

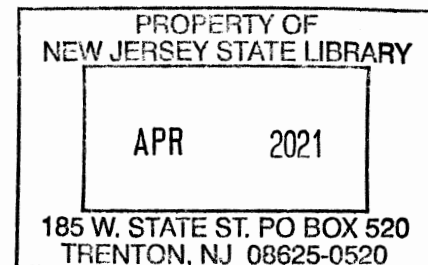
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REPORT  
of the  
*New Jersey Legislature*  
CONFLICTS OF INTEREST AND CODE  
OF ETHICS STUDY COMMISSION.

(ACR 44, 1969)

April 1, 1969



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TO THE HONORABLE, THE MEMBERS OF THE SENATE AND GENERAL ASSEMBLY  
OF THE STATE OF NEW JERSEY:

This commission was established under Assembly Concurrent Resolution No. 44 of 1969, which directed it to "examine the need and desirability for revising the 'New Jersey Conflicts of Interest Law' and the rules and regulations promulgated thereunder, including the need and desirability for including therein a code of ethics or a code of conduct for State officers and employees, including legislators and members of the executive branch of government."

In following this directive, the Commission has come to the conclusion that the existing "New Jersey Conflicts of Interest Law" (P.L. 1967, c. 229) is fundamentally inadequate because it provides no definite and objective standards to guide the conduct of public officials and employees and--as a necessary consequence--no effective machinery for the uniform and equitable maintenance and enforcement of such standards.

In brief, the existing law requires that any member of the Legislature or State officer or employee who is involved in certain types of conflict-of-interest situations must make disclosure of such involvement. In the case of officers or employees of State agencies, it further requires that they shall have received the approval of their agency head before becoming involved in such situations.

No criteria are prescribed for the guidance of an agency head in granting or withholding such permission. Furthermore, in the case of a member of the Legislature no such permission is required; so that the conscience and prudence of the legislator are his only guides--as they have always been--in deciding what he should or should not do.

Thus under the present law a legislator or official may do as he will, provided his superior (if any) agrees, and provided he is willing to have it appear on the public record. Whether such willingness results from a clear conscience, or merely from confidence that his continuance in office will not be adversely affected, it is not, in the Commission's view, a sufficiently objective standard, especially in view of the fact that such situations affect not only the fortunes of the individual official or employee but also, by implication, the reputations of his colleagues and general public confidence in the integrity of State government.

In seeking to develop more objective and enforceable criteria, the Commission considered and rejected sweeping proposals which would, in effect, bar legislators and State officials from nearly all contact with State government in their private business or professional capacities.

While agreeing with the principle that private and public capacities should not be so closely intermixed that "one hand washes the other", the Commission also believes that such a sweeping prohibition as stated above would be impractical

and unfair. As was ably stated in testimony before the March 20, 1969, public hearing of the Commission by Deputy Attorney General Stephen Skillman, on behalf of the Attorney General's Office, ". . . the total separation of public life from the pursuit of private enterprises is not practical and perhaps not even desirable. So long as there are part-time public officials, such individuals will continue to obtain their main livelihood from sources other than government salaries, and it is inevitable, in an age when the operations of government are so pervasive, that the practice of certain professions will involve contacts with government. Furthermore, it is common, under our system of government, for persons to come into public service from private life and, after a period of service, to return to private life. Any conflicts of interest legislation must take this into consideration, or it will have the unfortunate effect of preventing capable individuals from entering public service."

Accordingly, the Commission has sought to place an absolute statutory bar only upon those activities in respect to which the public interest clearly requires it. It recommends that, where the question of propriety or impropriety hinges upon particular circumstances rather than general principles, reliance be placed upon codes of ethics drawn up by each State agency and each House of the Legislature to fit their varying needs and requirements.

Foremost among those activities which require a statutory prohibition is any involvement by legislators or State officers or employees in proceedings or negotiations incident to the acquisition of land by the State. History amply justifies the conclusion that whenever State officials have engaged their services on behalf of private parties from whom the State sought to acquire land suspicion and sometimes scandal have resulted. The Commission recommends an absolute bar on all such services. It is felt that this prohibition, though stringent in its terms, is sufficiently limited in scope that it can not be fairly claimed to cripple or seriously undermine any legitimate professional practice by a member of the Legislature or other State officer or employee.

With regard to proceedings before State agencies, the Commission recommends generally that legislators and State officers and employees be prohibited from serving private parties only when those parties have an interest adverse to that of the State. It is recognized that other matters may come before a State agency, not involving a direct interest of the State but requiring an agency decision of substantial interest as between private parties, in which opportunities for the exertion of "improper influence" may be readily discernible. It appears to the Commission, however, that such situations are not properly and effectively dealt with by statutory prohibition, for two reasons:

1. "Improper influence", unlike conflict of interest, can not be precisely defined in terms of the formal situations in which it arises. By its nature, it is informal. It is not necessary for an official to be retained or employed or otherwise formally connected with another person in order to exert such influence. Conflict of interest, on the other hand, may be exactly defined as arising out of the assumption of duties or obligations which are incompatible. Such incompatibilities may be defined with some degree of precision, and the formal arrangements which give rise to them may be formally forbidden. Improper influence depends not so much on general and formal considerations as upon specific situations.

2. The nature and degree of the influence which an official or employee may exert on behalf of another varies markedly according to the position which such official or employee holds, the agency in which he serves and the particular conditions under which his influence is solicited or offered.

For the above reasons, it appeared to the Commission that questions of "improper influence", as distinguished from "conflict of interest", could be more realistically and efficiently dealt with by the several State agencies, in accordance with the codes of ethics promulgated pursuant to the recommended Statute, than by any attempt to formulate a general statutory prohibition which would cover all aspects of such a protean problem. It should be noted in this connection that the guidelines set forth in the recommended statute for the formulation of such codes of

ethics amply provide for such matters. (The same is true of the text of the Code recommended for adoption by both Houses of the Legislature.) And perhaps it should be further noted that, under the terms of the recommended statute, the discipline to be meted out for violation of such a code is equally as strict as if the violation were of a provision of the statute itself. By referring such matters to the several codes, therefore, necessary flexibility is gained without loss of strictness.

The general statutory prohibition, therefore, relates only to situations in which there would be a plain and definite conflict of interest arising out of service to an interest adverse to the interest of the State. The interest of the State in such cases may be either a direct financial interest or an interest (with or without direct financial involvement) in sustaining a ruling or determination by one of its agencies or officials. In addition to this general recommendation, the Commission further recommends an absolute prohibition against a state officer or employee serving a private party in connection with a matter before the agency in which he serves, regardless of whether there is an interest adverse to that of the State; in such cases, it is felt that the relation between private and public capacities becomes much too close to be tolerable.

Similar principles have been followed by the Commission in formulating its recommendations as to the extent to which public officials and employees should be permitted to engage in

business dealings with the State. It is recommended that all legislators and State officers and employees be barred from such dealings except in cases where there is open competitive bidding. It is further recommended that the bar be absolute, regardless of bidding procedure, in the case of any official who is acting as an agent for the State in the same transaction.

Aside from the statutory provisions outlined above and included in the annexed draft of recommended legislation, the Commission recommends that the several agencies of State government be required to formulate appropriate codes of ethics relating to the conduct of their officers and employees. Such codes of ethics would be adapted to the particular requirements of each agency; they would all follow the general guidelines prescribed in the law requiring their formulation, and would all be subject to approval and enforcement by an Executive Commission on Ethical Standards in the Executive Branch and a Joint Legislative Committee on Ethical Standards in the Legislative Branch. Violations of a duly adopted code of ethics would also be subject to the same penalties as violations of the statutory prohibitions in the recommended act.

It is also recommended that the Houses of the Legislature each adopt a code of ethics for the guidance and discipline of their members. The text of a recommended code for this purpose is annexed to this report. It is intended that such a code would parallel the codes which the recommended statute requires to be formulated by each State agency, and that its enforcement

would be placed in the jurisdiction of the Joint Legislative Committee on Ethical Standards.

In name, form and enforcement responsibilities, the Joint Legislative Committee on Ethical Standards established by the provisions of the annexed draft of recommended legislation, and the Executive Commission on Ethical Standards also established thereby are almost exact replicas of the committee and commission of the same names now established under the existing "New Jersey Conflicts of Interest Law" (P.L. 1967, c. 229). Their actual scope and functioning, however, would be very different under the recommended law, which would give them more extensive and definite administrative and enforcement responsibilities.

It is envisaged that many violations of codes of ethics adopted pursuant to the recommended statute could be handled and disposed of on the departmental level of discipline. However, the Executive Commission or Joint Committee, as the case might be, would have authority to hear and dispose of any complaint arising out of violation either of the statute or a code; and it would have power to levy a moderate (\$100.00 to \$500.00) fine, to order a State officer or employee suspended or removed from his office or employment, and, in extreme cases, to disqualify such officer or employee from holding any further public office or employment for a period of up to 5 years.

In the particular case of members of the Legislature, the authority of the Joint Committee is modified by the Constitutional provision that gives each House the exclusive power and

responsibility of disciplining its own members, and requiring a two-thirds vote of such House to expel a member. It is obvious that in such cases no committee, or any other authority except the House itself, can suspend or remove a member; the Joint Committee is given authority to report its findings and recommendations to the appropriate House, but final disposition of the case must rest with the House itself.

It may be pointed out that, in extreme cases involving actual criminality (such as bribery) there already exist provisions of law under which prosecution may be taken and more stringent penalties invoked. All the punitive and disciplinary provisions of the recommended act are intended not to punish criminal acts but to deter acts which are ethically dubious or improper. It is anticipated and hoped, however, that the function of the law (and of the codes of ethics adopted thereunder) will be primarily not one of punishment but of guidance; and that, with clear and objective standards set forth to guide them, public officials will gladly comply with reasonable standards and will find their own peace of mind, as well as public confidence, much enhanced thereby.

The Commission believes that the program outlined in this report and embodied in the annexed drafts of recommended legislation and rules adequately protects the public interest and safeguards the reputation and integrity of State government without unduly interfering with or restricting the legitimate professional or business activities of State legislators, officers

or employees.

It is recommended that the "New Jersey Conflicts of Interest Law" (P.L. 1967, c. 229) be repealed, and that legislation as embodied in the annexed draft be enacted to replace it; and it is further recommended that each House of the Legislature adopt and incorporate in its rules a Code of Ethics conforming substantially to the annexed draft of such a code.

During the course of its study, the Commission has had its attention drawn to the ethical hazards which are sometimes created by the activities of lobbyists and by the problems of political finances. There appears to be a fairly widespread belief that present laws to regulate lobbying and to control the raising and expenditure of campaign contributions are not entirely adequate, and as a result many officials are subjected to pressures and temptations that are inimical to the maintenance of high ethical standards.

The Commission has come to the conclusion that matters concerning lobbying and campaign contributions, while certainly relevant to the general topic of ethics in government, are outside the scope of the commission's inquiry as stated in ACR 44. It suggests, however, that each of those areas might well be made the subject of special study by an appropriate body.

An Act for the more effectual regulation of the conduct of State officers and employees and members of the Legislature, repealing the "New Jersey Conflicts of Interest Law" (P.L. 1967, c. 229), and supplementing Title 52 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. The Legislature finds and declares:

(a) In our democratic form of government, it is essential that the conduct of public officials and employees shall hold the respect and confidence of the people.

Public officials must, therefore, avoid conduct which is in violation of their public trust or which creates a justifiable impression among the public that such trust is being violated.

(b) To ensure propriety and preserve public confidence, persons serving in government should have the benefit of specific standards to guide their conduct and of some disciplinary mechanism to ensure the uniform maintenance of those standards amongst them. Some standards of this type may be enacted as general statutory prohibitions or requirements; others, because of complexity and variety of circumstances, are best left to the governance of codes of ethics formulated to meet the specific needs and conditions of the several agencies of government.

(c) It is also recognized that under a free government it is both necessary and desirable that all citizens, public officials included, should have certain specific interests in the decisions of

government, and that the activities and conduct of public officials should not, therefore, be unduly circumscribed.

2. As used in this act:

(a) "State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, commission or other instrumentality within such department, the Legislature of the State and any office, board, bureau or commission in the Legislative Branch, and any independent State authority, commission, instrumentality or agency.

(b) "State officer or employee" means any person, other than a member of the Legislature, holding an office or employment in a State agency, including persons who serve without salary or other payment for their services.

(c) "Member of the Legislature" means any person elected to serve in the General Assembly or the Senate.

(d) "Head of a State agency" means (1) in the case of the Executive Branch of government, the department head or, if the agency is not assigned to a department, the Governor, and (2) in the case of the Legislative Branch, the Joint Legislative Committee on Ethical Standards.

3. No member of the Legislature or State officer or employee shall knowingly by himself or by any partnership, firm or corporation in which he has an interest or by any

or corporation render or agree to render, for compensation or otherwise, any personal service to any party other than the State in any negotiations for the acquisition by the State or a State agency of an interest in real property, or in any proceedings relative to such acquisition before a condemnation commission or court.

4. No State officer or employee, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation shall knowingly render or agree to render, for compensation or otherwise, any service to any person or party other than the State in connection with any cause, proceeding, application or other matter which is before the State agency in which such State officer or employee holds office or employment. This section shall not apply to part-time officers or employees in the Transfer Inheritance Tax Bureau, but such officers and employees shall be governed by the pertinent code of ethics promulgated in accordance with the provisions of this act.

5. No member of the Legislature or State officer or employee shall knowingly receive or agree to receive, directly or indirectly, compensation for services rendered or to be rendered, either by himself or by another, to any person or party other than the State in connection with

(a) any cause, proceeding, application or other matter before any State agency in the disposition or determination whereof the State has a direct financial interest, and the disposition or determination whereof is contested by the State or a State agency, or

(b) any appeal from a ruling or determination made by a State agency or by a State officer or employee in the discharge of his official duties.

6. No person who has served as a State officer or employee shall knowingly receive or agree to receive, directly or indirectly, compensation for any services rendered or to be rendered, either by himself or by another, within 2 years after the termination of his employment or service, in any cause, proceeding, application or particular matter in which he has given an opinion or made an investigation or with which he has been directly concerned in the course of his duties. Any person violating the provisions of this section is a disorderly person.

7. No member of the Legislature or State officer or employee shall knowingly himself, or by his partners or through any corporation which he controls or in which he owns or controls more than 10% of the stock, or by any other person for his use or benefit or on his account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency, unless such contract, agreement, purchase or sale was made or let after public notice and competitive bidding.

8. No member of the Legislature or State officer or employee shall act as officer or agent for the State for the transaction of any business with himself or with a corporation, company, association or firm in the pecuniary profits of which he has an interest (except that ownership or control of 10% or less of the stock of a corporation shall not be deemed an interest within the meaning of this section).

9. (a) The Executive Commission on Ethical Standards created pursuant to P.L. 1967, c. 229 is continued and established in the Department of Law and Public Safety and shall constitute the first commission under this act.

(b) The commission shall be composed of 7 members appointed by the Governor from among State officers and employees serving in the Executive Branch. Each member shall serve at the pleasure of the Governor during the term of office of the Governor appointing him and until his successor is appointed and qualified. The Governor shall designate one member to serve as chairman and one member to serve as vice-chairman of the commission.

(c) Each member of the said commission shall serve without compensation but shall be entitled to be reimbursed for all actual and necessary expenses incurred in the performance of his duties.

(d) The Attorney General shall act as legal adviser and counsel to the said commission. He shall upon request advise the commission in the rendering of advisory opinions by the commission, in the approval and review of codes of ethics adopted by State agencies in the Executive Branch and in the recommendation of revisions in codes of ethics or legislation relating to the conduct of State officers and employees in the Executive Branch.

(e) The said commission may, within the limits of funds appropriated or otherwise made available to it for the purpose, employ such other professional, technical, clerical or other assistants, excepting legal counsel, and incur such expenses

as may be necessary for the performance of its duties.

(f) The said commission, in order to perform its duties pursuant to the provisions of this act, shall have the power to conduct investigations, hold hearings, compel the attendance of witnesses and the production before it of such books and papers as it may deem necessary, proper and relevant to the matter under investigation. The members of the said commission and the persons appointed by the commission for such purpose are hereby empowered to administer oaths and examine witnesses under oath.

(g) The said commission is authorized to render advisory opinions as to whether a given set of facts and circumstances would, in its opinion, constitute a violation of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act.

(h) The said commission shall have jurisdiction to initiate, receive, hear and review complaints regarding violations, by any State officer or employee in the Executive Branch, of the provisions of this act or of any code of ethics promulgated pursuant to the provisions of this act. Any complaint regarding a violation of a code of ethics may be referred by the commission for disposition in accordance with subsection 9(d) of this act.

(i) Any State officer or employee found guilty by the commission of violating any provision of this act or of a code of ethics promulgated pursuant to the provisions of this act shall be fined not less than \$100.00 nor more than \$500.00, which penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement Law (NJS 2A:58-1), and may be suspended from his office or employment by order of the commission for a period of not in excess of 1 year. If the

commission finds that the conduct of such officer or employee constitutes a willful and continuous disregard of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act, it may order such person removed from his office or employment and may further bar such person from holding any public office or employment in this State in any capacity whatsoever for a period of not exceeding 5 years from the date on which he was found guilty by the commission.

10. (a) The Joint Legislative Committee on Ethical Standards created pursuant to the provisions of P.L. 1967, c. 229 is continued and established in the Legislative Branch of State Government and shall constitute the first joint committee under this act.

(b) The joint committee shall be composed of 4 members of the Senate, appointed by the President thereof, no more than 2 of whom shall be of the same political party, and 4 members of the General Assembly, appointed by the Speaker thereof, no more than 2 of whom shall be of the same political party. The members of the said joint committee shall be appointed annually, as soon as may be after the commencement of the legislative year, to serve during the legislative year.

(c) The said joint committee shall organize annually, as soon as may be after the appointment of its members, by the selection of a chairman and vice-chairman from among its membership and the appointment of a secretary who need not be a member of the joint committee.

(d) The Chief Counsel of the Law Revision and Legislative Services Commission shall act as legal adviser to the said joint committee. He shall, upon request, assist and advise the joint committee in the rendering of advisory opinions by the joint committee, in the approval and review of codes of ethics adopted by State agencies in the Legislative Branch,

and in the recommendation of revisions in codes of ethics or legislation relating to the conduct of members of the Legislature or State officers and employees in the Legislative Branch.

(e) The said joint committee may, within the limits of funds appropriated or otherwise available to it for the purpose, employ such other professional, technical, clerical or other assistants, excepting legal counsel, and incur such expenses as may be necessary to the performance of its duties.

(f) The said joint committee shall have all the powers granted pursuant to chapter 13 of Title 52 of the Revised Statutes.

(g) The said joint committee is authorized to render advisory opinions as to whether a given set of facts and circumstances would, in its opinion, constitute a violation of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act.

(h) The said joint committee shall have jurisdiction to initiate, receive, hear and review complaints regarding violations of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act. It shall further have such jurisdiction as to enforcement of the rules of either House of the Legislature governing the conduct of the members thereof as the rules of such House may confer upon the joint committee. A complaint regarding violation of a code of ethics promulgated pursuant to the provisions of this act may be referred by the Joint Committee for disposition in accordance with subsection 9(d) of this act.

(i) Any State officer or employee found guilty by the joint committee of violating any provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act shall be fined not less than \$100.00 nor more

than \$500.00, which penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement Law (NJS 2A:58-1), and may be suspended from his office or employment by order of the joint committee for a period not in excess of 1 year. If the joint committee finds that the conduct of such officer or employee constitutes a willful and continuous disregard of the provisions of this act or of a code of ethics promulgated pursuant to the provisions of this act, it may order such person removed from his office or employment and may further bar such person from holding any public office or employment in this State in any capacity whatsoever for a period of not exceeding 5 years from the date on which he was found guilty by the joint committee.

(j) Any member of the Legislature who shall be found guilty by the joint committee of violating the provisions of this act shall be fined not less than \$100.00 no more than \$500.00, which penalty may be collected in a summary proceeding pursuant to the Penalty Enforcement Law (NJS 2A:58-1), and shall be subject to such further action as may be determined by the House of which he is a member. In such cases the joint committee shall report its findings to the appropriate House and shall recommend to the House such further action as the joint committee deems appropriate, but it shall be the sole responsibility of the House to determine what further action, if any, shall be taken against such member.

11. (a) The head of each State agency, or the principal officer in charge of a division, board, bureau, commission or other instrumentality within a department of State government designated by the head of such department for the purposes hereinafter set forth, shall within 6 months from the effective date of this enactment, promulgate a code of ethics to govern and guide the conduct of the State officers and employees in the agency to which said code is applicable. Such code shall conform to the general standards hereinafter set forth in this section, but it shall be formulated with respect to the particular needs and problems of the agency to which said code is to apply.

(b) A code of ethics formulated pursuant to this section to govern and guide the conduct of the State officers and employees in any State agency in the Executive Branch, or any portion of such a code, shall not be effective unless it has first been approved by the Executive Commission on Ethical Standards. When a proposed code is submitted to the said commission it shall be accompanied by an opinion of the Attorney General as to its compliance with the provisions of this act and any other applicable provisions of law. Nothing contained herein shall prevent officers of State agencies in the Executive Branch from consulting with the Attorney General or with the Executive Commission on Ethical Standards at any time in connection with the preparation or revision of such codes of ethics.

(c) A code of ethics formulated pursuant to this section to govern and guide the conduct of State officers and employees in any State agency in the Legislative Branch, or any portion of such code, shall not be effective unless it has first been approved by the Joint Legislative Committee on Ethical Standards. When a proposed code is submitted to the said joint committee for approval it shall be accompanied by an opinion of the Chief Counsel as to its compliance with the provisions of this act and any other applicable provisions of law. Nothing contained herein shall prevent officers of State agencies in the Legislative Branch from consulting with the Chief Legislative Counsel or the Joint Legislative Committee on Ethical Standards at any time in connection with the preparation or revision of such codes of ethics.

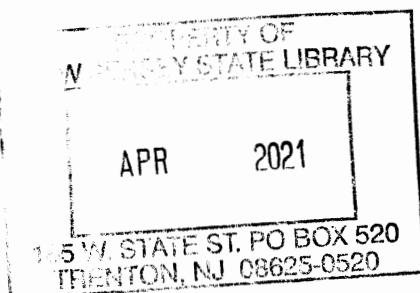
(d) Violations of a code of ethics promulgated pursuant to this section shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. When a person who is in the classified civil service is charged with a violation of such a code of ethics, the procedure leading to such removal or discipline shall be governed by any applicable provisions of the Civil Service Law and the Rules of the Department of Civil Service. No action for removal or discipline shall be taken under this sub-section except upon the referral or with the approval of the Executive Commission on Ethical Standards or the

Joint Legislative Committee on Ethical Standards, whichever is authorized to exercise jurisdiction with respect to the complaint upon which such action for removal or discipline is to be taken.

(e) A code of ethics for officers and employees of a State agency shall conform to the following general standards:

- (1) No State officer or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest.
- (2) No State officer or employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State government without promptly filing notice of such activity with the Executive Commission on Ethical Standards, if he is an officer or employee in the Executive Branch, or with the Joint Legislative Committee on Ethical Standards, if he is an officer or employee in the Legislative Branch.

- (3) No State officer or employee should use or attempt to use his official position to secure unwarranted privileges or advantages for himself or others.
- (4) No State officer or employee should act in his official capacity in any matter wherein he has a direct or indirect personal financial interest that might reasonably be expected to impair his objectivity or independence of judgment.
- (5) No State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his objectivity and independence of judgment in the exercise of his official duties.
- (6) No State officer or employee should accept any gift, favor, service or other thing of value under circumstances from which it might be reasonably inferred that such gift, favor, service or other thing of value was given or offered for the purpose of influencing him in the discharge of his official duties.



- (7) No State officer or employee should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his acts that he may be engaged in conduct violative of his trust as a State officer or employee.
- (8) Rules of conduct adopted pursuant to these principles should recognize that under our democratic form of government public officials and employees should be drawn from all of our society, that citizens who serve in government can not and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from those conflicts of interest which are substantial and material, or which bring government into disrepute.

12. Chapter 229 of the Laws of 1967 is repealed.

13. This act shall take effect immediately.

## PROPOSED RULES

### ON CONDUCT OF MEMBERS

Recommended for Adoption by

the

SENATE AND GENERAL ASSEMBLY

of the State of New Jersey

1. Each member of this House shall at all times conduct himself in a manner consistent with the trust and confidence reposed in him by the people of the State of New Jersey, and shall at no time use or attempt to use the powers or influence of his office for purposes of personal advantage or private gain to the detriment of the public interest; nor shall he at any time knowingly act in such a way as might reasonably be expected to create an impression or suspicion among the public having knowledge of his acts that he may be engaged in conduct violative of his trust.

2. Each member of this House shall refrain from holding any financial interests, or engaging in any business or professional activity, which would be in substantial conflict with the faithful performance of his duties.

3. Each member of this House who engages in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government shall promptly file notice of such activity with the Joint Legislative Committee on Ethical Standards.

4. No member of this House shall undertake for compensation to act as agency or attorney for any person, firm or corporation in relation to the enactment or defeat of any legislation or proposed legislation.

5. a. No member shall vote on any legislation in which he has a direct financial interest.

b. If a member shall introduce a bill in which he has a direct financial interest, he shall disclose the existence of such interest by filing a notice with the Joint Legislative Committee on Ethical Standards.

6. Each member shall refrain from accepting or receiving for his personal use or enjoyment any gift, favor, service or other thing of value under circumstances from which it might reasonably be inferred that such gift, favor, service or other thing of value was given or offered for the purpose of influencing him in the discharge of his duties.

7. No member shall use or disclose confidential information gained by reason of his official position in order to advance the personal interests of himself or another, nor when such use or disclosure would be detrimental to the interests of the State.

8. The Joint Legislative Committee on Ethical Standards shall have jurisdiction to initiate, receive, hear and review complaints against any member relating to violations of the above rules. If it finds any member guilty of violating any of the above rules it shall so report to this House, together with its recommendations as to what action, if any, the House should take against such member.