited to prohibitions concerning gifts, future employment, and financial interests in MTA contracts as well as obligations in connection with the filing of Annual Statements of Financial Disclosure.

A violation of Public Officers Law Section 74 may result in the Joint Commission on Public Ethics imposing a civil penalty of up to ten thousand dollars (\$10,000) and the value of any gift, compensation, or benefit received as a result of such violation.

Section 9.03 Criminal Penalties

A violation of Public Officers Law Section 73(2), (3), (4), (5), (7), (8), and Section 73-a, may result, in lieu of civil penalties, the Joint Commission on Public Ethics referring the violation to the New York State Attorney General or local prosecutor for criminal prosecution as a Class A misdemeanor, punishable by imprisonment for up to one year and a fine up to one thousand dollars (\$1,000).



~~APPENDIX A: Contact Information for each Agency's Honoraria Disclosure Unit~~

~~MTA Headquarters~~

~~Michael Amrick~~

~~212-878-7422~~

~~MTA New York City Transit~~

~~Patricia Lodge~~

~~347-643-8435~~

~~MTA Long Island Rail Road~~

~~Stephen N. Papandon~~

~~718-558-8327~~

~~MTA Metro-North Railroad~~

~~James Henly~~

~~212-340-4933~~

~~MTA Bridges and Tunnels~~

~~Sharon Gallo-Kotcher~~

~~212-360-3015~~

~~MTA Capital Construction~~

~~Anthony D'Amico~~

~~646-252-4200~~

~~MTA Bus Company~~

~~Elizabeth Cooney~~

~~646-252-3754~~

~~To obtain a current list, please call the Helpline at 888-U-ASK-MTA or go to the MTA Intranet Home Page and click Compliance.~~



APPENDIX B: Form for Annual Report of Receipt of Honoraria

ANNUAL REPORT OF HONORARIUM

Employee's Name _____ Title _____

Department/Division _____ Office Phone # _____

If you need additional space, complete and sign a separate Annual Report of Honorarium form. Separate forms must be attached and submitted at the time.

- The above organizations do not do business with my Agency
- The service was not part of my individual duties
- Service was performed on other than work time or was charged to accrued leave
- Agency resources were not used to prepare or deliver service
- My Agency did not reimburse my travel expenses

Employee Signature _____ Date: _____

This form may be obtained from your Agency's Honoraria Disclosure Unit or the MTAHQ Intranet Home Page by clicking on the word Compliance and following the links.



~~APPENDIX~~ APPENDIX A: AGENCY ETHICS COMMITTEE CONTACT INFORMATION

MTA Headquarters

Lamond Kearse
646-252-1329

MTA New York City Transit

Paige Graves
718-694-5719

MTA Long Island Rail Road

Stephen N. Papandon
718-558-8327

MTA Metro-North Railroad

James Henly
212-340-4933

MTA Bridges and Tunnels

M. Margaret Terry
646-252-7619

MTA Capital Construction

Evan Eisland
646-252-4274

MTA Bus Company

Elizabeth Cooney
646-252-3754

To obtain a current list of Ethics Officers, please call the Ethics/Compliance Helpline at 888 U ASK MTA or go to ~~the MTA Intranet Home Page~~ Today page and ~~click Compliance~~ search for Code of Ethics.

BOARD MEMBERS

CODE OF ETHICS

INTEGRITY

ACCOUNTABILITY

COMPLIANCE

TRANSPARENCY

Adopted by the Board November ~~16, 2011~~19,
2014

As Board Members of the MTA, we have been entrusted with the responsibility of overseeing the operation of an organization that serves more than 2.4 billion people on its subways, buses and railroads and almost 300 million people on its bridges and tunnels each year. The MTA is committed to fostering a climate of transparency and the highest ethical standards in its operations and in its dealings with the public. In accordance with the Public Authorities Law, the MTA Board is required to adopt a Board Member Code of Ethics that reflects these goals. The Board Member Code of Ethics is intended to provide guidance with respect to applicable laws and standards governing ethical conduct and help Board Members recognize and deal with ethical issues that they may confront in their capacity as Board Members.

The principal source of most New York State law governing the ethical conduct of Board Members is Section 74 of the Public Officers Law of the State of New York, which establishes certain rules with respect to conflicts of interest. Copies of this statute are available from the Joint Commission on Public Ethics directly or from the MTA Corporate Compliance. Under this section, no Board Member “should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.”

Board Members are encouraged to bring questions about particular circumstances that may implicate the State Ethics Law or one or more of the provisions of this Code to the Chairman or to either the MTA General Counsel or the Chief Compliance Officer.

| Each ~~MTA Board Member~~Board Member brings his or her unique personal experiences and perspectives to bear in making official decisions on behalf of the MTA as a whole. We have a duty to exhibit high standards of integrity and commitment in the performance of our official duties. I am proud of the tremendous progress that MTA has made in improving its corporate governance practices, and this Board Member Code of Ethics reaffirms and memorializes MTA’s commitment to the highest ethical standards in the manner in which it conducts its official business.

Thomas F. Prendergast
Chairman and Chief Executive Officer

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Chapter 1: DEFINITIONS/STRUCTURE

Section 1.01 Definitions

As used in this Code, capitalized terms, except where it is clear by the context that another meaning is intended, shall have the following meanings:

Annual Statement of Financial Disclosure means the financial disclosure statement required to be filed with the Joint Commission on Public Ethics by certain public employees and board members under the State Ethics in Government Act, Public Officers Law Section 73-a [and this Code](#).

Board Member means the Chairman or any of the individuals appointed to serve as a Member of the Board, both voting and non-voting, of the Metropolitan Transportation Authority. All Board Members also serve *ex officio* as members of MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels, and all future affiliated or subsidiary entities of the MTA. All of such entities are hereinafter collectively referred to as the MTA.

Business means any activity, paid or unpaid, by a Board Member or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other things of value or operating an enterprise. Such activity may be for profit or not-for-profit.

Code means this ~~MTA Board Member~~[Board Members'](#) Code of Ethics.

Confidential Information means information, whether or not set forth in writing, that is available to a Board Member only because of such Member's position and which is treated by the MTA as being confidential or which the Board Member has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential. Confidential information includes information disclosed during an executive session of the MTA Board.

Compensation means any money, thing of value or financial benefit conferred, directly or indirectly, in whatever form, in return for services rendered or to be rendered. With regard to matters undertaken by a firm, corporation or association, compensation shall mean net revenues, as defined in accordance with generally accepted accounting principles.

Employment means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

Family Member means (i) a Board Member's spouse, domestic partner, child or sibling; (ii) a person who is a direct descendant (or the spouse of a direct descendant) of a grandparent

of the Board Member or a grandparent of the Board Member's spouse or domestic partner; or (iii) a person living in the same household as an Board Member.

Fundraising means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.

Gift means the transfer, without equivalent consideration, of any-thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

Items of Nominal Value means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Board Member in the performance of such Board member's official duties. For purposes of determining value, an item is not deemed reduced in value by virtue of ~~it~~^{its} being embossed or otherwise marked with a company logo, identification, or advertising.

Joint Commission on Public Ethics means the Commission established within the New York Department of State under Section 94 of the New York Executive Law pursuant to the Public Integrity Reform Act of 2011.

New York State Agency means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.

Participation in the Conduct of an Event means active and visible participation in the promotion, production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the Board Member's attendance is not being used by the non-profit to promote the event.

Prohibited Source means:

- (a) a Vendor~~;~~ including any person~~-or non-governmental~~, seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which the MTA is doing business, as well as those persons and business entities who have expressed an interest in doing business with the MTA, whose activities directly or indirectly benefit the MTA, or who have a history of doing business with the MTA in the recent past; or

- (b) a tenant or licensee of the MTA; ~~and/or~~
- (c) ~~another individual or non-governmental~~ any person or entity who, on his, her or its own behalf, or on behalf of ~~another non-governmental any other person or entity~~, satisfies any one of the following:
 - (1) ~~is regulated by the MTA, (2) negotiates with,~~ appears before ~~the MTA on~~ in other than ministerial matters, ~~(3) a Ministerial Matter, seeks to contract with or has contracts with, or does other business with:~~ (i) the Board Member, in his or her official capacity as a Board Member; (ii) the MTA; or (iii) any other New York State Agency when the MTA is to receive the benefits of the contract; or
 - (2) is required to be listed on a statement of registration pursuant to §1-e(a)(1) of article 1-A of the Legislative Law and lobbies or attempts to influence ~~the actions, decisions, or policies of the MTA's procurements; or positions on legislation~~
 - (3) is the spouse or ~~regulation, unemancipated child of any individual satisfying the requirements of subsection (c)(2) above; or~~
 - (4) is involved in ~~litigation~~ any action or proceeding, in which administrative and judicial remedies thereto have not been exhausted, and which is adverse to either: (i) the Board Member in his or her official capacity as a Board Member; or (ii) the MTA ~~and no final order has been issued;~~ or
 - (5) ~~has received or applied for funds from the MTA within the preceding year at any time during the previous 12 months up to and including the date of the proposed or actual receipt of the item or service of more than Nominal Value.~~

Representative Capacity means the representation of the interests of a client or other person pursuant to an agreement express or implied, for compensation for services.

Regulatory Agency shall mean the banking department, insurance department, state liquor authority, department of agriculture and markets, department of education, department of environmental conservation, department of health, division of housing and community renewal, department of state (other than the division of corporations and state records), department of public service, the industrial board of appeals in the department of labor and the department of law (other than when the attorney general or his agents or employees are performing duties specified in Section Sixty-Three of the Executive Law such as investigation, prosecution and defense of actions in which the State is interested).

Solicitation means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

State Ethics Law means New York Public Officers Law Sections 73-a, ~~74 and the rules and regulations promulgated there under~~ and 74 as may be amended or modified by the New York State Legislature. ~~and the rules and regulations promulgated thereunder.~~

Section 1.02 Training

Under the Public Authorities Accountability Act of 2005, all new Board Members are required to participate in an orientation program to familiarize new members with their legal, fiduciary, financial, and ethical responsibilities. Existing Board Members are required to participate in continuing education regarding their ethical and fiduciary obligations.

Board Members must complete a comprehensive ethics training course within three months of becoming subject to the financial disclosure requirements of Public Officers Law Section 73-a and shall attend continuing ethics training every three years.

Section 1.03 Ethics & Financial Disclosure Questions

All Board members are required to complete the Annual Statement of Financial Disclosure. Questions concerning the Annual Statement of Financial Disclosure may be directed to the Chairman, the MTA General Counsel, or the MTA Chief Compliance Officer, who may direct you to the Joint Commission on Public Ethics.

Any questions regarding this Code may be directed to the Chairman or to the MTA General Counsel, or the MTA Chief Compliance Officer. Any general question regarding the State Ethics Law may also be directed to the Joint Commission on Public Ethics.

Chapter 2: DUTIES

Section 2.01 Confidentiality

The State Ethics Law requires Board Members to maintain the confidentiality of Confidential Information entrusted to them by the MTA and any other confidential information about the MTA that comes to them, from whatever source, in their capacity as Board Members, except when disclosure is authorized or legally mandated. A Board Member shall not use Confidential Information to further his or her own interest. Board Members are expected to maintain this confidentiality both while Board Members and after their services to the MTA have ended.

Section 2.02 Compliance with Laws, Rules and Regulations

Board Members shall comply with all applicable laws, rules and regulations applicable to the MTA.

Section 2.03 Encouraging The Reporting of Any Illegal or Unethical Behavior

Board Members shall encourage ethical behavior and take steps to ensure that the MTA: (a) encourages Employees to report violations of laws, rules, regulations or the MTA's Code of Ethics to appropriate personnel; and (b) encourages Employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.

Section 2.04 Duty to Disclose

Board Members shall promptly report any violation or possible violation of this Code, as well as any actual or potential violation of laws, regulations, or policies and procedures to the Chairman or the Chairman of the Audit Committee.

Section 2.05 Corporate Directorships or Board Memberships

In order to protect against conflicts of interest in violation of the State Ethics Law, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to accepting a position as a director, officer, or board member of a corporation or charitable organization. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to review the business of the company or organization to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

Section 2.06 Law Firm and Other Professional Association

The State Ethics Law provides that Board members are not permitted to accept other employment that will impair the independence of judgment in the exercise of their official duties. Accordingly, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to affiliating with a law firm, accounting firm or other business that provides services to the MTA. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

Chapter 3: GIFTS, EVENTS, RECEPTIONS, AND MEALS

Section 3.01 Gifts

The State Ethics Law provides that Board members should not by their conduct give reasonable basis for the impression that any person can improperly influence them or enjoy their favor in the performance of their official duties. In the Code of Ethics applicable to its employees, MTA has adopted a zero-tolerance policy for Gifts. The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value"). Board members are required to adhere to the zero-tolerance policy on gifts, as contained in [Section 2.01 of](#) the MTA Code of Ethics.

As is the case with employees, Board Members may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA.

Section 3.02 Reporting Gift or Gift Offers

A Board Member to whom a Gift is offered or given arising out of his or her affiliation with MTA shall promptly report such offer or Gift either to the Chairman or to the Chairman of the Audit Committee. Board Members should promptly return Gifts to the person or entity giving the Gift.

Section 3.03 Business Meals

It is possible that Board Members may receive invitations for business meals from Prohibited Sources. To the extent that those invitations arise out of the Board Member's affiliation with MTA, such invitations should be viewed with caution because acceptance of such invitations may create the impression that they can be improperly influenced in the performance of their official duties. Board Members may accept free, modest meals in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility or when attending a seminar or conference in connection with MTA business and meals or refreshments are provided to all participants.

Section 3.04 Awards, Plaques and Honors

Awards and plaques publicly presented in recognition of a Board Member's service to the MTA may be accepted. However, Board Members should notify the Chairman or the Chairman of the Audit Committee prior to accepting such an award, plaque, or honor presented by a Prohibited Source. The Board Member or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with the MTA. In such cases, however, the Board Member shall provide advance written notice of such invitation to the Chairman or to the Chairman of the Audit Committee.

| Chapter 4: CONFLICTS OF INTEREST AND POLITICAL ACTIVITIES

Section 4.01 Financial or Business Interest

In order to preserve independence of judgment in the exercise of their official duties, Board Members shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, or accept any non-governmental employment, which is in substantial conflict with the proper discharge of the Board Member's duties in the public interest.

Section 4.02 Unwarranted Privileges

Board Members shall not use or attempt to use their official position to secure unwarranted privileges or exemption for the Board Member or others.

Section 4.03 Undue Influence

Board Members' conduct should not give reasonable basis for the impression that any person can improperly influence the Board Member or unduly enjoy the Board Member's favor in the performance of the Board Member's official duties, or that the Board Member is affected by the kinship, rank, position or influence of any party or person.

Section 4.04 Course of Conduct

Board Members should endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of the Board Members' trust.

Section 4.05 Recusal/Conflict of Interest

Board Members must not only avoid conflicts of interest with the MTA but also even the appearance of a conflict. If a Board Member believes he or she has an actual or potential conflict of interest with the MTA on a particular matter, or if the Board Member becomes aware that he or she has an actual or potential conflict of interest on a particular matter during a Committee or Board meeting, the Board Member shall promptly notify the Chairman of the Board or the Chairman of the Committee and shall immediately recuse themselves from further consideration of or action on such matter.

NOTE: **Recusal** requires that the Board Member not participate in any discussion, decision or vote by the Board or Committee that in any way relates to the matter that gives rise to the conflict of interest. Whenever practicable, the Board Member must leave the Board room until any discussion about the matter that gives rise to the conflict of interest has concluded.

Section 4.06 Financial Interest

No Board Member or firm or association of which such Board Member is a member, or corporation, ten per cent or more of the stock of which is owned or controlled directly or indirectly by such Board Member, shall sell any goods or services to the MTA, unless such goods or services are provided pursuant to an award of contract after public notice and competitive bidding or after a competitive request for proposal process. For the purposes of this paragraph, the term "services" shall not include employment as an employee.

This paragraph shall not preclude a firm, association or corporation from selling goods or services to the MTA if the interested Board Member did not participate in any way on behalf of any party in the bidding, solicitation or negotiation process, does not share in the net revenues derived from that sale and does not participate in the decision to award the contract.

Except as permitted above, no Board Member shall be in any way or any manner interested, directly or indirectly, in any contract made by the MTA.

No Board Member, pursuant to ~~Executive Order~~, may make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

No Board Member may request or demand that any other person make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

Section 4.07 Compensation

No Board Members, other than in the proper discharge of official duties as a Board Member of the MTA or as an officer or employee of a federal, state or local government or agency, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation for the appearance or rendition of services by the Board Member or another in relation to any case, proceeding, application or other matter before the MTA.

A Board Member who is a member, associate, retired member, of counsel to, or shareholder of, any firm, association or corporation which is appearing or rendering services, with or without compensation, in connection with any matter before, or transacting any business with, the MTA shall not communicate as to the merits of such cause with an officer (including another Board Member) or employee of the MTA, without first disclosing the nature and extent of his or her interest in the matter before, or business being transacted with, the MTA.

Section 4.08 Appearance before MTA

A Board Member may appear before the MTA (i) in a representative capacity on behalf of an employee organization, a federal, state or local government or agency, or a transportation advocacy organization or (ii) in connection with a ministerial action.

Section 4.09 Nepotism in Hiring and Contracting

No person who has served as a Board Member shall take part in any hiring or employment decision relating to a family member. If such matter arises, the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

No person who has served as a Board Member shall take part in any contracting decision: (1) relating to a family member; or (2) relating to any entity in which a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock of such entity. If such matter arises, the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

Section 4.10 Prohibition Against the Use of MTA Property

MTA supplies, equipment, computers, personnel, and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind. This prohibition includes but is not limited to the following:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the ~~MTA Board Member~~Board Member.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the ~~MTA Board Member~~Board Member.
- e) No Board Member shall use the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization may be granted only if the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest. A Board Member may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from MTA employees or from persons known to the Board Member to be a Prohibited Source.

Section 4.11 Political Activities

- a) Consistent with this Code, Board Members are free to participate in the political process but there must be a clear separation between their political activities and the discharge of their duties as Board Members.
- b) Board Members shall not serve as: (1) officers of any political party or political organization or (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national party convention.
- c) A Board Member interested in running for elective office shall give notice of his or her intentions to the Chairman so that we may determine whether, and upon what conditions, seeking elective public office would be consistent with the ethics laws and regulations. In advance of running as a candidate in any election, the provisions of the Hatch Act should also be evaluated to determine whether such a candidacy is permitted under its terms.
- d) A ~~MTA Board Member~~ Board Member shall not use their position on the Board for the purpose of interfering with or affecting the result of an election.
- e) MTA property, including, without limitation, telephone, copy machines, computers, and other MTA Agency equipment, vehicles, office space, and services may not be used for political activities under any circumstances.

Chapter 5: POST BOARD SERVICE RESTRICTIONS

Section 5.01 Two-Year Post Service Bar

No person who has served as a Board Member shall, within a period of two years after the termination of such service, appear or practice before the MTA or receive compensation for any services rendered by such former Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding or application or other matter before the MTA.

Section 5.02 Lifetime Bar

No person who has served as a Board Member shall, after the termination of such service, appear, practice, communicate or otherwise render services before the MTA or receive compensation for any such services rendered by such former, Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly and personally concerned during the period of his or her service.

Exception: The restrictions contained in this paragraph shall not apply to any appearance, practice, communication or rendition of services before the MTA, or to the receipt of compensation for any such services rendered by a former Board Member, which is made while carrying out official duties as an elected official or employee of a federal, state or local government or one of its agencies.

Section 5.03 Waiver of Post Service Bar

To the extent permitted by law, nothing contained in this Code shall be construed or applied to prohibit the MTA, at any time, from contracting with or hiring any former Board Member to provide services to the MTA for a specific matter in circumstances in which contracting with or hiring such former Board Member would be in the public interest due to such former Board Member's specialized knowledge of the matter and the efficient and cost-effective results that contracting with or hiring such former Board Member would produce.

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