

**TOWN OF RIVERHEAD COMMUNITY DEVELOPMENT AGENCY:
CODE OF ETHICS FOR MEMBERS AND OFFICERS**

I. INTRODUCTION AND PURPOSE

The Board of Members (“**Board**”) of Town of Riverhead Community Development Agency (the “**CDA**”) has adopted this code of ethics and practices (“**Code**”) with respect to its Members and officers (individually, a “**Member**”, or collectively, the “**Members**”). The CDA believes a commonly held set of principles can assist in the individual exercise of professional judgment. This Code speaks to the core values of public accountability and transparency. The purpose of having a code of ethics and practices is to protect the credibility of the CDA by ensuring high standards of honesty, integrity, and conduct of staff.

To that end, this Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between personal and professional relationships, and (b) full, fair and understandable disclosure in the periodic reports required to be filed under this Code. This Code (a) provides examples of situations involving conflicts of interest; (b) establishes disclosure procedures; and (c) outlines corrective action for violations. It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Member will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the CDA.

II. GUIDELINES

A. Prohibition. A Member may not make personal investments in enterprises that he or she has reason to believe may be directly involved in decisions to be made by him or her, in his or her capacity as a Member of the CDA, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Member is prohibited from accepting employment that impairs his or her independence of judgment in the exercise of his or her official duties.

B. Personal Interest. A Member shall be deemed to be "interested" in cases in which the Member’s personal interest conflicts with the interest of the CDA. The following are situations in which a Member would be deemed to be “interested”, which list is not intended to be exhaustive:

- Where a Member or a member of his or her immediate family¹ is a member, Member, owner² or officer of an entity from which the CDA purchases services or supplies.

¹ Immediate family means a spouse, domestic partner, unemancipated child, and if they live with the Member, parent or sibling.

² Owner means a person having an interest in an entity that exceeds 5% of the entity or an investment of \$35,000 in cash or other form of commitment, whichever is less, or 5% or \$35,000 of the entity's indebtedness, whichever is less, and any lesser interest in a entity when the person exercises managerial control or responsibility regarding any such entity, but shall not include interests held in any pension plan, deferred compensation plan or mutual fund, the

- Where a Member or a member of his or her immediate family is a member, Member, owner or officer of an organization with which the CDA contracts.
- Where a Member or a member of his or her immediate family is a member, Member, owner or officer of an entity with which the CDA negotiates or effects a transaction or an entity that substantially benefits from a transaction that the CDA negotiates or effects.

A Member shall not be deemed to be "interested" by virtue of his or her status as an official or employee of the Town of Riverhead.

When a Member is "interested" in a matter: (a) the Member must disclose the nature and extent of his or her interest to the Board or committee of the Board, whichever will be considering the matter; and (b) the Member, acting as a Member, must take no part in the consideration, determination or approval of the matter on the part of the CDA.³

C. Confidential and Inside Information. Confidential information acquired by a Member in the course of his or her duties as a Member must be held in confidence and may not be used as a basis for personal gain by the Member, his or her immediate family or others. Information relating to transactions pending with the CDA is not to be given to any person unless it has been published or otherwise made generally available to the public by the CDA.

A Member must refrain from transmitting any information about the CDA or its deliberations or decisions or any other information the Member obtained from the CDA that might be prejudicial to the interests of the CDA to any person other than in connection with the discharge of the Member's responsibilities, except to the extent the information is publicly available.

A Member must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

D. Gratuities/Conduct. A Member must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her immediate family to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Member in the performance of his or her corporate duties. In addition, a Member should never use his or her official position to secure unwarranted privileges or exemptions; nor should a Member, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Member should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust.

III. DISCLOSURE PROCEDURE

A. If at any time a Member is in doubt as to the proper application of this Code, the Member

investments of which are not controlled by the person, or in any blind trust that holds or acquires an ownership interest.

³ All persons acting as Members of the CDA may take part in the consideration, and determination or approval, of any matter.

should immediately make all the facts known to the Ethics Board of the Town of Riverhead and be guided by the instructions he or she receives. Except as otherwise directed by those instructions, the Member should refrain from exercising responsibility with regard to the CDA in any matter that might reasonably be thought to be affected by his or her interest.

B. Each Member must complete a disclosure statement in the same manner as set forth in Riverhead Town Code section 113-10 entitled Annual financial disclosure and conflict statement promptly after appointment and annually thereafter at the time required for the filing by the Member of an annual financial disclosure statement pursuant to N.Y. Pub. Auth. Law § 2825(3).

C. Each Member shall make the annual filings required of Members under N.Y. Pub. Auth. Law § 2825(3).

IV. VIOLATIONS

If a Member violates any of the provisions of this Code, such Member shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, the Member may be subject, at the Board's discretion, to removal for cause. The Town of Riverhead Board of Ethics shall be charged with the duty of hearing and deciding any complaints or questions filed pursuant to this policy.

V. OFFICERS WHO ARE EMPLOYEES OF THE CDA

Notwithstanding anything contained herein, if an officer is also an employee of the Town of Riverhead, that officer shall be subject to the restrictions set forth in the Ethics Policy of the Town of Riverhead.

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