



GUIDELINES

The Newsletter of the New Jersey Executive Commission on Ethical Standards

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THE EXECUTIVE COMMISSION ON ETHICAL STANDARDS

Chair Brendan T. Byrne, Vice-Chair Sharon Anne Harrington, Commissioner Virginia Bauer, Commissioner Bradley M. Campbell, Commissioner Thomas Carver, Commissioner James F. Keefe, Esq., Commissioner Jack Lettiere, Commissioner Seema M. Singh, Commissioner Rolando Torres, Jr.; Executive Director Rita L. Strmensky

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HOLIDAY PARTIES

The staff receives numerous inquiries during the holiday season about the appropriateness of State employees attending parties hosted by individuals or entities that their agencies deal with in an official capacity. The Commission's Attendance Rules, N.J.A.C. 19:61-6 et seq., are applicable to the majority of these invitations because most are extended to the State official because of his/her official position. In considering whether approval to attend an event should be granted, the Department head or designee, usually the Ethics Liaison Officer, must determine whether the party's host is an "interested party" and whether a legitimate State purpose will be served by attending. An interested party is defined in N.J.A.C. 19:61-6.2 as:

1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State official's agency;
2. Any supplier, or employee, representative or agency thereof;
3. Any organization that advocates or represents the positions of its members to the State official's agency; or

4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

A "person," as used in the definition, is a natural person, association, organization, firm, partnership or corporation. A "supplier" is a private sector person that is providing or seeking to provide or may reasonably be expected to supply goods and/or services to the State official's agency, including but not limited to, consultants, vendors and lessors.

In the case of purely social events sponsored by an interested party, the rule indicates that State officials cannot attend as guests of the sponsor.

GUIDELINES GOVERNING RECEIPT OF GIFTS AND FAVORS BY STATE OFFICERS AND EMPLOYEES

1. Each department shall require full disclosure by employees to the office of the department head through the Ethics Liaison Officer upon receipt of a gift or any other thing of value, from a person, corporation, or association with whom they have had contact in their official capacity.
2. Each department should designate an Ethics Liaison Officer to monitor compliance with specific procedures under which officers and employees shall proceed upon receipt of a gift or any other thing of value, from a person, corporation, or association with whom they have had contact in their official capacity.
3. All officers and employees should be instructed that any gift or other thing of value received from a person or corporation with whom they have had contact in their official capacity must be reported and remitted

immediately to the Ethics Liaison Officer. Similarly, any favor, service, employment or offer of employment from such person or corporation must be reported immediately.

4. Unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public may be retained by the recipient or the recipient's department for general use if such use does not create an impression of a conflict of interest or a violation of the public trust. An impression of a conflict may be created, for example, if an employee of a regulatory agency uses a pocket calendar conspicuously marked with the name of a company that it regulates or if an office in a State agency displays a wall calendar from a vendor, creating the impression of an endorsement. If circumstances exist which create a reasonable doubt as to the intention with which the gift or benefit was offered, the other paragraphs of these Guidelines govern.

5. The Ethics Liaison Officer shall determine whether the gift, favor, employment, offer of employment, or anything of value was given or offered with the intent to influence or reward the performance of the recipient's public duties and responsibilities, or whether it may be reasonably inferred to have been given or offered with the intent to influence the performance of his or her public duties and responsibilities, or whether the use of the item will create an impression of a conflict of interest or a violation of the public trust.

6. Upon a determination that there was an intent or it could be reasonably inferred that there was an intent to influence the performance of the recipient's public duties and responsibilities, or that the use of the item will create the impression of a conflict or a violation of the public trust, the Ethics Liaison Officer shall return the gift or thing of value to the donor.

7. The Ethics Liaison Officer will have the responsibility of keeping the records of all such occurrences; names of the employees, individuals, and companies involved, and the final disposition of the gift or thing of value.

8. The Commission's rule at *N.J.A.C.* 19:61-6.1 et seq. governs acceptance of benefits in connection with attendance at events.

9. The assistance of the Director of the Executive Commission will be available to all Ethics Liaison Officers to aid them in the evaluation of individual cases.

Return of Gifts

If the Ethics Liaison Officer determines that a gift cannot be accepted, the Commission staff recommends that, in the case of non-perishable items, the gift be returned to the donor along with a brief note thanking the individual and advising that State ethics rules prohibit the acceptance of gifts.

Items of a perishable nature should be donated to a charitable organization. Listed below are the names of organizations that have been provided to the staff by various Ethics Liaison Officers.

If you have an organization that you would like to place on this list, please contact Donna Schmitz at (609) 292-1892 or FAX at (609) 633-9252.

Anchor House

82 Center Street
Trenton, NJ 08611
Contact: Judith Hutton
(609) 396-6100

Martin House

802 East State Street
Trenton, NJ 08606
Contact: Father McCormick
(609) 989-1040

Triad House

2205 Pennington Road
Ewing, NJ 08638
(609) 771-1600

Good Samaritan Center

325 Market Street
Camden, NJ 08101

Neighborhood Center

278 Kaighn Avenue
Camden, NJ 08103

Millhouse Convalescent Center

325 Jersey Street
Trenton, NJ 08611
Contact: Kelly Steele
(609) 396-5378

Lighthouse Community Services

487 Washington Avenue
Newark, NJ 07102
(973) 802-1802

Trenton Rescue Mission

98 Carroll Street
P.O. Box 617
Trenton, NJ 08604
(609) 695-1436

Leavenhouse

532 State Street
Camden, NJ 08102
(856) 966-4596

Your Food Shelf

1500 Federal Street
Camden, NJ 08105
(856) 365-6475

Cathedral Kitchen

642 Market Street
Camden, NJ 08102
(856) 964-6771

Make a Wish Foundation of NJ

1034 Salem Road
Union, NJ 07083
(908) 964-5055

Tandem Healthcare

Princeton Pike and Franklin Corner Rd.
Lawrenceville, NJ 08648
(609) 896-1494

El Centro

1035 Mechanic Street
Camden, NJ 08103

Trenton Soup Kitchen

72 ½ Escher Street
Trenton, NJ 08605
Contact: Cathy Ann Vandergrift
(609) 695-5456

Mercer Street Friends

151 Mercer Street
Trenton, NJ 08611
(609) 396-1506

Atlantic City Rescue Mission

2009 Bacharach Boulevard
Atlantic City, NJ 08401
(609) 345-5517

Shelter Our Sisters

P.O. Box 217
Hackensack, NJ 07602
(201) 836-1075

Hendricks House, Inc.

542 North West Boulevard
Vineland, NJ 08360
(609) 692-6012

Newark Emergency Services for Families

982 Brad Street
Newark, NJ 07102
(973) 643-5727

Salvation Army Feeding Program

13 Trinity Place
Montclair, NJ 07042
(973) 744-3312

Square Meal

46 Fairview Avenue
Jersey City, NJ 07306
(201) 332-0864

Eva's Kitchen

96 Hamilton Avenue
Paterson, NJ 07505
(201) 526-6220

The Children's Home of Burlington County

243 Pine Street
Mount Holly, NJ 08060
1-877-TLC-KIDS

Food Bank of South Jersey

1501 John Tipton Boulevard
Pennsauken, NJ 08110
(856) 662-4884

Womanspace, Inc.

Administrative Office
1212 Stuyvesant Avenue
Trenton, New Jersey 08618
Phone: 609-394-0136

PROPOSED LEGISLATION

Substituted S2335 and A3977 were favorably reported from the appropriate legislative committees in early December. The substitutes are based in part on the "Report of the Special Ethics Counsel to the Governor of the State Of New Jersey: Ethics Reform Recommendations for the Executive Branch of New Jersey Government," issued March 14, 2005. Among the major provisions of the identical bills are:

- Renames the Executive Commission on Ethical Standards to the State Ethics Commission;
- Changes, as of January 17, 2006, the membership of the Commission to seven members, three from among State officers and employees and four from the public;
- Permits the Commission to impose a civil penalty of between \$500 to \$10,000 for violations of post-employment restrictions by certain former State officers and employees and special State officers and employees of State agencies in the Executive Branch;
- Requires an investigation of a violation committed during State service to be commenced within two years of the termination of service by an officer or employee;
- Provides the Commission with authority to dismiss frivolous complaints;
- Permits the Commission to order restitution, demotion, censure or reprimand for an ethics violation and imposes a civil penalty of \$50 per day for a failure to file a financial disclosure statement or form;
- Provides that the travel reimbursement or payment limitation for travel outside of New Jersey does not apply if the reimbursement or payment is made by the federal government or an agency of another state;
- Moves the recently enacted "anti-nepotism" law to the Conflicts of Interest Law and adds a prohibition on a State officer or employee or a special State officer or employee of a State agency in the Executive Branch supervising, or exercising authority with regard to

personnel actions over, a relative of the officer or employee;

- Makes the provisions of the Conflicts of Interest Law applicable to staff of a Governor-elect compensated with public funds and requires them to undergo ethics training and, if directed by the Governor-elect, to file financial disclosure statements and ethics compliance certifications;
- Prohibits the receipt of any gifts from governmental affairs agents by officers or employees in the Executive Branch.

SPECIAL ETHICS COUNSEL REPORT - UPDATE

The Report of the Special Ethics Counsel to the Governor of the State of New Jersey in March 2005 contained recommendations to Acting Governor Codey. The following is a summary of the principal recommendations and current status, exclusive of the pending legislative changes described above.

- Require the ECES to conduct mandatory ethics training and regular and systematic ethics audits.

Status: Funding was provided to the ECES in FY06 to hire an Ethics Training Officer and an Ethics Compliance Officer and support personnel. Those positions have been filled.

Executive Order No. 41 (Codey, 2005) and its accompanying press release require ethics training for members and employees of independent authorities, boards and commissions by January 1, 2006. The ECES staff expects to complete this mandate on time. A statewide ethics training program is being developed and has been partially implemented.

A compliance program is being developed and has been partially implemented.

- Implement a Plain Language Guide to ethics standards.
Status: In accordance with Executive Order No. 36 (Codey, 2005), this recommendation has been implemented.
- Implement a Business Ethics Guide.
Status: In accordance with Executive Order No. 36 (Codey, 2005), this recommendation was implemented by the Department of the Treasury, which posted the Business Ethics Guide generated by the Special Counsel on the Department's website.
- Change the existing post-employment restriction to include an explicit lifetime ban on the use of confidential information; a 2-year post-employment restriction prohibiting a former State official from representing any entity on any matter that he/she was substantially and directly involved in while in State service; and a 1-year ban on "side-switching," to apply to specific high-level management employees.
Changes to the current penalties for violation were also recommended.

Status: To date, there have been no bills proposed that track the recommendations.

- Ensure transparency and promote integrity in the contracting process.

Status: This recommendation does not affect the ECES and has not been tracked by the staff.

- Miscellaneous recommendations.

Executive Order No. 36 (Codey, 2005) addressed the following recommendations. The ECES should establish a toll-free hotline.

Status: A toll-free telephone number (1-888-223-1355) has been established.

The ECES should create a searchable database of financial disclosures filed in accordance with Executive Order No. 10 (McGreevey, 2002) beginning with the 2005 statements.

Status: That database went on-line on the ECES website in October 2005.

ETHICS LIAISON OFFICERS' MEETINGS - 2006

Ethics Liaison Officers' meetings will be held at the Mary Roebling Building located at 20 West State Street, 2nd Floor, Rooms 219/220. The meetings will start at 10:00 a.m.

Wednesday, February 22, 2006

Tuesday, May 23, 2006

Monday, July 24, 2006

Monday, November 20, 2006

COMPLIANCE UPDATE

Since the end of June 2005, our Ethics Compliance Officer has been working to establish a State-wide compliance program and has been visiting State agencies and State colleges and universities to begin assessing compliance needs. In accordance with the recommendation of the Special Ethics Counsel, the program will track compliance on such matters as outside employment, business activities, gifts, financial disclosures, contacts by legislators, lobbyists or governmental affairs agents, procurements and contracts and attendance at outside events. We encourage agency ethics liaison officers to contact Carol Johnston, the Commission's Ethics Compliance Officer, at 609-826-5542, to discuss agency compliance issues.

In November 2005, Governor Codey issued Executive Orders 65 and 68, which prohibit presidents and members of governing boards of State colleges, State universities and county colleges from doing business with their institutions and establish a January 1, 2006 deadline. Our Compliance Officer is currently reviewing disclosures concerning such business relationships. Exemptions may be granted, under limited conditions, by the Commission's Executive Director.

TRAINING UPDATE

Authority Members and Employees

The Commission has completed training authority employees pursuant to Executive Order 41. The Commission conducted 73 on-site training sessions for employees of 32 authorities. Employees of an additional 16 authorities completed ethics training using the Commission's on-line training modules. The Commission also provided training on executive branch ethics for authority board members during two Trenton-based sessions in November. We would like to thank the authority ethics liaison officers for their assistance with Executive Order 41 training. Their help with scheduling, tracking and technical support was essential in ensuring compliance with the January 1, 2006 deadline for completion of this training.

State Agency Employees

Ethics training for employees and special state officers of state agencies will commence in 2006. We encourage agency ethics liaison officers to contact Margaret Cotoia, the Commission's Ethics Training Officer, at 609-826-5538, to discuss agency training requirements.

Regarding "Guidelines"

Please direct any comments or questions about "Guidelines" to

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The Commission's newsletters are also available online at :

<http://www.state.nj.us/lps/ethics/newsletters.htm>