



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
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"This institution is an equal opportunity organization"

Terry Everetts, Chairman
Richard Zink, Chief Executive Officer

CODE OF ETHICS

1. Introduction

- A. This Code of Ethics shall apply to all officers, directors, employees and agents engaged in activities on behalf of and/or under the direction of the Chautauqua, Cattaraugus, Allegany, and Steuben Southern Tier Extension Railroad Authority (herein "Authority"). This Code of Ethics provides standards of conduct governing the performance of these classes of people or other entities with respect to and on behalf of and/or under the direction of the Authority.
- B. The Authority is a body corporate and politic constituting a public benefit corporation, created as a local authority by New York State at the request of the county governments of Allegany, Cattaraugus, Chautauqua, and Steuben Counties. As such, the Authority and the officers, directors, employees and agents engaged in activities on behalf of and/or under the direction of the Authority, owe a duty to the State, these counties, and the citizens thereof to adhere to high standards of public service that emphasize professionalism, courtesy, and avoidance of even the appearance of illegal or unethical conduct at all times, acting at all times in accordance with the standards of behavior prescribed herein.
- C. This Code of Ethics shall serve as a guide for official conduct and is intended to enhance the ethical and professional performance of the Authority's officers, directors, employees and agents engaged in activities on behalf of and/or under the direction of the Authority and to preserve public confidence in the Authority's mission.
- D. This Code of Ethics is intended to supplement, but not replace, any applicable state and federal laws governing ethical and appropriate conduct, including but not limited to conflicts of interest, applicable to public authorities.

2. Definitions

As used in this Code of Ethics, the following terms shall have the meanings indicated:

- A. **AGENT** - Includes every individual acting officially at the request of or at the direction of or otherwise on the behalf of the Authority, whether compensated or uncompensated, and whether under explicit contract or not under contract.
- B. **CONFLICT OF INTEREST** - Includes any action or omission which is in conflict or gives the appearance of conflict with the performance of official Authority business or government. A conflict of interest is a situation in which the financial, familial, or personal interests of an officer, director, employee or agent engaged in activities on behalf of and/or under the direction of the Authority come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that an officer, director, employee or agent engaged in activities on behalf of and/or under the direction of the Authority can personally benefit from actions or decisions made in their official capacity, or where an officer, director, employee or agent engaged in activities on behalf of and/or under the direction of the Authority may be influenced to act in a manner that does not represent the best interests of the Authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that an officer, director, employee or agent engaged

in activities on behalf of and/or under the direction of the Authority may have a conflict. The appearance of a conflict and an actual conflict are treated in the same manner for the purposes of this Policy.

- C. DIRECTOR - Includes every member of the Board of Directors of the Authority, whether compensated or uncompensated, and whether voting or non-voting.
- D. EMPLOYEE - Persons who are not officers, but whose salaries are paid in whole or in part by the Authority.
- E. FAMILY - Includes a spouse and unemancipated minor children residing in the same household with their parents.
- F. OFFICER - Includes every officer of the Authority, whether compensated or uncompensated.

3. Treatment of the Public

- A. Officers, directors, employees and agents of the Authority always shall conduct the activities of the Authority in full compliance with the law and in an honest, fair, equitable, and courteous manner.
- B. Officers, directors, employees and agents of the Authority shall maintain good relationships with all members of the public, whether a person, private business, or other organization.
- C. Officers, directors, employees and agents of the Authority shall not permit personal preferences and dislikes to affect decisions related to their duties.
- D. Officers, directors, employees and agents of the Authority shall treat all members of the public, whether a person, private business, or other organization, with equal consideration and without special advantage.
- E. Officers, directors, employees and agents of the Authority shall also endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
- F. Officers, directors, employees and agents of the Authority shall reflect these standards of conduct in their oral and written statements representing the Authority with all members of the public, whether a person, private business, or other organization.

4. Responsibilities of Officers, Directors, Employees, and Agents

- A. Officers, directors, employees and agents of the Authority shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one unit of government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.
- B. Officers, directors, employees and agents of the Authority shall not engage in any act that is in conflict with their duties toward the Authority or its mission, or that gives the appearance of such a conflict of interest, or that creates a situation where their own private interests are brought into conflict with that of the Authority.
- C. Officers, directors, employees and agents of the Authority shall perform their duties with transparency and without favor; must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust; and must avoid any other circumstance that may or appear to make it difficult for the individual to exercise independent judgment and properly exercise his or her official duties.
- D. Officers, directors, employees and agents of the Authority shall refrain from engaging in outside matters of financial or personal interest, direct or indirect, in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates;

shall refrain from engaging in any business transaction or professional activity, including other employment, that could create a position of conflict with the individual's obligations to the Authority; shall refrain from incurring any obligation of any nature, for which the officer, director, employee or agent will experience financial gain as a result of the officer's, director's, employee's or agent's position or authority, or that could impair independence of judgment, and prevent the proper exercise of their official duties, or that is in substantial conflict with the proper discharge of their duties; and shall not use his or her position, confidential information or the assets of the Authority, to his or her personal advantage.

- E. Officers, directors, employees and agents of the Authority shall not disclose, without proper authority, confidential information acquired in the course of their official duties concerning the property or affairs of the Authority in a manner inconsistent with State or local law or policy and the Authority's mission and goals.
- F. Officers, directors, employees and agents of the Authority shall not directly or indirectly, use, make, advise, or assist any person to make any financial investment based upon information available through the officer's, director's, employee's and agent's official position that could advance the financial or other private interest of said officer, director, employee, or agent or others or create any conflict of interest between their public duties and interests and their private interests
- G. Officers, directors, employees and agents of the Authority may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties, and shall not obtain, receive, possess any financial interest in any sale to or by the Authority of any service or property, when such financial interest was received with the proper knowledge that the Authority intended to purchase such property or obtain such services.
- H. Officers, directors, employees and agents of the Authority shall not (1) engage in or accept private employment or engage in any business transaction or professional activity or (2) solicit or receive any gift or gratuity or free service of any amount or (3) make any investment, under any circumstances that (1) will impair his or her independence of judgment in the exercise of his or her official duties, or (2) will interfere in any manner whatsoever with the discharge of his or her official duties, or (3) will compete with or operate against the purposes of the Authority, or (4) will create a reasonable inference that such private employment, business transaction, professional activity, gift, gratuity, free service or investment (a) was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or (2) was intended as a tip, reward, or sign of appreciation for any official act by the individual. This prohibition against gifts, gratuities, and free services extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, things or promises from any entity doing business with or before the Authority.
- I. Officers, directors, employees and agents of the Authority shall not use or attempt to use their official position with the Authority to secure unwarranted privileges or special treatment or private benefit for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
- J. Officers, directors, employees and agents of the Authority shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources in furtherance of their personal or private interests.
- K. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.
- L. Officers, directors, employees and agents of the Authority who exercise any functions or responsibilities in the review or approval of an undertaking or the carrying out of one of the Authority's contracts or operations shall not participate in any decision relating to that contract if the decision affects his or her personal pecuniary interest.

- M. Should any situation arise in which a member of the family of an officer, director, employee or agent of the Authority is involved in any business transaction or professional activity or makes any investment that will result in the impairment of the officer's, director's, employee's or agent of the Authority's independence of judgment in the exercise of his or her official duties, or that will interfere in any manner whatsoever with the discharge of his or her official duties, or that will compete with or operate against the purposes of the Authority, or that will create and actual or potential conflict of interest, or any other circumstance that may or appear to make it difficult for the officer, director, employee or agent to exercise independent judgment and properly exercise his or her official duties, the officer, director, employee or agent of the Authority shall declare such actual or potential conflict, and directors shall abstain from voting or otherwise officially acting with respect to the subject matters affected. No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.
- N. The foregoing acts are listed by way of example and are by no means to be deemed all-inclusive. Every officer, director, employee and agent of the Authority shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

5. Implementation of Code of Ethics

- A. This Code of Ethics shall be provided to all officers, directors, employees, and agents of the Authority upon commencement of appointment or employment or agency designation, respectively, and such individuals shall be required to acknowledge in writing that they have read, understand and are in compliance with the terms of the policy.
- B. Officers, directors, employees, and agents of the Authority should review on an ongoing basis circumstances that constitute a conflict of interest, the appearance of a conflict of interest, or other violation of this Policy and shall abide by this policy and seek guidance when necessary and appropriate.
- C. The Board may designate an Ethics Officer, who shall report to the Board and shall have the following duties:
- Counsel in confidence officers, directors, employees and agents of the Authority who seek advice about ethical behavior.
 - Receive and investigate complaints about possible ethics violations.
 - Dismiss complaints found to be without substance.
 - Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.
 - Record the receipt of gifts or gratuities of any kind received by an officer, director, employee or agent of the Authority, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.
- D. The Board may assign the following duties to the Governance Committee:
- Counsel in confidence officers, directors, employees and agents of the Authority who seek advice about ethical behavior.
 - Receive and investigate complaints about possible ethics violations.

- Dismiss complaints found to be without substance.
 - Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.
 - Record the receipt of gifts or gratuities of any kind received by an officer, director, employee or agent of the Authority, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.
- E. The Board may designate that the Board, or the Governance Committee, or the Ethics Officer may have responsibility for investigating reported violations of this Policy. The Board shall require that all such reported violations ultimately must be reported by the investigating designate(s) to the Board, and discussed in open meeting, with final disposition of the matter to be the responsibility of the Board.
- F. The minutes of the Authority's meetings during which possible unethical behavior or acts or circumstances inconsistent with or in violation of this Code of Ethics (including perceived or actual conflicts of interest) is disclosed or discussed shall reflect the name of the interested person, the nature of the behavior, acts, or circumstances, and a description of how the situation or conflict was resolved.
- G. This Code of Ethics shall be reviewed annually by the Governance Committee, which shall make recommendations to the Board for revision as it deems appropriate.

6. Reporting Behavior or Acts or Circumstances Inconsistent with the Code of Ethics

- A. Officers, directors, employees and agents of the Authority are required to promptly report in writing and in good faith any material facts relating to possible unethical behavior or acts or circumstances inconsistent with or in violation of this Code of Ethics to the Authority Board (including information about the nature of the behavior, acts, or circumstance, and information about the violation or actual/perceived conflict), to his or her supervisor, to the Authority's Ethics Officer, to the Governance Committee or any member thereof, to general counsel, to the Authority's human resources representative, or to another designate(s) of the Board, in accordance with this Policy and the Authority's Whistleblower Policy and Procedures.
- B. The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.
- C. Individuals and other entities may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

7. Penalties for Violations of Standards of Conduct Policy

- A. Any director or employee that fails to comply with this Policy may be penalized in the manner provided for in law, rules or regulations.
- B. Any individual willfully violating either Article 18 of the General Municipal Law or any provision of this Code of Ethics shall be subject to the civil penalties herein and may also be guilty of a misdemeanor according to public law.
- C. Directors and officers of the Authority determined to be in negligent or intentional violation of this Code of Ethics shall be subject to immediate removal from such appointment.
- D. Any employee or agent determined to be in negligent or intentional violation of this Code of Ethics shall be subject to penalties up to and including termination from employment or agency relationship and/or loss of pay not to exceed one (1) month's salary or one (1) month's contractual amounts due.

- E. In addition to the sanction for aiding, abetting, seeking or requesting a violation of this Code of Ethics, any person or organization that willfully attempts to secure preferential treatment in its dealing with the Authority by offering any valuable gifts, whether in the form of a service, loan, thing or promise, in any form to any officer, director, employee or agent of the Authority shall be subject to having its current contracts with the Authority canceled and shall be subject to not being allowed to bid on any other Authority contract for a period of two (2) years.

**Adopted on December 7, 2015 by Resolution of the
Chautauqua, Cattaraugus, Allegany and Steuben
Southern Tier Extension Railroad Authority**

Thomas M. Barnes

Name

Secretary

Office

December 7, 2015

Date